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## COMMUNITY OUTCOMES

A review of the Community Outcomes was undertaken during the year ended 30 June 2006. These outcomes form the basis of the Council's Long Term Community Plan 2009-2019 that came into effect on 1<sup>st</sup> July 2009.

The community outcomes contained in the Draft Long Term Council Community Plan 2009-2019 are drawn from the visions and aspirations of the community with reference to significant documents, namely the Chatham Islands Economic Review 2002, the Chatham Islands Resource Management Document 2001 and the Council's Long Term Community Plan 2004 and 2006. These visions and aspirations formed the basis of the 2009-2019 community outcomes and were considered by the community as still important. These visions provide a holistic view of where the people of the Chatham Islands want to be in the next 10 years and how the Council might play a role in working towards realising these visions.

Through the 'special' consultation process of the Draft Long Term Community Plan 2009-2019, the community revisited these visions to decide whether they were reflected within the community outcomes. The Long Term Community Plan was adopted on 30 June 2009.

### The Community Outcomes

#### **Social well-being: A Safe and Healthy Community**

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

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

#### **Economic well-being: An Enterprising and Innovative Community**

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

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

### **Environmental well-being: An Environmentally Conscious Community**

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

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

### **Cultural well-being: A Culturally Enriched Community**

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

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

The Local Government Act 2002 requires local authorities, including the Chatham Islands Council, to work with local and regional organisations, Maori and Moriori, central government and non-governmental organisations and the private sector to further the community outcomes. The Chatham Islands Council will monitor and, at least every three years, report on the community's progress towards achieving the community outcomes.

### **Maori and Moriori participation in the decision-making process**

Council has an obligation to take into account the principles of the Treaty of Waitangi – Te Tiriti O Waitangi – and to recognise and provide for the special relationship between and with Maori, Moriori, their culture, traditions, land and taonga.

The obligation to consult includes recognising those who hold mana whenua or ancestral rights of land ownership. Within the Chatham Islands, Council recognises the Hokotehi Moriori Trust, Te Runanga O Wharekauri Rekohu Inc and Ngati Mutunga O Wharekauri Iwi Trust as groups that represent mana whenua within the territory.

Council recognises the obligation to '*actively promote*' Maori and Moriori participation in the decision-making process and this has been recognised in the Annual Plan 2007/08 and subsequently with the establishment of a budget to further progress relationships with Iwi/Imi. The key goals of Council in actively promoting participation and progressing relationships with Iwi/Imi are:

- Working towards formalising working relationships
- Building capacity to enhance participation in the decision-making process
- Providing information to assist Maori and Moriori to effectively contribute to the decision making process
- Education and promotion for staff and elected members to gain an appreciation of the Maori and Moriori values and traditions in relation to the Local Government Act and the Resource Management Act, and
- Consultation

This is conveyed in the Long Term Council Community Plan 2009-2019 community outcome, "A community that acknowledges and values the importance of tangata whenua as an integral part of our community". Council also recognises an obligation to the Chatham Islands community under the LTCCP in enhancing this outcome and acknowledges the importance of tangata whenua / tchakat henu in collectively striving towards a sustainable future for our people and our islands.

The policy on Maori, Moriori and the Chatham Islands Council was adopted in February 2009.

## Groups of Activities

### DEMOCRACY

#### **What we do and why we do it**

Democracy includes the planning and support for the Council and its Committees, the provision of information regarding Council business, and the general oversight of the processes that underpin representative local government in the Chatham Islands territory, including elections. Carrying out this activity enables the interests of Chatham Islands residents and ratepayers to be represented in a fair and equitable manner and provides opportunities for the community to participate in the decision-making processes.

The Chatham Islands Council has the functions, duties and powers of both 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 the Chatham Islands Council and other mainland New Zealand councils.

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

In considering the range and diversity of the community that is the Chatham Islands, the Chatham Islands Council recognises the special relationship it has with local Imi/Iwi and acknowledges the specific responsibilities it has to Moriori /Maori 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.

#### **Contribution to Community Outcomes**

Democracy contributes to the following community outcomes:

- A community that promotes economic development for its fishing, farming and tourism industries
- A community that promotes partnership with leading organisations
- A community that acknowledges and values the importance of ' tchakat henu' / 'tangata whenua' as an integral part of our community

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress this year	Impact on well-being
A community that promotes economic development for its fishing, farming and tourism industries.	Participated in the updating of the Taylor Baines Review of economic development opportunities and strategies. Actively participated in the Shipping Committee and Chatham Islands Tourism group. Provided a \$20,000 budget for the Chatham Islands Visitor Industry Group. Participated in the Islands Governance Review and received the report recommending the way forward.	There is a benefit to economic well-being through collective participation and the bringing together of skills, experiences and knowledge in finding solutions to economic sustainability for the Chatham Islands.
A community that promotes partnerships with leading organisations.	Maintained a sound relationship with the Department of Internal Affairs in relation to Government assistance. Government assistance has been approved for a further three years. Quarterly reports were sent to the Department of Internal affairs outlining activities generally, and activities under the contract with ECan for assistance with Regional functions.	There is a benefit to social, economic, environmental and cultural well-being by maintaining and sustaining a viable and compliant Council.
A community that acknowledges and values the importance of 'tangata whenua' as an integral part of our community.	Members of Ngati Mutunga O Wharekauri assisted the Council in dealing with the discovery of sacred remains at the Council dump. ECan's Iwi liaison Manager, Bob Tai visited with groups on the Island, met with the Mayor and Councillors and provided advice to Council. A \$10,000 budget was provided for imi/iwi liaison during the year.	There is a benefit to environmental and cultural well-being by reducing adverse reactions that may arise during the decision-making process through a lack of effective consultation, participation and poor working relationships.

**Significant negative effects associated with this group of activities**

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

**Assets**

The assets are the elected Mayor and Councillors, assisted by the knowledge and experience of staff, coupled with organisational information, systems and processes.

## How we check performance

### Levels of service

#### 1. Providing effective governance and leadership to the Chatham Islands community

Measure	Targets for 2008/09	Actual
The percentage of residents who feel confident that Council decisions are made in the best interests of the community.	85% of residents are confident or very confident (measured by annual survey on a scale of very confident, confident, unconfident, very unconfident).	Overall, 48% of respondents were confident, 34% not confident and 17% had no opinion that Council decisions are made in the best interests of the community. *
The percentage of residents who are satisfied with the advocacy by the mayor and councillors on behalf of the community.	85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).	Overall, 59% of respondents were satisfied, 26% dissatisfied and 16% had no opinion.
Voter turnout.	In top quartile of New Zealand Territorial Authorities.	No Council elections this year.

\*For the purposes of this report very confident and confident categories are combined, as are very dissatisfied and dissatisfied categories.

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

Measure	Targets for 2008/09	Actual
The percentage of official meetings of elected representatives conducted in compliance with the Local Government Official Information and Meeting Act 1987 and Council Standing Orders.	100%.	100%.
LTCCP/Annual Plan and Annual Report compliance with the Local Government Act 2002.	Annual Report and LTCCP audited without qualification.	Achieved.
The Council's governance statement.	Kept up to date with legal requirements.	Yes. Local Governance Statement 2007 adopted December 2007.

## Cost of services statement

DEMOCRACY	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	208,808	334,823	306,195
Other Income	178	-	3,289
Grant Regional Council Support	270,969	281,100	270,000
<b>Total Revenue</b>	<b>479,955</b>	<b>615,923</b>	<b>579,484</b>
<b>Operating Expenditure</b>	<b>621,278</b>	<b>654,320</b>	<b>674,949</b>
<b>Operating Surplus/(Deficit)</b>	<b>(141,323)</b>	<b>(38,397)</b>	<b>(95,465)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	141,323	38,397	95,465
Capital Expenditure	11,085	-	18,535
<b>Total Funding Required</b>	<b>152,408</b>	<b>38,397</b>	<b>114,000</b>
Funded by:			
Operating Surplus	-	-	-
Transfers from (to) General Reserve	152,408	38,397	114,000
<b>Total Funding Applied</b>	<b>152,408</b>	<b>38,397</b>	<b>114,000</b>
<b>Operating Expenditure includes:</b>			
Elected members	123,793	146,211	120,009
Local Government NZ	23,091	41,590	24,237
Election Expenses	1,996	-	13,902
Servicing Costs	421,737	384,459	462,532
Economic Development	-	36,960	2,269
Regional Council Contract	50,661	45,100	52,000
<b>Operating Expenditure</b>	<b>621,278</b>	<b>654,320</b>	<b>674,949</b>

### Financial commentary

There was one by-election this year. Servicing costs reduced compared to 2007/08 although the servicing costs budget is lower than the actual cost because an expected reimbursement of interest on GST has not yet been approved by the Government.

# INFRASTRUCTURE SERVICES

## Land Transport (Roading)

### What we do and why we do it

Council is responsible for all public roads on the Chatham Islands (there are no State Highways). As owner of the roading network Council has legal requirements to provide roads to a certain standard. In addition, Council is responsible for all roading related assets – footpaths, kerbs, street lighting and signs. This activity is carried out so that movement of people and goods within the territory can be convenient and safe. Land transport is part of the essential infrastructure of the territory, vital to well-being and development.

### Contribution to Community Outcomes

Land Transport contributes to the following community outcomes:

- Access to quality infrastructure services
- A safe and secure community
- A community that promotes economic development for its fishing, farming and tourism industries
- Access to reliable and affordable transportation services

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress made	Impact on well-being
Access to quality infrastructure services.	<ul style="list-style-type: none"> <li>• Adhered to the road maintenance programme.</li> <li>• Undertaken drainage improvements and scaling on the Waitangi Wharf cliff face.</li> <li>• Completed network bridge inspections of Pitt Island.</li> <li>• Initiated the design of the beach access off Fish Factory Road.</li> <li>• Owenga seal extension sub-base course work completed.</li> <li>• Replaced Boundary Creek Bridge with culverts.</li> <li>• Applied Gold Seal corrosion inhibitor to all steel bridges.</li> <li>• Replaced rusting components on three bridges.</li> </ul>	There is a benefit to social economic and environmental well-being through accountability and transparency that enables quality infrastructure services to be delivered in accordance with NZTA standards.
A safe and secure community.	<ul style="list-style-type: none"> <li>• Installed new kerb and footpaths along Waitangi Wharf to Owenga Road.</li> <li>• Vegetation controlled re sight distances.</li> <li>• Undertook safety inspection.</li> <li>• Delineation project completed</li> </ul>	There is a benefit to social and economic well-being by improving and maintaining infrastructure in accordance with safety standards. There is a benefit to environmental well-being by

	<ul style="list-style-type: none"> <li>Whangatete Bridge resource consent obtained.</li> </ul>	controlling and reducing the amount of pest plants on road side reserves and reducing obstructions for road users.
A community that promotes economic development for its fishing, farming and tourism.	<ul style="list-style-type: none"> <li>Completed the first year of traffic monitoring.</li> <li>Completed the design of Owenga Wharf.</li> <li>Initiated the construction of Owenga Wharf</li> </ul>	There is a benefit to social and economic well-being by investigating ways of improving the road to the airport for the community, commercial and industry.
Access to reliable and affordable transportation services.	As above.	As above.

### Significant negative effects associated with this group of activities

The development of a roading network, despite providing great benefits as a whole, can also cause negative effects. These include local air pollution, road run-off (rainwater that becomes polluted on the road surface) to adjacent land and waterways, traffic noise and vibration, visual impacts, traffic accidents, loss and damage of land and natural environments, separation of neighbours and emission of greenhouse gases. These impacts can also have a negative effect on public health and well-being. The most significant of these on the Chatham Islands is road safety and the contamination of natural waters.

### Assets

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 available for improvement and development. Funding of roads is shared between the Council and the Government through its agent The NZ Transport Agency.

### How we check performance

#### Levels of service

#### 1. Providing a safe and well maintained and managed road network

Measure	Targets for 2008/09	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 on the Chathams, rather areas of safety concern in the Annual Roding Strategy. 100% dealt with.
The number of infestations of plant pests within the road reserve found in quarterly inspections.	None.	None.
The number of requests or complaints about the road network.	No more than 10 complaints a year.	16 complaints received.

The time to respond to written requests or complaints.	100% within five working days of notification.	100% response within five working days.
The percentage of residents who are satisfied with the overall extent and safety of the urban and rural road network.	75% of residents are satisfied or very satisfied (measured by annual survey on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).	Overall, 41% of respondents were satisfied, 57% dissatisfied and 2% had no opinion.



Downer Edi Works busy on the Island

## Cost of services statement

LAND TRANSPORT (ROADING)	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	302,891	486,969	217,506
Targeted Rate	41,656	42,000	41,265
Grant (New Zealand Transport Agency)	3,450,226	3,205,022	2,347,521
Other Income	5,160	7,000	6,638
<b>Total Revenue</b>	<b>3,799,933</b>	<b>3,740,991</b>	<b>2,612,930</b>
<b>Operating Expenditure</b>	<b>2,165,279</b>	<b>2,609,794</b>	<b>1,679,528</b>
<b>Operating Surplus/(Deficit)</b>	<b>1,634,654</b>	<b>1,131,197</b>	<b>933,402</b>
Capital and Reserves Funding Requirements			
Capital Expenditure	3,203,672	2,720,000	2,046,953
<b>Total Funding Required</b>	<b>3,203,672</b>	<b>2,720,000</b>	<b>2,046,953</b>
Funded by:			
Operating Surplus	1,634,654	1,131,197	933,402
Depreciation	1,347,941	1,532,958	1,021,355
Transfers from (to) General Reserve	221,077	55,845	92,196
<b>Total Funding Applied</b>	<b>3,203,672</b>	<b>2,720,000</b>	<b>2,046,953</b>
<b>Operating Expenditure includes:</b>			
Pavement Maintenance	420,304	297,000	349,476
Bridge Maintenance	147,390	63,000	85,848
Drainage Maintenance	-	104,500	-
Amenity/Safety Maintenance	-	2,000	-
Street Lighting	2,258	6,000	1,395
Traffic Services	46,136	88,000	53,256
Street Cleaning	-	9,500	6,327
Minor Safety Projects	3,508	264,960	4,554
Professional Services	136,683	72,000	103,544
Emergency Work	-	10,000	-
Administration	-	74,520	470

<b>Operating Expenditure (continued)</b>	<b>Actual 2008/09 \$</b>	<b>Annual Plan 2008/09 \$</b>	<b>Actual 2007/08 \$</b>
Non Subsidised Works:			
Miscellaneous	70	-	132
Street Cleaning	18,955	17,500	11,537
Noxious Plants Spraying	14,956	15,000	16,116
Footpaths & Rapid	27,078	16,891	25,518
Depreciation	1,347,941	1,568,923	1,021,355
<b>Operating Expenditure</b>	<b>2,165,279</b>	<b>2,609,794</b>	<b>1,679,528</b>
<b>Capital Expenditure includes:</b>			
<b>Renewals Capital Expenditure</b>			
Area Wide Pavement Treatment	508,058	230,000	108,931
Pavement Graveling	1,724,369	2,045,000	1,474,771
Major Drainage Control	80,497	-	66,982
Structural Bridge Works	163,405	75,000	53,943
Minor Safety Projects	334,667	-	181,647
Footpaths	-	-	-
Culvert Renewals	-	160,000	-
Traffic Services	239,329	-	57,885
<b>New Capital Expenditure</b>			
Work In Progress Waitangi Wharf Cliff Stabilisation Project	94,098	-	42,794
Bridges	-	160,000	-
Footpaths	59,249	-	60,000
Cattle stops (unsubsidized)	-	50,000	-
<b>Total Capital Expenditure</b>	<b>3,203,672</b>	<b>2,720,000</b>	<b>2,046,953</b>

#### **Financial commentary**

Overall operating costs were \$444,515 under budget, and capital costs were \$483,672 over budget, attributable to minor safety projects appearing in the operating as opposed to capital budget, and lower than budgeted depreciation reflecting different calculation models. This is a very substantial capital programme that the Council and contractors are proud to have achieved.

## Solid and Hazardous Waste Management

### What we do and why we do it

Council provides waste management services for public health reasons and to protect the environment. The current system provides refuse disposal sites at Te One, Kaingaroa and Owenga. These are 24-hour, no supervision operations. The Government has agreed to assist the Council with the establishment of a waste management system that will meet modern health and environmental standards.

### Contribution to Community Outcomes

Solid and Hazardous Waste Management contributes to the following community outcomes:

- Access to quality infrastructure services
- A community that promotes economic development for its fishing, farming and tourism industries
- A community that protects, sustains and enriches the environment for future generations

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress made	Impact on well-being
Access to quality infrastructure services.	Government funding has been approved for implementation of Council's Waste Management Plan. Negotiations have commenced for site acquisition.	A positive impact on social, economic, environmental and cultural well-being as it reduces the potential risk to the health and safety of the community and the environment with the availability of financial resources to begin the implementation of Council's Waste Management Plan.  For cultural well-being there will be a reduction in potential risk to the relationship Maori/Moriori have with their accustomed environment through adverse effects on the environment from existing non-compliant landfills and the potential negative effect on future generations.
A community that promotes economic development for its fishing, farming and tourism industries.	As above.	As above.
A community that protects sustains and enriches the environment for future generations.	As above.	As above.

### Significant negative effects associated with this group of activities

There are a number of significant negative effects from existing solid waste disposal methods including:

- Leachate from existing landfills polluting the natural environment and entering natural water courses;
- Problems with litter from landfills, including risk of injury to stock;
- Problems with smell, vermin and/or birds at inadequately managed landfill sites;

- d) Mixed solid waste allowed to be deposited in an uncontrolled manner at existing landfills;
- e) The disposal of waste at other than the official landfills not adequately controlled (e.g. current practices of disposing dead stock and septic tank waste on individual's property potentially having a negative environmental effect).

**Assets**

The principal assets supporting this activity are the refuse disposal sites at Te One, Kaingaroa and Owenga. The Council only owns the landfill site at Te One. Downer Edi Works Ltd provides services as required at Kaingaroa and Te One landfills. Owenga landfill is managed by the landowner. There are currently no transfer stations or domestic collections.

A Solid Waste Management Plan was adopted in June 2005 after full consultation with the community. Council has funding from Government to implement the strategy approved and has already received \$659,000 government grant to begin work on sites selection and acquisition.

**How we check performance**

**Levels of service**

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

Measure	Targets for 2008/09	Actual
The percentage of the population within 20 km of a transfer station or landfill.	75%.	Three refuse sites provided ensuring at least 75% of population within 20 km of a site.
The number of complaints about facilities.	No more than two complaints a year.	One complaint received.
The time to respond to written requests or complaints.	100% within 5 working days of notification.	100% response within five days.

## Cost of services statement

SOLID AND HAZARDOUS WASTE MANAGEMENT	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	1,309	-	-
Targeted Rates	37,736	38,348	34,994
Government Assistance	722	402,067	659,000
User Pays and Other Income	-	1,020	-
<b>Total Revenue</b>	<b>39,767</b>	<b>441,435</b>	<b>693,994</b>
<b>Operating Expenditure</b>	<b>40,723</b>	<b>129,460</b>	<b>35,155</b>
<b>Operating Surplus/(Deficit)</b>	<b>(956)</b>	<b>311,975</b>	<b>658,839</b>
Capital and Reserves Funding Requirements			
Operating Deficit	956	-	-
Capital Expenditure	-	268,500	28,734
<b>Total Funding Required</b>	<b>956</b>	<b>268,500</b>	<b>28,734</b>
Funded by:			
Operating Surplus	-	271,896	658,839
Depreciation	5,876	1,200	3,999
Transfer from (to) General Reserve	(4,920)	(44,675)	(634,104)
<b>Total Funding Applied</b>	<b>956</b>	<b>268,500</b>	<b>28,734</b>
<b>Operating Expenditure includes:</b>			
Landfill Operating	14,141	36,000	15,135
Transfer Station Operating	-	7,500	-
Depreciation	5,876	1,200	3,999
Waste Minimisation Programmes	-	44,000	-
Waste Management Strategy	8,049	-	-
Publicity	-	29,000	-
Admin Charge	12,657	11,760	16,021
<b>Operating Expenditure</b>	<b>40,723</b>	<b>129,460</b>	<b>35,155</b>
<b>Capital Expenditure includes:</b>			
Transfer Stations	-	52,000	-
Landfill	-	183,000	28,734
Recyclables Equipment	-	33,500	-
<b>Total Capital Expenditure</b>	<b>-</b>	<b>268,500</b>	<b>28,734</b>

### Financial commentary

Council is holding funds from the Government from 2007/08 for the solid waste project. Negotiations to purchase a suitable site for the Kaingaroa transfer station and new landfill are under way.

## Water Supply

### What we do and why we do it

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.

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

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

### Contribution to Community Outcomes

Water Supply contributes to the following community outcomes:

- Access to quality infrastructure services
- A community that promotes economic development for its fishing, farming and tourism industries

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress made	Impact on well-being
Access to quality infrastructure services.	Water levels are monitored and tested regularly to ensure access to water is constant and in accordance with NZ Drinking Water Standards. The maintenance contract was renegotiated and the cost is a little over budgeted levels.  Access to water for emergency events (access to fire hydrants).	There is a benefit to social well-being by the provision of an infrastructure service that can accommodate for the fundamental needs of the community and to a regulated standard.  There is a benefit to social, economic, and environmental well-being by reducing the threat to the community, industry and the environment.
A community that promotes economic development for its fishing, farming and tourism industries.	The townships of Kaingaroa and Owenga have expressed concerns about the lack of sustainable water supplies. Council is currently investigating this issue and progress was made during 2008/09. Budget provision has now been made in the LTCCP 2009/19 for formal investigations to proceed. Council has made a grant application to upgrade the Kaingaroa water supply system.	There is a benefit to economic well-being by the provision of an infrastructure service that is able to accommodate for the needs of the commercial sector.

### Significant negative effects associated with this group of activities

There is a negative effect on social, economic and environmental well-being due to the identification of other users to the Waitangi water supply scheme and the over consumption of water at certain times of the year. This could potentially cause a reduction in the availability of water levels for the Waitangi consumers and Emergency services thereby increasing the risk to health and safety. The other users such as fishers, farmers and local residents who reside outside the vicinity of the Waitangi township are at risk due to the limitations on accessing water to meet their social and commercial needs.

### Assets

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

## How we check performance

### Levels of service

#### 1. Providing a safe and reliable water supply for Waitangi.

Measure	Targets for 2008/09	Actual
Compliance of monthly water quality testing with New Zealand Drinking Water Standards.	100% compliance.	The water meets all NZ Standards of compliance with a public health risk management plan having been approved in August.
The percentage of customers who are satisfied with the Waitangi water supply scheme.	80% of customers are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).	22% of respondents (13) were connected to the Waitangi water supply. Of those that were connected, 10 (77%) were satisfied, 1 (8%) dissatisfied and 2 (15%) had no opinion.
The number of complaints about the water supply.	No more than five complaints a year.	Five complaints received.
The time to respond to complaints and to restore lost supply.	95% of complaints are responded to within two hours and lost supply restored within 8 hours of notification.	Complaints responded to immediately. No supply outages for greater than eight hours.

## Cost of Services Statement

WATER SUPPLY	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	98,442	92,440	79,786
Targeted Rates	41,092	41,092	39,999
<b>Total Revenue</b>	<b>139,534</b>	<b>133,532</b>	<b>119,785</b>
<b>Operating Expenditure</b>	<b>168,648</b>	<b>144,133</b>	<b>178,250</b>
<b>Loss on Disposals</b>	<b>-</b>	<b>-</b>	<b>52,371</b>
<b>Operating Surplus/(Deficit)</b>	<b>(29,114)</b>	<b>(10,601)</b>	<b>(110,836)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	29,114	10,601	110,836
Capital Expenditure	68,700	-	-
<b>Total Funding Required</b>	<b>97,814</b>	<b>10,601</b>	<b>110,836</b>
Funded by:			
Operating Surplus	-	-	-
Depreciation	25,962	60,598	24,642
Transfer from (to) General Reserve	71,852	(49,997)	86,194
<b>Total Funding Applied</b>	<b>97,814</b>	<b>10,601</b>	<b>110,836</b>
<b>Operating Expenditure includes:</b>			
Water Supply Operating Costs	99,952	80,041	92,772
Maintenance	42,734	39,430	60,836
Depreciation	25,962	24,662	24,642
<b>Operating Expenditure</b>	<b>168,648</b>	<b>144,133</b>	<b>178,250</b>

### Financial commentary

The contract for the operation of the water and sewerage services were renegotiated this year and were more than budgeted – day works have also pushed the operating costs over budget.

## Stormwater

### What we do and why we do it

Council's main role with stormwater drainage is to control the level of Te Whanga by opening Hikurangi channel as and when required. This is necessary to protect productive land around the shores of Te Whanga from inundation and to maintain the balance of marine life within the lagoon. There is a small amount of urban stormwater reticulation within the Waitangi village.

The Council's involvement in these activities contributes to:

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

### Contribution to Community Outcomes

Stormwater contributes to the following community outcomes:

- Access to quality infrastructure services
- A community that promotes economic development for its fishing, farming and tourism industries

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress made	Impact on well-being
Access to quality infrastructure services.	Stormwater within the Waitangi township is maintained.	There is a benefit to social, economic and environmental well-being due to the reduction in flooding and environmental damage caused through raised storm water levels.
A community that promotes economic development for its fishing, farming and tourism industries.	The opening of Te Whanga. The council is investigating new satellite technology to assist in determining when the channel requires opening.	There is a benefit to economic and environmental well-being due to reducing the risk of flooding and damage to farms and the environment.

### Significant negative effects associated with this group of activities

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

### Assets

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

### How we check performance

#### Levels of service

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

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

## Cost of Services Statement

STORMWATER	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
General Funds	6,989	6,712	4,189
<b>Revenue</b>	<b>6,989</b>	<b>6,712</b>	<b>4,189</b>
<b>Operating Expenditure</b>	<b>12,091</b>	<b>12,482</b>	<b>5,964</b>
<b>Operating Surplus/(Deficit)</b>	<b>(5,102)</b>	<b>(5,770)</b>	<b>(1,775)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	5,102	5,770	1,775
Transfer from/(to) Te Whanga Reserve	-	-	-
<b>Total Funding Required</b>	<b>5,102</b>	<b>5,770</b>	<b>1,775</b>
Funded by:			
Operating Surplus	-	-	-
Depreciation	314	314	313
Transfer from/(to) Te Whanga Reserve	-	5,000	-
Transfers from (to) General Reserve	4,788	456	1,462
<b>Total Funding Applied</b>	<b>5,102</b>	<b>5,770</b>	<b>1,775</b>
<b>Operating Expenditure includes:</b>			
Stormwater Operating Costs	3,627	3,918	5,651
Depreciation	314	314	313
Te Whanga Lagoon Opening	8,150	8,250	-
<b>Operating Expenditure</b>	<b>12,091</b>	<b>12,482</b>	<b>5,964</b>

### Financial commentary

Te Whanga was opened in 2008/09 and the expenditure reflects the cost of this work.

## Wastewater (sewerage)

### What we do and why we do it

In 2004 Council completed construction of a scheme that serves all of Waitangi and replaced the earlier failed disposal system with a new one. This work was dependent on approval of Government funding.

Collection, treatment and disposal of wastewater contribute to:

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

### Contribution to Community Outcomes

Wastewater contributes to the following community outcomes:

- Access to quality infrastructure services
- A community that promotes economic development for its fishing, farming and tourism industries
- A community that protects, sustains and enriches the environment for future generations

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress made	Impact on well-being
Access to quality infrastructure services.	Access to a wastewater system within the township of Waitangi that is maintained to a regulated standard. Services were maintained, and a new fibreglass cover added to prevent odour. The maintenance contract was renegotiated, with there being a small increase over budgeted levels.	There is a benefit to social well-being by the provision of an infrastructure service that can accommodate for the fundamental needs of the community and to a regulated standard.
A community that promotes economic development for its fishing, farming and tourism industries.	The availability of a wastewater system within the Waitangi township catering for the commercial sector. The availability of public toilets for visitor usage.	There is a benefit to economic well-being by the provision of an infrastructure service that is able to accommodate for the needs of the commercial sector and tourism industry.
A community that protects, sustains and enriches the environment for future generations.	A wastewater system that is regularly monitored and compliant.	There is a benefit to social and environmental well-being by meeting compliance with the Health Act and Resource Management Act and reducing the risk to public health and the adverse effects on environment. There is also a benefit to cultural well-being by ensuring that the Maori/Moriori relationship with their accustomed environment is not affected by any adverse reactions the wastewater system may have on the environment.

**Significant negative effects associated with this group of activities**

Stormwater infiltration could overload sewage reticulation and treatment system causing untreated sewage to overflow.

**Assets**

A sewage system that serves all of Waitangi.

**How we check performance****Levels of Service****1. Providing a reliable, environmentally friendly sewerage system.**

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

## Cost of services statement

WASTEWATER (SEWERAGE)	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	65,067	80,724	70,151
Targeted Rates	50,000	50,000	47,747
Grant – Capital Expenditure	-	-	-
<b>Total Revenue</b>	<b>115,067</b>	<b>130,724</b>	<b>117,898</b>
<b>Operating Expenditure</b>	<b>199,142</b>	<b>139,981</b>	<b>167,797</b>
<b>Operating Surplus/(Deficit)</b>	<b>(84,075)</b>	<b>(9,257)</b>	<b>(49,899)</b>
Capital and Reserves Funding requirements			
Operating Deficit	84,075	9,257	49,899
Capital Expenditure	-	-	16,000
<b>Total Funding Required</b>	<b>84,075</b>	<b>9,257</b>	<b>65,899</b>
Funded by:			
Operating Surplus	-	-	-
Depreciation	36,583	35,100	36,161
Transfers from (to) General Reserve	47,492	(25,843)	29,738
<b>Total Funding Applied</b>	<b>84,075</b>	<b>9,257</b>	<b>65,899</b>
<b>Operating Expenditure includes:</b>			
Operating	124,143	71,100	87,597
UV Disinfection	-	-	95
Maintenance	38,416	33,781	43,944
Depreciation	36,583	35,100	36,161
<b>Operating Expenditure</b>	<b>199,142</b>	<b>139,981</b>	<b>167,797</b>
<b>Capital Expenditure includes:</b>			
Cover to Septic Tank	-	-	16,000
<b>Total Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>16,000</b>

### Financial commentary

The waste water contract was renegotiated this year with a small increase over the budget. Additional operating costs were also incurred this year under the contract to rectify faults.

Cost of services statement – Infrastructure Group of Activities

TOTAL INFRASTRUCTURE SERVICES	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	474,698	626,765	371,630
Targeted Rates	170,484	171,440	164,007
Grant ( New Zealand Transport Agency)	3,450,226	3,205,089	2,347,521
Other Grants	722	402,000	659,000
Other Income	5,160	8,020	6,638
<b>Total Revenue</b>	<b>4,101,290</b>	<b>4,413,314</b>	<b>3,548,796</b>
<b>Operating Expenditure</b>	<b>2,585,883</b>	<b>3,035,850</b>	<b>2,066,694</b>
<b>Loss on Disposals</b>	<b>-</b>	<b>-</b>	<b>(52,371)</b>
<b>Operating Surplus/(Deficit)</b>	<b>1,515,407</b>	<b>1,377,464</b>	<b>1,429,731</b>
Capital and Reserves Funding Requirements			
Capital Expenditure	3,272,372	2,988,500	2,091,687
Te Whanga Opening Reserve	-	-	-
<b>Total Funding Required</b>	<b>3,272,372</b>	<b>2,988,500</b>	<b>2,091,687</b>
<b>Funded by:</b>			
Operating Surplus	1,515,407	1,377,464	1,429,731
Te Whanga Opening Reserve	-	5,000	-
Depreciation	1,416,676	1,630,171	1,086,470
Transfers from (to) General Reserve	340,289	(24,135)	(424,514)
<b>Total Funding Applied</b>	<b>3,272,372</b>	<b>2,988,500</b>	<b>2,091,687</b>

## COMMUNITY SERVICES

### What we do and why we do it

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

The Chatham Islands Council considers social and community development to be the cornerstone 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.

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.

Access to information is a pre-requisite for effective participation in all realms of activity. To meet this end the Council is proposing to establish a public library system that ensures that there is equitable opportunity for people to access the information they need to participate fully in the community as informed citizens. The proposed library is part of a larger complex that may include the Council office, Enterprise Trust office, meeting facilities, and an information centre and art gallery. An indoor sports stadium is also a possibility.

These developments have been proposed and will rely on community support, fund raising and grants to become a reality.

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

- A partner of groups and individuals actively involved in building and strengthening community well-being on the Chatham Islands
- A planner, coordinator and facilitator of community development
- A custodian manager of community resources and assets
- A provider of information and resources to assist and promote community development

### Contribution to Community Outcomes

Community Services contributes to the following community outcomes:

- Access to affordable, quality housing
- Access to education opportunities for all ages
- A safe and secure community
- Access to recreation and sports facilities
- A community that promotes economic development for its fishing, farming and tourism industries
- A community that protects, sustains and enriches the environment for future generations
- A community that acknowledges and values or Chatham Island cultural heritage and its uniqueness
- A community that values the Chatham Island 'way of life' and traditions
- A community that values and supports the arts as a means of sustaining our heritage
- A community that values its 'taonga' treasures

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

<b>Community Outcome</b>	<b>Progress made</b>	<b>Impact on well-being</b>
Access to affordable quality housing.	Continued to work with Housing NZ on resolving housing issues for the Chatham Islands. Three community houses and one council house upgraded. Options for remaining two houses being discussed and \$300,000 planned funding earmarked.	There is a benefit to social well-being by building relationships with key organisations in addressing the fundamental housing needs of the Chatham Islands.
Access to education opportunities for all ages.	Council education initiatives available to the community. An Emergency Management conference, one liquor licensing general manager's certificate course, were held. It was planned to hold the Local government Rural Zone meeting on the Islands but they cancelled as it was believed to be too expensive to fly delegates in the recession.	There is a benefit to social well-being by providing access to education initiatives and reading/resource materials and the developments of skills which, in turn, strengthens the Chatham Islands workforce.
A safe and secure community.	Council continues to work with the NZ Police on safety issues such as warrants, road safety and drink driving.	A single death or accident has untold impact on community wellbeing for the family and friends schools and imi/iwi and wider community.
Access to recreation and sports facilities.	Council's through its relationship building with Wellington City Library has established an informal library service which is available to the community. Administered SPARC funding.	There is a benefit to social well-being by the availability of a library service, playground and assisting sports groups which in turn promotes community enjoyment in a positive and healthy way.
A community that promotes economic development for its fishing, farming and tourism industries.	Participated in the Shipping Committee and Tourism Group. Council provided an in-kind contribution of accommodation for meetings.	There is a benefit to economic well-being by Council's facilitation role in these groups.
A community that protects, sustains and enriches the environment for future generations.	Council works with its contractors and subcontractors to educate visitors on the importance of biosecurity.	A pest free Chatham Islands is very important to Islanders wellbeing and livelihoods.
A community that acknowledges and values Chatham Island cultural heritage and its uniqueness.	Additional funding was provided for Community Focus and the Norman Kirk Committee.	There is benefit to social well being and community spirit of such funding.
A community that values the Chatham Island 'way of life' and traditions.	Provided mortuary and burial services to the community.	There is a benefit the cultural well-being by the provision of public cemeteries and the

		acknowledgment of the Chatham Islands burial traditions as an important way of life for Islanders. This enables the relationship between Council and its community on matters of cultural sensitivity to be realised and in turn cultural well-being is enhanced.
A community that values and supports the arts as a means of sustaining our heritage.	Council administered the Creative Communities Funding Scheme.	There is a benefit to social and cultural well-being by actively promoting community participation in the arts through the administration of the funding scheme.



A favourite community pastime is enjoying glorious Chatham Islands beaches on foot, with the dog, on horseback or on the quad bike.

### Significant negative effects associated with this group of activities

Council's housing stock and council buildings require ongoing maintenance which if not performed could result in significant degradation of the assets. Many of these activities are highly dependant upon the contributions made by volunteers. Council will be seeking to assist organisations to recruit and retain volunteers, to provide appropriate training, and to ensure that the volunteer experience is a positive and rewarding one.

### Assets

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.

### How we check performance

#### Levels of Service

#### 1. Providing community services

Measure	Targets for 2008/09	Actual
Satisfaction with community services such as the maintenance of parks, council buildings and cemeteries, the library and the provision of grants?	85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).	Overall, 59% of respondents were satisfied, 21% dissatisfied and 20% had no opinion.
The number of complaints about community services.	None.	Two complaints about the morgue, one about toilets one about leading light.
Time to respond to complaints about operations and facilities and to remedy faults.	100% are investigated within 12 hours and minor faults remedied within 24 hours of notification.	All faults investigated within 12 hours. Faults remedied where practical.
Compliance with NZS 5828 for safety of playground equipment.	100% compliance.	Equipment installed complies with NZ5828.
The occupancy rate for Council housing.	Greater than 95%.	100% occupancy.
The increase in the number of social houses on the Chatham Islands, in collaboration with Housing New Zealand and Chatham Islands Housing Trust.	Six new houses.	No increase in the number of social houses. 3 Community flats and one staff house upgraded. Loan funding earmarked for two more.

## Cost of services statement

COMMUNITY SERVICES	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	333,885	303,195	177,956
Grants	38,932	133,767	49,099
User Pays & Other Income	76,790	68,496	97,615
<b>Total Revenue</b>	<b>449,607</b>	<b>505,458</b>	<b>324,670</b>
<b>Operating Expenditure</b>	<b>592,362</b>	<b>454,340</b>	<b>426,515</b>
<b>Provision for Pitt island Barge Society Refund of Dues</b>	<b>20,000</b>	<b>-</b>	<b>40,000</b>
<b>Operating Surplus/(Deficit)</b>	<b>(162,755)</b>	<b>51,118</b>	<b>(141,845)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	162,755	-	141,845
Capital Expenditure	128,288	135,800	19,573
Loan Repayments	5,537	11,029	4,963
<b>Total Funding Required</b>	<b>296,580</b>	<b>146,829</b>	<b>166,381</b>
Funded by:			
Operating Surplus	-	51,118	-
Mortgage Funding	227,000	60,000	-
Depreciation	32,215	24,152	30,852
Transfers from (to) Special Reserves	-	-	15,128
Transfers from (to) General Reserve	37,365	11,559	120,401
<b>Total Funding Applied</b>	<b>296,580</b>	<b>146,829</b>	<b>166,381</b>
<b>Operating Expenditure includes:</b>			
Museum	11,430	12,304	12,460
Cemetery and Mortuary	31,205	27,179	23,582
Grants – External Organisations	40,437	29,767	32,112
Donations	141,427	136,317	146,151
Forestry	3,004	-	3,754
Parks and Reserves	46,883	86,193	54,149
Housing	224,550	79,955	36,794
Community Buildings	79,582	70,314	86,661
Library	1,629	12,311	-
Depreciation	32,215	-	30,852
<b>Operating Expenditure</b>	<b>612,362</b>	<b>454,340</b>	<b>426,515</b>

<b>Capital Expenditure includes:</b>			
<b>Renewals Capital Expenditure</b>			
Community Housing	-	134,000	19,573
<b>New Capital Expenditure</b>			
Library	-	1,800	-
Staff Housing	118,479	-	-
<b>Total Capital Expenditure</b>	<b>118,479</b>	<b>135,800</b>	<b>19,573</b>

### Financial commentary

It was determined that the work on the Community houses sponsored by Housing New Zealand was deferred maintenance – a suspensory loan of \$90,000 was received. Concrete works, fencing and a heat pump were installed in CH3. Provision has been made to upgrade the remaining staff houses in 2009/10.



The Council offices are also home to Heartlands Services operated on behalf of the Ministry of Social Development.

## Licensing and Building

### What we do and why we do it

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

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

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

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

The Building Act 1991 charges Council with the responsibility of 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 from 1<sup>st</sup> May 2009 has transferred the function to an accredited building consent authority Christchurch City Council.

Council also has the 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.

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

### Contribution to Community Outcomes

Consents and Compliance contributes to the following community outcomes:

- A safe and secure community
- A community that promotes economic development for its fishing, farming and tourism industries
- A community that protects, sustains and enriches the environment for future generations

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress made	Impact on well-being
A safe and secure community.	One Liquor Licensing General Manager’s course.	There is benefit to social and economic well-being through raising community and elected members awareness thereby reducing alcohol abuse.

A community that promotes economic development for its fishing, farming and tourism industries.	As above.	There is a benefit the social and economic well-being by the availability of education courses that enhance the skills required to support the tourism industry.
A community that protects, sustains and enriches the environment for future generations.	The Council continued to provide via Napier Council building consents to ensure buildings are built to Building Code Standards. From 1st May Christchurch City Council took over accredited building control status for the Islands.	Quality buildings are fundamental to environmental well being.

### 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.

### Assets

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, Christchurch City Council, Environment Canterbury, Healthcare Hawkes Bay and the New Zealand Police.

### How we check performance

#### Levels of Service

#### 1. Processing liquor licenses and building consents.

Measure	Targets for 2008/09	Actual
The percentage of applications processed within statutory timeframes.	95%.	21 building consents issued. 10 liquor licenses processed.

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

Measure	Targets for 2008/09	Actual
The frequency of inspections of food premises, and premises registered as hairdressers, camping grounds, offensive trades, funeral directors and mobile traders to assess compliance with public health standards.	At least one inspection annually.	All six licensed premises inspected.
The number of complaints about non-compliance with consent conditions.	No more than five complaints a year.	One complaint.
Time to respond to complaints about non-compliance with consent conditions.	100% are resolved or have a resolution strategy in place within 21 days of notification.	100%.

## Cost of services statement

LICENSING & BUILDING	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	35,454	53,937	44,637
User Pays & Other Income	19,253	14,486	24,024
<b>Total Revenue</b>	<b>54,707</b>	<b>68,423</b>	<b>68,661</b>
<b>Operating Expenditure</b>	<b>80,585</b>	<b>74,608</b>	<b>87,584</b>
<b>Operating Surplus/(Deficit)</b>	<b>(25,878)</b>	<b>(6,185)</b>	<b>(18,923)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	25,878	6,185	18,923
<b>Total Funding Required</b>	<b>25,878</b>	<b>6,185</b>	<b>18,923</b>
Funded by:			
Operating Surplus	-	-	-
Transfer from (to) General Reserve	25,878	6,185	18,923
<b>Total Funding Applied</b>	<b>25,878</b>	<b>6,185</b>	<b>18,923</b>
<b>Operating Expenditure includes:</b>			
Bylaws	7,032	6,534	8,901
Liquor Licensing	40,209	35,859	39,392
Health Inspections	9,985	14,954	11,960
Building Control	23,359	17,261	27,331
<b>Operating Expenditure</b>	<b>80,585</b>	<b>74,608</b>	<b>87,584</b>

### Financial commentary

This was the last year when building control functions were carried out by the Council. CIC is not able to be accredited for building control activities as it is too small so from 1<sup>st</sup> May 2009 building control will be carried out by Christchurch City Council with on island support.

## Dog and Animal Control

### What we do and why we do it

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. A large part of the activity involves dogs and dog registrations.

### Contribution to Community Outcomes

Dog and Animal Control contributes to the following community outcomes:

- Safe and secure community
- A community that promotes economic development for its fishing, farming and tourism industries
- A community that protects, sustains and enriches the environment for future generations

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress made	Impact on well-being
Safe and secure community.	Feral stock on roads has been a concern for both the community and Council. This year damaged fencing on the Port Hutt Road has seen wandering stock. Wandering stock also continue to be a problem on the Wharekauri Road. This is an ongoing problem with the economics of the farm not being able to support fencing of roads. Council continues to register dogs including control of menacing dogs. The dog control officer has been called out to dogs worrying stock and would like to see dogs clipped to a chain to stop them wandering. Animal welfare has not generally been a problem with dogs receiving enough food and care.	This has a negative impact on social, economic, environmental and cultural well-being due to reduce the potential risk to the health and safety of the community and the environment.
A community that promotes economic development for its fishing, farming and tourism industries.	No progress to date.	No impact on well-being.
A community that protects, sustains and enriches the environment for future generations.	No progress to date.	No impact on well-being.

### Significant negative effects associated with this group of activities

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

### Assets

Dog and stock pounds.

## How we check performance

### Levels of Service

#### 1. Providing a safe and secure living environment for the community.

Measure	Targets for 2008/09	Actual
The number of complaints about dog and animal control.	No more than five complaints a year.	5 dog complaints received. 10 stock complaints.
The time to respond to complaints.	100% are responded to as follows: a. Dog attacks and rushes attended to within one hour of notification. b. Possible threats to public safety attended to within five hours. c. Complaints of general nuisance attended to within 48 hours. d. All other complaints investigated within two working days.	14 complaints dealt with within time frames. All complaints dealt with appropriately.
The number of island-wide inspections (including Pitt Island) carried out each year to make sure dogs are registered and to check animal welfare.	Two inspections.	One inspection.
The percentage of residents who are satisfied with dog and animal control services.	100% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).	Overall, 48% of respondents were satisfied with dog and animal control, 45% dissatisfied and 7% had no opinion.
The level of cost recovery achieved through registration fees and fines.	100%.	53%

## Cost of services statement

DOG AND ANIMAL CONTROL	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	7,230	5,995	8,868
Dog Registration Fees	11,734	17,527	11,756
Other dog recoveries	134	-	121
Stock pound recoveries	2,349	-	384
<b>Total Revenue</b>	<b>21,447</b>	<b>23,552</b>	<b>21,129</b>
<b>Operating Expenditure</b>	<b>26,724</b>	<b>24,209</b>	<b>24,887</b>
<b>Operating Surplus/(Deficit)</b>	<b>(5,277)</b>	<b>(687)</b>	<b>(3,758)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	5,277	687	3,758
<b>Total Funding Required:</b>	<b>5,277</b>	<b>687</b>	<b>3,758</b>
Funded by:			
Operating Surplus	-	-	-
Transferred from /(to) General Reserve	5,277	687	3,758
<b>Total Funding Applied</b>	<b>5,277</b>	<b>687</b>	<b>3,758</b>
<b>Operating Expenditure includes:</b>			
Dog Control and treatment	12,422	7,297	11,483
Dog Pound Costs	-	109	53
Stock Pound	3,754	2,950	-
Administration	10,548	13,853	13,351
<b>Operating Expenditure</b>	<b>26,724</b>	<b>24,209</b>	<b>24,887</b>

### Financial commentary

The budget for dog control fees was set too high. This has been corrected in the 2009-19 LTCCP, and brought in line with the number of dogs.

Cost of services statement – Community and Regulatory Group of Activities

TOTAL COMMUNITY & REGULATORY	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	376,569	363,126	231,460
Grants	38,932	133,767	49,099
User Pays & Other Income	110,260	100,509	133,901
<b>Total Revenue</b>	<b>525,761</b>	<b>597,402</b>	<b>414,460</b>
<b>Operating Expenditure</b>	<b>699,671</b>	<b>553,157</b>	<b>538,986</b>
Provision for Pitt Island Barge Society Refund of Dues	20,000	-	40,000
<b>Operating Surplus/(Deficit)</b>	<b>(193,910)</b>	<b>44,245</b>	<b>(164,526)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	193,910	-	164,526
Capital Expenditure	128,288	135,800	19,573
Loan Repayments	5,537	11,029	4,963
<b>Total Funding Required:</b>	<b>327,735</b>	<b>146,829</b>	<b>189,062</b>
<b>Funded by:</b>			
Operating Surplus	-	44,245	-
Depreciation	32,215	24,152	30,852
Transfers from (to)Special Reserves	-	-	15,128
Transfer from (to)General Reserve	68,520	18,432	143,082
Mortgage Funding	227,000	60,000	-
<b>Total Funding Applied</b>	<b>327,735</b>	<b>146,829</b>	<b>189,062</b>

# ENVIRONMENTAL SERVICES

## Resource Management

### What we do and why we do it

The environment function of Council is carried to meet the requirements of the Resource Management Act 1991 (RMA). This function requires the monitoring and reporting on the state of the Chatham Islands environment – its land, air, water and coastal resources; and review, at not less than 10 year intervals, of policy for managing the natural and physical resources of the Chatham Islands. An important part of this function is ensuring the ongoing involvement of the community in defining issues, developing policy and implementing best practice methods to manage issues.

### Monitoring activities

Council is required to monitor the state of the environment, so it can effectively carry out its functions under the RMA. Monitoring of various resources can provide us with information that will:

- inform us about the current condition of the environment;
- tell us what the key pressures on the environment are, whether the environment is getting better or worse and what Council is doing or intending to do to look after the environment;
- allow Council to assess the effectiveness of policies and methods relating to environmental management;
- raise awareness of environmental issues in the community;
- assist in making suggestions on ways to reduce adverse environmental effects; and
- enable Council to support a range of practical, on the ground responses, to address specific issues.

### Air

A localised nuisance or a major industry process, particularly in proximity to sensitive land uses, could adversely affect the air quality of the Chatham Islands.

### 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.

### 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 Chatham Islands. 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. 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 as a major economic resource for commercial fishing, potential for marine farming and for 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.

### **Contribution to Community Outcomes**

Environment contributes to the following community outcomes:

- A safe and secure community
- A community that promotes economic development for its fishing, farming and tourism industries
- A community that protects, sustains and enriches the environment for future generations
- A community that acknowledges and values the importance of 'tangata whenua' as an integral part of our community
- A community that values its 'toanga' treasures



Glory Bay Pitt Island

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress made	Impact on well-being
<p>A safe and secure community.</p> <p>A community that promotes economic development for its fishing, farming and tourism industries.</p> <p>A community that protects, sustains and enriches the environment for future generations.</p> <p>A community that acknowledges and values the importance of 'tangata whenua' as an integral part of our community.</p> <p>A community that values its 'toanga' treasures.</p>	<p>Council maintained a contract with Environment Canterbury to oversee Council's environmental responsibilities.</p> <p>During the year an efficiency and effectiveness review of the Island's Resource Management Document was completed. This review is required under the RMA every 5 years. There were no significant issues arising from development of the Islands.</p>	<p>There is a benefit to social, economic, environmental and cultural well-being reducing adverse effects to the environment and promoting the preservation and protection of the Chatham Islands natural environment and natural resources. The benefit to economic well-being is to the Islands' unique characteristics in terms of conservation and visitor attraction. The benefit to cultural well-being enables the relationship between tangata whenua and the environment, particularly Te Whanga (lagoon).</p>

#### Significant negative effects associated with this group of activities

Significant negative effects for this activity include adverse impacts on the environment as a result of inappropriate development activity.

#### 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

##### Levels of Service

##### 1. Processing resource consent applications.

Measure	Targets for 2008/09	Actual
The percentage of applications processed within statutory timeframes.	95%.	One consents received - Owenga Wharf. Processed within statutory timeframes.

##### 2. Responding to breaches of the Resource Management Act.

Measure	Targets for 2008/09	Actual
The time to respond to and investigate complaints about breaches of the Resource Management Act.	100% within two working days.	No complaints received.

## Cost of services statement

Resource Management	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	51,567	77,804	91,675
Grants	249,160	232,000	164,000
User Pays & Other Income	8,469	-	889
<b>Total Revenue</b>	<b>309,196</b>	<b>309,804</b>	<b>256,564</b>
<b>Operating Expenditure</b>	<b>318,335</b>	<b>290,226</b>	<b>260,246</b>
<b>Operating Surplus/(Deficit)</b>	<b>(9,139)</b>	<b>19,578</b>	<b>(3,682)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	9,139	-	3,682
Transfer to RMA Document Fund	39,284	28,500	35,181
<b>Total Funding Required</b>	<b>48,423</b>	<b>28,500</b>	<b>38,863</b>
Funded by:			
Operating Surplus	-	19,578	-
Transfer from General Reserve	48,423	8,922	38,863
<b>Total Funding Applied</b>	<b>48,423</b>	<b>28,500</b>	<b>38,863</b>
<b>Operating Expenditure includes:</b>			
Operational Resource Management Costs Regional	73,680	64,000	38,899
Operational Costs District	69,175	58,226	96,442
Monitoring and Hydrology Regional	145,705	136,000	94,905
Consent Training Regional	5,000	5,000	6,000
Consent Management Regional	24,775	27,000	24,000
<b>Operating Expenditure</b>	<b>318,335</b>	<b>290,226</b>	<b>260,246</b>

### Financial commentary

A resource consent was processed for the new Owenga Wharf and alterations. A five yearly review of the efficiency and effectiveness of the Resource Management Document, as required under the RMA, was completed and will be considered by Council. A full programme of monitoring the water quality of lakes and streams was carried out and a summary report on finds prepared. Data collection concerning the ecology of Te Whanga was begun. A programme of hydrological monitoring was carried out that will assist in providing data about the CIC water resource for future planning. No consent training was carried out this year and no consent management activities. This money will be carried forward to be expended over the next three years or when required under the contract with ECan. A stock take of training requirements is planned in 2009/10.

## Biosecurity (Animal and Plant Pest Control)

### What we do and why we do it

This activity helps ensure the economic and ecological sustainability of the Territory. Council will carry out pest management in accordance with National and Regional Pest Management Strategies prepared in conjunction with stakeholders and in compliance with the Resource Management Document, and with the Biosecurity Act 1993 and Resource Management Act 1991.

The Chatham Islands is unique as its isolation has meant that many of the animal and pest plants common in New Zealand have either not entered the Territory 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 land-based activities such as farming are economically fragile and an inappropriate pest could seriously threaten the financial viability of many Chatham Islanders. Many of the flora and fauna species and ecosystems are endemic to the Chatham Islands and, if adversely affected by pests, could disappear from their natural habitats.

### Contribution to Community Outcomes

Animal and Plant Pest Control contributes to the following community outcome:

- A community that protects, sustains and enriches the environment for future generations

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

Community Outcome	Progress made	Impact on well-being
A community that protects, sustains and enriches the environment for future generations.	Government funding for the Pest Management Strategy was received and will be carried forward and expended over the next three years. A new contract for Pest Management Services was signed with Environment Canterbury in August 2009. It is planned that there will soon be an on Island staff member to coordinate.	There is a benefit to social, economic, environmental and cultural well-being through the engagement of a team to address Council's Biosecurity through the review of the Pest Management Strategy thereby reducing adverse effects to the environment and promoting the preservation and protection of the Chatham Islands natural environment and natural resources. The benefit to environmental well-being through the formulation of 11 Property Plans is that it enhances landowners' awareness of animal and pest plants on the environment thereby reducing harm caused by such pests. The benefit to economic well-being through Property plans is the reduction of adverse effects caused through animal and pest plants on farm land and farm production.

### Significant negative effects associated with this group of activities

The introduction and spread of new plant and animal pests poses a significant risk for the Chatham Islands.

### Assets

This group of activities depends on people and information.

### How we check performance

#### Levels of Service

#### 1. Monitoring plant and animal pest levels.

Measure	Targets for 2008/09	Actual
The long-term trend in the number of new infestations of containment or control plant pests outside known areas.	No increase over time.	Biannual surveillance of "high risk" sites on Chathams. The new pest management strategy (PMS) will intensify the surveillance programme. Pest management and surveillance at key departure points for Chathams. Continued support, audits and training for the main players who deal with Chatham's freight.
The long-term trend in total control plant pests.	Reducing over time.	Liaison with Landcare Research, DOC and CIC on coordinating surveillance and underpinning any future surveillance under the Chatham Is. Regional Pest Management Strategy with scientific methodology. Liaison with Biosecurity NZ on progressing marine biosecurity, to progress the strategy.

#### 2. Monitoring and enforcing operational and property plans.

Measure	Targets for 2008/09	Actual
The level of compliance by land occupiers required to carry out containment/control of plant and animal pests under the Pest Management Strategy.	Increasing over time (with 100% compliance by 2016).	No further action yet on plans put in place in 2006/07.

## Cost of services statement

<b>ANIMAL &amp; PLANT PEST CONTROL (BIOSECURITY)</b>	<b>Actual 2008/09 \$</b>	<b>Annual Plan 2008/09 \$</b>	<b>Actual 2007/08 \$</b>
<b>Revenue</b>			
General Funds	-	-	-
Grant	106,019	335,000	102,000
<b>Total Revenue</b>	<b>106,019</b>	<b>335,000</b>	<b>102,000</b>
<b>Operating Expenditure</b>	<b>106,019</b>	<b>335,000</b>	<b>101,962</b>
<b>Operating Surplus/(Deficit)</b>	<b>-</b>	<b>-</b>	<b>38</b>
Capital and Reserves Funding Requirements			
<b>Total Funding Required:</b>	<b>-</b>	<b>-</b>	<b>-</b>
Funded by:			
Operating Surplus	-	-	38
Transfer from (to) General Reserve	-	-	(38)
<b>Total Funding Applied</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Operating Expenditure includes:</b>			
Operational Expenses	-	-	24
Border Control	106,019	100,000	69,938
Pest Management Strategy	-	235,000	32,000
<b>Operating Expenditure</b>	<b>106,019</b>	<b>335,000</b>	<b>101,962</b>

### Financial commentary

The pest management strategy has been on hold pending the return to the islands of the preferred staff member to carry out the work. Funding received for this activity from the Government has been categorised as income in advance and will be expended over the three years of the new contract with ECan to provide these services. SPS Ltd Biosecurity provided border control services to the Council.

Cost of services statement – Environmental Group of Activities

	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	51,567	77,804	91,675
Grants	355,179	567,000	266,000
User Pays & Other Income	8,469	-	889
<b>Total Revenue</b>	<b>415,215</b>	<b>644,804</b>	<b>358,564</b>
<b>Operating Expenditure</b>	<b>424,354</b>	<b>625,226</b>	<b>362,208</b>
<b>Operating Surplus/(Deficit)</b>	<b>(9,139)</b>	<b>19,578</b>	<b>(3,644)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	9,139	-	3,644
Transfer to RMA Document Fund	39,284	28,500	35,181
<b>Total Funding Required:</b>	<b>48,423</b>	<b>28,500</b>	<b>38,825</b>
<b>Funded by:</b>			
Operating Surplus	-	19,578	-
Transfer from General Reserve	48,423	8,922	38,825
<b>Total Funding Applied</b>	<b>48,423</b>	<b>28,500</b>	<b>38,825</b>

# EMERGENCY MANAGEMENT

## What we do and why we do it

The Chatham Islands Council is a Unitary Authority, and is responsible through its Emergency Management to manage major threats in a way that contributes to the social, economic, cultural and environmental well-being and safety of its community. Emergency Management covers all areas of Civil Defence Emergency Management in accordance with the CDEM Act 2002, Rural Fire in accordance with the Forest and Rural Fires Act 1977, Forest and Rural Fires Regulations 2005, Fire Service Act 1975 and Maritime Oil Spill in accordance with the Maritime Transport Act 1994, Hazard Risk Management in accordance with all relevant acts, for example, Building and Transport. The Council is part of the Chatham Islands Civil Defence Emergency Management Group which has been delegated the full powers and responsibilities of the Rural Fire Authority and is required to have in place an up to-date CDEM Group Plan and Rural Fire and Maritime Oil Spill plans.

Among other requirements the plans describe:

- The hazards and risks to be managed by the group
- Emergency management policies and procedures in place to manage the hazards and risks
- Arrangements for declaring a state of emergency in the area
- Memorandums of Understanding for deployment at national level
- Community and National Partnerships
- Contacts and partnerships at local and national levels
- Response procedures
- Recovery and impact procedures
- Hazard risk levels and management strategies
- Prevention and protection methods

## Contributions to Community Outcomes

Emergency Management contribute to the following community outcomes:

- Safe and secure community
- A community that promotes economic development for its fishing, farming and tourism industries
- A community that protects, sustains and enriches the environment for future generations
- A community that values the Chatham Island 'way of life' and traditions



Rana and team on exercise.

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

<b>Community Outcome</b>	<b>Progress made</b>	<b>Impact on well-being</b>
Safe and secure community.	<p>Work has begun on 2 major NZ deployment plans. 1. Rural Fire which CIC have been working on along with WRRFC (Wellington Regional Rural Fire Committee) this will give Chatham Rural Fire Authority back up support from NZ in the form of crews and equipment.</p> <p>The second plan will be for Civil Defence deployment from NZ which is in early stages.</p> <p>There has also been work on the Chatham Islands Rural Fire Plan which is up for review.</p> <p>CIC was donated 3 sirens for the Island, these will be based at Kaingaroa, Waitangi- Te One and Owenga they will be used for evacuating these areas to safe area in an emergency.</p> <p>Also Council contributed to Tu Meke Tera Day community initiative. Council, including emergency management, had displays etc there.</p>	<p>Well trained volunteers and staff ensure better management and protection for the community's well-being.</p> <p>Building relationships ensures open lines of communication and helps gauge that community well-being is being accomplished.</p>
A community that promotes economic development for its fishing, farming and tourism industries.	The South Island Civil Defence Emergency Management Conference was held on the Chatham Islands in October 2008. The conference theme was tsunami, rural fire and coping with isolation in a civil defence emergency.	Preparing for acceptable levels of risks allows for continued economic growth.
A community that protects, sustains and enriches the environment for future generations.	Ensured Council is compliant and up-to-date with all aspects of emergency management including hazard risk management that will allow for reasonable management of all risks.	Ensuring ongoing sustainability of community well-being for growth and protection for future generations.
A community that values the Chatham Island 'way of life' and traditions.	Ensured Emergency Management is efficient and effective in its management for the protection of community values.	Working towards community values to uphold Chatham Island lifestyle.

### Significant negative effects associated with this group of activities

The potential impact of a significant emergency, oil spill or fire could affect the Chatham Islands economically and in terms of both short-term and long-term quality of life. There is potentially a larger percentage of community safety (life and property) at risk, and the community may have a long-term recovery period.

### Assets

Facilities are provided 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.

### How we check performance

#### Levels of Service

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

Measure	Targets for 2008/09	Actual
The state of readiness of the Emergency Operations Centre, including staff and volunteers, emergency management equipment, control facilities and communication systems.	a. 100% readiness, 24-hours/7 days. b. 100% of staff and volunteers are appropriately trained and resourced.	On call 24/7. Not all staff are trained, All volunteers are fully trained, councillors are still to complete training.
The percentage of members of the multi-agency response team who have completed basic specialist emergency services training.	80%.	Training provided to response team annually. Training date 17 June 2009.
The percentage of residents who consider they are prepared and know what to do in an emergency.	Targets will be established in the 2008/09 Annual Plan based on a preliminary survey of a range of preparedness indicators to be undertaken in 2007/08.	Survey still to be undertaken.

#### 2. Encouraging lifelines utilities<sup>1</sup> to increase resilience.

Measure	Targets for 2008/09	Actual
The percentage of lifelines utilities that have identified the hazards with potential to affect their infrastructure.	100%	Still work to be done in the area of potential hazards regards to fuel and storage.

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

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

Measure	Targets for 2008/09	Actual
The effectiveness of recovery assistance after emergencies.	Subject to the scale of the emergency and the level of demand: a. Immediate welfare needs of those affected have been met. b. Systems have been established or re-established to assist individual and community self-sufficiency. c. Essential services have been restored to minimum operating levels.	Can not determine until an emergency event. Recovery planning is completed and procedures need to be exercised.

Cost of services statement

CIVIL DEFENCE	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	21,948	28,291	24,721
Grants & User Pays	22,543	20,250	14,099
<b>Total Revenue</b>	<b>44,491</b>	<b>48,541</b>	<b>38,820</b>
<b>Operating Expenditure</b> – Personnel & Training	<b>111,495</b>	<b>51,786</b>	<b>49,472</b>
<b>Operating Surplus/(Deficit)</b>	<b>(67,004)</b>	<b>(3,245)</b>	<b>(10,652)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	67,004	3,245	10,652
<b>Total Funding Required</b>	<b>67,004</b>	<b>3,245</b>	<b>10,652</b>
Funded by:			
Operating Surplus	-	-	-
Transfer from General Reserve	67,004	3,245	10,652
<b>Total Funding Applied</b>	<b>67,004</b>	<b>3,245</b>	<b>10,652</b>

<b>RURAL FIRE</b>	<b>Actual 2007/08 \$</b>	<b>Annual Plan 2007/08 \$</b>	<b>Actual 2006/07 \$</b>
<b>Revenue</b>			
General Funds	21,948	34,435	24,721
Grants	-	5,000	2,441
<b>Total Revenue</b>	<b>21,948</b>	<b>39,435</b>	<b>27,162</b>
<b>Operating Expenditure – Personnel &amp; Training</b>	<b>41,370</b>	<b>43,384</b>	<b>41,979</b>
<b>Operating Surplus/(Deficit)</b>	<b>(19,422)</b>	<b>(3,949)</b>	<b>(14,817)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	19,422	3,949	14,817
<b>Total Funding Required</b>	<b>19,422</b>	<b>3,949</b>	<b>14,817</b>
Funded by:			
Operating Surplus	-	-	-
Depreciation	-	324	-
Transfer from General Reserve	19,422	3,625	14,817
<b>Total Funding Applied</b>	<b>19,422</b>	<b>3,949</b>	<b>14,817</b>
<b>MARINE OIL SPILL</b>	<b>Actual 2008/09 \$</b>	<b>Annual Plan 2008/09 \$</b>	<b>Actual 2007/08 \$</b>
<b>Revenue</b>			
General Funds	21,948	-	24,721
Grants	-	26,548	-
<b>Total Revenue</b>	<b>21,948</b>	<b>26,548</b>	<b>24,721</b>
<b>Operating Expenditure – Personnel &amp; Training</b>	<b>24,365</b>	<b>24,332</b>	<b>30,691</b>
<b>Operating Surplus/(Deficit)</b>	<b>(2,417)</b>	<b>2,216</b>	<b>(5,970)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	2,417	-	5,970
<b>Total Funding Required</b>	<b>2,417</b>	<b>-</b>	<b>5,970</b>
Funded by:			
Operating Surplus	-	-	-
Transfer from General Reserve	2,417	-	5,970
<b>Total Funding Applied</b>	<b>2,417</b>	<b>-</b>	<b>5,970</b>

## Cost of services statement – Emergency Management Group of Activities

	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	65,843	60,737	74,163
Grant - Regional Council Support	17,569	16,000	8,000
Grant - Civil Defence	4,974	4,250	6,099
Grant - Rural Fire	-	5,000	2,441
Grant – Maritime Safety	-	26,548	-
User Pays & Other	40,785	-	-
<b>Total Revenue</b>	<b>129,171</b>	<b>112,535</b>	<b>90,703</b>
<b>Operating Expenditure</b>	<b>177,230</b>	<b>119,502</b>	<b>122,142</b>
<b>Operating Surplus/(Deficit)</b>	<b>(48,059)</b>	<b>(6,967)</b>	<b>(31,439)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	48,059	6,967	31,439
<b>Total Funding Required</b>	<b>48,059</b>	<b>6,967</b>	<b>31,439</b>
Funded by:			
Operating Surplus	-	-	-
Depreciation	242	324	-
Transfer from General Reserve	47,817	6,643	31,439
<b>Total Funding Applied</b>	<b>48,059</b>	<b>6,967</b>	<b>31,439</b>
<b>Operating Expenditure includes:</b>			
Civil Defence	111,495	51,786	49,472
Rural Fire	41,370	43,384	41,979
Maritime Safety	24,365	24,332	30,691
<b>Operating Expenditure</b>	<b>177,230</b>	<b>119,502</b>	<b>122,142</b>

### Financial commentary

Income from the Emergency management conference of \$40,785 was offset by expenditure on the conference.

## COASTS, HARBOURS AND NAVIGATION

### What we do and why we do it

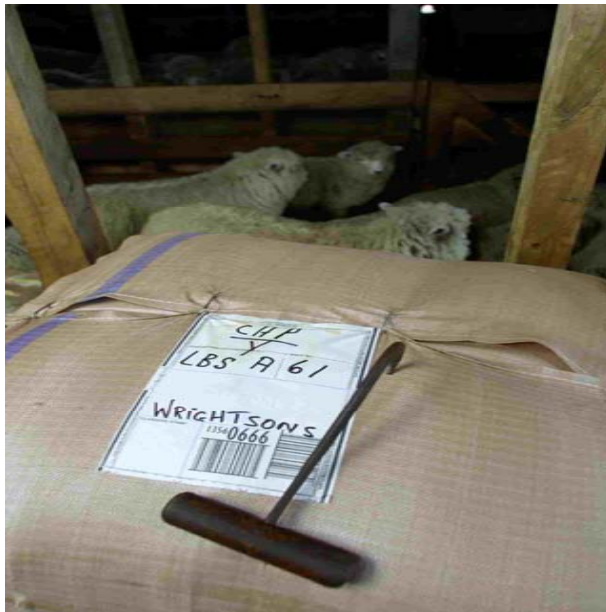
Harbour control is undertaken primarily to ensure safety in the Territory's waterways. The Chatham Islands have approximately 360 kilometres of coastline that is used extensively for commercial fishing, some recreational purposes and potential aquaculture industries. The Council is tasked with the responsibility of addressing matters of navigation and safety within this area as required by the Local Government Act 2002 and the Maritime Transport Act 1994.

The Maritime Transport Act 1994 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.

### Contributions to Community Outcomes

Harbour Control contributes to the following community outcomes:

- Access to quality infrastructure services
- A community that promotes economic development for its fishing, farming and tourism industries
- Access to reliable and affordable transportation services
- A community that protects, sustains and enriches the environment for future generations



Livestock are often shipped to mainland NZ for sale

The following table details progress towards achieving these outcomes and identifies the effects that the activities have had on social, economic, environmental and cultural well being.

<b>Community Outcome</b>	<b>Progress made</b>	<b>Impact on well-being</b>
Access to quality infrastructure services.	Design work, resource consenting, and work began in 2008/09 on the new Wharf, which is due for completion in 2009/10 at which time the remaining cost of the old wharf will be written off in the books. Following requests from wharf users there was a late change to the designed location, which users signed off.	There is a benefit to social, economic, environmental and cultural well-being by actively investigating funding solutions for the Owenga Wharf upgrade by reducing the risk to loss of wharf usage which is an essential infrastructural asset that supports the fishing industry including Iwi fishers and the provision of a life line between the main Island of Chatham and Pitt Island.
A community that promotes economic development for its fishing, farming and tourism industries.	As above.	As above.
Access to reliable and affordable transportation services.	The wharf is 97% grant funded from NZTA.	As above.
A community that protects, sustains and enriches the environment for future generations.	Resource consenting dealt with concerns about the native Paua beds around the wharf.	As above.

#### **Significant negative effects associated with this group of activities**

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

#### **Assets**

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

#### **How we check performance**

##### **Levels of Service**

##### **1. Ensuring vessels navigate safely.**

<b>Measure</b>	<b>Targets for 2008/09</b>	<b>Actual</b>
The percentage of residents who are satisfied with administration of navigation safety bylaws.	85% of residents are satisfied or very satisfied. (Measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).	Overall, 48% of respondents were satisfied, 10% dissatisfied and 41% had no opinion.

The time to respond to incidents and deal with complaints.	85% responded to within seven days.	No navigational complaints.
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**2. Maintaining navigational aids in proper working order.**

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

**3. Maintaining Owenga wharf in a condition suitable for use by the community.**

Measure	Targets for 2008/09	Actual
The percentage of work, specified by MWH to be undertaken in 2007/08, completed.	100%.	Work commenced in 2008/09 and is due to be completed in 2009/10.

## Cost of services statement – Coasts, Harbours & Navigation Group of Activities

	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	309,280	94,107	138,335
Grants – Regional Services	21,413	18,000	26,000
Grants - NZTA	228,450	1,460,000	-
User Pays and Other Income	14,779	14,752	11,622
<b>Total Revenue</b>	<b>573,922</b>	<b>1,586,859</b>	<b>175,957</b>
<b>Operating Expenditure</b>	<b>149,091</b>	<b>187,562</b>	<b>180,998</b>
<b>Operating Surplus/(Deficit)</b>	<b>424,831</b>	<b>1,399,297</b>	<b>(5,041)</b>
Capital and Reserves Funding Requirements			
Operating Deficit	-	-	5,041
Capital Expenditure	236,042	1,460,000	51,781
<b>Total Funding Required</b>	<b>236,042</b>	<b>1,460,000</b>	<b>56,822</b>
Funded by:			
Operating Surplus	424,831	1,399,297	-
Depreciation	49,962	49,911	49,962
Transfer from /(to) General Reserve	(238,751)	10,792	6,860
<b>Total Funding Applied</b>	<b>236,042</b>	<b>1,460,000</b>	<b>56,822</b>
<b>Operating Expenditure includes:</b>			
Harbourmaster	-	23,547	5,966
Regional Council Support	21,413	18,000	26,171
Maritime Safety	20,070	17,210	21,904
Marine Radio	18,658	12,000	21,521
Waitangi Harbour	12,875	22,298	16,237
Owenga Harbour	13,455	22,298	23,216
Kaingaroa Harbour	12,658	22,298	16,021
Depreciation	49,962	49,911	49,962
<b>Operating Expenditure</b>	<b>149,091</b>	<b>187,562</b>	<b>180,998</b>
<b>Capital Expenditure includes:</b>			
Owenga Wharf Upgrade Work in Progress	236,042	1,460,000	51,781
<b>Total Capital Expenditure</b>	<b>236,042</b>	<b>1,460,000</b>	<b>51,781</b>

### Financial commentary

The contract for the new wharf is now underway.

## Cost of services statement – all Groups of Activities

ALL GROUPS OF ACTIVITIES	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>			
General Funds	1,486,767	1,557,365	1,213,458
Targeted Rates	170,484	171,440	164,007
Grants	4,388,434	6,118,754	3,634,160
Other Income	181,230	123,280	156,338
<b>Total Revenue</b>	<b>6,226,915</b>	<b>7,970,839</b>	<b>5,167,963</b>
<b>Operating Expenditure</b>	<b>4,657,507</b>	<b>5,175,618</b>	<b>3,945,976</b>
Loss on Disposals	1,599	-	52,371
Provision for Pitt Island Barge Society Refund of Dues	20,000	-	40,000
<b>Operating Surplus/(Deficit)</b>	<b>1,547,809</b>	<b>2,795,221</b>	<b>1,129,616</b>
Capital and Reserves Funding Requirements			
Transfers to Special Reserves	39,284	28,500	20,053
Loan Repayments	5,537	11,029	4,963
Capital Expenditure	3,647,787	4,584,300	2,180,937
<b>Total Funding Required</b>	<b>3,692,608</b>	<b>4,623,829</b>	<b>2,205,953</b>
Funded by:			
Operating Surplus	1,547,809	2,795,221	1,129,616
Depreciation and Amortisation	1,522,896	1,704,557	1,193,731
Te Whanga Reserve	-	5,000	-
Mortgage	227,000	60,000	-
Transfer from General Reserve	394,903	59,051	(117,394)
<b>Total Funding Applied</b>	<b>3,692,608</b>	<b>4,623,829</b>	<b>2,205,953</b>

### Performance against budget

Income is 78% of budget. This is accounted for by the Grant income from the Owenga Wharf reflecting the slower than budgeted progress on the project. Also, the budgeted solid waste government grant income has not been paid due to delays finding suitable sites. After these two factors are accounted for actual income is 98.23% of budgeted income. The remaining difference reflects less interest income on the solid waste grant not received, and a delay recognising revenue for the pest management strategy implementation.

Expenditure is 90.38% of budgeted expenditure. Over heads were ahead of budget with the Government not yet meeting Councils request to reimburse interest on past GST amounting to \$180,158. Solid waste project is under budget by \$159,523. Community services is over budget as the expenditure funded by Housing New Zealand on refurbishments to 3 community houses was classified as deferred maintenance rather than capital works as budgeted. There was a saving on Biosecurity as the Pest Management Strategy implementation was delayed pending the appointment of an appropriate person to the on Island role.

*Financial Statements*  
*for the year ended*  
*30 June 2009*

## Statement of Compliance and Responsibility

### Compliance

The Council and management of Chatham Islands Council confirm that all the statutory requirements in relation to the Annual Report, as outlined in Part 6, section 98 and Schedule 10 of the Local Government Act 2002, have been complied with.

### Responsibilities

The Council and management accept responsibility for the preparation of the annual financial statements and the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management the annual financial statements for the year ended 30 June 2009 fairly reflect the financial position, results of operations, cash flows and service performance of Chatham Islands Council.



Patrick F Smith QSO, JP

**Mayor**



Owen Pickles, JP

**General Manager**

14<sup>th</sup> October 2009

## Audit Report

### TO THE READERS OF CHATHAM ISLANDS COUNCIL'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2009

The Auditor-General is the auditor of Chatham Islands Council (the Council). The Auditor-General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the Council's compliance with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report of the Council for the year ended 30 June 2009, including the financial statements.

#### Unqualified Opinion

In our opinion:

- The financial statements of the Council on pages 62 to 85:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Council's financial position as at 30 June 2009; and
    - the results of its operations and cash flows for the year ended on that date.
- The service provision information of the Council on pages 4 to 56 fairly reflects the levels of service provision as measured against the intended levels of service provision adopted, as well as the reasons for any significant variances, for the year ended on that date; and
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report (the "other requirements").

The audit was completed on 14 October 2009, and is the date at which our opinion is expressed. The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

#### Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements, performance information and the other requirements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements, performance information and the other requirements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements, performance information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Council;

- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, performance information and the other requirements. We evaluated the overall adequacy of the presentation of information in the financial statements, performance information and the other requirements. We obtained all the information and explanations we required to support our opinion above.

### **Responsibilities of the Council and the Auditor**

The Council is responsible for preparing financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Council as at 30 June 2009. They must also fairly reflect the results of its operations and cash flows and the levels of service provision for the year ended on that date. The Council is also responsible for meeting the other requirements of Schedule 10 and including that information in the annual report. The Council's responsibilities arise from Section 98 and Schedule 10 of the Local Government Act 2002. We are responsible for expressing an independent opinion on the financial statements, performance information and the other requirements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

### **Independence**

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand. Other than the audit and in conducting the audit of the Long-Term Council Community Plan, we have no relationship with or interests in the Council.



Julian Tan  
 Audit New Zealand  
 On behalf of the Auditor-General  
 CHRISTCHURCH, NEW ZEALAND

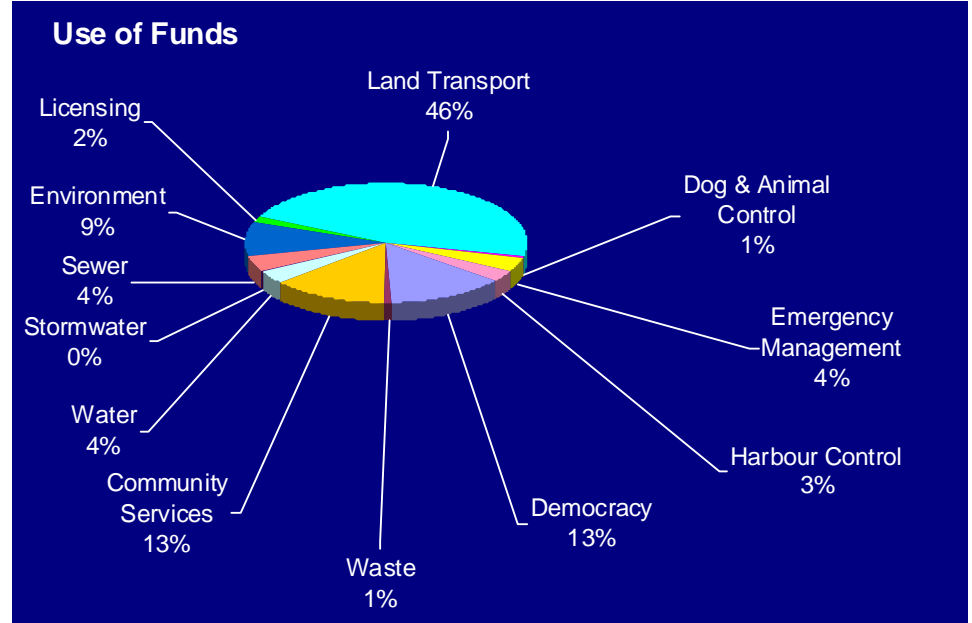
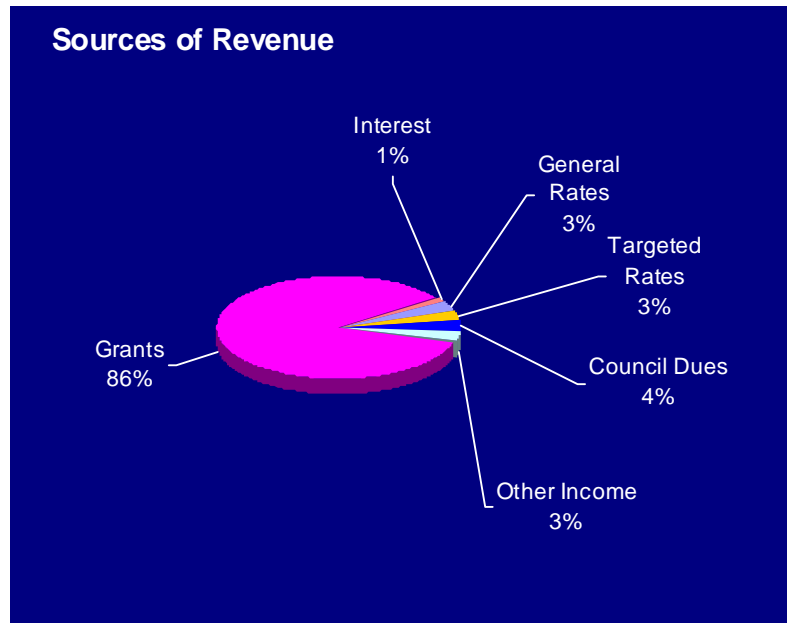
**Matters relating to the electronic presentation of the audited financial statements, performance information and the other requirements**

This audit report relates to the financial statements, performance information and the other requirements of Chatham Islands Council for the year ended 30 June 2009 included on its website. Chatham Islands Council is responsible for the maintenance and integrity of this website. We have not been engaged to report on the integrity of the website. We accept no responsibility for any changes that may have occurred to the financial statements, performance information and the other requirements since they were initially presented on the website.

The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements, performance information and the other requirements as well as the related audit report dated 14 October 2009 to confirm the information included in the audited financial statements, performance information and the other requirements presented on this website.

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

## FINANCIAL HIGHLIGHTS



Council Financial Statistics	Actual 2008/09	Actual 2007/08
Proportion of Rates Revenue to Total Revenue	6.1%	6.9%
Proportion of Dues Revenue to Total Revenue	3.7%	5%
Net Public Debt (as a percentage of Total Assets)	0.95%	0.49%
Public Debt (per rateable property)	\$798	\$385
Public Debt (per head of population)	\$699	\$337

The council had a surplus of \$1,547,809 (2008 \$1,129,616). The ratio of current assets to current liabilities is 87.8% (2008 93.9%) with a contingent asset of \$180,158 which council now expects to collect at the next funding round. Council is holding significant income in advance, which has been classified as 1/3 a current liability and 2/3 as term liability. Also, included in current liabilities is \$210,950 loan to be refinanced. Adjusting for this the ratio is 95.7%.

## **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 financial statements are prepared in accordance with the requirements of section 98 and 111 of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practice (GAAP).

The primary objective of the Chatham Islands Council is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, Chatham Islands Council has designated itself as a public benefit entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements of the Chatham Islands Council are for the year ended 30 June 2009. The financial statements were authorised for issue on 14th October 2009.

### **Basis of Preparation**

These financial statements have been prepared in accordance with NZ GAAP. They comply with NZ IFRS, and other applicable financial reporting standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The following standard interpretations and amendments have been issued but are not yet effective and have not been applied: NZIAS 1, Comprehensive Income Statements; NZ IAS 23 Borrowing Costs; NZ IFRS7 Financial Instruments Disclosures.

### **Measurement Base**

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

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

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

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

## **Revenue Recognition**

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

- Rates revenue is recognised when it is levied.
- The New Zealand Transport Agency (NZTA) roading subsidies are recognised when the conditions pertaining to eligible expenditure have been fulfilled.
- Government assistance and grants are recognised when eligibility is established.
- Other grants and bequests are recognised when control over the asset is obtained.
- Other revenue is recognised when it is earned by Council.

Chatham Islands Council receives government grants from NZTA, which subsidises part of Chatham Islands costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled. Interest income is recognised using the effective interest method.

## **Expenditure**

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

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

## **Budget Figures**

The budget figures are those approved by the Council at the beginning of the year in the Annual Plan 2008/09, updating year 3 of the LTCCP 2006-16.

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

## **GST**

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

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

Commitments and contingencies are disclosed exclusive of GST

## **Debtors and Other Receivables**

Trade and other receivables are non interest bearing and are measured at fair value, less any provision for impairment.

## **Financial Assets**

Financial assets and liabilities are initially measured at fair value plus transaction costs unless they are carried at fair value through profit or loss in which case the transaction costs are recognised in the statement of financial performance.

Chatham Islands Council classifies its short-term deposits as 'loans and receivables' as described in NZ IFRS 7.

Loans and receivables are defined as non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the statement of financial performance. Loans and receivables are classified as "other financial assets" in the statement of financial position.

### **Cash and cash equivalents**

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

Bank overdrafts are shown within cash and cash equivalents in current assets in the statement of financial position.

### **Property, Plant and Equipment**

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

Property Plant & Equipment is shown at cost or valuation, less accumulated depreciation and impairment losses and classes of assets are grouped as follows: operational assets, and infrastructural assets.

### **Intangible Assets**

Computer software is valued at cost less accumulated amortisation.

### **Amortisation**

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of financial performance. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows: Computer software 5 years 20%

### **Operational Assets**

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

### **Infrastructural Assets**

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

### **Roading**

Roading assets (excluding land under roads) were revalued by M.W.H Ltd (Registered Engineers) at depreciated replacement cost\*, as at 30 June 2008. Land under roads is recorded at cost and is not depreciated. Subsequent additions are included at cost.

*\*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 30 June 2008. 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 30 June 2008. Subsequent additions are included at cost.

### **Impairment**

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

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

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

For assets not carried at a revalued amount, the total impairment loss is recognised in the statement of financial performance. The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in statement of financial performance, a reversal of the impairment loss is also recognised in the statement of financial performance. For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the statement of financial performance.

### **Employee entitlements**

Provision has been made in respect of the Council's liability for annual leave, at balance date. This has been calculated on an actual entitlement basis using current rates of pay. Chatham Islands council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The liability for sick leave is measured as the amount of unused entitlement accumulated at balance date that the entity anticipates employees will use in future periods in excess of the days they are entitled to.

### **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:

<b>Asset</b>	<b>Years</b>
Motor Vehicles	5 years
Furniture/Fittings	5-10 years
Buildings	25-50 years

<b>Asset</b>	<b>Years</b>
Office Equipment	5 years
Roading:	
Top surface (seal)	10 years
Pavement (base course)	
sealed	66 years
unsealed	Not depreciated
Pavement	5 years
unsealed (wearing course)	
Formation	Not depreciated
Culverts	75-100 years
Footpaths	60 years
Kerbs	60 years
Signs	25 years
Street lights	50 years
Retaining walls	50 years
Bridges	30-50 years
Water Reticulation:	
Pipes	25 years
Valves, hydrants	25 years
Pump stations	5-25 years
Tanks	80 years
Sewerage Reticulation:	
Pipes	80 years
Manholes	60 years
Sand Filter	26 years
Stormwater System:	
Pipes	40- 60 years
Harbour	
Owenga Wharf	7 years

### **Leases**

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

### **Provisions**

Chatham Islands Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses. Provisions are measured at the present value of the future expected expenditure. Provision has been made for closure and post closure costs at the three landfills. This has been valued at current estimated costs. The valuation was prepared by M.W.H Ltd as at 30 June 2003. Provision has been made for the refund of dues to the Pitt Island Barge Society. This is payable on production of audited accounts for the last 3 years of activity.

## **Financial Instruments**

The Council is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, investments, borrowings, debtors and creditors. All financial instruments are 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**

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

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

## **Cost of Service Statements**

The cost of service statements, 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.

## **Equity**

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

- Retained earnings
- Restricted reserves
- Asset revaluation reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Chatham Islands Council. Restricted reserves are those subject to specific conditions accepted as binding by Chatham Islands Council and which may not be revised by Chatham Islands Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met. Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council. Chatham Islands Council's objectives, policies and processes for managing capital are described in Note 11.

## STATEMENT OF FINANCIAL PERFORMANCE

For the Year Ended 30 June 2009

	Note	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue</b>				
Rates	2	379,071	371,674	356,830
Grants & Subsidies	2	5,347,234	7,064,655	4,318,157
Council Dues		232,119	265,000	258,837
User Pays, Fees & Charges		174,293	123,280	146,412
Interest		86,360	146,230	77,800
Other Revenue		6,239	-	9,927
<b>Total Revenue</b>	1	<b>6,225,316</b>	<b>7,970,839</b>	<b>5,167,963</b>
<b>Expenditure</b>				
Depreciation and Amortisation	3	1,522,896	1,704,557	1,193,731
Employee Benefits	3	457,986	450,573	423,834
Financing Cost	3	10,023	19,419	199,136
Other Expenditure		2,686,602	3,001,069	2,221,646
<b>Total Expenditure</b>	1	<b>4,677,507</b>	<b>5,175,618</b>	<b>4,038,347</b>
<b>Operating Surplus</b>		<b>1,547,809</b>	<b>2,795,221</b>	<b>1,129,616</b>

## STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2009

	Note	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Equity at the start of the year</b>		40,533,305	31,989,053	31,951,037
Net Surplus/(Deficit) for the year		1,547,809	2,795,221	1,129,616
Increase/(decrease) in Revaluation Reserve	12	(358,750)	-	7,452,652
Total Recognised Revenue & Expenses		1,189,059	2,795,221	8,582,268
<b>Equity at the end of the year</b>	12	<b>41,722,364</b>	<b>34,784,274</b>	<b>40,533,305</b>

THESE STATEMENTS SHOULD BE READ IN CONJUNCTION WITH THE STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2009

	Notes	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Current Assets</b>				
Cash & Cash Equivalents	4	617,176	119,908	114,733
Investments		165,715	-	126,431
Trade and Other Receivables	5	1,467,062	600,699	592,412
		<u>2,249,953</u>	<u>720,607</u>	<u>833,576</u>
<b>Non Current Assets</b>				
Property, Plant & Equipment	6	42,707,915	35,400,207	40,945,758
Intangible Assets	7	788	-	-
		<u>42,708,703</u>	<u>35,400,207</u>	<u>40,945,758</u>
<b>Total Assets</b>		<b><u>44,958,656</u></b>	<b><u>36,120,814</u></b>	<b><u>41,779,334</u></b>
<b>Current Liabilities</b>				
Trade and Other Payables	8	2,218,767	924,226	796,290
Employee Benefit Liabilities	9	45,194	-	46,396
Current Portion of Term Liabilities	11	210,950	-	5,425
Provisions – Pitt Island Barge Refund	10	60,000	-	40,000
Provisions – Landfill Closure		<u>26,667</u>	<u>-</u>	<u>-</u>
		<u>2,561,578</u>	<u>924,226</u>	<u>888,111</u>
<b>Non Current Liabilities</b>				
Provisions – Landfill Closure	10	119,500	157,000	157,000
Term Liabilities	11	<u>555,214</u>	<u>255,314</u>	<u>200,918</u>
		<u>674,714</u>	<u>412,314</u>	<u>357,918</u>
<b>Total Liabilities</b>		<b><u>3,236,292</u></b>	<b><u>1,336,540</u></b>	<b><u>1,246,029</u></b>
<b>Net Assets</b>		<b><u>41,722,364</u></b>	<b><u>34,784,274</u></b>	<b><u>40,533,305</u></b>
<b>Public Equity</b>				
Accumulated Funds & Reserves	12	<u>41,722,364</u>	<u>34,784,274</u>	<u>40,533,305</u>
<b>Total Public Equity</b>		<b><u>41,722,364</u></b>	<b><u>34,784,274</u></b>	<b><u>40,533,305</u></b>

THESE STATEMENTS SHOULD BE READ IN CONJUNCTION WITH THE STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS.

**STATEMENT OF CASH FLOWS**  
For the Year Ended 30 June 2009

	Notes	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Cash Flow from Operating Activities</b>				
Rates		349,509	371,674	362,731
Council Dues		237,206	265,000	278,614
Grants		4,962,238	7,064,655	4,733,481
Interest		88,689	146,230	74,483
Other Receipts		171,465	123,280	197,781
		<b>5,809,107</b>	<b>7,970,839</b>	<b>5,647,090</b>
Employees & Councillors		(575,801)	(450,573)	(525,532)
Interest		(10,023)	(19,419)	(199,135)
Supplies and Services		(2,267,236)	(3,001,069)	(1,974,843)
Goods & Services Tax (net)		(236,844)	-	(519,128)
		<b>(3,089,904)</b>	<b>(3,471,061)</b>	<b>(3,218,638)</b>
<b>Net Cash Flow from Operating Activities</b>	14	<b>2,719,203</b>	<b>4,499,778</b>	<b>2,428,452</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets		(2,398,940)	(4,584,300)	(2,129,265)
Sale/(Purchase) of Other Assets		(39,284)	-	26,374
		<b>(2,438,224)</b>	<b>(4,584,300)</b>	<b>(2,102,891)</b>
<b>Cash Flow from Financing Activities</b>				
Loans Raised		227,000	60,000	-
Repayment of Loans		(5,536)	(11,029)	(4,963)
		<b>221,464</b>	<b>48,971</b>	<b>(4,963)</b>
<b>Increase/(Decrease) in Cash Held</b>		<b>502,443</b>	<b>(35,551)</b>	<b>320,598</b>
<b>Opening Cash Balance</b>		<b>114,733</b>	<b>155,459</b>	<b>(205,865)</b>
<b>Closing Cash Balance</b>	4	<b>617,176</b>	<b>119,908</b>	<b>114,733</b>

Goods & Services Tax (Net):  
The GST (net) component of operating activities reflects the net GST paid to and received from IRD. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information.

THESE STATEMENTS SHOULD BE READ IN CONJUNCTION WITH THE STATEMENT OF ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS.

## Notes to the Financial Statements

For the year ended 30 June 2009

### Note 1: Summary of Cost of Services by Activity

	Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$		Actual 2008/09 \$	Annual Plan 2008/09 \$	Actual 2007/08 \$
<b>Revenue by Activity:</b>				<b>Expenditure by Activity:</b>			
Democracy	479,955	615,923	579,484	Democracy	621,278	654,320	674,949
Land Transport (Roading)	3,799,933	3,740,991	2,612,930	Land Transport (Roading)	2,165,279	2,609,794	1,679,528
Solid & Hazardous Waste Management	39,767	401,356	693,994	Solid & Hazardous Waste Management	40,723	129,460	35,155
Water Supply	139,534	133,532	119,785	Water Supply	168,648	144,133	230,621
Stormwater	6,989	6,712	4,189	Stormwater	12,091	12,482	5,964
Wastewater (Sewerage)	115,067	130,724	117,898	Wastewater (Sewerage)	199,142	139,981	167,797
Community Services	449,607	505,458	324,669	Community Services	612,362	454,340	466,515
Licensing & Building	54,707	68,423	68,661	Licensing & Building	80,585	74,608	87,584
Dog & Animal Control	21,447	23,522	21,129	Dog & Animal Control	26,724	24,209	24,887
Resource Management	309,196	309,804	256,564	Resource Management	318,335	290,226	260,246
Biosecurity (Animal & Plant Pest Control)	106,019	335,000	102,000	Biosecurity (Animal & Plant Pest Control)	106,019	335,000	101,962
Emergency Management	129,173	112,535	90,703	Emergency Management	177,230	119,502	122,141
Coasts, Harbours & Navigation	573,922	1,586,859	175,956	Coasts, Harbours & Navigation	149,091	187,563	180,998
<b>Total Revenue</b>	<b>6,225,316</b>	<b>7,970,839</b>	<b>5,167,962</b>	<b>Total Expenditure</b>	<b>4,677,507</b>	<b>5,175,618</b>	<b>4,038,347</b>
<b>Net Surplus/(Deficit)</b>					<b>1,547,809</b>	<b>2,795,221</b>	<b>1,129,616</b>

**Note 2: Revenue**

<b>Rates Revenue</b>	<b>Actual 2008/09 \$</b>	<b>Annual Plan 2008/09 \$</b>	<b>Actual 2007/08 \$</b>
<b>Rates Consist of:</b>			
General Rates	191,588	190,234	179,220
<b>Targeted Rates allocated to activities:</b>			
Roading	41,092	41,092	41,266
Refuse	50,000	50,000	34,995
Water	37,736	38,348	39,999
Sewerage	41,656	42,000	47,747
Total Targeted Rates	170,484	171,440	164,007
Rates Penalties	16,999	10,000	13,603
<b>Total Rates</b>	<b>379,071</b>	<b>371,674</b>	<b>356,830</b>

Rates Remissions for the year were \$3,692 (2008 \$1,918) excl gst and were granted in accordance with the Council Rates Remissions Policy.

<b>Grant Revenue</b>	<b>Actual 2008/09 \$</b>	<b>Annual Plan 2008/09 \$</b>	<b>Actual 2007/08 \$</b>
<b>Grants &amp; Subsidies Consist of:</b>			
Grants – Territorial Authority Functions	958,800	958,800	683,998
Grants – Regional Council Functions	665,130	869,200	570,000
Grants – Capital Expenditure Solid Waste	-	402,000	659,000
Grants – NZTA Rooding Subsidy	3,450,226	3,205,022	2,347,520
Grants – NZTA Wharf	228,450	1,460,000	-
Grants – Other	44,628	169,633*	57,639
<b>Total Grants &amp; Subsidies</b>	<b>5,347,234</b>	<b>7,064,655</b>	<b>4,318,157</b>

\*Includes Housing New Zealand Grant of \$90,000

**Note 3: Expenditure**

	<b>Actual 2008/09</b>	<b>Actual 2007/08</b>
	<b>\$</b>	<b>\$</b>
Audit of Annual Report 2007-08	-	56,227
Audit of the Annual Report – 2008/9	59,038	-
Audit of the LTCCP 2009-19	43,400	-
Audit of LTCCP Amendments	-	8,630
Donations	30,796	30,856
Interest Expense	10,023	199,136*
Loss on Disposal of Assets	1,599	52,371
Decrease in Doubtful Debts Provision	(2,500)	(3,000)

\*Interest expense is made up of Heartlands loans expense \$18,391 (2008 \$18,853 ) less a correction of \$8,368 to the prior year expense. (2008,\$180,158 ) Bank interest nil (2008 \$125).

**Depreciation on:**

Buildings	27,040	26,649
Furniture & Fittings	7,544	6,135
Office Equipment	14,031	16,928
Vehicles	3,620	3,700
Parks & Reserves	3,965	3,968
Harbour	49,962	49,962
Roading	1,347,941	1,021,355
Refuse	5,876	3,999
Stormwater	314	313
Sewer	36,583	36,161
Water Supply	25,882	24,561
	<hr/> 1,522,758	<hr/> 1,193,731
<b>Amortisation on Computer Software</b>	137	-
<b>Total Depreciation and Amortisation</b>	<hr/> 1,522,895	<hr/> 1,193,731

**Note 4: Cash and Cash Equivalents**

The carrying amounts of cash at bank and term deposits with maturities less than three months approximate their fair value. Cash, cash equivalents and bank overdrafts includes the following for the purposes of the statement of cash flows:

	<b>Actual 2008/09</b>	<b>Actual 2007/08</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and on hand	684,335	114,733
Bank overdrafts	(67,159)	-
	<u>617,176</u>	<u>114,733</u>

**Note 5: Debtors and Other Receivables**

	<b>Actual 2008/09</b>	<b>Actual 2007/08</b>
	<b>\$</b>	<b>\$</b>
Rates	89,098	48,763
Sundry Debtors	100,680	40,568
Debtor Accruals	40,083	44,658
NZTA Assistance	999,993	462,294
GST Refund	234,945	-
Prepayments	7,763	4,129
	<u>1,472,562</u>	<u>600,412</u>
Less Provision for Impairment (Doubtful Debts)	(5,500)	(8,000)
	<u>1,467,062</u>	<u>592,412</u>

Debtors and other receivables are non interest bearing and receipt is normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates fair value.

**Note 5: Debtors and Other Receivables (continued)**

The status of trade receivables as at 30 June 2009 are detailed below:

	2008/09			2007/08		
	\$			\$		
	Gross	Impairment	Net	Gross	Impairment	Net
Past due 1-60 days	1,450,826	-	1,450,826	578,761	-	578,761
Past due 61-120 days	8,367	-	8,367	2,773	-	2,773
Past due > 120 days	5,606	(5,500)	106	14,749	(8,000)	6,749
	<u>1,464,799</u>	<u>(5,500)</u>	<u>1,459,299</u>	<u>596,283</u>	<u>(8,000)</u>	<u>588,283</u>

Note: The figures in the table above exclude prepayments.

Movements in the Provision for Debtors Impairment were as follows:

<b>Sundry Debtors and Rates Debtors</b>	2008/09	2007/08
	\$	\$
As at 1 July	8,000	11,000
Additional provisions made during year	-	6,452
Provisions reversed during the year	(2,500)	(9,452)
Receivables written off during the year	-	-
	<u>5,500</u>	<u>8,000</u>

CIC holds no security against receivables, but it has powers under the Local Government Rating Act to recover outstanding rates debts, including the power to have court judgements enforced by the sale or lease of the rating unit.

## Note 6: Property Plant & Equipment

2009	Opening Cost/ Revaluation	Accumulated Depreciation	Carrying value at start of year	Impairments	Additions	Disposals	Depreciation	Carrying value at end of year
Total Land – at cost	180,631	-	180,631	-	-	-	-	180,631
Buildings – at cost	1,332,268	(461,173)	871,095	-	118,479	-	(27,040)	962,534
Furniture & Fittings – at cost	77,874	(26,556)	51,318	-	9,809	(752)	(7,544)	52,831
Plant & Office Equipment – at cost	212,962	(173,810)	39,152	-	10,160	(2,446)	(14,031)	32,835
Vehicles – at cost	34,739	(28,587)	6,152	-	-	-	(3,620)	2,532
Parks & Reserves – at cost	99,112	(33,076)	66,036	-	-	-	(3,965)	62,071
Harbour WIP (Owenga Wharf)	-	-	51,782	-	236,042	-	-	287,824
Harbour – at cost	902,973	(598,622)	252,569	-	-	-	(49,962)	202,607
<b>Total Operational Assets</b>	<b>2,878,725</b>	<b>(1,359,990)</b>	<b>1,518,735</b>	<b>-</b>	<b>374,490</b>	<b>(3,198)</b>	<b>(106,162)</b>	<b>1,783,865</b>
Roading WIP (Waitangi Cliff Stabilisation)	-	-	42,795	-	94,098	-	-	136,893
Roading – at valuation	39,203,350	(2,240,233)	36,920,322	(358,750)	3,109,574	-	(1,347,941)	38,323,205
Land Under Roads – at cost	108,758	-	108,758	-	-	-	-	108,758
Refuse – Solid Waste - at cost	34,774	(6,418)	28,355	-	-	-	(5,876)	22,480
Stormwater - at cost	12,540	(7,004)	5,536	-	-	-	(314)	5,222
Sewerage – at valuation	1,401,291	(287,214)	1,114,077	-	-	-	(36,583)	1,077,494
Water - at valuation	1,350,115	(142,935)	1,207,180	-	68,700	-	(25,882)	1,249,997
<b>Total Infrastructural Assets</b>	<b>42,234,209</b>	<b>(2,807,185)</b>	<b>39,427,023</b>	<b>(358,750)</b>	<b>3,272,372</b>	<b>-</b>	<b>(1,416,596)</b>	<b>40,924,050</b>
<b>Property Plant &amp; Equipment</b>	<b>45,112,934</b>	<b>(4,167,175)</b>	<b>40,945,758</b>	<b>(358,750)</b>	<b>3,646,862</b>	<b>(3,198)</b>	<b>(1,522,758)</b>	<b>42,707,915</b>

### Impairment

Impairment losses of \$125,000 relate to the Whangaete bridge abutments, the bridge is being replaced and without replacement would have a life of five years. \$75,000 relates to earlier than expected deterioration of steel culverts due to rusting; these are being replaced with aluminium, without which their remaining life would be approximately five years. The Hight Road culvert is collapsing and \$158,750 impairment loss has been recognised, it has an expected remaining life if not replaced of five years.

### Heritage Assets

The Council owns and operates a small Museum that adjoins the Town Hall Building. While the Museum displays exhibits relating to Moriori, Maori and European History, the majority of these displays are not owned by Council but are on loan from their owners. Exhibits owned by the Council are not considered to be of material value.

**Note 6: Property Plant & Equipment (continued)**

2008	Opening Cost/ Revaluation	Accumulated Depreciation	Carrying value at start of year	Additions	Disposals at cost	Depreciation on disposals	Depreciation	Revaluation	Carrying value at end of year
Land – at cost	180,631	-	180,631	-	-	-	-	-	180,631
Buildings – at cost	1,332,269	(434,524)	897,745	-	-	-	(26,649)	-	871,096
Furniture & Fittings – at cost	58,241	(20,422)	37,819	19,633	-	-	(6,135)	-	51,317
Plant & Office Equipment – at cost	194,427	(156,882)	37,545	18,535	-	-	(16,928)	-	39,152
Vehicles – at cost	34,739	(24,887)	9,852	-	(16,236)	16,236	(3,700)	-	6,152
Parks & Reserves – at cost	99,112	(29,109)	70,003	-	-	-	(3,968)	-	66,035
Harbour WIP (Owenga Wharf)	-	-	-	51,782	-	-	-	-	51,782
Harbour – at cost	851,192	(548,660)	302,532	-	-	-	(49,962)	-	252,570
<b>Total Operational Assets</b>	<b>2,750,611</b>	<b>(1,214,484)</b>	<b>1,536,127</b>	<b>89,950</b>	<b>(16,236)</b>	<b>16,236</b>	<b>(107,342)</b>	<b>-</b>	<b>1,518,735</b>
Roading WIP (Waitangi Cliff Stabilisation)	-	-	-	42,795	-	-	-	-	42,795
Roading – at valuation	30,079,261	(1,218,878)	28,860,383	2,004,158	-	-	(1,021,355)	7,077,136	36,920,322
Land Under Roads – at cost	108,758	-	108,758	-	-	-	-	-	108,758
Refuse – Solid Waste - at cost	6,739	(2,419)	4,320	28,034	-	-	(3,999)	-	28,355
Stormwater - at cost	12,540	(6,691)	5,849	-	-	-	(313)	-	5,536
Sewerage – at valuation	1,211,779	(251,053)	960,726	16,000	-	-	(36,161)	173,512	1,114,077
Water - at valuation	1,319,707	(237,599)	1,082,108	-	(171,596)	119,225	(24,561)	202,004	1,207,180
<b>Total Infrastructural Assets</b>	<b>32,738,784</b>	<b>(1,716,640)</b>	<b>31,022,154</b>	<b>2,090,987</b>	<b>(171,596)</b>	<b>119,225</b>	<b>(1,086,389)</b>	<b>7,452,652</b>	<b>39,427,023</b>
<b>Property Plant &amp; Equipment</b>	<b>35,489,395</b>	<b>(2,931,124)</b>	<b>32,558,271</b>	<b>2,180,937</b>	<b>(187,832)</b>	<b>135,461</b>	<b>(1,193,731)</b>	<b>7,452,652</b>	<b>40,945,758</b>

**Note 7: Intangible Assets**

	<b>Actual 2008/09</b>	<b>Actual 2007/08</b>
	<b>\$</b>	<b>\$</b>
<b>Intangible Assets</b>		
Computer Software at cost	925	41,426
Less Accumulated Amortisation and Impairment Losses	-	(41,426)
Less Current Year Amortisation	(137)	-
Total Intangible Assets – book value	<u>788</u>	<u>-</u>

**Note 8: Trade and Other Payables**

	<b>Actual 2008/09</b>	<b>Actual 2007/08</b>
	<b>\$</b>	<b>\$</b>
Creditors & Accruals	2,037,487	478,353
GST Payable	-	1,898
Income in Advance Rates	10,262	3,868
Income in Advance	169,179	303,466
Deposits	1,838	1,838
Other	1	6,867
	<u>2,218,767</u>	<u>796,290</u>

**Note 9: Employee Benefit Liabilities**

	<b>Actual 2008/09</b>	<b>Actual 2007/08</b>
	<b>\$</b>	<b>\$</b>
Employee Entitlements:		
Total Employee Benefit Liabilities	<u>45,194</u>	<u>46,396</u>

**Note 10: Provisions**

	Land Fill Closure	Pitt Island Barge Society	Total
Opening Balance	157,000	40,000	197,000
Additions/(Expenditure)	(10,833)	20,000	9,167
Closing Balance	146,167	60,000	206,167

A provision of \$146,167 has been recognised for landfill closure costs, which are expected to be incurred \$26,667 in 2009/10 and the balance in the next five years. MWH estimated the provision using the Ministry for Environment Guide to the Management of Closing and Closed Landfills in New Zealand. The provision has been valued at current estimated costs. A provision of \$60,000 (2008 \$40,000) has been made for refund of Dues to Pitt Island Barge Society which is payable on production of audited accounts. This amounts to three years refunds estimated to be \$20,000 pa.

**Note 11: Term Liabilities**

	Actual 2008/09 \$	Actual 2007/08 \$
Loans - Balance at 1 July	206,343	211,306
Plus loans raised during the year	227,000	-
Less repayments during the year	(5,537)	(4,963)
Total Borrowings at 30 June	427,806	206,343
Income in Advance	338,357	-
Less Current Portion of Term Liabilities	(210,950)	(5,425)
Total Term Liabilities	555,213	200,918

The loan is repayable over the following periods:

Current portion < 1 year	210,950	5,425
Non-Current 1-2 years	10,978	5,930
Non-Current 2-5 years	205,878	194,988
Total Non-Current Portion	216,856	200,918
Total Current plus Non Current Borrowings	427,806	206,343

The Council has taken a loan from the Chatham Islands Enterprise Trust with a term of 5 years at an interest rate of 9.00% per annum. The loan will need to be refinanced at the end of 2010. The Council has a loan with the ANZ for \$137,000 with a term of 10 years and a variable interest rate. There is a suspensory loan from Housing New Zealand for \$90,000 which will not have to be repaid if the loan conditions are maintained.

**Note 12: Public Equity**

	<b>Actual 2008/09 \$</b>	<b>Actual 2007/08 \$</b>
<b>General Funds</b>		
Opening Balance	5,176,906	4,067,342
Plus Net Surplus for the year	1,547,809	1,129,616
Less Transfers to Other Reserves (District Fund)	(39,284)	(20,052)
Closing Balance	6,685,431	5,176,906
<b>Te Whanga Opening Reserve</b>		
Opening Balance	3,286	3,286
Plus Transfer (to)/from General Reserve	-	-
Closing Balance	3,286	3,286
<b>RMA Document Fund Reserve</b>		
Opening Balance	126,431	91,250
Plus Transfer from General Reserve	39,284	35,181
Closing Balance	165,715	126,431
<b>Burial Register Reserve</b>		
Opening Balance	30,907	30,907
Plus Transfer from General Reserve	-	-
Closing Balance	30,907	30,907
<b>Museum Displays Valuation Reserve</b>		
Opening Balance	26,134	26,134
Plus Transfer from General Reserve	-	-
Closing Balance	26,134	26,134
<b>Community Trust of Canterbury Reserve</b>		
Opening Balance	2,666	10,661
Plus Receipt from Community Trust	-	34,666
Less Expenditure during the Year	-	(42,661)
Closing Balance	2,666	2,666
<b>Chatham Community Trust Reserve</b>		
Opening Balance	-	7,134
Less Expenditure during the Year	-	(7,134)
Closing Balance	-	-
<b>Asset Revaluation Reserve</b>		
Opening Balance	35,166,975	27,714,323
Revaluations/Impairments	(358,750)	7,452,652
Closing Balance	34,808,225	35,166,975
<b>TOTAL EQUITY AT END OF YEAR</b>	<b>41,722,364</b>	<b>40,533,305</b>

**Note 13: Financial Instrument Risks**

Chatham Islands Council has policies to manage the risks associated with financial instruments. CIC is risk averse and seeks to minimise exposure from its treasury activities. Council has established Council approved Liability Management Policy and Investment Policy (refer LTCCP 2006-16 p90). These policies do not allow any transaction that is speculative in nature to be entered into.

***Credit Risk***

The maximum credit risk exposure is disclosed in the Statement of Financial Position. Bank deposits including term deposits and debtors are the main credit risks. Investing in only high credit quality institutions minimises bank risk. Council has a policy of investing with ANZ bank so as to assist with the maintenance of banking facilities on the Islands. For debtors there is a moderate credit risk, as Council Dues are collected from a small number of transport firms. An analysis of past due accounts is presented to Council monthly as an agenda item. A provision for doubtful debts of \$5,500 has been made. CIC maximum credit exposure for each class of financial instrument is as follows:

	<b>Actual 2008/09</b>	<b>Actual 2007/08</b>
	\$	\$
Cash on call & term deposit	850,050	241,164
Debtors and other receivables*	1,449,038	596,283
<b>Total Credit Risk</b>	2,299,088	837,447

\*Debtors and other receivables excludes prepayments.

Cash at bank and term deposits are with ANZ bank, which has a credit rating of AA- (31<sup>st</sup> March 2009). \$999,993 a Crown debtor (2008 \$462,293). There is no procedure to monitor the credit status of other debtors. Other debtors mainly arise from CIC statutory functions.

***Interest Rate Risk***

Financial instruments in the Statement of Financial Position are shown at the carrying amounts, which approximate their fair values. There is a small exposure to interest rate risk for Council’s short-term deposits.

	<b>Actual 2008/09</b>	<b>Actual 2007/08</b>
	\$	\$
Loans and receivables		
Term deposits	165,715	126,431
4 months -1 year maturity		
Maturity date	20 December 2009	20 December 2008
Interest rate	4.72%	8.9%

An increase in interest rate of 100 basis points would lead to extra interest income of \$8,000 (2007 \$8,000).

### **Liquidity Risk**

Liquidity risk is the risk CIC will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, or credit position. Council maintains no overdraft facility with ANZ and manages its cash flows on a daily basis accordingly. (2008 nil). Where Council invests in term deposits there is a small liquidity risk in that to break a term deposit would incur an interest rate penalty.

	<b>Carrying Amount</b>	<b>Contracted Cash Flows</b>	<b>Less than 1 Year</b>	<b>2-5 Years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Creditors & other payables *	2,456,443	2,456,443	2,456,443	-
Income I Advance	507,535	507,535	169,178	338,357
Heartlands Loan - 9% **	200,918	225,930	225,930	0
ANZ Mortgage CH3 - 5.95%	136,888	177,513	18,217	72,869

\*Creditors and other payables excludes employee benefit liabilities and income in advance.

\*\*The Heartlands loan is due to be refinanced on 29th June 2010.

### **Currency Risk**

Council has no currency risk, as all financial instruments are in New Zealand dollars

### **Note 14: Cash Flow Reconciliation**

	<b>Actual</b>	<b>Actual</b>
	<b>2008/09</b>	<b>2007/08</b>
	<b>\$</b>	<b>\$</b>
Reported Surplus/(Deficit) for the year	1,547,809	1,129,616
<b>Add back Non Cash Items:</b>		
Depreciation	1,522,759	1,193,731
Amortisation	137	-
Loss on Disposal of Assets	3,198	52,371
Increase in Provisions	6,667	40,000
<b>Movement in Working Capital Items:</b>		
(Increase)/Decrease in Debtors	(629,442)	468,002
Increase/(Decrease) in GST Payably/Receivable	(236,844)	(519,128)
Increase/(Decrease) in Creditors	302,752	78,223
Increase/(Decrease) in Grants in Advance	203,369	(40,222)
Increase/(Decrease) in Employee Entitlements	(1,202)	25,859
<b>Net Cash flow from Operating Activities</b>	<b>2,719,203</b>	<b>2,428,452</b>

## Note 15: Remuneration of Elected Members & General Manager

### Elected Members Remuneration

The following people held office as elected members of the Council's governing body during the reporting period. The total remuneration paid to the Mayor and eight Councillors during the year totalled \$101,941 (2008 \$95,623).

		<b>Actual 2008/09</b>	<b>Actual 2007/08</b>
		<b>\$</b>	<b>\$</b>
Patrick Smith	Mayor	41,100	39,500
Alfred Preece	Deputy Mayor	12,000	11,400
Monique Croon		7,000	6,777
Donna Gregory – Hunt (until October 2007)		-	2,803
Antoinette Gregory- Hunt		7,000	6,777
Nigel Ryan		7,000	5,757
Nathaniel Whaitiri		7,000	5,757
Bruce Mills (Until November 2008)	From Nov	2,924	5,757
Eva-Cherie Tuck		7,000	6,777
Philip Christiansen (From October 2007)		7,000	4,318
Jeffrey Ian Clark (From February 2009)	From Feb	2,917	-
		<hr/>	<hr/>
		100,941	95,623

### General Manager Remuneration

The General Manager of Council was appointed in accordance with Section 42 of the Local Government Act 2002. The total cost, of salary and benefits paid during the year including fringe benefit tax was \$153,425 (2008 \$150,031).

### Severance Payments

For the year ended 30 June 2009 the Council made no severance payments (2008 \$nil).

#### Note 16: Related Parties Transactions

A party is related to an entity if the party controls the entity, or is a member of the key management personnel of the entity, or the party is a close member of the family of any individual referred to. During the year the following payments were made to Councillors or their spouses, children or dependants or to companies or firms in whom Councillors had ownership interests. The spouse of a member of key management personnel is employed by the Council the terms and conditions of this employment are no more favourable than the Council would have adopted if there was no relationship.

	<b>Councillor</b>	<b>Description</b>	<b>Actual 2008/09 \$</b>	<b>Actual 2007/08 \$</b>
AMW & R Preece	A Preece	Plant Hire & Refuse Site Lease Te Whanga Opening	17,179	6,435
V Mills	B Mills	Cleaning Services	5,168	11,465
Waitangi Hardware	M Croon	Hardware & fuel	3,889	3,895
Black Robin Freighters	M Croon	Shipping services	1,483	3,668
N Ryan	N Ryan	Oil Spill Maintenance	-	1,080
			<u>27,719</u>	<u>26,543</u>

During the year the following payments were made to key management personnel (being the General Manager & the Finance Manager) and Mayor and Councillor's honorarium.

	<b>Actual 2008/09 \$</b>	<b>Actual 2007/08 \$</b>
Total compensation of key management personnel.	<u>330,845</u>	<u>309,649</u>
Short term employee benefits	<u>330,845</u>	<u>309,649</u>

#### Note 17: Statement of Contingencies

As at 30 June 2009 there are no contingent liabilities that Council is aware of (2008 \$ nil).

Council has been told that the Department of Internal Affairs will reimburse the use of money interest amounting to \$180,158 relating to 2008 arising from their failure to pay GST on Grants made to Council dating back to 2005.

**Note 18: Statement of Commitments**

As at 30 June 2009 the Council has capital or operating lease commitments as set out below.

<b>Contract Commitments</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Not later than 1 Year</b>	1,966,535	2,275,205
<b>Between 2–5 Years</b>	178,998	-
<b>More than 5 Years</b>	-	-

In June 2004 the Council awarded a contract for road maintenance services to Works Infrastructure Ltd (Downer Edi Works) for the period July 2005 to June 2007 with two one year rights of renewal which the Council exercised. The contract has been extended again for 4 months until October 2009.

In February 2005 a contract for assistance with Regional Council Services for the period February 2005 to January 2009 was awarded to Environment Canterbury. The contract was renewed for a further term through to 30 June 2012 in August 2009.

The Council has a contract with Downer Edi Works for 1 September 08 to 31 August 2011 for water and sewerage operations.

The Council has a contract with MWH for professional services (including water investigations) from 28 August 2008 until 31 August 2009.

The Council has a contract with Quotable Value for database management and information for a three year period commencing 1 July 2008.

The council has a contract of indeterminate length for building control functions. There is no cost to the Council as work is performed on a user pays basis.

**Note 19: Subsequent Events**

Subsequent to balance date Council signed contracts with Environment Canterbury to provide assistance with regional council activities and pest management services.

## Chatham Islands Statistics

	30 June 2009	30 June 2008
<b>Area and Population</b>		
Date of Constitution for Territory	1995	1995
Area - sq km	963	963
Population	612	612
Note: Source of Population Statistics, Statistics New Zealand Demographic Trends, published January 2007(usually resident population)		
<b>Valuation</b>		
Rateable properties - no. of	536	536
Non-rateable properties - no. of	102	102
Gross capital value	107,769,950	107,704,950
Net capital value (i.e. Capital value of rateable property)	97,476,800	97,476,800
Gross land value	50,794,800	50,794,800
Net land value (i.e. Land value of rateable property)	46,707,300	46,707,300
Date of last revision	September 2006	September 2006
<b>Rates and Rating</b>		
Total rates struck (incl GST)	406,974	386,130
System of Rating	Capital Value	Capital Value
<b>Council Dues</b>		
Dues collected from Air	49,186	56,221
Dues collected from Sea	182,933	202,616
<b>Public Debt</b>		
Public Debt Outstanding	427,806	206,343
Unexercised loan authorities	250,000	250,000
<b>Building Consents</b>		
Value of consents (2008 includes Owenga Wharf \$1.46m)	991,820	3,356,642
New Houses	3	2
CCC took over the Building Consent function 1 <sup>st</sup> May 2009 and no data is available.		

## **Appendix I – 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 NZTA 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.

**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.