



## Annual Report Summary 2007/2008



chatham islands council



## A year of consolidation

### It is our pleasure to present the 2007/2008 Annual Report for the Chatham Islands Council.

The 2007/08 year was one of consolidation as we worked towards a sustainable future for the Chatham Islands. Preparation of plans, budgets and reports required to secure the Government's financial support all became worth while in June with the announcement of a further four years' funding of \$7.23m.

In financial terms, Council has finished the year with a strong balance sheet and a surplus of \$1.13m. This is influenced by an increase in the value of the infrastructural assets.

### Significant highlights of the year in review include:

- The preparation of a Pest Management Strategy which became operative on 3 March 2008.
- Funding for the implementation of the Solid Waste Management Plan was received. Footpaths continue to be laid in Waitangi, and numerous roading projects were completed. It is interesting that the Council spent \$3.71m on road maintenance and capital projects compared with only \$1.14m 10 years ago and \$1.96m five years ago.
- The Council continued to work with the Land Transport Authority to find a funding solution for the replacement of the wharf at Owenga. It was pleasing to hear that this work has since been successful.

It is always good for the Council to be involved with community support projects and we provided \$178k during the year through community-based organisations. We acknowledge the support provided from the Community Trust of Canterbury, Sport and Recreation New Zealand and Creative Communities, which allowed this to happen.

Over the past five years we have emphasised our emergency response activities by making sure that our plans are compliant and current. We are pleased to say that this has been achieved. However the success of these plans relies upon the availability of trained local volunteers. We would welcome anyone who would like to be involved.

The relationship with the Wellington City Libraries continues to grow with Chatham Islanders now eligible to be members. A regular supply of books is being provided and we thank Wellington City for this.

The year ahead will continue to be challenging and rewarding as the Council works with the Chatham Islands Enterprise Trust to find an appropriate governance structure for the islands. Waste Management will be addressed and construction of a new wharf at Owenga will begin.

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

**Patrick Smith** QSO JP  
Mayor

**Owen Pickles** JP  
General Manager

## Community outcomes

A review of the community outcomes during the year ending 30 June 2006 formed the basis of the Council's Long Term Community Plan 2006-2016.

### The community outcomes reflect local priorities:

- Social well-being (a safe and healthy community)
- Economic well-being (an enterprising and innovative community)
- Environmental well-being (an environmentally conscious community)
- Cultural well-being (a culturally enriched community)

## Council responsibilities: issues and projects during 2007/08

### Democracy

Democracy includes planning and support for the Council and its committees, providing information regarding Council business, and overseeing the processes that underpin representative local government in the Chatham Islands.

Measure	Target	Actual
Residents feel confident that Council decisions are made in the best interests of the community.	85% of residents are confident or very confident.	63%.
Residents are satisfied with the advocacy by the mayor and councillors on behalf of the community.	85% of residents are satisfied or very satisfied.	61%.

### Infrastructure services

#### Land Transport

Council is responsible for maintaining all public roads on the Chatham Islands and for all roading related assets – footpaths, kerbs, street lighting and signs.

Measure	Target	Actual
The percentage of maintenance work identified in the Annual Roding Strategy undertaken.	100%.	100%.
The percentage of projects identified in the Annual Roding Strategy to address black/grey accident spots completed.	100%.	N/A. There are no identified black or grey spots; areas of safety concern addressed 100%.
Infestations of plant pests within the road reserve found in quarterly inspections.	None.	None.
Requests or complaints about the road network.	No more than 10 complaints a year.	20 complaints received.
Response time to written requests or complaints.	100% within five working days of notification.	100% response within five working days.
Residents satisfied with the extent and safety of the urban and rural road network.	75% of residents are satisfied or very satisfied	41% satisfied or very satisfied.

#### Solid and Hazardous Waste Management

Council provides refuse disposal sites at Te One, Kaingaroa and Owenga. The Government has agreed to assist the Council with the establishment of a waste management system that will meet modern health and environmental standards.

Measure	Target	Actual
Percentage of the population within 20 km of a transfer station or landfill.	75%.	At least 75% of population within 20 km of a site.
Number of complaints about facilities.	No more than two complaints a year.	Three complaints received and a request for recycling bins.
Time to respond to written requests or complaints.	100% within five working days of notification.	100% response within five days.

#### Water supply

Council operates a public water supply to consumers in part of the Waitangi township.

Measure	Target	Actual
Customers are satisfied with the Waitangi water supply scheme.	80% of customers are satisfied or very satisfied.	62% satisfied or very satisfied.
The number of complaints about the water supply.	No more than five complaints a year.	Two complaints received.
Response time to complaints and to restore lost supply.	95% responded to within two hours and lost supply restored within eight hours.	Complaints responded to immediately. No supply outages for greater than eight hours.

#### Stormwater

Council's role is to control the level of Te Whanga to protect productive land around the shores. There is some urban stormwater reticulation within the Waitangi village.

Measure	Target	Actual
The frequency of opening the Te Whanga outlet to avoid flooding.	As required.	Not required.



## Wastewater

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

Measure	Target	Actual
Compliance with resource consent conditions.	100% compliance.	100% compliance.
Complaints about odours or any other nuisances.	No more than two complaints a year.	None received.
Response times to complaints or to restore lost service.	95% responded to within two hours and investigated within 12 hours and minor faults remedied within 24 hours of notification.	No complaints received.

## Community Services

Community Services include arts and heritage (including the Chatham Islands Museum), morgue and cemeteries, community support, housing, Town Hall, parks and reserves, library services, public conveniences and grants and donations.

Council provides grants and donations for social and community development groups and assists community groups to access funds from other sources. It also works with the community to provide liaison between community organisations, and develops partnerships with central Government and other organisations.

The Council is proposing to establish a public library as part of a larger complex that may include the Council and Enterprise Trust offices, meeting facilities, and an information centre and art gallery. An indoor sports stadium is also a possibility.

Measure	Target	Actual
Residents are satisfied with community services.	85% of residents are satisfied or very satisfied.	71%.
Complaints about community services.	None.	Request for renewal of roof and spouting and pot holes in car park at Norman Kirk Memorial. 7 complaints regarding housing. 1 complaint re public facilities.
Response times to complaints about operations and facilities and to remedy faults.	100% investigated within 12 hours and minor faults remedied within 24 hours of notification.	All faults investigated within 12 hours. Faults remedied where practical.
Compliance with NZS 5828 for playground equipment.	100% compliance.	Equipment complies.
Occupancy rate for Council housing.	Greater than 95%.	100% occupancy.
An increase in the number of social houses.	Six new houses.	No increase.

## Licensing and buildings

Council has the statutory function through the Resource Management Act 1991 of receiving, processing and granting resource consents including certificates of compliance. Council is responsible for regional, district and coastal functions for the following consents:

- Land use, including erection of buildings and land disturbance and 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

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

Measure	Target	Actual
Applications processed within statutory timeframes.	95%.	18 building consents issued. 16 (89%) within statutory timeframe. 11 liquor licenses processed.
The frequency of inspections of premises to assess compliance with public health standards.	At least one inspection annually.	Nine of 12 premises inspected.
Complaints about non-compliance with consent conditions.	No more than five complaints a year.	No complaints.
Response times to complaints about non-compliance.	100% are resolved or have a resolution strategy in place within 21 days of notification.	No complaints received.



## Dog and Animal Control

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

Measure	Target	Actual
Number of complaints about dogs and animals.	No more than five complaints a year.	10 dog complaints received. 10 Stock complaints.
Response times to complaints.	100% are responded to within time frames.	14 complaints dealt with within time frames. All complaints dealt with appropriately.
Inspections each year to make sure dogs are registered and to check animal welfare.	Two.	One inspection.
Residents are satisfied with dog and animal control services.	100% of residents are satisfied or very satisfied.	53% satisfied or very satisfied. 15% had no opinion.
Cost recovery through registration fees and fines.	100%.	87%.

## Environmental Services

### Resource Management

Council, under the Resource Management Act 1991 (RMA), monitors and reports on the Chatham Islands environment and reviewing policies for managing the natural and physical resources of the Chatham Islands at not less than 10 year intervals.

Measure	Target	Actual
Resource consent applications processed within statutory timeframes.	95%.	Two consents received. Processed within statutory timeframes.
Response times to complaints about breaches of the RMA.	100% within two working days.	No complaints received.

### Animal and Plant Pest Control – Biosecurity

Council carried out pest management in accordance with National and Regional Pest Management Strategies prepared in conjunction with stakeholders and in compliance with the Resource Management Document, the Biosecurity Act 1993 and Resource Management Act 1991.

Measure	Target	Actual
Long-term trend in the number of new infestations of containment or control plant pests outside known areas.	No increase over time.	Limited surveillance work was carried out in 2007/08 in high risk areas. No new infestations were detected. The new pest management strategy (PMS) will intensify the surveillance programme.
Long-term trend in total control plant pests.	Reducing over time.	Measures will be put in place as part of the PMS to establish benchmarks against which trends can be monitored.
Level of compliance by land occupiers to carry out containment and control under the PMS.	Increasing over time (with 100% compliance by 2016).	No further action yet on plans put in place in 2006/07.

## Emergency Management

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

Measure	Target	Actual
The state of readiness of the Emergency Operations Centre.	100% readiness, 24-hours/7 days. 100% of staff and volunteers trained and resourced.	On call 24/7. 95% of staff trained, 95%. Not all volunteers are fully trained. Councillors to complete training in August 2008.
Percentage of multi-agency response team completed basic specialist emergency services training.	80%.	Training provided to Response team annually.
Percentage of residents prepared for an emergency.	Targets will be established in the 2008/09 Annual Plan based on a 2007/08.survey.	Survey still to be conducted.
Percentage of lifelines utilities that have identified hazards with potential to affect their infrastructure.	100%.	Still work to be done in the area of potential hazards regards to fuel and storage.

## Coasts, Harbours and Navigation

Council is responsible for addressing matters of navigation and safety as required by the Local Government Act 2002 and the Maritime Transport Act 1994 (MTA). The MTA also requires Council to prepare, maintain and review Regional Marine Oil Spill Contingency Plans. For the purpose of oil spill response, the Chatham Islands region's area of responsibility extends to the 12 nautical mile territorial boundary.

Measure	Target	Actual
Percentage of residents satisfied with administration of navigation safety bylaws.	85% of residents are satisfied or very satisfied.	42% satisfied or very satisfied. 46% had no opinion.
Time to respond to incidents and deal with complaints.	85% responded to within seven days.	No navigational complaints.

## Summary Statement Of Financial Performance and Movements In Equity for the year ended 30 June 2008

	\$000	\$000	\$000
	Actual 2007/08	Annual Plan 2007/08	Actual 2006/07
Grants and Subsidies	4,318	4,133	4,113
Other Revenue	850	801	792
<b>Total Revenue</b>	<b>5,168</b>	<b>4,934</b>	<b>4,905</b>
<b>Operating Expenditure</b>	<b>4,038</b>	<b>4,204</b>	<b>4,035</b>
<b>Surplus (deficit)</b>	<b>1,130</b>	<b>730</b>	<b>870</b>
Increase in Revaluation Reserve	7,452	-	-
Total Recognised Revenue and Expenses	8,582	730	870
Equity at the beginning of the year	31,951	31,259	31,081
Equity at the end of the year	40,533	31,989	31,951

## Summary Statement of Financial Position as at 30 June 2008

<b>Equity</b>	40,533	31,989	31,951
<i>Represented by:</i>			
Total Current Assets	834	534	1,265
Total Property Plant and Equipment	40,945	32,520	32,559
Total Assets	41,779	33,054	33,824
<i>Less</i>			
Total Current Liabilities	888	707	1,510
Total Non Current Liabilities	358	358	363
Total Liabilities	1,246	1,065	1,873
Net Assets	40,533	31,989	31,951

## Summary Statement Of Cashflows for the year ended 30 June 2008

Net Cash Flows from Operating Activities	2,428	2,202	1,535
Net Cashflows from Investing Activities	(2,102)	(2,454)	(1,900)
Net Cashflows from Financing Activities	(5)	(4)	(5)
Net Cashflow for the Year	321	(256)	(370)
Opening cash Balance	(206)	412	164
Closing Cash Balance	115	156	(206)

Note: In 2007/08 roading, water and waste water assets were revalued and increased by \$7,452,652.



## Financial Overview

### Statement of Financial Performance

As at the end of the year Council has a surplus of \$1,129,616 reflecting two main factors. First, a grant for the solid waste project of \$659,000 was carried forward in anticipation of the scheme starting in July 2008. Second, for the second year a significant amount of pavement regravelling has been capitalised and will be expensed over a five year life. Previously, it was expensed in the first year.

### Statement of Financial Position

During the year roading, water and wastewater (sewage) assets were revalued upwards by \$7,452,652. The ratio of current assets to current liability is 93.9% which is satisfactory (83.8% 2007).

### Notes to the Summary Financial Statements for the Year Ended 30 June 2008

The Council has prepared the Summary Annual Report to provide the users with an overview of Council performance. The Local Government Act 2002 Part 6 s98 (b) requires the Council to make available a summary of the information contained in its Annual Report. The disclosures included in the Summary Annual Report have been extracted from the full Annual Report adopted by Council on 30th October 2008. The full Annual Report received an unqualified audit opinion. The Summary Annual Report cannot be expected to provide as complete an understanding as the full Annual Report. The full Annual 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](http://www.cic.govt.nz).

The Summary Annual Report was authorised for issue by the General Manager on 30th October 2008.

### Accounting Policies

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZIFRS and other applicable reporting standards, as appropriate for public benefit entities. These accounts are presented in NZ dollars and are rounded to the nearest 1000's. The council is a public benefit entity.

## 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 2008*

**We have audited the summary annual report.**

#### 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-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.
- We expressed an unqualified audit opinion, in our report dated 30 October 2008, 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 incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in 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  
30th October 2008

### MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE SUMMARY ANNUAL REPORT

This audit report relates to the summary annual report of Chatham Islands Council (the Council) for the year ended 30 June 2008 included on the Council's web site. The Council is responsible for the maintenance and integrity of its 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 annual report since it was initially presented on the web site.

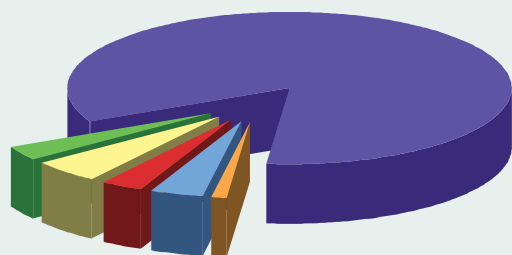
The audit report refers only to the summary annual report named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the summary annual report. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the summary annual report and the related audit report dated 30 October 2008 to confirm the information included in the summary annual report presented on this web site.

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



### Sources of Revenue (000)

General Rates	\$193	4%
Targeted Rates	\$164	3%
Council Dues	\$259	5%
Other Income	\$156	3%
Grants	\$4,318	84%
Interest	\$78	1%

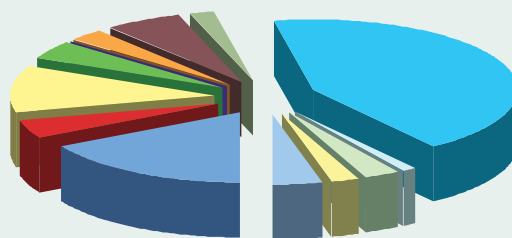


### Use of Funds (000)

Democracy	\$675	17%
Solid and Hazardous Waste Management	\$35	1%
Community Services	\$467	12%
Water Supply	\$230	6%
Stormwater	\$6	0%
Wastewater (Sewerage)	\$168	4%
Resource Management	\$260	7%
Licensing and Building	\$88	2%
Land Transport (Roading)	\$1,679	41%
Dog and Animal Control	\$25	1%
Biosecurity (Animal and Plant Pest Control)	\$102	2%
Civil Defence/Rural Fire/Marine Oil Spill	\$122	3%
Coasts, Harbours and Navigation	\$181	4%

### Council Financial Statistics

	Actual 2007/08	Actual 2006/07
Proportion of Rates Revenue to Total Revenue	6.9%	6.9%
Proportion of Dues Revenue to Total Revenue	5%	5%
Net Public Debt (as a percentage of Total Assets)	0.49%	0.62%
Public Debt (per rateable property)	\$385	\$399
Public Debt (per head of population)	\$337	\$345



### The Chatham Islands - General Statistics

The Chatham Islands consist of a group of 10 islands of which only two are inhabited.

The total population is 612 people (Statistics New Zealand Demographic Trends 2007). The main settlements are Waitangi, Kaingaroa, Te One, Port Hutt and Pitt Island.

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

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

Area:	963 sq km	Government Valuations	Gross Land Value	\$50,794,800
Rateable Assessments:	536		Gross Capital Value	\$107,704,950
			Net Land Value	\$46,707,300
			Net Capital Value	\$97,476,800

### Council Directory

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Chatham Islands

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