

**Chatham Islands Council
2008/09 Annual Plan**

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This is the 2008/09 Annual Plan, which includes:

- a description of the levels of service and funding for 2008/09
- an explanation of variations since the 2006-2016 Chatham Islands Long Term Council Community Plan (LTCCP)
- fees and charges under the Local Government Act 2002 and the Resource Management Act 1991

How does this document relate to the 2006-16 Chatham Islands LTCCP?

In the second and third year of the LTCCP, the Council is required to prepare an annual plan setting out the levels of service and levels of funding relating to the annual plan year and explaining any variations to the LTCCP. In the first year of the LTCCP, the LTCCP is itself the annual plan. This document is the Annual Plan for 2008/09, year three of the 2006-16 LTCCP.

The 2006-16 LTCCP has been amended (Refer Appendix 3 of this document).

For a copy of the 2006-16 LTCCP contact the Council on 03 305 0033 or see the Council web site www.cic.govt.nz.

Mayor's and General Manager's Introduction

It is our pleasure to present the Annual Plan for the 2008/09 year.

In the draft Annual Plan we referred to the assumptions that the Council had made when preparing the document. We said;

“The year ahead promises to be a big one for the Council if the funding streams contained in the Plan are realised. Many assumptions have been made, including:

That the financial assistance provided by the Government continues at an increased level.

That the proposed 44% increase in the roading budget will be supported by Land Transport New Zealand.

That the funding application lodged with Land Transport New Zealand to help pay for a new wharf at Owenga will be approved.

All of these assumptions have made the preparation of this Plan very difficult.”

We are therefore pleased to receive a letter from Hon Nanaia Mahuta Minister of Local Government advising that the Government is to continue to provide funding assistance for the Council. The Council is to receive:

2008/09	\$1.828m
2009/10	\$1.613m
2010/11	\$1.878m
2011/12 & outyears	\$1.914m

The Plan provides for a 6.82% increase in rates. It is the first time Council has proposed an increase greater than the rate of inflation in over six years, however without it we believe progress will slow or even stop.

Other significant activities are the beginning of the implementation of the Solid Waste Management Strategy and the adoption of a new Pest Management Strategy.

The Solid Waste Management Strategy has been fully funded by the Government over a five year period. When fully implemented, a sanitary landfill facility will be fed by waste collected from transfer stations which will be located at Kaingaroa, Owenga and Waitangi.

The Strategy will offer the opportunity to look for innovative ways of disposing of the Islands' wastes and, where possible, arrange some recycling projects. One thing that is certain is that the current practises of filling holes with no control will have to stop.

The adoption of a new Pest Management Strategy will also result in increased activity as the Council strives to improve the Islands' environment.

As always, there are many people involved with making these things happen, and we acknowledge their efforts and support.

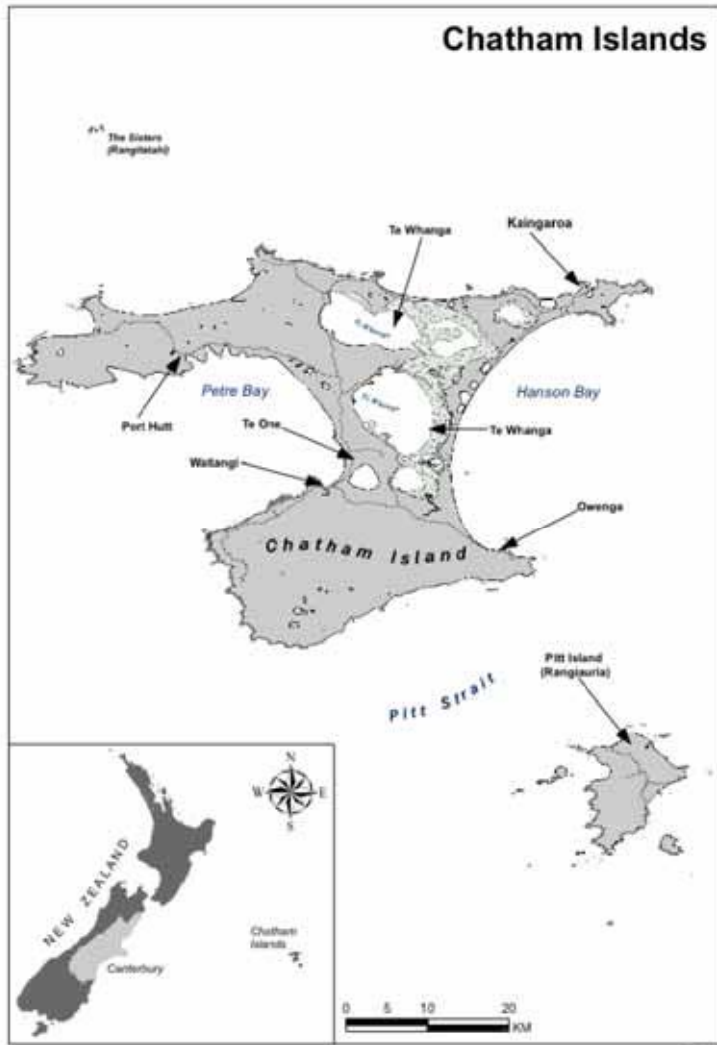


Patrick Smith QSO,JP
Mayor
29th May 2008.



Owen Pickles JP
General Manager

Profile of the Chatham Islands



The Chatham Islands and its people are a unique community, isolated by 800 kilometres 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 and Pitt 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 land mark 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's size. 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 dependant on fishing and farming. There is also a growing focus on tourism.

The Chatham Islands Council is the smallest local authority in New Zealand. It has both district and regional council responsibilities. Council income is derived from Rates, Council Dues and Government Assistance.

Population	612 usually resident population 378 people identify as being of Maori or Moriori descent 345 males 267 females <i>Statistics NZ Demographic Trends 2007</i>
Area	963 sq km
Sealed Road	10.929 km
Rateable properties	536
Non rateable properties	102
Gross Capital Valuations	\$107,769,950

The Community Outcomes

Social well-being

'A Safe & Healthy Community'

Those factors that enable individuals, their families, hapu and communities to set goals and achieve them – such as education, health, the strength of community networks, financial and personal security, rights and freedoms and levels of equity.

- ◆ Access to affordable, quality housing
- ◆ Access to and serviced by a health provider that is accommodating to the needs of the community
- ◆ Access to education opportunities for all ages
- ◆ Access to quality infrastructure services
- ◆ A safe and secure community
- ◆ Access to recreation and sports facilities
- ◆ A community able to live within its means whilst enjoying a standard of living
- ◆ A community that has employment opportunities



Ladies of Pitt



Unloading Crays - Thomas Solomon and Adrian Mc Cormick

Economic well-being

'An Enterprising & Innovative Community'

Those factors relating to the capacity of the economy to generate the employment and wealth necessary to provide many of the prerequisites for social well-being, such as health services.

- ◆ A community that promotes economic development for its fishing, farming and tourism industries
- ◆ Up-to-date telecommunication and information technology that supports economic growth
- ◆ An educated, skilled workforce
- ◆ Access to reliable and affordable transportation services
- ◆ A community that promotes partnership with leading organisations



A thriving environment.

Environmental well-being

'An Environmentally Conscious Community'

Those factors that relate ultimately to the capacity of the natural environment to support, in a sustainable way, the activities that constitute community life.

- ◆ A community that protects, sustains and enriches the environment for future generations
- ◆ A community that acknowledges and values our Chatham Island cultural heritage and its uniqueness.

Cultural well-being

'A Culturally Enriched Community'

Those factors that encompass the shared beliefs, values, customs, behaviours and identities reflected through language, stories, experiences, visual and performing arts, ceremonies and heritage.

- ◆ A community that values the Chatham Island 'way of life' and traditions
- ◆ A community that acknowledges and values the importance of 'tangata whenua' as an integral part of our community
- ◆ A community that values and supports the arts as a means of sustaining our heritage
- ◆ A community that values its 'taonga' treasures

Tree tales – Jacqui Hall and Amber



This Annual Plan sets out the levels of service, forecast financial statements and levels of funding for 2008/09 for the following groups of activities.

1. Democracy
2. Infrastructure Services
3. Community and Regulatory
4. Environmental Services
5. Emergency Management
6. Coasts, Harbours and Navigation

What has changed since the 2006-16 Chatham Islands Community Plan?

Since adopting the 2006-16 LTCCP there have been some significant changes that have required amendments or variations to the LTCCP 2006-16 associated with the renegotiation of Government funding. These changes are explained for each activity under the heading "What's changed since the 2006-16 LTCCP?" and in Appendix 3.

The following changes to actual services are being introduced, and no existing service is stopping.

Rebuild Owenga Wharf \$1.46m (subject to approval of funding application to LTNZ).

Increased capital spending on roads (\$0.995m year one) - funded by increased LTNZ grant and increased central government assistance.

Implement Pest Management Strategy (\$0.265m year one) funded by the Government. These changes proposed for 2008/09 are regarded as significant and warrant an amendment or variation to the 2006-16 LTCCP.

Key assumptions for 2008/09

1. Government Funding

In 2004 The Minister of Local Government approved a financial support package for the Chatham Islands Council. The funding was approved for an initial four year period with a review in 2008/09.

Following re-negotiations, the Government has signaled its intent to continue to significantly fund the Chatham Islands Council at an increased level of service for a further four year period. This is subject to final budget decisions and budget legislation being approved. This Annual Plan is written on the assumption that the financial support from the Government will continue. The consequences of the Government funding not being available are:

1. Reverting to a non compliant, under funded organisation destined for bankruptcy,
2. Disestablishment of the Council and a merger with a mainland New Zealand Council. (This may result in that Council finding the required

funding from within its own incomes),

3. The Minister of Local Government takes over the role of the Chatham Islands Council.

The risk of this assumption not being met is low. Note – Government funding has now been approved.

2. Capacity

The population of the Chatham Islands declined by 15% in the 2006 census, falling from 717 to 612, having been relatively static for the previous ten years and no increase is anticipated in the near future.

Tourism may result in increased demand for certain services however these increases are expected to be accommodated within the existing framework.

Most capital expenditure is for renewal of assets except for the following.

- In the waste activity where new landfill and transfer stations will improve levels of service.
- In the roading area, increased levels of funding will enable increased capital works.
- Owenga Wharf will be rebuilt.

3. Price Adjustments

Price level adjustments for inflation have been allowed for in the ten year LTCCP. Price level adjustments for the outer years have been derived from those recommended to Local Government from Business and Economic Research Limited (BERL). An average price level adjustment of 3% for operating activities and 3% for capital expenditure has been applied except for certain infrastructural services where a price level adjustment of 7% has been applied.

Rationale for Selection of Sources of Funding by Group of Activity

The reasons why activities are funded in certain ways are set out in the 2006-16 LTCCP, page 81. For ease of reading, they are not duplicated here.

What are the key activities?

Democracy

What we want to achieve

The promotion of social, economic, environmental and cultural well being of the people and the Islands through achieving the community outcomes.

Rationale

Carrying out this activity enables Chatham Islands' residents and ratepayers' interests to be represented in a fair and equitable manner and provides opportunities for the community to participate in the decision-making processes.

The Chatham Islands Council has district and most regional council functions conferred on it by the Local Government Act 2002. The Chatham Islands Council Act 1995 provides for the differences that exist between the Chatham Islands Council and other mainland New Zealand Councils.

These Acts describe the purpose of local government as being to enable democratic local decision-making and action by and on behalf of the community and to promote the social, economic, environmental and cultural well-being of the community, in the present and for the future.

In considering the range and diversity of the community that is the Chatham Islands, the Chatham Islands Council recognises the special relationship it has with local Iwi and acknowledges the specific responsibilities it has to Maori and Moriori under the Local Government Act and under the Resource Management Act.



His Worship – Pat Smith

Activity Democracy

What's happening in 2008/09?

The additional effort planned for in 2007/08 in relation to Iwi liaison will continue in 2008/09. A request has been made to the remuneration authority to bring members remuneration into line with other organizations on the Island and a provision of \$40,000 has been included in the budget.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided.

Levels of Service

1. Providing effective governance and leadership to the Chatham Islands Community.

Measure	Targets for 2008/09
The percentage of residents who feel confident that Council decisions are made in the best interests of the community.	85% of residents are confident or very confident (measured by annual survey, on a scale of very confident, confident, unconfident, very unconfident).
The percentage of residents who are satisfied with the advocacy by the mayor and councilors on behalf of the community.	85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).
Voter turnout	In top quartile of New Zealand Territorial Authorities

2. Meeting legislative requirements for governance, planning and reporting.

Measure	Targets for 2008/09
The percentage of official meetings of elected representatives conducted in compliance with the Local Government Official Information and Meeting Act 1987 and Council Standing Orders.	100%.
LTCCP/Annual Plan and Annual Report compliance with the Local Government Act 2002.	Audited without qualification.
The Council's governance statement.	Kept up to date with legal requirements.

Democracy Group of Activities

Financial Summary – Democracy Group of Activities	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
<i>Operating Revenue:</i>				
General Funds	435,401	222,739	309,784	334,823
Grants	267,480	270,000	270,000	281,100
User Pays & Other Income	11,035	500	-	-
Total Operating Revenue	713,916	493,239	579,784	615,923
<i>Operating Expenditure:</i>				
Total Operating Expenditure	582,272	564,753	579,784	654,320
Operating Surplus/(Deficit)	131,645	(71,514)	-	(38,397)
<i>Capital and Reserves Funding Requirements:</i>				
Capital Expenditure	2,224	-	-	-
Operating Deficit	-	71,514	-	38,397
Total Funding Required	2,224	71,514	-	38,397
Funded by:				
Operating Surplus	2,224	-	-	-
Transfers from General and Special Reserves	-	71,514	-	38,397
Total Funding Applied	2,224	71,514	-	38,397

Financial variance from the 2006-16 LTCCP

An extra \$40,000 has been provided to cover the cost of the remuneration review, by the remuneration authority. Grants to cover Regional Council activities have increased in line with costs. In 2007/08 Regional activities were partly funded from funds brought forward from the start of the contract. An extra \$9,000 has been provided for attendance at LGNZ Rural Sector meetings. \$10,000 has been budgeted for Iwi liaison. These changes will be funded from General Funds including increased Government Assistance.

Group of activities - Infrastructure Services



Pitt Wharf

What are the key activities?

1. Land Transport (Roading)
2. Solid and Hazardous Waste Management
3. Water Supply
4. Stormwater
5. Wastewater (Sewerage)

What we want to achieve

A safe and efficient infrastructural system that maximises economic, social and environmental benefits, and meets the immediate and future needs of the Chatham Islands community.

Rationale

1. Land Transport (Roading)

Council is responsible for all public roads on the Chatham Islands (there are no State Highways).

As owner of the roading network Council has legal requirements to provide roads to a certain standard. In addition Council is responsible for all roading related assets – footpaths, kerbing, street lighting and signs.

Hapupu Road



2. Solid and Hazardous Waste Management

Council provides waste management services for public health reasons and to protect the environment.

3. Water Supply

Providing and maintaining an adequate supply of potable water to consumers and supply for fire fighting purposes contributes to:

- The health of the community
- Community safety through the fire fighting capability of the water supply system
- Industrial and residential development

4. Stormwater

The Council's involvement in these activities contributes to:

- Minimising damage to property from flooding
- Reduced erosion and water pollution

Council's main role is controlling the level of Te Whanga by opening Hikurangi channel as and when required. This is necessary to protect productive land around the shores of Te Whanga from inundation and to maintain the balance of marine life within the lagoon.

5. Wastewater (Sewerage)

Collection, treatment and disposal of wastewater contribute to:

- The health of the community
- Minimising adverse environmental effects
- Residential and industrial development



Port Hutt

Activity 1. Land Transport (Roading)

What's happening in 2008/09?

Roading expenditure will be increased by \$995m compared to the LTCCP.

What's changed since the 2006-16 LTCCP?

There will be a small change to the actual levels of service provided. It is planned to spend an additional \$0.995m on roads, compared to the LTCCP, funded by increased funding from LTNZ, currently at 87% of costs. The 'local share' of the work will be funded from increased Central Government Assistance.

An audit of the network by Transit New Zealand in 2006/7 recommended additional spending to bring up the standard of roads to other like areas of NZ. This increased spending will over time contribute to that objective.

This change constitutes an amendment to the LTCCP 2006-16. Please refer to Appendix 3 of this document for further information.

Levels of Service

Providing a safe and well maintained and managed road network.

Measure	Targets for 2008/09
The percentage of maintenance work identified in the Annual Roading Strategy undertaken.	100%.
The percentage of projects identified in the Annual Roading Strategy to address black/grey accident spots completed.	100%.
The number of infestations of plant pests within the road reserve found in quarterly inspections.	None.
The number of requests or complaints about the road network.	No more than 10 complaints a year.
The time to respond to written requests or complaints.	100% within five working days of notification.
The percentage of residents who are satisfied with the overall extent and safety of the urban and rural road network.	75% of residents are satisfied or very satisfied. (Measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).

Financial Summary - Activity 1. Land Transport (Roading)	Annual Report 2006/07	Annual Plan 2007/08	LTCCP 2008/09	Annual Plan 2008/09
	\$	\$	\$	\$
Operating Revenue:				
General Funds	-	289,550	296,914	486,969
Targeted Rate	39,539	40,993	42,000	42,000
Grants	2,415,405	2,616,290	2,365,057	3,205,022
User Pays & Other Income	6,920	5,640	-	7,000
Total Operating Revenue	2,461,864	2,952,473	2,703,971	3,740,991
Operating Expenditure:				
Total Operating Expenditure	2,059,223	2,264,000	2,503,403	2,609,794
Operating Surplus/(Deficit)	402,641	688,473	200,568	1,131,197
Capital & Reserves Funding Requirements				
Operating Deficit	-	-	-	-
Renewals Capital Expenditure	1,906,283	1,795,000	1,831,087	2,720,000
New Capital Expenditure:				
Bridges, Culverts & Footpaths	-	370,000	-	-
Total Funding Required	1,906,283	2,165,000	1,831,087	2,720,000
Funded by:				
Operating Surplus	402,641	688,473	200,568	1,131,197
Funding from Non Cash Depreciation	1,218,878	1,435,068	1,630,519	1,532,958
Transfers to/from General and Special Reserves	284,764	41,459	-	55,845
Total Funding Applied	1,906,283	2,165,000	1,831,087	2,720,000

Financial variance from the 2006-16 LTCCP

An additional \$0.995m has been budgeted for roading expenditure. The bulk of the money has been budgeted towards replacing metal pavements. The planned start of the Waitangi to Airport sealing will not proceed this year as planned due to funding not being approved. \$160,000 will be spent on structural bridge repairs, and \$50,000 on cattle stops. The minor safety budget increases as a result of the additional funding bid.

Activity 2. Solid and Hazardous Waste Management

What's happening in 2008/09?

Operation of refuse disposal sites at Te One, and Owenga will continue. The site at Kaingaroa will convert to a transfer station. Work will start on the new landfill project, including site purchase, the Kaingaroa Transfer Station and equipment.

What's changed since the 2006-16 LTCCP?

There has been a change to the actual levels of service provided to that anticipated in the LTCCP. There is a delay of two years in the project compared to the LTCCP caused by the need to get approval for funding, which has now come through. The project will start on 1 July 2008. Due to the changed level of service this constitutes an amendment to the LTCCP 2006-16. Please refer to Appendix 3 of this document for further information.

Level of Service

Providing convenient and effective resource recovery and waste management facilities for the Chatham Islands that is economically and environmentally sustainable and protects public health.

Measure	Targets for 2008/09
The percentage of the population within 20 km of a transfer station or landfill.	75%.
The number of complaints about facilities.	No more than two complaints a year.
The time to respond to written requests or complaints.	100% within 5 working days of notification.

Financial Summary – Activity 2. Solid and Hazardous Waste Management	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
<i>Operating Revenue:</i>				
General Funds	18,492	51,508	160,878	-
Targeted Rate	33,785	35,214	38,348	38,348
Grants	-	277,629	1,350,622	402,067
User Pays & Other Income	-	-	1,020	1,020
Total Operating Revenue	52,277	364,351	1,550,868	441,435
<i>Operating Expenditure:</i>				
Total Operating Expenditure	46,686	103,259	200,246	129,460
Operating Surplus/ (Deficit)	5,591	261,092	1,350,622	311,975
<i>Capital & Reserves Funding Requirements</i>				
New Transfer Stations & Recyclables Equipment	-	88,407	110,864	268,500
New Landfill	-	189,222	1,239,758	-
Total Funding Required		277,629	1,350,622	268,500
Funded By:				
Operating Surplus	-	261,092	1,350,622	311,975
Funding from Non Cash Depreciation	-	1,500	-	1,200
Transfers from General Reserves	-	15,037	-	(44,675)
Total Funding Applied	-	277,629	1,350,622	268,500

Financial variance from the 2006-16 LTCCP

Funding for operating and capital costs has now been approved. The delay starting the landfill project has reduced budgeted operating costs for the 2008/09 year. As the capital expenditure has been delayed one year, the 2008/09 capital expenditure figure now includes site selection and purchase.

Activity 3. Water Supply

What's happening in 2008/09?

Operation of the public water supply that services the Waitangi village will continue.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. Levels of service definitions, measures and targets were reviewed during the 2007/8 Annual Planning process and where necessary reworded to better describe the Council's contribution to the community outcomes.

Level of Service

Providing a safe and reliable water supply for Waitangi.

Measure	Targets for 2008/09
Compliance of monthly water quality testing with New Zealand Drinking Water Standards.	100% compliance.
The percentage of customers who are satisfied with the Waitangi water supply scheme.	80% of customers are satisfied or very satisfied. (Measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied).
The number of complaints about the water supply.	No more than 5 complaints a year.
The time to respond to complaints and to restore lost supply.	95% of complaints are responded to within two hours and lost supply restored within 8 hours of notification.

Financial Summary – Activity 3. Water Supply	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Operating Revenue :				
General Funds	149,352	74,568	104,395	92,440
Targeted Rate	36,504	40,076	41,092	41,092
Total Revenue	185,856	114,644	145,487	133,532
Operating Expenditure:				
Total Operating Expenditure	140,699	138,586	145,487	144,133
Operating Surplus/(Deficit)	45,157	(23,942)	-	(10,601)
Capital & Reserves Funding Requirements				
Operating Deficit	-	23,942	-	10,601
New Capital Expenditure	11,762	-	-	-
Total Funding Required	11,762	23,942	-	10,601
Funded By:				
Operating Surplus	11,762	-	-	-
Non Cash Depreciation	-	20,464	-	60,598
Transfers from General Reserves	-	3,478	-	(49,997)
Total Funding Applied	11,762	23,942	-	10,601

Financial variance from the 2006-16 LTCCP

The budget for electricity has been decreased based on experience to date. A professional service fee of \$11,670 has been added to the budgets to be financed from General Funds including increased Government Assistance. Funding available from corporate services depreciation, not being a separate activity, is included here - \$35,965.

Activity 4. Stormwater

What's happening in 2008/09?

The Te Whanga inlet was opened in 2006/07 so will require opening in 2008/09. There is a small amount of urban stormwater reticulation within the Waitangi village that will be maintained.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. Levels of service definitions, measures and targets were reviewed during the 2007/8 Annual Planning process and where necessary reworded to better describe the Council's contribution to the community outcomes.

Levels of Service

Acting to protect land from flooding due to the rising level of Te Whanga.

Measure	Targets for 2008/09
The frequency of opening the Te Whanga outlet to avoid flooding.	As required.

Financial Summary – Activity 4. Stormwater	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Operating Revenue:				
General Funds	29,938	4,851	6,628	6,712
Total Operating Revenue	29,938	4,851	6,628	6,712
Operating Expenditure:				
Total Operating Expenditure	20,886	3,908	4,128	12,482
Operating Surplus/(Deficit)	9,052	943	2,500	(5,770)
Capital & Reserves Funding Requirements				
Operating Deficit	-	-	-	5,770
Transfers to Te Whanga Opening Reserve	-	2,500	2,500	-
Total Funding Required		2,500	2,500	5,770
Funded By:				
Operating Surplus	-	943	-	-
Te Whanga Opening Reserve	-	-	-	5,000
Funding from Non Cash Depreciation	-	314	-	314
Transfers from General Reserves	-	1,243	-	456
Transfers from Te Whanga Opening Reserve	5,143	-	2,500	-
Total Funding Applied	-	2,500	2,500	5,770

Financial variance from the 2006-16 LTCCP

Te Whanga Inlet will require opening in 2008/09 instead of 2007/08.

Activity 5. Wastewater (Sewerage)

What's happening in 2008/09?

The reticulated system at Waitangi will be maintained.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. However levels of service, measures and targets have been reviewed and where necessary reworded to better describe the Council's contribution to the community outcomes.

Levels of Service

Providing a reliable, environmentally friendly sewerage system.

Measure	Targets for 2008/09
Compliance with resource consent conditions (monthly monitoring of the system and an annual soil test).	100% compliance, other than minor non-compliance with nil or minor short-term adverse environmental effects.
The number of complaints about odours or any other nuisances.	No more than two complaints a year.
The time to respond to complaints of loss of service and to restore lost service.	95% of complaints are responded to within 2 hours and investigated within 12 hours and minor faults remedied within 24 hours of notification.

Financial Summary – Activity 5. Wastewater (Sewerage)	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Operating Revenue:				
General Funds	97,230	57,784	114,635	80,724
Targeted Rate	44,554	46,808	50,000	50,000
Grants	24,744	-	-	-
Total Operating Revenue	166,528	104,592	164,635	130,724
Operating Expenditure:				
Total Operating Expenditure	137,130	139,582	164,635	139,981
Operating Surplus/(Deficit)	29,398	(34,990)	-	(9,257)
Capital & Reserves Funding Requirements				
Operating Deficit	-	34,990	-	9,257
Capital Expenditure	32,252	-	-	-
Total Funding Required	32,252	34,990	-	9,257
Funded By:				
Operating Surplus	29,398	-	-	-
Non Cash Depreciation	2,854	34,990	-	35,100
Transfers from General Reserves		-	-	(25,843)
Total Funding Applied	32,252	34,990	-	9,257

Financial variance from the 2006-16 LTCCP

Budgeted operating expenditure has reduced due to lower electricity costs of \$8,500, and a reduction in depreciation of \$4,732 due to over estimation in 2007/08.

Infrastructure Services Group of Activities

Financial Summary –Infrastructure Services Group of Activities	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
<i>Operating Revenue:</i>				
General Funds	295,012	478,260	683,450	626,765
Targeted Rates	154,382	163,091	171,440	171,440
Grants	2,440,149	2,893,919	3,715,680	3,607,089
User Pays & Other	6,920	5,640	1,020	8,020
Total operating Revenue	2,896,463	3,540,910	4,571,590	4,413,314
<i>Operating expenditure:</i>				
Total Operating Expenditure	2,404,624	2,649,335	3,017,900	3,035,850
Operating Surplus/(Deficit)	491,839	891,575	1,553,690	1,377,464
<i>Capital & Reserves Funding Requirements:</i>				
Operating Deficit	-	-	-	-
Capital Expenditure	1,950,297	2,442,629	3,181,709	2,988,500
Te Whanga Opening Reserve	-	2,500	2,500	-
Total Funding Required	1,950,297	2,445,129	3,184,209	2,988,500
Funded by:				
Operating Surplus	491,839	891,575	1,553,690	1,377,464
Non Cash Depreciation	1,278,965	1,493,346	1,630,519	1,630,171
Te Whanga Opening Reserve	5,143	-	-	5,000
General Reserves	174,350	60,208	-	(24,135)
Total Funding Applied	1,950,297	2,445,129	3,184,209	2,988,500

Group of activities - Community and Regulatory

What are the key activities?

1. Community Services including:
 - Arts and Heritage (includes Museum & Library)
 - Morgue and Cemeteries
 - Parks and Reserves
 - Housing
 - Community Buildings
 - Library
2. Licensing and Building
3. Dog and Animal Control

What we want to achieve

Community development through recreation, arts and cultural heritage.
Enhanced health and safety through effective and reliable administration of relative legislation. Provision of cost effective and sustainable services.
Establishment of a Library Service. Establishment of additional social housing.
Licensing and Building.

Dog tales



South coast

Rationale

1. Community Services

The Chatham Islands Council considers social and community development to be the cornerstones of the well-being of the Chatham Islands community. It views recreation, arts and culture as essential to the health and well-being of society and believes that a strong community is knowledgeable of its heritage, and preserves and respects achievements of the past.

2. Licensing and Building

The Building Act 2004 charges Council with the responsibility of receiving, processing and issuing building consents to ensure compliance with the New Zealand Building Code. Over recent years the Council has relied on advice from Napier City Council for the delivery of this service. From 1 July 2008 the total responsibility for this activity will be transferred to the Napier City Council.

Council also has responsibility to ensure compliance with the Health Act 1956 and the Food Hygiene Regulations 1974, Sale of Liquor Act 1989, Local Government Act 2002 and Hazardous Substances and New Organisms Act 1996 and Council bylaws.

3. Dog and Animal Control

Council carries out animal control functions in accordance with the Dog Control Act 1996, the Impounding Act 1995 and animal control bylaw.

Activity 1. Community Services

What's happening in 2008/09?

Council will continue to maintain parks, council buildings and cemeteries, and provide grants and donations for social and community development groups and assist them to access funds from other (non-Council) sources. As an interim measure a contract to supply 300 books every six weeks has been agreed with Wellington City Library. Funding for capital works on the three community houses has been approved by HNZ and work is programmed to be carried out in 2008/09. Essential repairs of \$75,000 have been approved on one staff house.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. Additional capital expenditure has been approved. This will be financed by HNZ for \$104,000, and by a mortgage \$60,000 over 25 years at 9%. A level of service and performance measure has been added for the library for 2008/9.

Levels of Service

Providing community services

Measure	Targets for 2008/09
The percentage of residents who are satisfied with community services.	85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).
The number of complaints about community services.	None.
Time to respond to complaints about operations and facilities and to remedy faults.	100% are investigated within 12 hours and minor faults remedied within 24 hours of notification.
Compliance with NZS 5828 for safety of playground equipment.	100% compliance.
The occupancy rate for Council housing.	Greater than 95%.
The increase in the number of social houses on the Chatham Islands, in collaboration with Housing New Zealand and CI housing trust	Two new houses.

Levels of Service

Provision of a local library service

Measure	Targets for 2008/09
Community satisfaction with the existing Library service	100%
Renewal of library books	Books renewed every six weeks.

Financial Summary – Activity1. Community Services	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Operating Revenue:				
General Funds	367,755	202,160	263,118	303,195
Grants	30,432	28,900	22,900	133,767
User Pays & Other Income	76,611	68,960	66,978	68,496
Total Operating Revenue	474,798	300,020	352,996	505,458
Operating Expenditure:				
Total Operating Expenditure	363,606	347,964	352,996	454,340
Operating Surplus/(Deficit)	111,192	(47,944)	-	51,118
Capital & Reserves Funding Requirements				
Operating Deficit	-	47,944	-	-
Capital Expenditure	29,684	12,000	-	135,800
Loan Repayments	-	4,963	-	11,029
Transfer to Reserves	7,306	-	-	-
Total Funding Required	36,990	64,907	-	146,829
Funded by:				
Operating Surplus	36,990	-	-	51,118
Mortgage Loan	-	-	-	60,000
Funding from Non Cash Depreciation	-	16,925	-	24,152
Transfers from General Reserves	-	47,982	-	11,559
Total Funding Applied	36,990	64,907	-	146,829

Financial variance from the 2006-16 LTCCP

The library service will continue to be supported by assistance from the Wellington City Library who will ship 300 books every six weeks funded by General Funds. An additional \$15,000 has been budgeted for the Norman Kirk Committee funded by General Funds. Additional funding has been provided for Community Focus.

Capital Expenditure Includes:				
Renewals expend: Housing	9,125	12,000	-	134,000
Waitangi Children's Playground (New)	10,842	-	-	-
Library	-	-	-	1,800
Total Capital Expenditure	19,967	12,000	-	135,800

Activity 2. Licensing and Buildings

What's happening in 2008/09?

Services will continue at current levels. As an accredited building authority Napier City Council will carry out building consent work on behalf of CIC.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. However levels of service, measures and targets have been reviewed and where necessary reworded to better describe the Council's contribution to the community outcomes.

Levels of Service

1. Processing liquor licenses and building consents.

Measure	Targets for 2008/09
The percentage of applications processed within statutory timeframes.	95%.

2. Monitoring and enforcing compliance with liquor license and building consent conditions.

Measure	Targets for 2008/09
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	At least one inspection annually.
The number of complaints about non-compliance with consent conditions.	No more than five complaints a year.
Time to respond to complaints about non-compliance with consent conditions.	100% are resolved or have a resolution strategy in place within 21 days of notification.

Financial Summary – Activity 2 Licensing and Buildings	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
<i>Operating Revenue:</i>				
General Funds	59,233	33,661	56,340	53,937
User Pays & Other Income	13,529	18,572	11,661	14,486
Total Operating Revenue	72,762	52,233	68,001	68,423
<i>Operating Expenditure:</i>				
Total Operating Expenditure	54,853	63,040	68,001	74,608
Operating Surplus/(Deficit)	17,909	(10,807)	-	(6,185)
<i>Capital and Reserves Funding Requirements</i>				
Operating deficit	-	10,807	-	6,185
Total Funding Required	-	-	-	6,185
Funded by:				
Transfers from General Reserve	-	10,807	-	6,185
Total Funding Applied	-	10,807	-	6,185

Financial variance from the 2006-16 LTCCP

An additional \$9,235 has been budgeted for liquor licensing contract work to be funded by General Funds including increased Government Assistance. Napier Council as an accredited building authority will carry out building consent work on behalf of CIC.

Activity 3. Dog and Animal Control

What's happening in 2008/09?

Services will continue at current levels.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. Levels of service definitions, measures and targets were reviewed during the 2007/8 Annual Planning process and where necessary reworded to better describe the Council's contribution to the community outcomes.

Levels of Service

Providing a safe and secure living environment for the community.

Measure	Targets for 2008/09
The number of complaints about dog and animal control.	No more than five complaints a year.
The time to respond to complaints.	100% are responded to a follows: a. Dog attacks and rushes attended to within one hour of notification. b. Possible threats to public safety attended to within five hours. c. Complaints of general nuisance attended to within 48 hours. d. All other complaints investigated within two working days.
The number of island-wide inspections (including Pitt Island) carried out each year to make sure dogs are registered and to check animal welfare.	Two.
The percentage of residents who are satisfied with dog and animal control services.	100% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied).
The level of cost recovery achieved through registration fees and fines.	100%.

Financial Summary – activity 3. Dog and Animal Control	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
<i>Operating Revenue:</i>				
General Funds	9,780	6,370	5,998	5,995
User Pays & Other Income	15,519	14,221	20,472	17,527
Total Operating Revenue	25,299	20,591	26,470	23,522
<i>Operating Expenditure:</i>				
Total Operating Expenditure	22,342	22,637	26,470	24,209
Operating Surplus/(Deficit)	2,957	(2,046)	-	(687)
<i>Capital and Reserves Funding Requirements</i>				
Operating Deficit	-	2,046	-	687
Total Funding Required	-	2,046	-	687
Funded by:				
Operating Surplus	-	-	-	-
General and Special Reserves	-	2,046	-	687
Total Funding Applied	-	2,046	-	687

Financial variance from the 2006-16 LTCCP

No significant variations to the LTCCP are expected.

Community and Regulatory Group of Activities

Financial Summary –Community and Regulatory Group of Activities	Annual Report 2006/07	Annual plan 2007/08	LTCCP 2008/09	Annual Plan 2008/09
	\$	\$	\$	\$
<i>Operating Revenue:</i>				
General Funds	436,768	242,191	263,118	363,126
Grants	30,432	28,900	22,900	133,767
User Pays & Other	105,659	101,753	66,978	100,509
Total Operating Revenue	572,859	372,844	352,996	597,402
<i>Operating Expenditure:</i>				
Total Operating Expenditure	440,801	433,641	352,996	553,157
Operating Surplus/(Deficit)	132,058	(60,797)	-	44,245
<i>Capital & Reserve Funding Requirements</i>				
Operating Deficit	-	60,797	-	-
Capital Expenditure	29,684	12,000	-	135,800
Loan Repayments	4,540	4,963	-	11,029
Transfer to Burial Register Reserve	10,000	-	-	-
Total Funding Required	44,224	77,760	-	146,829
Funded by:				
Operating Surplus	44,224	-	-	44,245
Non Cash Depreciation	-	16,925	-	24,152
Mortgage Loan	-	-	-	60,000
General and Special Reserves	-	60,835	-	18,432
Total Funding Applied	44,224	77,760	-	146,829



Californian Thistle – Pat Tuanui



Chatham Islands Pippit

What are the key activities?

- 1 Resource Management
- 2 Biosecurity (Animal and Plant Pest Control)

What we want to achieve

- Sustainable use and development of natural resources.
- Protection of the environment from threats that could be detrimental to the social, economic, environmental and cultural needs of the community now and in the future.

Rationale

1. Resource Management

This activity is carried out in under the Resource Management Act 1991 (RMA). This requires monitoring and reporting on the state of the Chatham Islands environment – its land, air, water and coastal

resources; and reviewing, at not less than 10 year intervals, policy for managing the natural and physical resources of the Chatham Islands. Ensuring the ongoing involvement of the community in defining issues and developing policy through to implementing best practice methods to manage issues are an important part of the function.

2. Biosecurity (Animal and Plant Pest Control)

This activity is carried out under the Biosecurity Act 1993 to ensure the economic and ecological sustainability of the Territory. The Council carries out pest management in accordance with National and Regional Pest Management Strategies prepared in conjunction with stakeholders and in compliance with the Resource Management Document, the Biosecurity Act 1993 and Resource Management Act 1991.

Activity 1. Resource Management

What's happening in 2008/09?

Consent processing activity is likely to increase due to expected applications for resource consent for a hydro dam and the new landfill.

Under the contract for Regional Council Services work will be carried out in relation to the requirement for an efficiency and effectiveness review of the Resource Management Plan, work to integrate the National Coastal Policy Statement into the plan, and work to include the results from the hydrological and monitoring programmes in the plan. Work on Resource Management is

carried out for the Chatham Islands by Environment Canterbury and funded by the Central Government.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. Levels of service definitions, measures and targets were reviewed during the 2007/8 Annual Planning process and where necessary reworded to better describe the Council's contribution to the community outcomes.

Levels of Service

1. Processing resource consent applications.

Measure	Targets for 2008/09
The percentage of applications processed within statutory timeframes.	100%.

2. Responding to breaches of the Resource Management Act.

Measure	Targets for 2008/09
The time to respond to and investigate complaints about breaches of the Resource Management Act.	100% within two working days.

Financial Summary – activity 1. Resource Management	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
<i>Operating Revenue:</i>				
General Funds	81,560	57,158	84,084	77,804
Grants	163,000	164,000	164,000	232,000
User Pays & Other Income	2,044	12,000	-	-
Total Operating Revenue	246,604	233,158	248,084	309,804
<i>Operating Expenditure:</i>				
Total Operating Expenditure	221,944	223,010	219,584	290,226
Operating Surplus/(Deficit)	24,660	10,148	28,500	19,578
<i>Capital and Reserves Funding Requirements</i>				
Operating Deficit	-	-	-	-
Transfer to RMA Document Reserve	32,440	28,500	28,500	28,500
Total Funding Required	32,440	28,500	28,500	28,500
Funded By:				
Operating Surplus	24,660	10,148	28,500	19,578
Transfers from General Reserves	7,780	18,352		8,922
Total Funding Applied	32,440	28,500	28,500	28,500

Financial variance from the 2006-16 LTCCP

Overall the contract for Regional Council services has increased by \$30,000 more than the rate of inflation reflecting the actual costs of services being provided – in 2007/08 part of the cost was met by unused funds brought forward from when the contract first started. The contract with Ecan is due to be renegotiated this year. There has been some reallocation of costs in relation to the monitoring and hydrological work carried out by the contractor.

Activity 2. Biosecurity (Animal and Plant Pest Control)

What's happening in 2008/09?

Biosecurity work is moving from the planning stage to implementation of the RPMS. The RPMS will enter year one of the implementation plan. In addition to control and monitoring activities and public awareness, a process to improve the internal border security with the mainland and with Pitt Island is planned to stop the spread of pests.

What's changed since the 2006-16 LTCCP?

The implementation work required for the Pest Management Strategy will involve significant extra work by Environment Canterbury (ECan) or CIC. This is one area where spending on the Regional Council Contract is planned to increase over the rate of inflation. Refer Appendix 3. Funding is subject to approval of 100% Government Assistance for the strategy. Since approved.

Levels of Service

1. Monitoring plant and animal pest levels

Measure	Targets for 2008/09
The long-term trend in the number of new infestations of containment plant pests outside known areas.	No increase over time.
The long-term trend in total control plant pests.	Reducing over time.

2. Monitoring and enforcing operational and property plans.

Measure	Targets for 2008/09
The level of compliance by land occupiers required to carry out containment/control of plant and animal pest under the Pest Management Strategy.	Increasing over time (with 100% compliance by 2016).

3. Preventing the introduction of new animal and plant pests.

Measure	Targets for 2008/09
Number of new animal and plant pests reported.	No new animal or plant pests.

Financial Summary – Activity 2. Biosecurity (Animal and Plant Pest Control)	Annual Report 2006/07	Annual Plan 2007/08	LTCCP 2008/09	Annual Plan 2008/09
	\$	\$	\$	
<i>Operating Revenue:</i>				
General Funds	1,926	-	-	-
Grants	112,000	102,000	102,000	335,000
Total Operating Revenue	113,926	102,000	102,000	335,000
<i>Operating Expenditure:</i>				
Total Operating Expenditure	113,344	102,000	102,000	335,000
Operating Surplus/(Deficit)	582	-	-	-
<i>Capital and Reserves Funding Statement</i>				
Operating deficit	-	-	-	-
Total Funding Required	-	-	-	-
Funded from:				
Operating Surplus	-	-	-	-
General Reserves	-	-	-	-
Total Funding Applied	-	-	-	-

Financial variance from the 2006-16 LTCCP

The LTCCP will be varied to accommodate implementation plans (\$265,000 2008/09) for the RPMS. 100% funding is subject to Government approval.

Environmental Services Group of Activities

Financial Summary –Environmental Services Group of Activities	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
<i>Operating Revenue:</i>				
General Funds	83,486	57,158	84,084	77,804
Grants	275,000	266,000	531,000	567,000
User Pays & Other	2,044	12,000	-	-
Total Operating Revenue	360,530	335,158	615,084	644,804
<i>Operating Expenditure:</i>				
Total Operating Expenditure	335,288	325,010	586,584	625,226
Operating Surplus/(Deficit)	25,242	10,148	28,500	19,578
Capital and Reserves Funding Requirements				
Transfer to RMA Reserve	32,440	28,500	28,500	28,500
Total Funding Required	32,440	28,500	28,500	28,500
Funded by:				
Operating Surplus	25,242	10,148	28,500	19,578
General Reserves	7,198	18,352	-	8,922
Total Funding Applied	32,440	28,500	28,500	28,500



No fire danger today. Rana Solomon on duty

What are the key activities?

1. Civil Defence
2. Rural Fire
3. Marine Oil Spills

What we want to achieve

An efficient and effective system of emergency management that minimises the potential effect of all hazards on the community and the environment.

Rationale

1. Civil Defence

The Civil Defence and Emergency Management Act 2002 imposed statutory obligations on Council to carry out hazard-based risk management in four areas: reduction of risk, readiness for events, response and recovery after an event. Council is part of the Chatham Islands Civil Defence Emergency Management Group, and is required to have in place a Civil Defence Emergency Management Group Plan.

2. Rural Fire

The Council has delegated its Rural Fire Authority powers and responsibilities under the Forest and Rural Fires Act 1977 for the prevention, detection and suppression of rural fires to the Civil Defence Emergency Management Group.

3. Marine Oil Spill Response

The Maritime Transport Act 1994 requires Council to prepare, maintain and review Regional Marine Oil Spill Contingency Plans.

Activity 1. Civil Defence

What's happening in 2008/09?

Services will continue at current levels.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. However levels of service, measures and targets have been reviewed and where necessary reworded to better describe the Council's contribution to the community outcomes.

Levels of Service

1. Co-ordinating hazard analysis and planning, providing an effective emergency response and recovery capability and raising community preparedness.

Measure	Targets for 2008/09
The state of readiness of the Emergency Operations Centre, including staff and volunteers, emergency management equipment, control facilities and communication systems.	<ul style="list-style-type: none"> a. 100% readiness, 24-hours/7 days. b. 100% of staff and volunteers are appropriately trained and resourced.
The percentage of members of the multi-agency response team who have completed basic specialist emergency services training.	80%.
The percentage of residents who consider they are prepared and know what to do in an emergency.	Targets will be established in the 2008/09 Annual Plan based on a preliminary survey of a range of preparedness indicators to be undertaken in 2008/09 .

2. Encouraging lifelines utilities¹ to increase resilience.

Measure	Targets for 2008/09
The percentage of lifelines utilities that have identified the hazards with potential to affect their infrastructure.	100%.

3. Providing support and assisting the recovery of social, emotional, economic and physical well-being of individuals and communities following emergency events.

Measure	Targets for 2008/09
The effectiveness of recovery assistance after emergencies.	Subject to the scale of the emergency and the level of demand: <ul style="list-style-type: none"> a. Immediate welfare needs of those affected have been met b. Systems have been established or re-established to assist individual and community self-sufficiency c. Essential services have been restored to minimum operating levels.

¹ Lifelines utilities are operators of critical infrastructure, such as water and waste-water, electricity, telecommunications, fuel, airports, ports and roading.

Financial Summary – Activity 1. Civil Defence	Annual Report 2007/08 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
<i>Operating Revenue:</i>				
General Funds	46,366	18,311	24,930	28,291
Grants	12,029	12,000	12,000	20,250
User Pays & Other Income	-	4,500	-	-
Total Operating Revenue	58,395	34,811	36,930	48,541
<i>Operating Expenditure:</i>				
Total Operating Expenditure	44,376	40,690	36,930	51,786
Operating Surplus/(Deficit)	14,019	(5,879)	-	(3,245)
<i>Capital and Reserves Funding Requirements</i>				
Operating Deficit	-	5,879	-	3,245
Total Funding Required	-	5,879	-	3,245
Operating Surplus				
General and Special Reserves	-	5,879	-	3,245
Total Funding Applied	-	5,879	-	3,245

Financial variance from the 2006-16 LTCCP

Increased travel costs have been funded by the Ministry of Civil Defence.

Activity 2. Rural Fire

What's happening in 2008/09?

Rural Fire services will continue at current levels, through an arrangement with the Department of Conservation.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. However levels of service, measures and targets have been reviewed and where necessary reworded to better describe the Council's contribution to the community outcomes.

Level of Service

Providing an effective rural fire prevention and response capability.

Measure	Targets for 2008/09
The time to respond to fire events.	100% within one hour of notification.

Financial Summary –activity 2. Rural Fire	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Operating Revenue:				
General Funds	45,460	26,847	36,519	34,435
Grants	3,836	5,000	5,000	5,000
Total Operating Revenue	49,296	31,847	41,519	39,435
Operating Expenditure:				
Total Operating Expenditure	35,551	40,467	41,519	43,384
Operating Surplus/(Deficit)	13,745	(8,620)	-	(3,949)
Capital and Reserves Funding Requirements				
Operating Deficit	-	8,620	-	3,949
Total Funding Required	-	8,620	-	3,949
Funded by:				
Operating Surplus	-	-	-	-
Non Cash Depreciation	-	210	-	324
Transfers from General Reserves	-	8,410	-	3,625
Total Funding Applied	-	8,620	-	3,949

Financial variance from the 2006-16 LTCCP

No significant variance from the LTCCP is expected.

Activity 3. Marine Oil Spill Response

What's happening in 2008/09?

Services will continue at current levels.

What's changed since the 2006-16 LTCCP?

There has been no change to the actual levels of service provided. However levels of service, measures and targets have been reviewed and where necessary reworded to better describe the Council's contribution to the community outcomes.

Level of Service

Providing an effective marine oil spill emergency response capability.

Measure	Targets for 2008/09
The number of training exercises undertaken.	At least one water equipment deployment exercise.
The time to evaluate reports of oil spills.	100% within one hour of notification.

Financial Summary – activity 3. Marine Oil Spill Response	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Operating Revenue:				
General Funds	32,198	11,211	26,548	-
Grants	-	7,765		26,548
Total Operating Revenue	32,198	18,976	26,548	26,548
Operating Expenditure:				
Total Operating Expenditure	22,463	22,576	26,548	24,332
Operating Surplus/(Deficit)	9,735	(3,600)		2,216
Capital and Reserves Funding Statement	-		-	-
Operating Deficit	-	3,600	-	-
Total Funding Required	-	3,600	-	-
Funded by:				
Transfers from General and special Reserves	-	3,600	-	-
Total Funding Applied	-	3,600	-	-

Financial variance from the 2006-16 LTCCP

The Maritime Safety Authority now supplies equipment which was previously included in the budget resulting in a saving of \$2,709.

Emergency Management Group of Activities

Financial Summary – Emergency Management Group of Activities	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
<i>Operating Revenue:</i>				
General Funds	124,024	56,369	61,449	62,727
Grants	15,865	24,765	43,548	51,798
User Pays & Other	-	4,500	-	-
Total operating Revenue	139,889	85,634	104,997	114,525
<i>Operating Expenditure:</i>				
Total Operating Expenditure	102,390	103,733	104,997	119,502
Operating Surplus/(Deficit)	37,499	(18,099)	-	(4,977)
<i>Capital and Reserves Funding Requirements</i>				
Operating Deficit	-	18,099	-	4,977
Total Funding Required	-	18,099	-	4,977
Funded by:				
Non Cash Depreciation	-	210	-	324
General Reserves	-	17,889	-	4,653
Total Funding Applied	-	18,099	-	4,977

Group of activities - Coasts, Harbours and Navigation

What are the key activities?

Coasts, Harbours and Navigation.

What we want to achieve

A safe environment for both commercial and recreational maritime activities.

Rationale

The Council is tasked with the responsibility of addressing matters of navigation and safety within this area as required by the Local Government Act 2002 and the Maritime Transport Act 1994.



Coastal monitoring



The boat's in!

Activity 1. Coasts, Harbours and Navigation

What's happening in 2008/09?

The Owenga Wharf will be rebuilt.

What's changed since the 2006-16 LTCCP?

Owenga Wharf will be rebuilt subject to approval of a funding application to LTNZ. A request has been made to LTNZ for 92% funding on the basis that

Owenga Wharf provides a crucial strategic transport link to Pitt Island. The balance of cost will be met from the "R" fund, money set aside to fund roading projects on the Chathams.

This constitutes an amendment to the LTCCP 2006-16. Please refer to Appendix 3 of this document for further information.

Levels of Service

1. Ensuring vessels navigate safely.

Measure	Targets for 2008/09
The percentage of residents who are satisfied with administration of navigation safety bylaws.	85% of residents are satisfied or very satisfied. (Measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied).
The time to respond to incidents and deal with complaints.	85% responded to within seven days.

2. Maintaining navigational aids in proper working order.

Measure	Targets for 2008/09
The frequency of inspections of leading lights.	Quarterly.
The time to replace outages.	Within 24 hours of notification.
Number of complaints about navigation aids.	No more than five a year.

Coasts, Harbours and Navigation Group of Activities

Financial Summary – Coasts, Harbours and Navigation Group of Activities	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Operating Revenue:				
General Funds	172,725	66,940	119,543	94,107
Grants	29,167	26,000	36,927	1,478,000
User Pays & Other Income	19,709	13,300	14,752	14,752
Total Operating Revenue	221,601	106,240	171,222	1,586,859
Operating Expenditure:				
Total Operating Expenditure	169,377	127,733	157,922	187,562
Operating Surplus/(Deficit)	52,224	(21,493)	13,300	1,399,297
Capital & Reserve Funding Requirements				
Operating Deficit	-	21,493	-	-
Capital – Owenga Wharf	-	-	-	1,460,000
Loan Repayments	-	-	13,300	-
Total Funding Required	-	21,493	13,300	1,460,000
Funded by:				
Operating Surplus	-	-	13,300	1,399,297
Funding from Non Cash Depreciation	-	14,300	-	49,911
Transfers from General Reserves	-	7,193	-	10,792
Total Funding Applied	-	21,493	13,300	1,460,000

Financial variance from the 2006-16 LTCCP

The Owenga Wharf is programmed to be re-built in 2008/09. The Council has lodged an application with Land Transport New Zealand for funding support. Please refer to Appendix 3 of this document. LTNZ is currently preparing a funding policy, and a decision is expected soon after this.

Financial Overview

Forecasts contained in this Annual Plan are developed on a group of activity basis incorporating the major assumptions as detailed in the individual groups of activities. Further details are contained in the individual group of activity summaries and in the financial statements.

In general the forecasts contained in the individual portfolio summaries and in the financial statements indicate the following:

1. Operating expenditure will increase, largely due to the effects of inflation, and will be funded from a combination of general rate, targeted rate, user pays and grants.
2. Any deficits will be funded from existing reserves only to the extent that the Council's ability to meet its long-term commitments to maintain infrastructural assets and to reasonably provide for contingencies is not compromised.
3. Borrowing will be required to fund some assets and will be in accordance with the Liability Management Policy. Refer LTCCP 2006/16.

The rates figures shown in all financial summaries are net of estimated remissions granted. Remissions granted in past years have not been significant. See the Funding Impact Statement for more detail on general and targeted rates.

Balanced budget

The current year's programme will result in a small deficit that will be debited to reserves. As shown in the LTCCP 2006-16, in subsequent years there are both surpluses and deficits. Where there are cash deficits in the statement of financial position and the statement of cash flows, these reflect that the Council's proposed capital expenditure levels are higher than the funds available. Where these deficits occur, Council resolved, in accordance with Section 100(2) of the

Local Government Act 2002, that it is financially prudent not to balance its operating budget but to utilise reserve funds available to reduce the level of rates that in the absence of the reserve usage would otherwise be required having regard to:

1. The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term council community Plan, including the estimated expenses associated with maintaining
2. the service capacity and integrity of assets throughout their useful life; and
3. The projected revenue available to fund the estimated expenses associated with maintaining the service capability and integrity of assets throughout their useful life; and
4. The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life.

The Minister of Local Government has advised that the Government is to continue to provide funding assistance for the Council. The Council is to receive:

2008/09 \$1.828m

2009/10 \$1.613m

2010/11 \$1.878m

2011/12 \$1.914m

and outlying years.

This amount has been included in the Annual Plan 2008/09.

All Groups of Activities

Financial Summary –All Groups of Activities	Annual Report 2007/08 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Operating Revenue				
General Funds	1,547,416	1,693,658	2,153,766	1,557,365
Targeted Rates	154,382	163,091	171,440	171,440
Grants	3,058,093	2,939,584	3,785,055	6,118,754
User Pays & Other	145,368	137,694	114,884	123,280
Total Operating Revenue	4,905,259	4,934,027	6,225,145	7,970,839
Operating Expenditure				
Total Operating Expenditure	4,034,753	4,204,205	4,629,655	5,175,618
Operating Surplus/(Deficit)	870,506	729,822	1,595,490	2,795,221
Capital & Reserve Funding Requirements:				
Operating Deficit	-	-	-	-
Capital Expenditure	1,982,205	2,454,629	3,181,709	4,584,300
Loan Repayments	4,540	4,963	13,300	11,029
Te Whanga Opening Reserve	-	2,500	2,500	-
Burial Register Reserve	10,000	-	-	-
RMA Document Reserve	32,440	28,500	28,500	28,500
Total Funding Required	2,029,185	2,490,592	3,226,009	4,623,829
Funded by:				
Operating Surplus	870,506	729,822	1,595,490	2,795,221
Non Cash Depreciation	1,386,681	1,524,781	1,776,202	1,704,557
Loan Funding	-	-	-	60,000
Te Whanga Opening Reserve	5,143	-	-	5,000
Community Trust Reserve	2,694	-	-	-
General Reserves	(235,839)	235,989	(145,683)	59,051
Total Funding Applied	2,029,185	2,490,592	3,226,009	4,623,829

Financial Assumptions

The financial information contained in this Annual Plan is a forecast based on assumptions which the Council reasonably expects to occur. Actual results achieved are likely to vary from the information presented and these variations may be material. Forecasting assumptions were adopted on 22nd May 2008.

Significant assumptions

In addition to any assumptions noted for each portfolio, the financial projections in this Annual Plan are based on the following assumptions:

- Central government grant and subsidy levels for LTNZ and for assistance with local and regional council functions have been shown at contracted amounts where available. Where contracts for future years are not available the grants are shown at the estimated value to be received based on the best information available. Grants are expected to be calculated using a consistent basis from year to year.
- Price level adjustments for inflation have been allowed. Price level adjustments have been derived from those recommended to Local Government from Business and Economic Research Limited (BERL). An average price level adjustment of 3% for operating activities and 3% for capital expenditure has been applied with the exception of some infrastructural services, which have been adjusted by 7%.
- Population on the Chatham Islands has been stable for the last ten years and growth in the population base is not expected to be significant in the short term, hence no effect on capacity has been provided in this Annual Plan. However, growth beyond the short term is less predictable in terms of cause and effect, accordingly no provision for further growth has been factored in.
- Council will continue to perform its existing range of activities in accordance with current Council policies.
- Investments will earn interest at an average of 8.75% per annum.
- The term of loans raised is between 10 – 20 years. The rate level has been set to ensure there is sufficient cash to repay the loan over this term. The interest rates range between 8% - 11.75%.
- The Council has made a number of assumptions about the useful lives of its assets. The detail for each asset category is reflected in the Statement of Accounting Policies. The useful lives are consistent with the Council's experience with respect to replacement.
- Revaluations of fixed and infrastructural assets, carried out five yearly,

have been included in these forecasts based on information provided by MWH Ltd. The difficulty of determining the basis to be used means there is significant uncertainty surrounding these estimates.

- Future asset renewals and replacements will be funded from reserves and/or loans where available. Where funding is not available from these sources, additional funding will be sought from central government. Most capital expenditure is for renewal of assets except in the following areas:
 - Solid waste activity where new landfill and transfer stations will improve levels of service.
 - Replacement of Owenga Wharf.
 - Roothing improvements.
 - Stabilization of the cliffs along side wharf road.
- There are no commitments or contingencies that the Council is aware of that have not been included in the Annual Plan.

Other than as previously outlined in relation to government funding beyond 2011/12, the Council is not aware of any information that indicates a high degree of uncertainty surrounding the above assumptions.

Reporting Entity

The Chatham Islands Council is a territorial local authority under the Chatham Islands Council Act 1995 and the Local Government Act 2002. The primary objective of the Chatham Islands Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Chatham Islands Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). All available reporting exemptions allowed under the framework for public benefit entities have been adopted.

Statement of Compliance and Basis of Preparation

This forecast information has been prepared and complies with section 111 of the Local Government Act 2002, the Financial Reporting Act 1993, Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the pronouncements of the New Zealand Institute of Chartered Accountants.

The forecast financial statements are for the period 1st July 2008 to 30th June 2009.

Measurement Base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain infrastructural assets.

The preparation of financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates and the difference may be significant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revisions and future periods if the revision affects both current and future periods.

The financial statements are presented in New Zealand dollars and all values are presented as whole dollars. The functional currency of Chatham Islands Council is New Zealand dollars.

Specific Accounting Policies

Revenue Recognition

All Revenue is recognised when it is billed or earned on an accrual basis with the following exceptions.

- Rates revenue is recognised when it is levied.
- LTNZ roading subsidies are recognised when the conditions pertaining to eligible expenditure have been fulfilled.
- Government assistance and grants are recognised when eligibility is established.
- Other grants and bequests are recognised when control over the asset is obtained.

Other revenue is recognised when it is earned by Council.

Chatham Islands Council receives government grants from Land Transport New Zealand, which subsidizes part of Chatham Islands Council costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Interest income is recognised using the effective interest method.

Grant expenditure on non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Chatham Islands Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the Chatham Islands Council decision.

LTCCP Figures

LTCCP 2008/09 figures are those approved by the Council for Year 3 LTCCP 2006-16.

The LTCCP 2008/09 figures have been prepared and comply with section 111 of the Local Government Act 2002, the Financial Reporting Act 1993, Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the pronouncements of the New Zealand Institute of Chartered Accountants. New Zealand International Financial Reporting Standards (NZ IFRS) and NZIFRS 1 have been applied.

GST

All amounts in the financial statements are exclusive of GST, except for debtors and creditors, which are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net amount of GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST

Trade and Other Receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Financial Assets

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance. Chatham Islands Council classifies its short-term deposits as 'loans and receivables' as described in NZ IFRS7. Loans and receivables are defined as non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition they are measured at amortized cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance. Loans and receivables are classified as "other financial assets" in the statement of financial position.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Property Plant and Equipment

Expenditure is capitalized as Property Plant & Equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset. Costs that do not meet these criteria are expensed.

Property Plant and Equipment is shown at cost or valuation, less accumulated depreciation and impairment losses and is categorised in the following classes:

- operational assets,

- infrastructural assets.

Intangible Assets

Computer software is valued at cost less accumulated amortisation.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the statement of financial performance. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software: 5 years 20%.

Operational Assets

Land and Buildings are valued at deemed cost by way of government valuation, suitable for financial reporting purposes as at 1 July 1989. Subsequent additions are valued at cost. All other operational assets are valued at cost less accumulated depreciation.

Infrastructural Assets

Infrastructural assets are revalued at least every five years. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation, this balance is expensed in the statement of financial performance.

Roading

Roading assets (excluding land under roads) were revalued by M.W.H Ltd (Registered Engineers) at depreciated replacement cost* as at 1 July 2005. Subsequent additions are included at cost. Land under roads is recorded at cost and is not depreciated.

*NOTE: Depreciated replacement cost is ascertained by identifying the current cost to replace the existing services with appropriate services then depreciating that value over the useful life of the asset.

Stormwater and Sewerage Reticulation

The reticulation systems were valued by M.W.H Ltd (Registered Engineers) as at 1 June 2001. The valuation provided is depreciated replacement cost. Subsequent additions are included at cost. For the purposes of IFRS the book value of the assets as at 1st July 2005 have been taken as deemed cost.

Water

The reticulation systems were valued by M.W.H Ltd at depreciated replacement cost as at 1 June 2001. Subsequent additions are included at cost. For the purposes of IFRS the book value of the assets as at 1st July 2005 have been taken as deemed cost.

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the entity would, if deprived of the asset, replace it's remaining future economic benefits or service potential. The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of financial performance.

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

Depreciation

Depreciation is provided on a straight-line basis on all assets. Rates are calculated to allocate the assets cost or valuation less estimated residual value over their estimated useful life, as follows:

	Years
Motor Vehicles	5
Furniture/Fittings	5-10
Buildings	25-50
Office Equipment	5
Roading:	
Top surface (seal)	10 years
Pavement (base course)	
sealed	66 years
unsealed	Not depreciated
Pavement	5 Years
unsealed (wearing course)	
Formation	Not depreciated
Culverts	75-100 years
Footpaths	60 years
Kerbs	60 years
Signs	25 years
Street lights	50 years
Retaining walls	50 years
Bridges	30-50 years
Water Reticulation:	
Pipes	25 years
Valves, hydrants	25 years
Pump stations	5-25 years
Tanks	80 years
Sewerage Reticulation:	
Pipes	80 years
Manholes	60 years
Sand Filter	26 years
Stormwater System:	
Pipes	60 years

Leases

Council does not have any finance leases of fixed assets, where substantially all the risks and benefits incidental to the ownership pass to Council or operating leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item.

Provisions

Chatham Islands Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the future expected expenditure. Provision has been made for closure and post closure costs at the three landfills. This has been valued at current estimated costs. The valuation was prepared by M.W.H Ltd as at 30 June 2003.

Financial Instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, borrowings, debtors and creditors. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of financial performance. Except for those items that are covered by a separate accounting policy, all financial instruments are shown at their estimated fair value.

Statement of Cash Flows

The statement of cash flows has been prepared using the direct approach subject to the netting of cash flows in respect of investments and borrowings that have been rolled over under arranged facilities to provide more meaningful information. The following are the definitions used in the Statement of Cash Flows:

- Cash means cash on hand and current accounts in banks net of overdrafts
- Operating activities include all transactions and other events that are not investing or financing activities
- Investing activities are those activities relating to the acquisition, holding and disposal of property, plant & equipment and of investments
- Financing activities are those activities, which result in changes in the size and composition of the capital structure of Chatham Islands Council including both equity and debt not falling within the definition of cash

Cost of Service Statements

The cost of service statements, report the net cost of services for significant activities of the Council, and are represented by the cost of providing the service less all directly related revenue that can be allocated to these activities. Certain other revenue classified in the cost of service statements as general funds such as general rates, interest, and government assistance to the Chathams is not directly attributable to services. In this case, required general funds to meet operational surpluses or deficits are pro-rated to the service on the basis of funds available.

Equity

Equity is the community's interest in Chatham Islands Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves. The components of equity are:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Chatham Islands Council. Restricted reserves are those subject to specific conditions accepted as binding by Chatham Islands Council and which may not be revised by Chatham Islands Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Statement of Financial Performance

	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
General Funds*	1,547,416	1,123,658	1,583,766	1,557,364
Targeted Rates	154,382	163,091	171,440	171,440
Grants	3,058,093	3,509,584	4,355,055	6,118,755
User Pays & Other Income	145,368	137,694	114,884	123,280
Total Revenue	4,905,259	4,934,027	6,225,145	7,970,839
Interest Expense	19,276	18,853	43,058	19,419
Depreciation	1,386,681	1,524,781	1,776,202	1,704,557
Employee Benefits	371,366	366,675	343,070	450,573
Other Operating Expenditure	2,257,430	2,293,896	2,467,325	3,001,069
Total Operating Expenditure	4,034,753	4,204,205	4,629,655	5,175,618
Operating Surplus/(Deficit) before taxation	870,506	729,822	1,595,490	2,795,221
Taxation	-	-	-	-
Operating Surplus/(Deficit) after taxation	870,506	729,822	1,595,490	2,795,221
*General Funds includes: - interest income of:	59,111	44,775	-	146,230
*General Funds includes: - grant income of:	1,054,594	623,000	1,137,379	945,900

Statement of Movements in Equity

Equity at the Start of the Year	31,080,531	31,259,231	39,410,911	31,989,053
Operating Surplus/(Deficit)	870,506	729,822	1,595,490	2,795,221
Revaluations		-		
Total Recognised Revenue & Expenses	870,506	729,822	1,595,490	2,795,221
Equity at the End of the Year	31,951,037	31,989,053	41,006,401	34,784,274

Statement of Financial Position	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Total Public Equity	31,951,037	31,989,053	41,006,401	34,784,274
Represented by:				
Current Assets				
Cash & Bank	820	155,459	33,476	119,908
Accounts Receivable & Accruals	1,264,889	378,908	394,475	600,699
Total Current Assets	1,265,709	534,367	427,951	720,607
Non Current Assets				
Fixed & Infrastructural Assets	32,558,271	32,520,464	41,856,814	35,400,207
Total Non Current Assets	32,558,271	32,520,464	41,856,814	35,400,207
Total Assets	33,823,980	33,054,831	42,284,765	36,120,814
Current Liabilities				
Bank Over draft	206,685	-	-	-
Accounts Payable & Accruals	1,302,915	707,859	906,964	924,226
Total Current Liabilities	1,509,600	707,859	906,964	924,226
Non Current Liabilities				
Provision for landfill closure costs	157,000	157,000	-	157,000
Term Loans	206,343	200,919	371,400	255,314
Total Non Current Liabilities	363,343	357,919	371,400	412,314
Net Assets	31,951,037	31,989,053	41,006,401	34,784,274

* Total cash and bank over drawn.

Statement of Cash Flows	Annual Report 2006/07 \$	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
Cash Flow from Operating Activities:				
Rates	340,889	347,933	341,338	371,674
Council Dues	320,555	265,000	265,000	265,000
Grants	3,446,212	4,086,584	5,492,434	7,064,655
Interest Received	55,333	44,775	-	146,230
Other Income	186,942	137,694	114,884	123,280
Cash provided:	4,349,931	4,881,986	6,213,656	7,970,839
Employees	459,364	(366,675)	(338,000)	(450,573)
Interest Paid	19,276	(18,853)	(43,058)	(19,419)
Supplies & Services	2,336,593	(2,293,896)	(2,467,980)	(3,001,069)
Cash applied:	2,815,233	(2,679,424)	(2,849,038)	(3,471,061)
Net Cash from Operating	1,534,698	2,202,562	3,364,618	4,499,778
Cash Flow from Investing Activities				
Purchase of assets	(1,899,820)	(2,454,629)	(3,181,709)	(4,584,300)
Cash applied:	(1,899,820)	(2,454,629)	(3,181,709)	(4,584,300)
Net Cash from Investing	(1,899,820)	(2,454,629)	(3,181,709)	(4,584,300)
Cash Flow from Financing Activities				
Loans raised	-	-	-	60,000
Cash provided:	-	-	-	60,000
Repayment of Loans	(4,540)	(4,963)	(13,300)	(11,029)
Cash applied:	(4,540)	(4,963)	(13,300)	(11,029)
Net Cash from Financing	(4,540)	(4,963)	(13,300)	48,971
Net Increase(Decrease) in Cash Held	(369,662)	(257,030)	169,609	(35,551)
Opening Cash Balance	163,797	412,489	(136,133)	155,459
Closing Cash Balance	(205,865)	155,459	33,476	119,908

Funding Impact Statement

Policies on Revenue, Funding and Rating are set out in the Long Term Council Community Plan 2006-2016

The Local Government Act 2002 requires Council to adopt a Funding Impact Statement.

The funding impact statement provides the following:

1. A breakdown of how the operating and capital expenditure is to be funded for 2008/09.
2. Detailed explanation of the types of rates to be set and on what basis they are calculated.
3. Indicative rates figures for 2008/09.

The revenue and financing policy contains Council's policies with respect to which funding mechanisms are to be used to finance the operating and capital expenditure.

(All Rates and Charges listed below are inclusive of G.S.T)

General Rates

Council proposes to set a general rate based on the capital value of each rating unit in the Territory. The general rate will be set on a differential basis based on land use. The categories are:

- ◆ Infrastructure will be charged 4.9% of the General Rate
- ◆ Industrial will be charged 14.3% of the General Rate
- ◆ Commercial will be charged 11% of the General Rate
- ◆ Rural and Residential will be charged 69.8% of the General Rate.

This will result in the following rates:

Land Use	Rate (including GST)	Total Collected
Infrastructure	.002523cents in the dollar	\$10,487
Industrial	.005004 cents in the dollar	\$30,604
Commercial	.003372 cents in the dollar	\$23,541
Rural and Residential	.001894 cents in the dollar	\$149,381
TOTAL GENERAL RATE (including GST)		\$214,013

Targeted Rates

Council proposes to set targeted rates based on a variety of rating bases as follows:

Water Supply

Council proposes to set a targeted rate for the public water supply serving the Waitangi township. Rating units not connected to this scheme are not liable for this rate. The estimated rates for the 2008/09 year are:

\$543.86 per connection, which will collect \$46,229

Sewerage Disposal

Council proposes to set a targeted rate for sewerage disposal based on each pan connected to the public service in the Waitangi township. Rating units that are not connected to the scheme are not liable for this rate. The estimated rates for the 2008/09 year are:

\$551.47 per pan, which will collect \$56,250

Sanitation

Council proposes to set a targeted rate for sanitation (waste management) activities. This rate will be charged to all rating units on Chatham Island. The Council will, in accordance with its Rates Remission Policy, remit the rates on rating units that do not contain a residence or other building. The estimated rates for the 2008/09 year are:

\$124.33 per unit, which will collect \$43,142

Roading

Council proposes to set a targeted rate on all rating units to lessen the effect of the capital value rate as it relates to roading. The estimated rates for the 2008/09 year are:

\$110.14 per unit, which will collect \$47,250

Council Dues

The Chatham Islands Council's other income source is via the Council Dues. This takes the form of a tax on the import and export of goods to and from the Islands. The carrier of the goods is responsible for the collection of the Council Dues and paying them promptly to the Council. The Chatham Islands Council is the only Council with authority to charge a Council Due. No increases are proposed for the 2008/09 year. Estimated income from Council Dues is \$265,000.

Rates by Instalments

The Council proposes to collect the rates in three installments, due on:

01 September 2008

01 January 2009

01 May 2009

Penalties

The Council proposes to instruct its General Manager to apply the following penalties on unpaid rates:

1. A 10% penalty on any Instalment No. 1 charges which remain unpaid after 14 October 2008.
2. A 10% penalty on any Instalment No. 2 charges which remain unpaid after 14 February 2009.
3. A 10% penalty on any Instalment No. 3 charges which remain unpaid after 14 June 2009.
4. A further penalty of 10% will be applied to all amounts that remain unpaid on 30 June 2009.

FUNDING IMPACT STATEMENT	Annual Plan 2007/08 \$	LTCCP 2008/09 \$	Annual Plan 2008/09 \$
General Rates	180,883	181,388	190,234
Rates Penalties	10,000	-	10,000
Council Dues	265,000	265,000	265,000
Interest	44,775	-	146,230
Central Government Assistance	1,193,000	1,707,379	1,828,000
General Funds	1,693,658	2,153,767	2,439,464
Targeted Rates - Water Supply	40,076	41,092	41,092
- Sewerage Disposal	46,808	50,000	50,000
- Sanitation	35,214	38,348	38,348
- Rooding	40,993	42,000	42,000
Grants (excluding Central Govt Assistance)	2,939,584	3,785,055	5,236,655
User Pays & Other Income	137,694	114,884	123,280
Total Revenue	4,934,027	6,225,146	7,970,839
Total Operating Expenditure	4,204,205	4,629,656	5,175,618
Operating Surplus/(Deficit)	729,822	1,595,490	2,795,221
Capital Expenditure	2,454,629	3,181,709	4,584,300
Loan Repayments	4,963	-	11,029
Operating deficit		-	-
Total	2,459,592	3,181,709	4,595,329
Funded by:			
Operating Surplus	729,822	1,595,490	2,795,221
Depreciation	1,524,781	1,776,202	1,704,557
Loan funding	-	-	60,000
General Reserves	204,989	189,983	35,551
Total	2,459,592	3,181,709	4,595,329

The Organisation – Council & Management

Mayor and Councillors

Mayor	Mr Patrick F Smith
Deputy Mayor	Mr Alfred W M Preece
Councillors	Mr Bruce J Mills
	Mr Nigel C Ryan
	Mr Phillip R Christiansen
	Ms Antoinette Gregory Hunt
	Ms Monique Croon
	Miss Eva-Cherie Tuck
	Mr Nathaniel J Whaitiri

Chatham Islands Council PO Box 24 Ph (03) 3050 033 Fax (03) 3050 044 info@cic.govt.nz Web www.cic.govt.nz
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Council Staff

General Manager	Owen Pickles	owen@cic.govt.nz
Finance Manager	Deborah Goomes	deborah@cic.govt.nz
Office Assistant	Tania Whaitiri	tania@cic.govt.nz

Office Assistant	Natasha Fraser	tarsha@cic.govt.nz
Minute Secretary	Lynette Pickles	
Emergency Management Co-ordinator	Rana Solomon	rana@cic.govt.nz

Council Directory

Engineers	MWH Ltd (Christchurch) (MWH New Zealand Ltd) Charles Mellish, Shaun Mitchell
Contractors	Works Infrastructure Ltd Alan Stanton
Resource Management	Beca Carter Hollings & Ferner Ltd (Christchurch) Paul Whyte
Solicitors	Macalister Mazengarb Robin Buxton Brooke Gibson
Bankers	ANZ – (Waitangi - Chatham Islands)
Auditors	Audit New Zealand (on behalf of the Auditor General)

Appendix One – Statement of Fees and Charges 2008/09

Activity	Fee Type		2007/08 Fee (incl gst)	2008/09 Fee (incl gst)	
Building Consents	Building Consents Fees	\$0 to \$10,000 value	\$200	\$200	
		\$10k to \$20,000 value	\$400	\$400	
		\$20k to \$50,000 value	\$562.50	\$562.50	
		\$50k to \$100,000 value	\$900	\$900	
		\$100k to \$200,000 value	\$1,125	\$1,125	
		\$200,001 upwards	\$1,200	\$1,200	
		Plus \$100 for every \$100k above			
		Land Information Memorandum		\$175	\$175
		Urgent LIM		\$250	\$250
		Installation of Solid Fuel Heating		\$120	\$120
Minor Building & Plumbing works		\$50	\$50		
Residential Demolitions		\$112.50	\$112.50		
BRANZ Levy	per \$1,000 of total cost over \$20,000	\$1	\$1		
BIA Levy	per \$1,000 of total cost over \$20,000	\$0.65	\$0.65		
Resource Consents	Land Use Consents				
	Notified Consent		\$1,500 - deposit	\$1,500 - deposit	
	Charge out rates		Planner \$100 per hour Administration \$50 per hour	Planner \$100 per hour Administration \$50 per hour	
	Non Notified		\$350	\$350	
	Controlled Activity		\$500	\$500	
	Subdivision Consents				
	Non Notified – Boundary Adjustments		\$450	\$450	
	Non Notified – 2 lots or less		\$500	\$500	
	Non Notified – 3 to 5 lots		\$1,000	\$1,000	
	Non Notified – 5 lots or more		\$1,500	\$1,500	
	S 226 Certificate		\$300	\$300	
	S 139 Certificate of Compliance		\$350	\$350	
Liquor Licensing	Club License		\$776	\$776	
	On License		\$776	\$776	
	Off License		\$776	\$776	

Activity	Fee Type		2007/08 Fee (incl gst)	2008/09 Fee (incl gst)
	Special License		\$63	\$63
	Managers Certificate		\$132	\$132
	Temporary Authority		\$132	\$132
	Certificate of Compliance		\$100	\$100
Health Inspection	Inspection Fee		\$200	\$200
Animal Control	Dog registration		\$35	\$30
	Dog registration – Early		\$23.50	\$25
	Fines under Dog Control Act 1996	Vary per offence, (Per Sch 1 of the Dog Control Act)	From \$100 up to \$750	From \$100 up to \$750
	Impounding Fees		\$60	\$60
	Sustenance Fees	Per Day	\$5	\$5
Cemetery	Sale of Caskets		At cost plus 10%	At cost plus 10%
Community Housing	Rentals – 3 Bedroom	Per Week	\$90	\$98
	Rentals – 2 Bedroom	Per Week	\$70	\$77
Staff House	Rentals	Per week	\$120	\$125
Council Buildings	Waitangi Hall Rental	Per Hour Per Day	\$5	\$5 \$100
	Works Yard Rental	Per Week	\$ 307	\$ 307
Coasts, Harbours & Navigation	Swing Mooring Fees – Registration and Transfer	Per Year	\$75	\$75
	Port Charges			
	Waitangi	Per Year	\$3,000	\$3,000
	Owenga	Per Year	\$2,500	\$2,500
	Kaingaroa	Per Year	\$2,000	\$2,000
	Port Hutt	Per Year	\$2,000	\$2,000
	Flower Pot	Per Year	\$500	\$500
	Permission of Harbourmaster – Oil Tanker		\$100	\$100
	Application for Exemption		\$60	\$60
	Application for Suspension		\$250	\$250
	Application for Reservation		\$250	\$250

COUNCIL DUES

No Change to Dues.

The current Special Order for the adoption of rates for Council Dues was ratified by Council to take effect from 25 November 1991.

What's happening in 2008/09?	Quantity	2008/09 Fee (incl gst)
CARRIAGE BY SEA		
Rock Lobster, Paua, Scallops and Oysters	Tonne	\$200
Other fish meat and fish bait	Tonne	\$18
Cooler goods (fruit, vegetables, etc.)	M3	\$5
General Cargo	M3/Tonne	\$18
Diesel, Oil in bulk	1,000 litres	\$24
Petrol/Avgas in bulk tanks	1,000 litres	\$25
Petrol/Avgas in 200 litre drums	Drum	\$5
Hazardous Goods	M3/Tonne	\$18
Vehicles (including boats, trailers, motorbikes, etc.)	M3	\$5
Timber	M3	\$12
Dry Bulk (cement, fertiliser, coal, animal feed)	M3/Tonne	\$12
Wool and Moss	Bale	\$12
Animals, large (cattle and horses)	Each	\$5
Animals, small (sheep, pigs, dogs, fowls, goats)	Each	\$1
NOTE: M3/Tonne is whichever is the greatest.		
CARRIAGE BY AIR		
Rock Lobster, Paua, Scallops and Oysters	Tonne	\$200
Other fish meat and fish bait	Tonne	\$18
General Cargo		6% of freight charged
Minimum Freight .1		

Appendix Two – Glossary of Terms

These definitions are intended to define terms in this Long Term Council Community Plan in plain English. For legal definitions see the Local Government Act 2002.

Activity

Groups of related services, projects or goods provided by or on behalf of Council are combined into an activity. These activities are then grouped into groups of activities.

Annual Plan

The Annual Plan is produced in the intervening years between the Long Term Council Community Plan. It is a simple document, which explains variations from the activities or budgets in the Long Term Council Community Plan and confirms arrangements for raising revenue for the financial year. It also includes the forecast financial statements and other relevant information for the year. The community must be consulted on the Annual Plan.

Annual Report

The Annual Report reports on the performance of Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and the Long Term Council Community Plan.

Asset

Something of value that Council owns on behalf of the people of the Chatham Islands, such as roads, drains, parks and buildings.

Asset Management Plan

A long-term Plan for managing an asset to ensure that its capacity to provide a service is kept up and costs over the life of the asset are kept to a minimum.

Capital Costs

These include transactions that have an effect on the longer term financial position of Council. Items include transfer of funds to reserve accounts, and the purchase or construction of assets.

Capital Value

Value of land including improvements.

Community Outcomes

A set of statements that describe the vision the Chatham Islands has for its future. The community outcomes of the Chatham Islands are outlined in The Long Term Council Community Plan. Council seeks to contribute to these outcomes through its various activities.

Current Assets

Assets which can be readily converted to cash, or will be used up during the year. These include cash and debtors.

Current Liabilities

Creditors and other liabilities due for payment within the financial year.

Depreciation

Depreciation is an accounting concept to recognise the consumption or loss of economic benefits embodied in items of property, Plant and equipment. Depreciation spreads the cost of items such as property, Plant and equipment over their useful lives as an operating expense.

Fixed Assets

These consist of land and buildings and infrastructure assets including sewer and water systems, and roading. They are sometimes referred to as capital assets.

Group of Activities

Council groups all its services into 14 main categories of activities (which equates to 'group activities' in the Local Government Act (2002)).

Infrastructure Assets

Infrastructure assets are utility service networks i.e. water, sewerage, stormwater, and roading. They also include associated assets such as water pump outlets, sewerage treatment Plant, street lighting, and bridges.

Iwi

People or tribe.

Land Value

Value of land excluding improvements.

Local Government Act 2002 (LGA 2002)

The Local Government Act 2002 is the primary legislation that governs Councils' operations and actions.

Long Term Council Community Plan (or LTCCP)

A ten-year Plan which sets out Council's response to community outcomes and how Council will manage its finances and the community's resources. The requirement for the LTCCP was introduced by the Local Government Act 2002.

Operating Expenditure

Expenditure through Council's activities on such items as salaries, materials, and electricity. All these inputs are consumed within the financial year.

Operating Revenue

Money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular services or goods are provided. Examples include Transfund subsidies, rental income, permits, fees and Council dues.

Operating Surplus (Deficit)

These expressions 'operating surplus' and 'operating deficit' are accounting terms meaning the excess of income over expenditure and excess expenditure over income respectively. Income and expenditure in this context exclude 'capital' items such as the cost of capital works. An operating surplus/deficit is inclusive of non-cash items such as income and expenditure owing but not paid (debtors and creditors) and depreciation.

Partner

In the role of Partner, Council maintains ongoing relationships with key groups and organisations locally, regionally and nationally.

Performance Measures

These have two parts; first, a simple explanation of the measure by which performance will be assessed and second, performance targets. Council uses these measures when reporting on how it has performed in its various activities.

Public Equity

Represents the net worth of the Chatham Islands Council if all the assets were sold for the values recorded and the liabilities were extinguished.

Regulatory Role

Council has a regulatory role as it operates under and enforces a range of legislation.

Resources

These are the assets, staff and funds needed to contribute to the activities of Council including goods, services and policy advice.

Service Provider

Council provides services as required by law e.g. sewerage or by community mandate e.g. playground.

Significance

Significance means the degree of importance of the issue, proposal, or decision of matter before Council in terms of its likely impact on, or consequences for the current and future social, economic, environment and cultural well-being.

Significance Policy

Sets out how Council determines how significant a project or decisions are and therefore the level of consultation and analysis required.

Statement of Cash Flows

This describes the cash effect of transactions and is broken down into three components: operating, investing and financing activities.

Statement of Financial Performance

This can also be referred to as the Profit and Loss Statement, the Income Statement or the Operating Statement. It shows the financial results of the various Chatham Islands Council activities at the end of each period as either a surplus or deficit. It does not include asset purchases or disposals.

Statement of Financial Position

This shows the financial state of affairs at a particular point in time. It can also be referred to as the Balance Sheet.

Sustainable Development

Sustainable development is generally defined as "development that meets the needs of the present without compromising the capacity of future generations to meet their own needs".

Well-being

In this document well-being includes the social, economic, cultural and environmental aspects of a community. The community outcomes are factors of well-being.