



Annual Report Summary 2005/2006



chatham islands council



Message from the Mayor

Welcome to the Summary Annual Report for 2006. This document summarises the Chatham Islands Council's Activities over the past 12 months.

This summary annual report reflects that no significant variation has occurred within its Annual Plan prepared for this said 2005/06 financial year and the interests of this community and ratepayers have been represented in a fair and equitable manner.

Through local democracy, decision making has been actioned on behalf of this community which has promoted the four aspects of wellbeing incorporating social, economic, environmental and cultural outcomes.

This report complies with the provisions of the Local Government Act. Participation within its plan has been significant where 92% of residents have sighted or read Council publications, which collectively have been reported on within this document.

As Mayor I am pleased and recognise greater ratepayer participation and urge you, as individuals and through organisations, to continue to work through items of concern or development initiatives to further progress infrastructure requirements.

I take this opportunity to thank Council's extensive team network. Your professional and caring attitude taken through work ethic to provide advice, systems, monitoring and work load undertaken, further progresses the environment, the community and the development of these Islands.

I wish to express my thanks to Councillors and my Manager and his staff for the skills brought this past year to solidify the success of operations undertaken and commented on in this summary document.

Patrick F Smith QSO, JP
MAYOR

Message from the General Manager

I am pleased to present this summary annual report for the 2005/06 year. This was the first year that the Council reported against Community Outcomes. While only interim outcomes were included, as required under the Local Government Act 2002, this has enabled the Council to focus on the broader benefits of service in the context of the community's economic, environmental, social and cultural wellbeings. However, it does not undermine the importance of the core Council functions of Roads, Resource Management Regulation and the myriad of other services.

This year a focus was required to be placed on the future with the development of a robust ten year plan known as the "LTCCP". This plan and its supporting documentation provided the reader with a thorough understanding of the Council's roles, activities and funding. The LTCCP was signed off by the Audit Office which provides further confidence about its content.

While all this planning was happening so was some "real work". Footpaths are appearing in Waitangi, the gorse on the Waitangi foreshore has been replaced with a new junior children's playground, roads continue to be maintained and improved, biosecurity activities are being addressed, regulations administered and a housing project has commenced.

A focus on the Council's Emergency Management/Rural Fire responsibilities has proven to be timely as two rural fires were suppressed with costs being able to be recovered from the national fund. This would not have been possible without having compliant plans in place.

The year's financial results show a decrease in assets of \$7.7m. This is caused by the devaluation of the Council's roading assets. The roading network was accurately measured for the first time during the year. Our operating accounts were close to budget which was a pleasing result.

Credit for what has been a busy and productive year has to sit with all of those people who are part of the larger Chatham Islands Council organisation. It includes the sound and robust decision making made by the Councillors and the professional competency of the staff, contractors and consultants in advising on and actioning the policies developed. I thank all of these people for their support during the year and look forward to continuing to work towards a sustainable future for our people and our Islands.

Owen Pickles JP
General Manager

Key Projects and Issues Chatham Islands Council has worked on during the year to 30 June 2006.

Democracy

This activity includes the planning and support for the Council and its Committees, the provision of information regarding Council business, and the general oversight of the processes that underpin representative local government in the Chatham Islands Territory. A review of Community Outcomes was undertaken during the year. These community outcomes form the basis of Council's Long Term Community Plan 2006-2016 that came into effect 1 July 2006. The outcomes consider social, economic, environmental and cultural well-being of the community and reflect local priorities.

The Community Outcomes are the following:

- 'A safe and healthy community'
- 'An enterprising & innovative community'
- 'An environmentally conscious community'
- 'A culturally enriched community'

Measure	Target	Actual
Public availability of agendas and attachments	Available at least 3 working days prior to meetings	Achieved

Land Transport

Council is responsible for the maintenance of all public roads on the Chatham Islands, sharing the costs with Land Transport New Zealand. The seal extension was not carried out in the current year due to cost benefit considerations, Council is investigating the sealing of the road from the Airport to Waitangi. The Council had new footpaths constructed in Waitangi, which was not in the budget, this was mostly funded by LTNZ grants income. The roading activity is the Council's largest spend at \$2.1m during the 2005/06 year. During the year the roading network assets were revalued resulting in a 7.7m decrease in value. The roading network was accurately measured for the first time during the year.

Measure	Target	Actual
Residents satisfaction with the roading network	Greater than 75%	Not Achieved – 31% Satisfaction
Number of motor vehicle crashes	Fewer than 3 crashes involving injury	Not Achieved – 5 crashes involving injury

Solid and Hazardous Waste Management

The Council operates refuse disposal sites at Te One, Kaingaroa and Owenga.

In the Annual Plan the Council budgeted for landfill closure costs of \$51,800 the actual expenditure for closure was Nil. Council is still awaiting funding from the Government so that it can start to close the existing landfills and replace them with transfer stations.

Measure	Target	Actual
Compliance with resource consent conditions for landfill sites at Te One, Kaingaroa and Owenga	100%	Monitoring was undertaken during the year but no formal report has been prepared.

Water Supply

Council operates a public water supply to consumers in part of the Waitangi village. In April 2006 the level of water in the reservoirs were very low due to excessive use by a few high volume users in the Waitangi Township. The water supply had to be turned off to 2 commercial users to conserve the remaining water to the township. The Council contractors were called in within 1 hour from the time the incident was reported.

Measure	Target	Actual
Customer satisfaction	Greater than 80%	66% of consumers were satisfied with the water supply in the Waitangi Township

Stormwater

Council's main role with stormwater drainage is to control the level of Te Whanga, this is necessary to protect productive land around the shores of Te Whanga. The Council also provides piped stormwater drainage in Wilson Place in Waitangi.

Measure	Target	Actual
Flooding as a result of the rising level of Te Whanga	The Te Whanga outlet will be managed to eliminate the instances of flood.	The Te Whanga outlet did not need opening in 2005/06.

Harbour Control

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.

During the year the Council adopted the Chatham Islands Council Navigation Safety Bylaw, which will take effect from 1 July 2006.

Council is investigating engineering and funding options for the Owenga wharf upgrade to be carried out in 2006/07 financial year.



Wastewater

Council operates a public wastewater scheme that serves all of Waitangi.

Measure	Target	Actual
Compliance with resource consent conditions	100%	100% compliance with resource consent conditions.

Community Services

This group of activities includes, Arts and Heritage (includes Chatham Islands Museum), Morgue and Cemeteries, Community Support, Housing, Town Hall, Parks and Reserves, Public Conveniences, and Grants and Donations.

During the year Council continued work on the children's playground in Waitangi and the housing project has commenced to address the issues of a lack of affordable housing and lack of rental houses on the Islands.

Measure	Target	Actual
Public satisfaction with Council-provided community services.	Greater than 80%	Not Achieved - 47% of residents were satisfied.
To investigate the introduction of a public library service by establishing a partnership with a mainland council.	That a report on this initiative be presented to Council by March 2006.	The report was presented to Council in March 2006.

Consents and Compliance

The Resource Management Act 1991 charges Council with the statutory function of receiving, processing and granting resource consents including certificates of compliance.

As a Unitary Authority, Council is responsible for Regional, District, as well as coastal functions. There are five types of consents that Council must process:

- Land use, including the erection of buildings and land disturbance as well as the use of riverbeds and lakes.
- Subdivision of land.
- Coastal marine, including reclamation of the foreshore or seabed, the erection or demolition of structures and occupancy of the coastal marine area, including marine farming.
- Water, including the taking, damming or diversion of water.
- Discharge of contaminants into the environment being water, land and air.

Measure	Target	Actual
Timeframes for processing regulatory licensing and consent applications	Timeframes are maintained or reduced	Achieved. Adequately processed in the timeframes required in relation to the type or nature of a consent application or licensing matter.

Environment

The environment function of Council is carried out in terms of the requirements of the Resource Management Act 1991 (RMA). This function requires the monitoring and reporting on the state of the Chatham Islands environment – its land, air, water and coastal resources; and review, at not less than 10 year intervals, of policy for managing the natural and physical resources of the Chatham Islands.

Measure	Target	Actual
Compliance with resource consent conditions	100%	No consents issues

Emergency Management/Rural Fire

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. Civil Defence Training exercises were undertaken in May 2006, 35 people participated in 7 exercises held over 2 weeks. CDEM Group, Area Co-ordinators have undergone training throughout the year to respond to events. A Response team has been established. A Welfare Plan is now in place. Training in Welfare has been undertaken by Council staff.

The Council is also a Rural Fire Authority under the Forest and Rural Fires Act 1977.

Animal and Plant Pest Control – Biosecurity

Council will carry 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, and with the Biosecurity Act 1993 and Resource Management Act 1991.

Measure	Target	Actual
Long-term (5 year+) trends in containment/control of plant pests	No new infestations outside known areas	The CIC work programme has focused on reviewing the Chatham Islands Regional Pest Management Strategy (RPMS).

Animal Control

Council carries out animal control functions in accordance with the Dog Control Act 1996, the Impounding Act 1995 and animal control bylaws. This includes control of dogs, stock on public roads and other domestic animals.

Measure	Target	Actual
Response Times	Attend to dog attacks and rushes which have just occurred within 1 hour	No dog attacks were reported

AUDIT REPORT

AUDIT NEW ZEALAND
 Mana Arotake Aotearoa

TO THE READERS OF CHATHAM ISLANDS COUNCIL'S SUMMARY ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

We have audited the summary annual report of Chatham Islands Council.

Unqualified opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements complies with FRS-39: Summary Financial Reports and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 26 October 2006, on:

- the full financial statements; and
- the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report.

Basis of opinion

Our audit was conducted in accordance with the Auditor-General's Auditing Standards, which include New Zealand Auditing Standards. Other than the audit and in conducting the audit of the Long Term Council Community Plan, we have no relationship with or interests in the Chatham Islands Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on that report. These responsibilities arise from the Local Government Act 2002.



Julian Tan

Audit New Zealand

On behalf of the Auditor-General
 Christchurch, New Zealand
 13 November 2006

Matters relating to the electronic presentation of the audited summary financial statements

This audit report relates to the summary financial statements of Chatham Islands Council for the year ended 30 June 2006 included on Council's web site. The Council's governing body is responsible for the maintenance and integrity of the web site. We have not been engaged to report on the integrity of the web site. We accept no responsibility for any changes that may have occurred to the summary financial statements since they were initially presented on the web site.

The audit report refers only to the summary financial statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited summary financial statements and related audit report dated 13 November 2006 to confirm the information included in the audited summary financial statements presented on the web site.

Legislation in New Zealand governing the preparation and dissemination of the summary financial statements may differ from legislation in other jurisdictions.

FINANCIAL OVERVIEW

Summary Financial Information for the year ended 30 June 2006

Explanation

Grants and Subsidies are lower than the Annual Plan due to a GST liability arising in relation to some government grants received. See note on Contingent assets on the next page.

Revaluation Reserves: the impact of the roading assets revaluation was not included in the Annual Plan. The net revaluation movement for the year was \$7,771,000.

SUMMARY STATEMENT OF FINANCIAL PERFORMANCE & MOVEMENTS IN EQUITY FOR THE YEAR ENDED 30 JUNE 2006

	ACTUAL 2006 \$000	ANNUAL PLAN 2006 \$000	ACTUAL 2005 \$000
Revenue			
Grants and Subsidies	2,848	3,347	4,855
Other Revenue	876	719	754
Operating expenditure	4,106	3,560	3,207
Surplus/(Deficit) before taxation	(382)	506	2,401
Taxation Expense	-	-	-
Surplus/(Deficit) after taxation	(382)	506	2,401
Decrease in Revaluation Reserve	(7,771)	-	-
Total Recognised Revenue and Expenses	(8153)	506	2,401
Equity at the beginning of the year	39,235	37,727	36,834
Equity at the end of the year	31,082	38,233	39,235

Explanation

Total Current Liabilities: the actual result is higher than the annual plan due to a \$350,500 GST liability arising in relation to some government grants received. See note on Contingent assets on the next page.

Infrastructure Assets: the impact of the roading assets revaluation was not included in the Annual Plan. The decrease in asset value for the year was \$7,771,000.

SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2006

Equity	31,082	38,233	39,235
<i>Represented by:</i>			
Total Current Assets	625	278	872
Total Infrastructure Assets	30,274	37,343	37,869
Total Non Current Assets	1,689	1,699	1,708
Total Assets	32,588	39,320	40,449
<i>Less</i>			
Total Current Liabilities	1,138	621	836
Total Non Current Liabilities	368	466	377
Total Liabilities	1,506	1,087	1,214
Net Assets	31,082	38,233	39,235

SUMMARY STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2006

Net Cashflows from Operating Activities	799	1,211	3,328
Net Cashflows from Investing Activities	(838)	(985)	(2,798)
Net Cashflows from Financing Activities	(4)	(6)	220
Net Cashflow for the year	(43)	(220)	751
Opening Cash Balance	274	(508)	(476)
Closing Cash Balance	231	(288)	274

Notes to the Summary Financial Statements for the year ended 30 June 2006

The Council has prepared the Summary Annual Report in order to provide the users with an overview of Council performance. Part 6 S98(b) of the Local Government Act 2002 requires the Council to make available a summary of the information contained in its Annual Report. The disclosures included in the summary financial report have been extracted from the full financial report adopted by Council on 26 October 2006. The summary financial report cannot be expected to provide as complete an understanding as the full financial report. The full financial report is available from the Council on request by phoning (03) 305 0033 or can be accessed via the Council website www.cic.govt.nz.

The Summary Financial Report was authorised for issue by the General Manager on 13 November 2006.

Changes in Accounting Policies

The accounts have been prepared using generally accepted accounting principles. There have been no significant changes in accounting policies. All policies have been applied on a basis consistent with those used in previous years.

Contingent Assets

It has been identified that GST of \$350,500 has not been remitted to the IRD in relation to Government Grants received in the years ended 30 June 2005 and 30 June 2006. The liability arising has been reflected in these financial statements. The Department of Internal Affairs has been made aware of this issue and is supporting the Council in recommending to the Minister of Local Government that funding be made available to meet the GST liability.

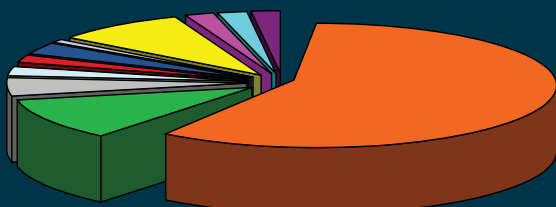
As at 30 June 2006 Council is in the process of finalising the agreement with Central Government to fund the GST owing. While Central Government are unable to confirm in writing the funding of the GST owing, Council is confident of approval and receipt of the necessary funding of \$350,500. As such Council notifies readers of the Summary Annual Report that this amount is a contingent asset of the Chatham Islands Council.

Council Financial Statistics

	Actual 2005/06	Actual 2004/05
Proportion of Rates Revenue to Total Revenue	8.4%	5.4%
Proportion of Dues Revenue to Total Revenue	6.5%	5.1%
Net Public Debt (as a percentage of Total Assets)	0.7%	0.5%
Public Debt (per rateable property)	\$417	\$435
Public Debt (per head of population)	\$343	\$293

Use of Funds

Consents	1%
Environment	5%
Biosecurity	3%
Dog & Animal Control	0%
Emergency Management	3%
Harbour Control	4%
Democracy	14%
Roading	54%
Waste	1%
Water	4%
Stormwater	0%
Community Services	8%
Sewerage	3%



Source of revenue

Grants	79%
Other Income	5%
Council Dues	7%
Targeted Rates	3%
General Rates	5%
Interest	1%





Council Directory

Location

Tuku Road, Waitangi
CHATHAM ISLANDS

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CHATHAM ISLANDS

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Facsimile: 03 305 0044

General Manager

Owen Pickles
Email: owen@cic.govt.nz

Finance Manager

Deborah Goomes
Email: deborah@cic.govt.nz

Emergency Response

Co-ordinator
Rana Solomon
Email: rana@cic.govt.nz

The Chatham Islands - General Statistics

The Chatham Islands consist of a group of 10 islands of which only two are inhabited. The total population (2006 provisional census) is 630 people. The main settlements are Waitangi, Kaingaroa, Te One, Port Hutt and Pitt Island.

The Islands are serviced by ports at Waitangi on Chatham Island and at Flower Pot on Pitt Island, with local fishing harbours at Kaingaroa, Owenga and Port Hutt.

Shipping links are from Timaru, Napier and Auckland, with direct air service links to Christchurch, Wellington and Auckland.

Area:	963 sq km	
Population:	630 (2006 provisional census)	
Rateable Assessments:	517	
Government Valuations	Gross Land Value	\$28,550,500
	Gross Capital Value	\$74,630,250
	Net Land Value	\$26,025,650
	Net Capital Value	\$66,821,250

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