



TABLE OF CONTENTS

Introduction	3
The Council's Viability	4
Mayor's Introduction	6
General Manager's Introduction	7
Elected Council Members	8
Council Committees	9
Council Staff Structure	10
Council Directory	10
Groups of Activities	
Introduction	12
Democracy	13
Land Transport (Roading)	15
Solid and Hazardous Waste Management	17
Water Supply	19
Stormwater	21
Wastewater (Sewerage)	22
Community Services	23
Consents and Compliance	25
Environment	27
Animal and Plant Pests Control (Biosecurity)	30
Dog and Animal Control	32
Emergency Management / Rural Fire	34
Harbour Control	36
Corporate Services	38
Financial Summary	39
Forecast Financial Statements	
Financial Overview, Balanced Budget & Forecasting Assumptions	41
Forecast Statement of Financial Performance	42
Forecast Statement of Movements in Equity	42
Forecast Statement of Financial Position	43
Forecast Statements of Cash Flows	44
Forecast Statement of Accounting Policies	45
Funding Impact Statement	48
Appendix One: Schedule of Council Dues	52
Appendix Two: Glossary of Terms	53



Chatham Islands Council



INTRODUCTION

The LGA sets out the purpose for local government, which is:

- to enable democratic local decision-making and action by, and on behalf of, communities; and
- to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future.

The Act gives the Chatham Islands Council a broader purpose than previously. One of the Council's priorities is to ensure that its current roles and work programmes are sufficient to fulfil this new expanded role.

Long Term Council Community Plan (LTCCP)

Last year the Council consulted on its draft 2004-2014 Long Term Council Community Plan (LTCCP). That plan set out the council's revenue and expenditure forecasts for 10 years and included information on service levels, performance measures and targets. Uncertainty at the time the plan was prepared about security of funding for future work programmes meant the Council was not able to prepare its forecasts for some aspects of its work (particularly its regional council functions) with any degree of confidence. Accordingly, the Council felt it was inappropriate to formally adopt the draft LTCCP until that uncertainty was resolved.

In December 2004 the Council received confirmation of additional government funding from the Minister of Local Government, Hon. Chris Carter.

The Council adopted the 2004-2014 LTCCP on 21 April 2005. In adopting the LTCCP, the Council acknowledges that the plan does not fully meet the the LGA requirements for LTCCPs in all respects. After consideration, the Council believes that the community is better served by putting effort into ensuring that the 2005/06 Annual Plan and more importantly the upcoming 2006-2016 LTCCP, fully comply, rather than rewriting the 2004-2014 LTCCP.

The 2005/06 Annual Plan

In the years between adopting an LTCCP, the Council is required to adopt an Annual Plan. This 2005/06 Annual Plan contains the budget and funding impact statement for the 2005/06 year and identifies variations from forecasts and other information in the LTCCP relating to the 2005/06 year.

The Annual Plan contributes to the Council's accountability to the community and provides a further opportunity for public participation in the Council's decision-making processes.

Delivery of Regional Council Functions

As part of the Government's assistance package announced in December, funding has been provided to assist the Council in the delivery of regional council functions under the Local Government Act, the Resource Management Act and various other Acts. Environment Canterbury is contracted to the Council to provide these services for four years. While the cost of these services has been included in the budget for 2005/06, details of changes to work programmes that might be required are not available at the time of writing.



THE COUNCIL'S VIABILITY

IMPORTANT NOTE

In December 2004, the Minister of Local Government, Hon. Chris Carter wrote to the Council confirming the level of funding support that is to be provided by the Government.

The Minister wrote:

"I am pleased to be able to inform you that the Government has recently agreed to provide ongoing financial assistance to the Chatham Islands Council.

The Government's decisions recognise the need for local government to operate on the Islands in a manner comparable to the rest of New Zealand. They also recognise your Council's unique situation created by the Islands' isolation, very small population and rating base, the cost of service delivery, and the Council having both regional council and territorial authority responsibilities. The expectation is that, with the Government assistance package, the Council will now be in a position to perform all of its statutory responsibilities to a satisfactory level of compliance.

Details of the funding approved by the Government are set out below:

Year	2004/05	2005/06	2006/07	2007/08
	\$	\$	\$	\$
<i>Servicing contract with the Canterbury Regional Council</i>	589,000	557,000	601,000	524,000
<i>Territorial authority functions</i>	977,000	681,000	693,000	623,000
Total Crown assistance	1,566,000	1,238,000	1,294,000	1,147,000

This funding is in addition to that already approved by the Government to upgrade the Council's water supply and sewerage system.

The funding is contingent on the Council contracting with the Canterbury Regional Council for the delivery of regional functions, particularly in relation to its functions under the Resource Management Act 1991 and the Biosecurity Act 1993.

I understand that the Canterbury Regional Council has also agreed to provide among other things, general policy support for your Chief Executive, including advice on new and emerging issues for the local government sector. I look forward to seeing the relationship develop in the coming years. The Government's assistance package includes funding to enable Council to service the contract with the Canterbury Regional Council in the amounts set out in its tender.

The Government has also approved funding to enable the Council to undertake its statutory functions as a territorial authority. The funding approved for 2004/05 is substantially higher than for the following three years because it includes sufficient funding to cover your current overdraft, for which the Crown is guarantor.

The Council's future funding requirements will be reviewed prior to the 2008/09 financial year. This will provide the opportunity to consider changes in Council revenue and expenditure, and will fit the timeframe for then Councils' review of the contract with the Canterbury Regional Council.

In the interim, it would be useful for the Council to keep the Department of Internal Affairs informed of how the Council's relationship with the Canterbury Regional Council is developing, and how compliance with your various statutory responsibilities is to be undertaken. To this end, I would appreciate the Council continuing to provide the Department with copies of your meeting agendas and minutes. I also suggest that your officers meet with the Department, at least annually, with an update on your Council's financial situation. The Department will contact the Council to make appropriate arrangements.



Chatham Islands Council

I am sure you will agree that the ongoing financial assistance, along with that already provided, will ensure that Council is well placed to deliver quality outcomes for its community.

I wish you and your Council well in your endeavours."

The Chatham Islands Council acknowledges this support. The Government support is confirmed through to the 2007/08 year and will be the subject of a review prior to the 2008/09 year.

For the purpose of producing this annual plan Council has made the assumption that funding will be available for the next ten years and onwards.



MAYOR'S INTRODUCTION

Although Council and this community have just recently formulated a singular "Long Term Council Community Plan" made up for a period of ten years, Council each year must still produce an Annual Plan or Budget where shown clearly is its intention for funding all its district and regional responsibilities.

The statutory requirements of the new Local Government Act 2002 collaboratively realised the need for Government assistance. A need based on a range of difficulties faced by the Islands and Council. They include the Islands' small population, our extreme isolation, high cost structure, fragile economy and the relatively large area that must be serviced.

Therefore a collaborative funding strategy made up from a newly formulated annual Central Government grant, an enlarged Land Transport New Zealand roading subsidy and local rates, dues and user charges have enabled this Council to focus on this region's immediate requirements, be they for the community or our environment's betterment.

The publishing of this Plan provides, you, the community, with an overview of Council's objectives. Individuals and organisations are encouraged to read it and make your views known to Council.

The consultation process provides you with the very important opportunity to make a positive contribution to the immediate direction and development of your Council and these Islands. I urge you all to participate in this process.

I thank the Councillors, the General Manager and Council staff for the close working relationship and where collective considerations have enabled this document to be presented for your perusal in a timely manner.

A handwritten signature in black ink, appearing to read 'Patrick F Smith'.

Patrick F Smith
Mayor



GENERAL MANAGER'S INTRODUCTION

The 2004/05 year was a significant one in the history of the Chatham Islands Council. It was the year when the Government confirmed funding support levels for the Council, the Council obtained most regional Council powers and Environment Canterbury was employed to provide assistance for the Council over a wide range of activities.

As a consequence of these decisions the year(s) ahead are exciting for the Council as they are now resourced to provide services up to and exceeding the community's expectations.

This plan provides for an increase in the general rate take of 3% (\$5,008). This is part of the commitment made by the Council to the Government in that it will keep up with the rate of inflation. Some of the highlights of the year ahead will be:

- A continuance of the enlarged roading programme with a total spend of \$2.7m
- The introduction of actions contained in the Council's waste management strategy
- A new Harbour bylaw
- Development of policies to cover aquaculture activities.
- The upgrade of wharf facilities at Owenga

There will also be some 'tests' for the Council as it attempts to achieve compliance with the new Building Act, and Dog Control Act. More on these activities will follow as we develop 'Chathams Solutions' for each.

With the partnerships that have been established by the Council with the Government, Environment Canterbury and others we look forward to a productive year.

A handwritten signature in black ink, appearing to read "Owen Pickles".

Owen Pickles
General Manager



ELECTED COUNCIL MEMBERS

Mayor	Patrick F Smith
Deputy Mayor	Alfred W M Preece
Councillors	Donna Gregory-Hunt
	Antoinette M Day
	Eva-Cherie Tuck
	Monique Braid
	Bruce J Mills
	Nathaniel Whaitiri
	Nigel C Ryan



COUNCIL COMMITTEES

Civil Defence & Emergency Management Group

This Committee has been formed in accordance with the Civil Defence and Emergency Management Act 2002. The Group is responsible for overseeing the development, maintenance, monitoring, evaluation and implementation of the Group Plan required under Section 17(1) (i) of the Act.

Chairperson	Mayor Patrick Smith	Controller
Group Members	Deputy Mayor Alfred Preece	1 st Alternative Controller
	Owen Pickles	2 nd Alternative Controller
	Deborah Goomes	Administration & Finance Officer
	Cr Eva-Cherie Tuck	Member
	Joe Thomas (Snr)	Chief Fire Officer
	Joseph Thomas (Jnr)- C.I.E.T	Area Co-ordinator
	Alison Davis - DOC	Area Co-ordinator
	Christopher Barclay – C.I. Police	Senior Police Officer
	Charles Briscoe - C.I. Medical Centre	Senior Medical Officer
	Glenise Day - St John's	Medical
	Rana Solomon	Emergency Response Co-ordinator

Creative Communities Scheme Assessment Committee

This Sub-Committee administers Council's partnership with Creative New Zealand to ensure local arts funding available to the Chatham Islands Territory, is distributed by way of grants.

Chairperson	Cr Antoinette Day
Committee	Cr Nigel Ryan
Members	Vacant – Hokotehi Moriori Trust
	Vacant – Community Representative
	Vacant – Community Representative
	Vacant – Ngati Mutunga O Wharekauri Trust
Fund Administrator	Deborah Goomes

Liquor Licensing Committee

Council operates under the Sale of Liquor act as the Chatham Islands District Licensing Agency.

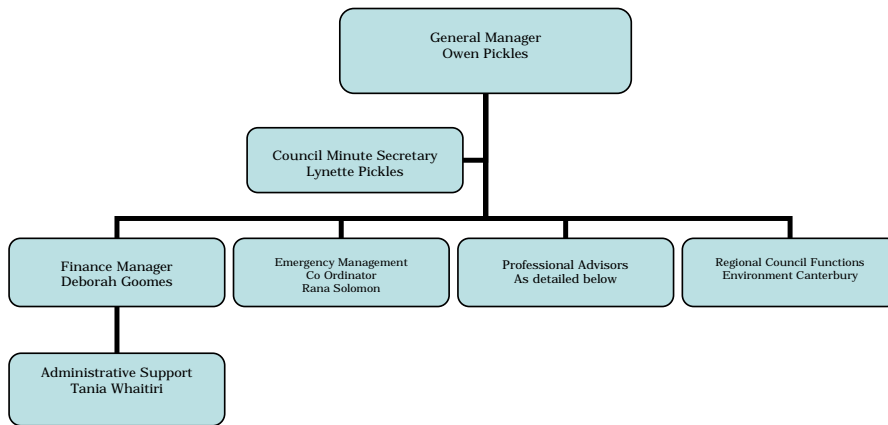
Liquor Licensing Inspector	Tom Brown
Liquor Licensing Support	Deborah Goomes
	Tania Whaitiri

Housing Committee

This Committee has been formed to work towards the establishment of additional housing for the Chatham Islands.

Chairperson	Mayor Patrick Smith
Committee	Cr Donna Gregory-Hunt
Members	Vacant – Hokotehi Moriori Trust
	Keri Day – Chatham Islands Enterprise Trust

COUNCIL STAFF STRUCTURE



COUNCIL DIRECTORY

Engineers	MWH Ltd (Christchurch)	
Resource Management	Beca Carter Hollings & Ferner Ltd (Christchurch)	Paul Whyte
Solicitors	Macalister Mazengarb (Wellington)	Robin Buxton
Bankers	ANZ Banking Group (Waitangi, Chatham Islands)	
Auditors	Audit New Zealand on behalf of the Auditor-General (Wellington)	
Accounts Advisor	Environment Canterbury (Christchurch)	
Regional Council Activities	Environment Canterbury (Christchurch)	



Chatham Islands Council

Groups of Activities



INTRODUCTION

The LTCCP sets out the Council's work under the following 14 groups of activities:

1. Democracy
2. Land Transport (Roading)
3. Solid and Hazardous Waste Management
4. Water Supply
5. Stormwater
6. Wastewater (Sewerage)
7. Community Services
8. Consents and Compliance
9. Environment
10. Animal and Plant Pest Control (Biosecurity)
11. Dog and Animal Control
12. Emergency Management/Rural Fire
13. Harbour Control
14. Corporate Services

DEFINITIONS (from the Local Government Act)

Activity: a good or service provided by, or on behalf of, a local authority including-

- provision of facilities and amenities
- making of grants, and
- performance of regulatory and other governmental functions

Group of Activities: one or more related activities provided by, or on behalf of, a local authority.

Activities

Activities within each of the groups of activities have been identified, along with the rationale explaining why the Council is involved in delivering them. These are identified in the following sections.

The cost of corporate services is allocated among the first 13 groups of activities, according to the level of support required for their delivery.

What has changed from the LTCCP?

Since preparing the LTCCP, changes have occurred that have required adjustments to be made to some work programmes in some activities.

However, none of the proposed variations for 2005/06 are regarded as being sufficient to warrant an amendment to the LTCCP. None involves significantly altering the intended level of service provision, the undertaking of a new activity or any of the other specific matters that would require an amendment to the LTCCP.

Measures and Targets

The Council recognises that in some areas the measures against which the community can assess the Council's performance are not as comprehensive as they could be. The Council intends to review them as part of developing the 2006-2016 LTCCP later this year.

Financial information

The financial tables have been set out for groups of activities to show the overall levels of expenditure, what the expenditure is for and how it is to be funded.



DEMOCRACY

What we do

Activities involved in delivering this group of activities are:

- planning and support for the Council and its committees,
- communicating information regarding Council business,
- the general oversight of the processes that underpin representative local government, including processing official information requests and holding elections.

Why we do it

The Chatham Islands Council is a unitary authority with the functions, duties and powers of both a regional council and a territorial authority conferred on it by the Local Government Act 2002. The Chatham Islands Council Act 1995 provides for the differences that exist between this Council and other mainland New Zealand Councils.

The purpose of local government is 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.

Carrying out these activities enables Chatham Islands' resident's and ratepayer's interests to be represented in a fair and equitable manner and provides opportunities for the community to participate in the decision-making processes.

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/Moriiori under the Local Government Act and under the Resource Management Act.

The Chatham Islands Council Governance Statement provides a comprehensive overview of its governance policies and processes. Copies of the Governance Statement and associated policies and documents can be viewed at the Council office.

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Other than variations attributable to corporate services costs that have been allocated to this group of activities, there are no significant variations from the LTCCP.

Assets

While no infrastructural assets are involved, this group of activities depends heavily on people and information, being the elected Mayor and Councillors, assisted by the knowledge and experience of staff, coupled with organisational information, systems and processes.

How we check performance

Measure	Target
1. Compliance with the provisions of the Local Government Act, Local Government Official Information and Meeting Act and Standing Orders	100%
2. Notification of meetings	Advertised on Chatham Islands TV no less than five working days prior to the meeting
3. Public availability of agendas and attachments	Available at least three working days prior to meetings



Forecast cost of services statement

DEMOCRACY	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Other Income	25,000	13,000	-	-
Total Revenue	25,000	13,000	-	-
Operating Expenditure	332,824	380,224	376,958	442,338
Operating Surplus/(Deficit)	(307,824)	(367,224)	(376,958)	(442,338)
Total to be funded from General Funds	(307,824)	(367,224)	(376,958)	(442,338)
Operating Expenditure includes:				
Elected members	90,892	94,077	95,090	102,250
Local Government NZ	6,405	27,650	27,650	30,050
Election Expenses	271	8,200	-	-
Servicing Costs	235,256	205,297	209,218	270,038
Economic Development	-	45,000	45,000	40,000
Operating Expenditure	332,824	380,224	376,958	442,338



LAND TRANSPORT (ROADING)

What we do

Activities involved in delivering this group of activities are:

- planning for movement of people and goods within the territory,
- provision of public roads (there are no State Highways),
- provision of roading related infrastructure- footpaths, kerbs, street lighting and signs,
- promotion of road safety (a road safety strategy for the Islands will be adopted in 2005/06).

Why we do it

Provision of land transport infrastructure is essential for the convenient and safe movement of people and goods within the territory and is vital to well-being and development.

The Council, as owner of the roading network, has legal requirements to provide roads to a certain standard.

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Other than variations attributable to corporate services costs that have been allocated to this group of activities, there are no significant variations from the LTCCP.

Assets

Description

The Chatham Islands Land Transport Strategy sets out the features of the current land transport system and strategies for meeting the Islands' needs.

The Council is essentially a road maintenance authority with little funding being available for improvement and development. Funding of roads is shared between the Council and the Government via its agent Land Transport New Zealand.

Variations from the change in asset capacity forecast in the LTCCP for 2005/06

Additional funds have been provided to enable a progressive upgrade of the roading network.

Variations from the level of maintenance and renewal forecast in the LTCCP for 2005/06

Additional funding has been provided for structural bridge repairs at various locations.

How we check performance

Measure	Target
1. Residents' satisfaction with the roading network	Greater than 75%
2. Numbers of motor vehicle crashes	Fewer than three motor vehicle crashes involving injury

**Forecast cost of services statement**

LAND TRANSPORT (ROADING)	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Targeted Rate	37,973	37,000	37,000	37,800
Grant (LTNZ)	1,145,228	1,603,816	1,923,608	2,020,394
Other Income	9,740	-	-	-
Total Revenue	1,192,941	1,640,816	1,960,608	2,058,194
Operating Expenditure	1,530,837	1,817,007	1,845,207	1,902,964
Operating Surplus/(Deficit)	(337,896)	(176,191)	115,401	155,230
Capital Expenditure	484,281	656,800	915,000	955,000
Total to be funded from General Funds	(822,177)	(832,991)	(799,599)	(799,770)
Operating Expenditure includes:				
Pavement Maintenance	669,005	954,400	1,000,000	1,000,000
Bridge Maintenance	46,553	48,800	50,000	50,000
Amenity/Safety Maintenance	4,166	14,200	15,000	15,000
Street Lighting	1,733	3,500	3,500	3,500
Traffic Services	52,057	70,000	70,000	70,000
Street Cleaning	-	6,300	6,300	6,300
Minor Safety Projects	13,222	33,680	36,280	36,280
Professional Services	64,285	50,000	60,000	60,000
Emergency Work	18,000	-	-	-
Administration	39,191	35,000	35,000	37,000
Non Subsidised Works:				
Miscellaneous	45,230	10,000	10,000	10,000
Street Cleaning	-	14,617	14,617	14,617
Noxious Plants Spraying	-	17,000	16,500	16,500
Footpaths	-	20,880	20,880	20,880
RAPID	-	35,000	3,500	3,500
Quarry & Lime Pit	6,526	-	-	8,903
Depreciation	570,869	503,630	503,630	553,984
Operating Expenditure	1,530,837	1,817,007	1,845,207	1,906,464
Capital Expenditure includes:				
Area Wide Pavement Treatment	269,372	416,600	420,000	420,000
Major Drainage Control	60,529	42,200	45,000	45,000
Structural Bridge Repairs	1,650	-	-	40,000
Minor Safety Projects	79,429	98,000	100,000	100,000
Bridge Renewals	64,870	100,000	100,000	100,000
Seal Extensions	-	-	250,000	250,000
Traffic Services	8,431	-	-	-
Capital Expenditure	484,281	656,800	915,000	955,000



SOLID AND HAZARDOUS WASTE MANAGEMENT

What we do

Activities involved in delivering this group of activities are:

- provision of waste management services,
- refuse disposal sites at Te One, Kaingaroa and Owenga (24-hour, no supervision operations).

Why we do it

These activities are undertaken for public health reasons and to protect the environment.

The Government has agreed to assist with the establishment of a waste management system that will meet modern health and environmental standards.

The Solid Waste Management Strategy is currently out for consultation. When adopted it will set the work programme for future years.

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Other than variations attributable to corporate services costs that have been allocated to this group of activities, there are no significant variations from the LTCCP.

Assets

Description

The principal assets supporting this activity are the refuse disposal sites at Te One, Kaingaroa and Owenga. A Solid Waste Management Plan will be adopted by June 2006 after full consultation with the community. This process will determine the future disposal methods of solid and hazardous waste on the Islands.

Variations from the change in asset capacity forecast in the LTCCP for 2005/06

None

Variations from the level of maintenance and renewal forecast in the LTCCP for 2005/06

The level of maintenance and renewal proposed for 2005/06 is generally in line with that forecast in the LTCCP.

How we check progress

Measure	Target
1. Compliance with resource consent conditions for landfill sites at Te One, Kaingaroa and Owenga	100%



Forecast cost of services statement

SOLID AND HAZARDOUS WASTE MANAGEMENT	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Targeted Rates	31,363	31,550	33,127	33,127
Government Assistance	-	-	73,067	51,800
Other Income	-	1,020	1,020	1,020
Total Revenue	31,363	32,570	107,214	85,947
Operating Expenditure	45,678	130,342	107,214	110,903
Operating Surplus/(Deficit)	(14,315)	(97,772)	-	(24,596)
Total to be funded from General Funds	(14,315)	(97,772)	-	(24,596)
Operating Expenditure includes:				
Landfill Operating	45,678	55,342	55,414	59,103
Landfill Closure Costs	-	-	51,800	51,800
Waste Management Strategy	-	75,000	-	-
Operating Expenditure	45,678	130,342	107,214	110,903



WATER SUPPLY

What we do

Activities involved in delivering this group of activities are:

- provision of a public water supply to consumers in part of the Waitangi village,
- provision of fire fighting capability in part of the Waitangi village.

Why we do it

Providing and maintaining an adequate supply of potable water 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.

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Other than variations attributable to corporate services costs that have been allocated to this group of activities, there are no significant variations from the LTCCP.

Assets

Description

A public water supply and fire fighting capability for the greater Waitangi area.

Variations from the change in asset capacity forecast in the LTCCP for 2005/06

None.

Variations from the level of maintenance and renewal forecast in the LTCCP for 2005/06

This will be the first full year of operating the recently commissioned new scheme. Additional funding has been provided to cover operating costs.

How we check progress

Measure	Target
1. Water quality	100% compliance with New Zealand drinking water standard
2. Customer response times	95% of service interruption events are responded to within timeframes: <ul style="list-style-type: none"> • complaints of lost supply- within two hours • lost supply restored- within eight hours of the fault
3. Customer satisfaction	Greater than 80%



Statement of Financial Performance

WATER SUPPLY	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Targeted Rates	15,984	57,000	57,000	34,766
Other Income	470	-	-	-
Total Revenue	16,454	57,000	57,000	34,766
Operating Expenditure	120,154	91,376	91,656	100,483
Operating Surplus/(Deficit)	(103,700)	(34,376)	(34,656)	(65,717)
Total to be funded from General Funds	(103,700)	(34,376)	(34,656)	(65,717)
Operating Expenditure includes:				
Operating	101,480	66,376	51,036	44,767
Softener & UV Disinfection	-	-	1,200	3,200
Maintenance	-	-	14,420	27,516
Depreciation	18,674	25,000	25,000	25,000
Operating Expenditure	120,154	91,376	91,656	100,483

**STORMWATER****What we do**

Activities involved in delivering this group of activities are:

- control of the level of Te Whanga by opening Hikurangi channel when and as required
- provision of urban stormwater reticulation within the Waitangi village

Why we do it

The Council's involvement in these activities contributes to minimising damage to property from flooding and reduced erosion and water pollution. Controlling the level of Te Whanga 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.

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Other than variations attributable to corporate services costs that have been allocated to this group of activities, there are no significant variations from the LTCCP.

Assets**Description**

The Council currently provides piped stormwater drainage in Wilson Place in Waitangi.

Variations from the change in asset capacity forecast in the LTCCP for 2005/06

None.

Variations from the level of maintenance and renewal forecast in the LTCCP for 2005/06

Funding has been provided in 2005/06 for opening Te Whanga.

How we check performance

Measure	Target
1. Flooding as a result of the rising level of Te Whanga	The Te Whanga outlet is managed to eliminate instances of flooding

Statement of Financial Performance

STORMWATER	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Total Revenue	-	-	-	-
Operating Expenditure	6,612	4,742	4,782	8,287
Operating Surplus/(Deficit)	(6,612)	(4,742)	(4,782)	(8,287)
Total to be funded from General Funds	(6,612)	(4,742)	(4,782)	(5,787)
Total to be funded from General Reserve	-	-	-	(2,500)
Operating Expenditure includes:				
Operating	6,612	4,742	4,782	3,287
Te Whanga Opening	-	-	-	5,000
Operating Expenditure	6,612	4,742	4,782	8,287

**WASTEWATER (SEWERAGE)****What we do**

Activities involved in delivering this group of activities are:

- Provision of a wastewater scheme that services part of Waitangi village.

Why we do it

Collection, treatment and disposal of wastewater contributes to:

- the health of the community
- minimising adverse environmental effects
- residential and industrial development

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Other than variations attributable to corporate services costs that have been allocated to this group of activities, there are no significant variations from the LTCCP.

Assets**Description**

A sewage system that serves all of Waitangi.

Variations from the change in asset capacity forecast in the LTCCP for 2005/06

None.

Variations from the level of maintenance and renewal forecast in the LTCCP for 2005/06

This will be the first full year of operating the recently commissioned new scheme. Additional funding has been provided to cover operating costs.

How we check performance

Measure	Target
1. Compliance with resource consent conditions	100%

Additional measures and targets will be developed for the 2006 LTCCP.

Forecast cost of services statement

WASTEWATER (SEWERAGE)	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Targeted Rates	18,792	22,291	22,291	38,133
Grants	-	750,000	-	-
Total Revenue	18,792	772,291	22,291	38,133
Operating Expenditure	65,174	93,506	93,610	114,080
Operating Surplus/(Deficit)	(46,382)	678,785	(71,319)	(75,947)
Capital Expenditure	-	(750,000)	-	-
Total to be funded from General Funds	46,382	71,215	(71,319)	(75,947)
Operating Expenditure includes:				
Operating	17,630	68,506	68,610	56,636
UV Disinfection	-	-	-	7,000
Maintenance	36,469	-	-	21,355
Depreciation	11,075	25,000	25,000	29,089
Operating Expenditure	65,174	93,506	93,610	114,080



COMMUNITY SERVICES

What we do

Activities involved in delivering this group of activities are:

- Arts and heritage (includes Chatham Islands Museum),
- Morgue and cemeteries (the burial register will be progressed in 2005/06),
- Community support,
- Housing,
- Town Hall,
- Parks and reserves,
- Library services,
- Public conveniences,
- Grants and donations.

Why we do it

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.

The Council provides grants and donations for social and community development groups from within existing budgets and assists community groups to access funds from other (non-Council) sources. It also works with specific sectors of the community to provide liaison between community organisations, and develops partnerships with and between central government and non-government organisations.

The Council undertakes these activities by way of the following roles:

- as a partner of groups and individuals actively involved in building and strengthening community well-being,
- as a planner, coordinator and facilitator of community development,
- as a custodian/manager of community resources and assets,
- as a provider of information and resources to assist and promote community development.

Significant negative effects associated with this group of activities

Many of the activities in this group of activities are highly dependant upon the contributions made by volunteers. The small population and related funding base will make some of these initiatives difficult to achieve. The Council will be seeking to find ways and means of assisting organisations to recruit and retain volunteers, to provide appropriate training, and to ensure that the volunteer experience is a positive and rewarding one.

Variation from the LTCCP for 2005/06

Other than variations attributable to corporate services costs that have been allocated to this group of activities, there are no significant variations from the LTCCP.

Assets

Description

Council owns three rental houses and three community flats. Other assets supporting this group of activities are the Town Hall, the Museum and its collections, parks and reserves, memorials and cemeteries. An Asset Management Plan is in place for the Council's parks and reserves. The Council will develop strategies for arts, culture and heritage in 2005/06

Variations from the change in asset capacity forecast in the LTCCP for 2005/06

None.



Variations from the level of maintenance and renewal forecast in the LTCCP for 2005/06

Additional funding has been provided for maintaining the new children's playground and public toilet in Waitangi and loan servicing for the recently opened Heartland Office. Additional funding has been provided for community grants and donations.

How we check performance

Measure	Target
1. Compliance with NZS 5828 for safety of playground equipment (all inspected annually)	100%
2. Public satisfaction with Council-provided community services	Greater than 80%
3. Occupancy rates of Council housing	Greater than 95%
4. 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.

Forecast cost of services statement

COMMUNITY SERVICES	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Grants	-	27,900	27,900	22,900
Museum	501	600	600	600
Cemetery and Mortuary	997	4,550	4,550	4,550
Parks and Reserves	-	59,000	-	30,000
Housing	29,463	31,720	31,720	32,760
Community Buildings	15,797	22,700	22,700	26,030
Total Revenue	46,758	146,470	87,470	116,840
Operating Expenditure	117,504	347,564	272,269	353,829
Operating Surplus/(Deficit)	(70,746)	(201,094)	(184,799)	(236,989)
Capital Expenditure	-	(182,000)	-	(30,000)
Loan Repayments	-	-	(12,700)	-
Total to be funded from General Funds	(70,746)	(383,094)	(197,499)	(266,989)

Operating Expenditure includes:

Museum	1,213	7,761	7,817	9,901
Cemetery and Mortuary	14,917	39,773	24,818	17,464
Develop burial register	-	-	-	10,000
Grants – External Organisations	18,395	46,182	46,439	54,556
Donations – Council funds	-	44,323	44,562	57,237
Forestry	1,226	3,343	3,359	3,359
Parks and Reserves	15,395	117,276	56,838	67,534
Housing	36,580	28,457	45,395	47,620
Community Buildings	29,778	60,449	43,041	86,158
Operating Expenditure	117,504	347,564	272,269	353,829

Capital Expenditure includes:

Waitangi Public Toilets	-	35,000	-	-
Waitangi Children's Playground	-	20,000	-	30,000
Heartland Office Establishment	-	127,000	-	-
Capital Expenditure	-	182,000	-	30,000



CONSENTS AND COMPLIANCE

What we do

Activities involved in delivering this group of activities are:

- processing of resource consents,
- monitoring compliance with consent conditions,
- licensing and inspection of premises,
- abatement of nuisances,
- control of pollution to the air, land and water,
- monitoring environmental noise.

Why we do it

The Resource Management Act 1991 charges the Council with the statutory function of receiving, processing and granting resource consents, including certificates of compliance. The Council relies on advice from Environment Canterbury for this task and acknowledges the support it provides.

As a unitary authority, the 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.

The majority of resource consents are approved subject to conditions. The Council works closely with consent holders to ensure compliance.

The Building Act 1991 charges the Council with the responsibility for receiving, processing and issuing building consents to ensure compliance with the New Zealand Building Code. The Council relies on advice from Napier City Council for this task and acknowledges the support that it provides.

The Council also has responsibility to protect and promote public health by undertaking the licensing and inspection of premises and enforcement of standards to ensure compliance with the Health Act 1956, Sale of Liquor Act 1989, Local Government Act 2002 and Hazardous Substances and New Organisms Act 1996 and Council bylaws.

The Council is also responsible for the abatement of nuisances, control of pollution to the air, land, water and monitoring environmental noise.

Significant negative effects associated with this group of activities

While conditions on consents may constrain individuals' choices or actions, benefits accrue to the wider community and the environment from having conditions.

Variation from the LTCCP for 2005/06

Additional funding has been provided to enable the Council to respond to new responsibilities under the Building Act.

Assets

While no infrastructural assets are involved, this group of activities depends heavily on people and information. It is assisted by the knowledge and experience of staff from the Napier City Council, Environment Canterbury, Healthcare Hawkes Bay and the New Zealand Police.

**How we check performance**

Measure	Target
1. Timeframes for processing regulatory licensing and consent applications	Timeframes are maintained or reduced
2. Compliance with resource consent conditions	100%
3. Compliance with public health standards (food premises, and premises registered as hairdressers, camping grounds, offensive trades, funeral directors and mobile traders are inspected at least once annually)	100%
4. Compliance with safety standards (dangerous goods premises where dangerous goods are manufactured, stored or used are inspected at least once annually)	100%
5. Response to complaints of non-compliance with Resource Management and Building Act statutory requirements	Complaints are resolved or a resolution strategy developed within 21 days of receipt
6. Response to pollution incidents, environmental noise and nuisances within the community	Incidents that threaten public health are responded to and investigated within two working days of notification

Forecast cost of services statement

CONSENTS AND COMPLIANCE	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Dangerous Goods	1,900	-	-	-
Bylaws	-	500	500	500
Liquor Licensing	3,752	3,150	2,290	2,290
Health Inspection	3,222	2,400	2,400	2,400
Building Control	9,313	5,870	5,870	6,250
Total Revenue	18,187	11,920	11,060	11,440
Operating Expenditure	22,716	35,797	35,371	43,392
Operating Surplus/(Deficit)	(4,529)	(23,877)	(24,311)	(31,952)
Total to be funded from General Funds	(4,529)	(23,877)	(24,311)	(31,952)
Operating Expenditure includes:				
Dangerous Goods	2,958	-	-	-
Bylaws	-	3,143	3,159	3,159
Liquor Licensing	4,285	10,661	10,098	12,715
Health Inspections	2,508	9,938	9,986	12,445
Building Control	12,965	12,055	12,128	15,073
Operating Expenditure	22,716	35,797	35,371	43,392



ENVIRONMENT

What we do

Activities involved in delivering this group of activities are:

- monitoring the environment,
- development of policy,
- reporting on the efficiency and effectiveness of policies, rules or other methods in plans.

Why we do it

The Resource Management Act 1991 requires air, water, land and coastal resources to be monitored and the state of the environment reported on. Under the Chatham Islands Council Act 1995 the Council has one combined resource management document. This document became operative in January 2001 and contains a Regional Policy Statement, a Regional Coastal Plan and a District Plan. Monitoring natural and physical resources provides information that:

- establishes the current condition of the environment and whether the environment is getting better or worse,
- identifies the key pressures on the environment,
- allows the effectiveness of resource management policies and methods to be assessed,
- raises awareness of environmental issues in the community,
- assists in making suggestions on ways to reduce adverse environmental effects,
- enables the Council to support a range of practical on the ground responses, to address specific issues.

Air

The air quality of the Chathams could be adversely affected by a localized nuisance or a major industry process, particularly in proximity to sensitive land uses.

Water

Water resources, which include rivers, lakes, wetlands, lagoons and groundwater play a critical role in the social, economical, ecological and landscape fabric of the Islands. The Te Whanga lagoon is of major significance to Iwi and is generally viewed as a valuable community resource due to food gathering and historical associations. It contains significant ecosystem values, including remnants of broad leaved forests, wetland rush species and a rich and diverse fish and bird life.

Water quality can be adversely affected as a result of contaminants from point source discharges and "non-point source" discharges. Due to the absence of major industrial enterprises (except for the fish factories which discharge into coastal waters) there are only a relatively small number of point source discharges.

The major sources of non-point discharge are land and soil runoff and faecal contamination from stock. However, there is little evidence of serious contamination of waterways given the relatively light stock densities, type of stock, (sheep as opposed to cattle) and the absence of widespread fertilizer use. While specific discharges from septic tanks and rubbish tip leachate and other areas of waste may have localised effects on surface and ground water resources, there is currently little evidence of serious contamination of natural water from these sources. However, any contamination is culturally offensive to Iwi.

Currently there is no complete record of water abstractions. Major uses include the Waitangi water supply sourced from a bore, the Kaingaroa water supply sourced from Lake Rangitai, the fish factories which rely on bores and springs, stock water sourced from waterbodies and bores, and dwellings which utilise bores as well as rainwater. Given the small population and development, relatively high rainfall and recharge capacity of ground water resources and limited extraction rates, taking of water has not appeared to create a problem in the past. Potentially this could change such as a need to meet the requirements of a major industrial use.



Activities in the beds and margins of lakes, rivers and wetlands such as construction of drains and culverts for roading and farming, quarry operations, construction of hydro-dams and aquaculture operations in Te Whanga can result in a number of adverse effects on ecological and amenity values, including the reduction of fish passage, bank stability of water courses, amenity and recreation values, Iwi values, the stability of existing structures and public access.

Land

The Chatham Islands' geology, isolation, topography, climate and soils have given rise to unique natural environments. Many of the animal and plant species present are endemic to the Chathams. Forest cover is now rare in northern and central Chatham Island and the north of Pitt Island. Some of the remaining areas, particularly many small forest remnants are under pressure from the effects of stock and wind. Wetlands are affected by grazing, occasional burning and activities such as sphagnum moss harvesting. Pests such as possums continue to cause damage while indigenous species, such as akeake have been used for firewood purposes. As a consequence, habitats of much of the indigenous fauna have been severely affected by reduction in area and fragmentation and are also vulnerable to predators such as cats and rats. Some natural features and landscapes can potentially be adversely affected by development pressures.

Retention of natural resources has benefits for the community in terms of the character of the Islands, amenity values, visual appreciation, conservation and as an attraction for visitors.

Coastal resources

The coastal environment is important to the Chatham Islands and beyond because it is a major economic resource for commercial fishing, has great potential for marine farming, and port related activities. These sometimes conflicting activities place pressure on the marine environment but the longer term impacts of some of these activities are not well understood.

Legislative changes in respect of aquaculture activities and the foreshore and seabed may have implications for responses in respect of policy development and subsequent processing of resource consents.

Significant negative effects associated with this group of activities

None.

Variation from the LTCCP for 2005/06

Environment Canterbury is assisting the Council to review its environmental management work programmes. While the cost of this has been incorporated into the 2005/06 budget, details of changes to work programmes in this area are not available at the time of writing.

Assets

While no assets are currently involved in monitoring the environment, it is possible that environmental monitoring equipment may need to be installed at some time in the future.

How we check performance

Measure	Target
1. Compliance with resource consent conditions	100%

Additional measures and targets will be developed for the 2006 LTCCP.



Forecast cost of services statement

ENVIRONMENT	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
User Pays – Consent Application Fees	4,461	4,000	4,000	4,000
Grant - Regional Council Support	-	-	-	135,600
Other Income	-	500	500	500
Total Revenue	4,461	4,500	4,500	140,100
Operating Expenditure	27,820	380,427	380,788	180,555
Operating Surplus/(Deficit)	(23,359)	(375,927)	(376,288)	(40,055)
Total to be funded from General Funds	(23,359)	(375,927)	(376,288)	(40,055)
Transfer from General Reserve	-	-	(28,500)	-
Transfer to RMA Document Fund	-	-	28,500	-
Operating Expenditure includes:				
RMA Document Fund	-	28,500	28,500	-
Operational Costs Regional	-	165,000	165,000	36,000
Operational Costs District	27,820	63,594	63,955	44,955
Coastal planning	-	33,333	33,333	24,000
Monitoring	-	-	-	39,600
Education	-	-	-	12,000
Consent Management	-	-	-	24,000
Miscellaneous Projects	-	75,000	75,000	-
Contingency	-	15,000	15,000	-
Operating Expenditure	27,820	380,427	380,788	180,555



ANIMAL AND PLANT PEST CONTROL (BIOSECURITY)

What we do

Activities involved in delivering this group of activities are:

- maintaining the Regional Pest Management Strategies,
- monitoring animal and plant pest levels,
- preventing the establishment of new animal or plant pests,
- carrying out animal and plant pest control.

Why we do it

Controlling animal and plant pests helps ensure the economic and ecological sustainability of the territory.

The Chatham Islands is in a unique situation, as its isolation has meant that many of the animal and pest plants common in New Zealand have either not entered the territory as a whole or are present on only some of the Islands. The introduction of such pests could have a devastating effect on the economy and many of the ecosystems of the Islands.

In this respect the land based activities such as farming are economically fragile and establishment of pests could seriously threaten the financial viability of many Chatham Islanders. Many flora and fauna species and ecosystems are endemic to the Chathams and if adversely affected by pests, could disappear from their natural habitats.

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Environment Canterbury is assisting the Council to review its animal and plant pest management work programmes. While the cost of this has been incorporated into the 2005/06 budget, details of changes to work programmes in this area are not available at the time of writing.

Assets

This group of activities depends heavily on people and information.

How we check performance

Measure	Target
1. Long-term (5 year+) trends in containment/control of plant pests	No new infestations outside known areas
2. Long-term (5 year+) trends in total control of pests	Measurable decline over time
3. Land occupier compliance where containment/control pests exist and control is required under the Pest Management Strategy	100%

Additional measures and targets will be developed for the 2006 LTCCP.



Forecast cost of services statement

ANIMAL & PLANT PEST CONTROL (BIOSECURITY)	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Grant – Regional Council Support	-	-	-	113,600
Total Revenue	-	-	-	113,600
Operating Expenditure	27,288	200,000	200,000	113,600
Operating Surplus/(Deficit)	(27,288)	(200,000)	(200,000)	-
Total to be funded from General Funds	(27,288)	(200,000)	(200,000)	-
Operating Expenditure includes:				
Operation Expenses	27,288	200,000	200,000	-
Border Control	-	-	-	70,000
National Policy Application	-	-	-	3,600
Pest Management Strategy	-	-	-	40,000
Operating Expenditure	27,288	200,000	200,000	113,600



DOG AND ANIMAL CONTROL

What we do

Activities involved in delivering this group of activities are:

- animal control functions, including control of dogs, stock on public roads and other domestic animals.
- dog registrations

Why we do it

The Council is required to carry out animal control under the Dog Control Act 1996, the Impounding Act 1995 and its animal control bylaws. Animal Control is provided under contract.

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Additional funding has been provided for implementing the Dog Control Amendment Act 2003.

Assets

Dog and stock pounds.

Variations from the change in asset capacity forecast in the LTCCP for 2005/06

None.

Variations from the level of maintenance and renewal forecast in the LTCCP for 2005/06

None.

How we check performance

Measure	Target
1. Response times	Attending to: <ul style="list-style-type: none"> • dog attacks and rushes which have just occurred- within one hour • possible threats to public safety- within five hours • complaints of general nuisance- within 48 hours Investigating all other complaints- within two working days
2. Cost recovery of dog control costs through registration fees and fines	100%



Forecast cost of services statement

DOG AND ANIMAL CONTROL	Actual 2003/04	LTCCP 2004/05	LTCCP 2005/06	Annual Plan 2005/06
	\$	\$	\$	\$
Dog Registration Fees	14,030	13,243	13,387	16,387
Other dog recoveries	-	700	700	700
Stock pound recoveries	-	-	-	750
Total Revenue	14,030	13,943	14,087	17,837
Operating Expenditure	13,519	18,751	18,915	23,589
Operating Surplus/(Deficit)	(511)	(4,808)	(4,828)	(5,752)
Total to be funded from General Funds	(511)	(4,808)	(4,828)	(5,752)
Operating Expenditure includes:				
Dog Control and treatment	11,228	4,150	4,150	4,150
Dog Pound Costs	796	840	840	840
Stock Pound	1,495	4,808	4,828	5,853
Administration	-	8,953	9,097	12,746
Operating Expenditure	13,519	18,751	18,915	23,589



EMERGENCY MANAGEMENT/RURAL FIRE

What we do

Activities involved in delivering this group of activities are:

- Civil Defence Emergency Management,
- Rural Fire,
- marine oil spill response.

Why we do it

The Council is part of the Chatham Islands Civil Defence Emergency Management Group. The Civil Defence and Emergency Management Act 2002 requires the Chatham Islands Civil Defence Emergency Management Group to carry out hazard-based risk management in four areas:

- reduction of risk,
- readiness for events,
- response,
- recovery after an event.

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

The Maritime Transport Act 1994 requires the Council to prepare, maintain and review Regional Marine Oil Spill Contingency Plans with the 12 nautical mile territorial boundary.

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Environment Canterbury is assisting the Council to review its civil defence emergency management programmes. While the cost of this has been incorporated into the 2005/06 budget, details of changes to work programmes in this area are not available at the time of writing.

Assets

Description

Provision of facilities for use as an Emergency Management Operations Centre during emergencies.

The Council holds marine oil spill response equipment, which is on loan to the Council from the Maritime Safety Authority.

Variations from the change in asset capacity forecast in the LTCCP for 2005/06

None.

Variations from the level of maintenance and renewal forecast in the LTCCP for 2005/06

The level of maintenance and renewal proposed for 2005/06 is generally in line with that forecast in the LTCCP.

How we check performance

Measure	Target
1. Identification of hazards	Hazards are identified and planned for
2. Emergency management staff competency	All staff and volunteers are appropriately trained and resourced
3. Emergency management facility quality	Emergency management equipment, control facilities and communication systems are maintained
4. Fire permitting compliance	Rural fire permit processes comply with statutory requirements



- | | | |
|----|-------------------------|--|
| 5. | Response to events | Emergency events are responded to promptly and efficiently |
| 6. | Recovery from events | <p>Immediate welfare needs of those affected have been met</p> <p>Systems have been established or re-established to assist individual and community self-sufficiency</p> <p>Essential services have been restored to minimum operating levels</p> |
| 7. | Oil spill response time | Oil spill reports are evaluated within one hour of notification |
-

Forecast cost of services statement

EMERGENCY MANAGEMENT/RURAL FIRE	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Grant – Regional Council Support	-	-	-	37,000
Civil Defence grant	2,153	4,000	4,000	7,200
Rural Fire grant	-	5,000	5,000	5,000
Maritime Safety grant	-	10,000	10,000	53,366
Total Revenue	2,153	19,000	19,000	102,566
Operating Expenditure	5,118	65,273	65,576	120,076
Operating Surplus/(Deficit)	(2,965)	(46,273)	(46,576)	(17,510)
Total to be funded from General Funds	(2,965)	(46,273)	(46,576)	(17,510)
Operating Expenditure includes:				
Civil Defence	2,962	19,329	19,430	30,554
Rural Fire	2,156	28,803	28,904	36,156
Maritime Safety	-	17,141	17,242	53,366
Operating Expenditure	5,118	65,273	65,576	120,076



HARBOUR CONTROL

What we do

Activities involved in delivering this group of activities are:

- harbour control and navigation safety (including bylaws to be adopted in 2005/06),
- Owenga wharf,

Why we do it

The Council is responsible for harbour control and navigation and safety under the Local Government Act 2002 and the Maritime Transport Act 1994.

The Council owns the wharf at Owenga with other wharfs being either privately owned or in the ownership of the Chatham Islands Enterprise Trust.

Significant negative effects associated with this group of activities

No significant negative effects have been identified for this group of activities.

Variation from the LTCCP for 2005/06

Other than variations attributable to corporate services costs that have been allocated to this group of activities, there are no significant variations from the LTCCP.

Assets

Description

The assets involved in harbour control are the network of navigational aids. The Council owns the wharf at Owenga.

Variations from the change in asset capacity forecast in the LTCCP for 2005/06

None.

Variations from the level of maintenance and renewal forecast in the LTCCP for 2005/06

The level of maintenance and renewal proposed for 2005/06 is generally in line with that forecast in the LTCCP.

How we check performance

Measure	Target
8. Condition of navigational aid network	Leading lights are inspected quarterly Outages are replaced within 24 hours
9. Training exercises	At least one water equipment deployment exercise is conducted annually

**Forecast cost of services statement**

HARBOUR CONTROL	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Other Income	15,208	13,500	13,500	13,500
Total Revenue	15,208	13,500	13,500	13,500
Operating Expenditure	34,590	99,243	98,631	104,600
Operating Surplus/(Deficit)	(19,382)	(85,743)	(85,131)	(91,100)
Capital Expenditure	-	(260,000)	-	-
Total to be funded	(19,382)	(345,743)	(85,131)	(91,100)
To be funded from General Funds	(19,382)	(85,743)	(85,131)	(91,100)
To be funded from Loans	-	(260,000)	-	-
Operating Expenditure includes:				
Undaria Monitoring	4,000	10,000	10,000	10,000
Maritime Safety	2,194	12,000	12,000	12,000
Waitangi Foreshore slip	20,468	-	-	19,050
Owenga Wharf	7,928	77,243	76,631	63,550
Operating Expenditure	34,590	99,243	98,631	104,600
Capital Expenditure includes:				
Owenga Wharf Upgrade	-	260,000	-	-
Capital Expenditure	-	260,000	-	-



CORPORATE SERVICES

Corporate services costs are allocated to all other groups of activities.

Variation from the LTCCP for 2005/06

Variations have arisen due to additional regional council functions, funded by government grant.

Forecast cost of services statement

CORPORATE SERVICES	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Other Income	14,749	7,780	7,780	49,414
Grant – Regional Council Support	-	-	-	213,000
Internal Recoveries	389,182	313,687	317,690	323,769
Total Revenue	403,931	321,467	325,470	586,183
Operating Expenditure	403,931	321,467	325,470	586,183
Operating Surplus/(Deficit)	-	-	-	-
Operating Expenditure includes:				
Operating	377,043	299,467	303,470	351,183
Regional Council support	-	-	-	213,000
Depreciation	26,888	22,000	22,000	22,000
Operating Expenditure	403,931	321,467	325,470	586,183

**Group of Activity Financial Summary - Forecast Cost of Services Statement**

	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
General Rates	184,462	163,429	168,333	168,437
Targeted Rates				
Water	15,984	57,000	57,000	34,766
Sewerage	18,792	22,291	26,749	38,133
Waste Management	31,363	31,550	33,127	33,127
Roading	37,973	36,000	36,000	37,800
Council Dues	252,163	265,000	265,000	265,000
User Pays	161,147	183,953	111,237	142,237
Grants	10,432	796,900	46,900	88,467
Central Government Assistance	-	817,922	803,589	680,850
Regional Council Tender	-	488,000	488,000	557,200
Transfund Assistance	1,145,228	1,401,305	1,274,004	2,020,394
Total Revenue	1,857,544	4,263,350	3,309,939	4,066,411
Operating Expenditure	2,365,040	3,370,325	3,197,102	3,560,596
Operating Surplus/(Deficit)	(507,496)	893,025	112,837	505,815
Capital Expenditure	(546,241)	(1,958,000)	(591,000)	(955,000)
Loan Repayments	-	-	-	(6,454)
Total to be funded	(546,241)	(1,958,000)	(591,000)	(961,454)
Funded by:				
Operating Surplus	-	893,025	112,837	505,815
Depreciation	588,281	664,758	781,758	644,546
Loans	-	357,000	-	-
Grants - Capital	-	750,000	-	-
Reserves	507,496	-	-	-
	1,095,777	2,664,783	894,595	1,150,361



Chatham Islands Council

Forecast Financial Statements
For the year ended
30 June 2006



FINANCIAL OVERVIEW

This budget contains information for the coming year incorporating the major assumptions outlined for each activity. In general the budget shows the following in relation to the Chatham Island Council:

- The current year surplus of \$505,815 will be fully utilized in the purchase of infrastructural roading assets
- No new loans will be required in the 2005/06 financial year
- A provision of \$157,000 has been recognised for landfill closure costs which will be utilised between 2005 and 2007.
- The Council Museum displays exhibits relating to Moriori, Maori and European History, the majority of which are not owned by Council but are on loan from their owners. The Council owned exhibits are not considered to be of material value.

BALANCED BUDGET

The current years programme will result in a surplus of \$505,815 which will be fully utilised in the purchase of infrastructural roading assets.

FORECASTING ASSUMPTIONS

Prospective Financial Information

Prospective financial information can be either a forecast or a projection. A forecast is based on assumptions which the Council reasonably expects to occur whereas a projection is based on one or more hypothetical but realistic assumptions. This prospective financial information is a forecast. Actual results achieved are likely to vary from the information presented and these variations may be material.

The Council notes that the information contained in the Annual Plan may not be appropriate for purposes other than as set out in the Annual Plan. The Annual Plan incorporates actual results for the 12 months to the end of the previous financial year. The Council does not intend to update the prospective financial information

Assumptions Underlying Prospective Financial Information

The financial information contained in this Annual Plan is a forecast based on assumptions which the Council reasonably expects to occur. The assumptions adopted are current as at the time of adoption of this Annual Plan. The main assumptions underlying the forecast financial statements are as follows:

- That anticipated government assistance will be received.
- The spread of figures are based on current costs.
- No allowance has been made for inflation.
- The service levels will remain consistent

Formatted: Indent: Left: 18 pt, First line: 0 pt, Bulleted + Level: 1 + Aligned at: 12 pt + Tab after: 30 pt + Indent at: 30 pt, Tabs: Not at 30 pt

Allocation of Overheads

Corporate Services cost have been allocated to each significant activity based on an assessment of the resources used by the service.

Capital Grants Recorded as Operating Revenue

LTNZ assistance for the construction of roading assets is included in the operating revenue.



FORECAST STATEMENT OF FINANCIAL PERFORMANCE
For the Year Ending 30 June 2006

	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
General Rates	184,462	163,429	168,333	168,437
Targeted Rates	104,112	146,841	152,876	143,827
Council Dues	252,163	265,000	265,000	265,000
Interest	340	-	-	-
Central Government Grant	-	817,922	803,589	680,850
Central Government Grant - Regional Council Tender	-	488,000	488,000	557,200
LTNZGrant	1,145,228	1,401,305	1,274,004	2,020,394
Other Grants	10,432	796,900	46,900	88,466
Fees and Charges	160,807	183,953	111,237	142,237
Total Revenue	1,857,544	4,263,350	3,309,939	4,066,411
Operating Expenditure:				
Democracy	332,824	380,224	376,958	442,338
Land Transport (Roading)	1,530,837	1,629,180	1,509,452	1,902,964
Solid & Hazardous Waste Management	45,678	130,342	107,214	110,903
Decrease Provision for Landfill Closure	-	(58,100)	(58,100)	(58,100)
Adjustment for GST	-	(48,000)	-	-
Water Supply	120,154	91,376	91,656	100,483
Stormwater	6,612	4,742	4,762	8,287
Wastewater (Sewerage)	65,174	93,506	93,610	114,080
Harbour Control	34,590	99,243	98,631	104,600
Emergency Management/Rural Fire	5,118	65,273	65,576	120,076
Environment	27,820	380,427	380,788	180,555
Consents and Compliance	22,716	35,797	35,371	43,392
Animal and Pest Plant Control (Biosecurity)	27,288	200,000	200,000	113,600
Dog and Animal Control	13,519	18,751	18,915	23,589
Community Services	132,710	347,564	272,269	353,829
Operating Expenditure	2,365,040	3,370,325	3,197,102	3,560,596
Operating Surplus/(Deficit)	(507,496)	893,025	112,837	505,815

FORECAST STATEMENT OF MOVEMENTS IN EQUITY
For the Year Ending 30 June 2006

	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Equity at the start of the year	37,341,459	37,820,429	38,713,454	37,726,989
Net Surplus/(Deficit) for the year	(507,496)	893,025	112,837	505,815
Equity at the end of the year	36,833,963	38,713,454	38,826,291	38,232,804



FORECAST STATEMENT OF FINANCIAL POSITION
As at 30 June 2006

	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Public Equity				
Accumulated Funds	36,833,963	38,713,454	38,826,291	38,232,804
Total Public Equity	36,833,963	38,713,454	38,826,291	38,232,804
<i>Represented by:</i>				
Current Assets				
Cash on Hand	121	121	121	121
Debtors	317,567	278,000	278,000	278,000
	317,688	278,121	278,121	278,121
Non Current Assets				
Fixed Assets	37,430,181	39,595,948	39,522,190	39,041,877
	37,430,181	39,595,948	39,522,190	39,041,877
Total Assets	37,747,869	39,874,069	39,800,311	39,319,998
Current Liabilities				
Creditors & Accruals	228,008	430,387	431,687	280,623
ANZ & Call Accounts	476,121	201,378	90,483	288,175
GST	30,812	20,000	20,000	30,000
Employee Entitlements	21,965	16,000	16,500	22,000
	756,906	667,765	558,670	620,798
Non Current Liabilities				
Provision for landfill closure costs	157,000	105,200	53,400	105,200
Term Liabilities	-	387,650	361,950	361,196
	157,000	492,850	415,350	466,396
Total Liabilities	913,906	1,160,615	974,020	1,087,194
Net Assets	36,833,963	38,713,454	38,826,291	38,232,804



FORECAST STATEMENT OF CASH FLOWS
For the Year Ending 30 June 2006

	Actual 2003/04 \$	LTCCP 2004/05 \$	LTCCP 2005/06 \$	Annual Plan 2005/06 \$
Cash Flow from Operating Activities				
<i>Cash is Provided from:</i>				
Rates	305,936	310,270	321,209	322,265
Dues	211,608	265,000	265,000	275,000
Roading Assistance	1,144,654	1,401,305	1,274,004	2,020,394
Central Government Assistance	-	1,305,922	1,291,589	1,238,050
Other Income	94,095	230,891	158,137	250,270
Capital Grants	-	750,000	-	-
	1,756,293	4,263,388	3,309,939	4,105,979
<i>Cash is applied to:</i>				
Employees	194,560	123,619	127,222	144,213
Supplies and Services	1,479,909	2,581,948	2,455,122	2,749,837
	1,674,469	2,705,567	2,582,344	2,894,050
Net Cash Flow from Operating Activities	81,824	1,557,821	727,595	1,211,929
Cash Flow from Investing Activities				
<i>Cash is applied to:</i>				
Purchase of Assets	546,241	1,958,000	591,000	985,000
Net Cash Flow from Investing Activities	(546,241)	(1,958,000)	(591,000)	(985,000)
Cash Flow from Financing Activities				
<i>Cash is provided from:</i>				
Loans Raised	-	387,000	-	-
<i>Cash is applied to:</i>				
Repayment of Loans	-	19,350	25,700	6,454
Net Cash Flow from Financing Activities	-	367,650	(25,700)	(6,454)
Increase/(Decrease) in Cash Held	(464,417)	(32,529)	110,895	220,475
Opening Cash Balance	(11,583)	(168,728)	(201,257)	(508,529)
Closing Cash Balance	(476,000)	(201,257)	(90,362)	(288,054)
Made up of:				
Cash on hand	121	121	121	121
ANZ & Call Accounts	(476,121)	(201,378)	(90,483)	(288,175)



STATEMENT OF ACCOUNTING POLICIES

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 forecast financial statements have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice (GAAP).

Measurement Base

The general accounting principles recognized as appropriate for the measurement and reporting of results and financial position on a historical cost basis, modified by the revaluation of certain fixed infrastructural assets have been followed.

Accounting Policies

Revenue Recognition

Rates revenue is recognised when it is levied. Transfund 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. Interest is recognised on an accrual basis. Other revenue is recognised when it is earned by Council.

Budget Figures

Budget figures will be adopted by Council after consultation with the public through the public consultation period. They have been prepared in accordance with GAAP and are consistent with those policies adopted for the preparation of the annual report.

GST

All amounts in the financial statements are exclusive of GST, except for debtors and creditors which are shown inclusive of GST.

Debtors

Debtors are stated at estimated realisable value after providing for debts where collection is doubtful.

Investments

Investments are stated at the lower of cost and net realisable value.

FIXED ASSETS

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 the debit balance in the asset revaluation, this balance is expensed in the statement for financial performance.



Roading

Roading assets were valued by M.W.H Ltd (Registered Engineers) at depreciated replacement cost*, as at 30 June 2001. Subsequent additions are included at cost.

This valuation also includes land under roads, which is not depreciated. Land under roads has been valued by reference to land sales and capital values of land being parallel to the road carriageway.

**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.

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.

Operational Assets 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

Infrastructure Assets Depreciation

Roading

Infrastructure assets are depreciated on a straight-line basis. The useful lives are as follows:

Top surface (seal)	10 years
Pavement (basecourse)	
sealed	66 years
unsealed	Not depreciated
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.

Employee Entitlements

Provision has been made in respect of the Council's liability for annual leave, long service leave and retirement gratuities at balance date. This has been calculated on an actual entitlement basis using current rates of pay.

Landfill Closure and Post Closure Costs.

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, debtors and creditors. All financial instruments are recognized in the statement of financial position and all revenues and expenses in relation to financial instruments are recognized 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

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which council invests as part of its day-to-day cash management.

Cost of Service Statements

The cost of service statements, as provided in the statement of service performance, 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.

Impact of Adoption of International Accounting Standards

The forecast financial information has been prepared in accordance with the Council's current accounting policies. The Council is aware that it may have to alter some of its accounting policies in the future as a result of the Accounting Standard's Review Board's decision to adopt International Financial Reporting Standards as the basis for new New Zealand financial reporting standards, for periods commencing 1 January 2007. The forecast financial information presented does not take into account the potential impact of the new financial reporting standards as this impact is not yet known.

Changes in Accounting Policies

There have been no changes to accounting policies. The policies have been applied on a basis consistent with those used in the previous period.



FUNDING IMPACT STATEMENT

IMPORTANT: TO BE READ FIRST

At various points of this policy, a level of rate or charge is specified. These are indicative figures, included to give ratepayers an estimate of what their level of rates is likely to be in the current year. These figures are not the actual level of rates that will be assessed in the coming year. The actual figure will not be known until the Council's rating information database is finalised.

All figures in this policy are GST inclusive.

The revenue and financing policy contained in the LTCCP sets out the rationale for adopting the various funding mechanisms used.

1. Council's Revenue and Financing Policy deals with the revenue and financing mechanisms at an 'Activity' level.

Activities are a sub-set of Functional Activities e.g. one of Council's 'Functional Activities' is Community Services, and Cemeteries is one 'Activity' within that functional level.

2. Terminology:
Unless otherwise specified, the term –

- Uniform Annual Charge (UAC) or Charge refers to a targeted rate of a uniform amount calculated on each separately used or inhabited part of every rating unit
- General type targeted Rates are rates that are targeted to a particular geographic rating area or a differential rating group. (These rates are based on the capital value of each property).
- Targeted Rates and Charges are rates or charges that are targeted to a particular area of benefit. e.g. Water, Sewerage
- Capital values or rating units refers to rate capital values or rateable rating units as the case may be.
- Residual Rate Funding Percentages refer to the residual amount to be funded, after allowance for sources of funds other than rates
- Funding relationship weightings refer to a methodology for allocating the various general type rates and charges where the highest weighting is always expressed in 100. Where a weighting shows as zero, there is no contribution from that area, but where a weighting shows as a number between zero and 100 (e.g. 85), that area will pay a rate or uniform annual charge (as the case may be) of 85% of any area that has a weighting of 100. If all areas have a weighting of 100, the rate in the dollar of uniform charge (as the case may be) will be the same for all areas.

Formatted: Bulleted + Level: 1 + Aligned at: 36 pt + Tab after: 54 pt + Indent at: 54 pt

Property Valuation System

Independent property valuations are provided to Council, under contract, by Quotable Value New Zealand.

Funding of the Operational Requirements By Activity

Funding Mechanisms

Council's Revenue and Financing Policy deals with financing mechanisms at an 'Activity' level.



RESIDUAL RATE FUNDING BASIS

Allocation of Costs to Geographic Areas, Land Use Categories and Other Targeted Rates	Fees & Charges (*) where applicable	Grants & Subsidies (*) where applicable	General Type Targeted Rates	General Type Targeted Charges UAC's	Separate Targeted Rates	Separate Targeted Charges UAC's
Democracy		*	100	0	0	0
Community Services	*	*	100	0	0	0
Emergency Management		*	100	0	0	0
Land Transport		*	18	0	2	0
Wastewater		*	2	0	0	0
Water Supply		*	75	0	0	0
Solid & Hazardous Waste Management		*	24	0	0	0
Harbour Control		*	100	0	0	0
Consents & Compliance	*		100	0	0	0
Environment	*		100	0	0	0
Animal & Plant Pests		*	100	0	0	0
Animal Control	*		100	0	0	0

Capital Expenditure

In general, the sources of funds for capital expenditure for each activity will be utilised in the following order –

- Subsidy where available
- Financial reserves, including Depreciation Reserves
- Loan raising, which will impact on rates in the form of loan servicing charges
- Targeted rates, as direct costs.

← - - - - **Formatted:** Indent: Left: 18 pt, Bulleted + Level: 1 + Aligned at: 36 pt + Tab after: 54 pt + Indent at: 54 pt, Tabs: 36 pt, List tab + Not at 46.3 pt + 54 pt

Proposed Changes to Funding Mechanisms

Council has no changes to funding mechanisms.

Types of Rates

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:

Infrastructure	.0035499 cents in the dollar will collect \$ 9,285
Industrial	.0066905 cents in the dollar will collect \$ 27,097
Commercial	.0049744 cents in the dollar will collect \$ 20,844
Rural and Residential	.0029208 cents in the dollar will collect \$132,265

TOTAL GENERAL RATE = \$189,491



Water Supply

Council proposes to set a targeted rate for the public water supply serving the Waitangi township. The estimated rates for the 2005/06 year are:

\$550.00 per connection, which will collect \$39,112

Rating units not connected to this scheme are not liable for this rate.

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. The estimated rates for the 2005/06 year are:

\$292.00 per pan, which will collect \$42,900

Rating units that are not connected to the scheme are not liable for this rate.

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 estimated rates for the 2005/06 year are:

\$112.95 per unit, which will collect \$37,270

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.

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 2005/06 year are:

\$114.95 per unit, which will collect \$42,525

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.

A schedule of the Council Dues is attached as **Appendix One**.

No increases are proposed for the 2005/06 year. Council Dues are estimated to produce \$298,125 (including GST).



Rates by Installments

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

01 September 2005
01 January 2006
01 May 2006

Penalties

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

- A 10% penalty on any Installment No. 1 charges which remain unpaid after 14 October 2005.
- A 10% penalty on any Installment No. 2 charges which remain unpaid after 14 February 2006.
- A 10% penalty on any Installment No. 3 charges which remain unpaid after 14 June 2006.
- A further penalty of 10% will be applied to all amounts that remain unpaid on 30 June 2006.



APPENDIX ONE – SCHEDULE OF COUNCIL DUES

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

CARRIAGE BY SEA

Rock Lobster, Paua, Scallops and Oysters	Tonne	\$200.00
Other fish meat and fish bait	Tonne	\$ 18.00
Cooler goods (fruit, vegetables, etc.)	M ³	\$ 5.00
General Cargo	M ³ /Tonne	\$ 18.00
Diesel, Oil in bulk	1,000 litres	\$ 24.00
Petrol/Avgas in bulk tanks	1,000 litres	\$ 25.00
Petrol/Avgas in 200 litre drums	Drum	\$ 5.00
Hazardous Goods	M ³ /Tonne	\$ 18.00
Vehicles (including boats, trailers, motorbikes, etc.)	M ³	\$ 5.00
Timber	M ³	\$ 12.00
Dry Bulk (cement, fertilizer, coal, animal feed)	M ³ /Tonne	\$ 12.00
Wool and Moss	Bale	\$ 12.00
Animals, large (cattle and horses)	Each	\$ 5.00
Animals, small (sheep, pigs, dogs, fowls, goats)	Each	\$ 1.00

NOTE: M³/Tonne is whichever is the greatest.

CARRIAGE BY AIR

Rock Lobster, Paua, Scallops and Oysters	Tonne	\$200.00
Other fish meat and fish bait	Tonne	\$ 18.00
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 recognize 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.