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WELCOME TO THE 2009/10 ANNUAL REPORT

This document sets out the Council's performance against its goals, to the end of June 2010. The year has been full of both challenges and achievements.

Governance

In January 2010 Council's long serving Mayor, Mr Patrick Smith QSM, retired from office for personal reasons. Patrick Smith was first elected to the Chatham Islands County Council in 1966 as a Councillor. He was elected to the Office of Mayor following the Local Government Reforms in 1989, a position he held until his retirement. We acknowledge Patrick's service to these Islands and wish him well for the future. As the retirement of the Mayor occurred within twelve months of the next election, Council elected Councillor Alfred Preece to the position until the October 2010 elections.

During the year Council worked closely with the Chatham Islands Enterprise Trust in response to the Governance Review undertaken by Hugh Rennie and Basil Morrison. This work is ongoing and we look forward to finding a result that meets the Islands' needs.

Owenga Wharf

The Owenga Wharf was officially opened in late January by Hon Annette King MP for the Chatham Islands. This project had been on Council's books for a number of years awaiting financial support. This finally came through the New Zealand Transport Agency, which provided 87% of the estimated \$1.6m cost. It was pleasing to see the project completed ahead of time and within budget which was a credit to the engineers and contractors involved. It was also pleasing to see Hunter Makeri Contracting win an award at the New Zealand Contractors' Federation Conference.

Roading Contract

Towards the end of the year Council awarded a contract to Downer NZ for another five year period. The Council was one of the first in New Zealand to produce a compliant Procurement Statement which permitted renewal by negotiation. The contract, with a value of \$15m, was the largest signed in the Council's history.

Resource Management

During the year the Council issued three resource consents for major projects being, the Owenga Wharf, the wind turbine generators at Owenga and the proposed wave power generation at Durham on the South Coast. All consents were issued on time without the need for a full hearing as applicants and submitters were able to agree on consent conditions. This saved both the applicants and the Council considerable expense and eliminated opportunity for appeals.

Financial Results

This Annual Report details the financial results for the year, most of which can be described as satisfactory. One area that was, and still is, a test for Council was its cash flow. The tight cash position Council is in has been caused by the slow and often erratic payment of Council Dues by shipping companies serving the Islands. Council has been reluctant to take actions against the companies as the community has, for the first time in a long while, enjoyed enough capacity to serve its transport needs. Council is a preferential creditor under the Chatham Islands Council Act 1995, a position which provides some comfort.

Conclusion

We continue to work hard to ensure progress for these Islands. We extend our thanks to the Council Staff, Consultants and Contractors, and look forward to another year of progress

Alfred Preece

Mayor

Owen Pickles

General Manager

INTRODUCTION

The Chatham Islands Council is required by law every year to prepare and adopt its annual report.

The purposes of the annual report are –

- (a) To compare the actual activities and the actual performance of the Council with the planned level of performance, as set out in the LTCCP 2009-19, for the year in question.
- (b) To promote the local authority's accountability to the Chatham Islands community for decisions made during the year.

Each annual report must be completed and adopted, by resolution, within 4 months of the end of the financial year. It must be made publically available one month after adoption.

The Chatham Islands Council has identified six Groups of Activities in its LTCCP, against which results will be reported. These are:

- Democracy Services
- Infrastructural Services
- Community and Regulatory Services
- Environmental Services
- Emergency Management
- Coasts, Harbours and Navigation.

The annual report must:

- a) identify the activities within the group of activities;
- b) identify the community outcomes to which the group of activities primarily contributes;
- c) report the results of any measurement of progress towards community outcomes;
- d) describe any identified effects of the activity on community well-being;
- e) include an audited statement-
 - i) setting out a comparison between actual levels of service provision and intended levels of service provision as a set out in the LTCCP;
 - ii) giving reasons for any significant variance;
- f) include an audited statement-
 - i) describing any significant acquisitions or replacement of assets;
 - ii) the reasons for the acquisition or replacement;
 - iii) give the reasons for the difference between actual replacements and acquisitions and those projected in the LTCCP.

Local Government Act 2002 s98 and Part 3 of Schedule 10.

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 which came into effect on 1st July 2009.

The community outcomes contained in the 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 which 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 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.	The major theme of this year's Council activity has been to make progress on governance as the key to securing much needed Government support for key infra structure projects such as the Waitangi Wharf replacement, breakwater airport runway extension, and Pit Island Wharf.	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 continues. Quarterly reports were sent to the Department of Internal affairs outlining activities generally, and activities under the contract with Environment Canterbury for assistance with regional and corporate service functions. Council has been developing its relationship with software providers, as its financial system ACS is coming to the end of its supported life.	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.	Council has been working with the Hokotehi Moriori Trust in relation to ownership of the Kaingaroa water scheme. And, in seeking a site for the transfer station and land fill.	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 2009/10	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, 57% of respondents were confident or very confident , 19% not confident or not very confident and 24% had no opinion that Council decisions are made in the best interests of the community. This year's result is less than the target of 85% set in the LTCCP, but more than the 48% in the 2008-2009 Annual Report.
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, 75% of respondents were satisfied or very satisfied , 9% dissatisfied or very dissatisfied and 16% had no opinion. Again, this year's result is lower than the 85% set in the LTCCP but a significant improvement on the 59% reported in the 2008-2009 Annual Report.
Voter turnout	In top quartile of New Zealand Territorial Authorities greater than 60%	No contested elections. Elections to be held in October 2010, and the results will be reported in the 2010/11 Annual Report.

2. Meeting legislative requirements for governance, planning and reporting

Measure	Targets for 2009/10	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%.	Achieved.
LTCCP/Annual Plan and Annual Report compliant with the Local Government Act 2002.	Audited without qualification.	Achieved. Audited without qualification.
The Council's governance statement is kept up to date.	Kept up to date with legal requirements.	Achieved. An up-to-date governance statement that meets legal requirements is in place.

Cost of services statement

DEMOCRACY	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Revenue			
General Funds	230,782	165,957	208,808
Grant Regional Council Support	351,490	337,994	270,969
User Pays and Other Income		-	178
Total Revenue	582,272	503,951	479,955
Operating Expenditure	706,383	625,468	621,278
Operating Surplus/(Deficit)	(124,111)	(121,517)	(141,323)
Capital and Reserves Funding Requirements			
Operating Deficit	124,111	121,517	141,323
Capital Expenditure	9,763	5,100	11,085
Total Funding Required	133,874	126,617	152,408
Funded by:			
Transfers from (to) General Reserve	133,874	126,617	152,408
Total Funding Applied	133,874	126,617	152,408
Operating Expenditure includes:			
Elected members	108,349	111,950	123,793
Local Government NZ	24,318	37,450	23,091
Election Expenses	5,173		1,996
Servicing Costs	490,147	398,404	421,737
Economic Development	20,221	22,481	-
Regional Council Contract	58,175	55,183	50,661
Operating Expenditure	706,383	625,468	621,278

Financial commentary

Actual general funds are higher than the figure in the annual plan reflecting a change in the allocation of general funds across the groups of activities. In the other groups of activities there were some variations from expected expenditure which reduced their requirement thus making more general funds available to the Democracy group of activities. Operating expenditure increased this year as overheads were slightly higher and more was spent on the Environment Canterbury contract this year. There will be equivalent savings in later years of the Environment Canterbury contract.

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"> • Adhered to the road maintenance programme. • Initiated the design of the beach access off Fish Factory Road. • Owenga seal extension sub-base course work completed. 	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"> • Installed new kerb and footpaths along Waitangi Wharf to Owenga Road. • Vegetation controlled re sight distances. • Undertook safety inspection. • Delineation project completed • Whangatete Bridge resource consent obtained. 	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 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"> • Completion of the Owenga Wharf. 	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, smooth and well-maintained and managed road network

Measure	Targets for 2009/10	Actual
The percentage of maintenance work identified in the Annual Roothing Strategy undertaken.	100%.	100% of maintenance work identified.
Number of motor vehicle crashes causing inquiry	Less than three injury crashes.	There were five motor vehicle crashes causing injury. The crash data relates to the 2009 calendar year as this is the most recent information available. This data was sourced from the NZTA CAS database.
The percentage of projects identified in the Annual Roothing Strategy to address black/grey accident spots completed.	100%.	100%. No black/grey spots.
The number of infestations of plant pests within the road reserve found in quarterly inspections.	None.	No infestations reported. Plant infestation is based primarily on no observed infestations during MWH's quarterly network inspections. This is also supported by no public complaints being received.
The number of requests or complaints about the road network.	No more than 10 complaints a year.	In total nine complaints were received. There was one pothole complaint, one slip complaint, two blocked culvert complaints, one damaged fence complaint, two road sign complaints, one grading request and one bridge plank lifting complaint. Complaints were addressed through the work programme.
The time to respond to written requests or complaints.	100% within five working days.	Depending on the nature of the request/complaint these are addressed by either Downer EDI or MWH.

		<p>100% of requests/complaints received by Downer EDI to action are responded to within five working days.</p> <p>69% of requests/complaints received by MWH to action are responded to within five working days. The 31% relating to the inability in response time is due to the nature of the request/complaint and isolation factor in so far as the practicality and timing of on-Islands visits by MWH to response to requests/complaints.</p>
The percentage of residents who are satisfied with the over-all 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, 52% of respondents were satisfied or very satisfied , 32% dissatisfied or very dissatisfied and 16% had no opinion. There was some improvement on the 41% reported in 2008-2009 but still a significant way off the 75% target in the LTCCP.

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. Investigations on a suitable site are still being undertaken.	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:

- a) Leachate from existing landfills polluting the natural environment and entering natural water courses;
- b) Problems with litter from landfills, including risk of injury to stock;
- c) 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 are economically and environmentally sustainable and protects public health.

Measure	Targets for 2009/10	Actual
The percentage of the population within 20km of a transfer station or landfill	75%.	Three refuse sites provided ensuring 75% of residents within 20km.
The number of complaints about facilities	No more than two complaints	Five complaints were received. Complaints related to an excessive build up of solid-waste at sites and roadside rubbish outside of the Waitangi site.

	a year.	
The time to respond to written requests or complaints	100% within five working days of notification.	Achieved. All complaints were responded to within 5 working days. Action taken was the burying of solid –waste at the sites and roadside clean up.

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.	<p>Water levels are monitored and tested regularly, but due to logistics and cost has not met the new requirements of the NZ Drinking water standards, despite all testing being clear of contaminants. The pump required replacement this year. Demand management continues to be an issue in Waitangi, and there was a leak at the wharf.</p> <p>Access to water for emergency events (access to fire hydrants).</p> <p>Council has been requested by the Hokotehi Moriori Trust to take over the Kaingaroa Water scheme. It has agreed in principle, but was</p>	<p>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.</p> <p>There is a benefit to social, economic, and environmental well-being by reducing the threat to the community, industry and the environment.</p>

	<p>awaiting certain valuation information to finalise the deal.</p> <p>Drilling for a new bore was carried out in Owenga in anticipation that the Government will approve the grant application. This was because the rig was on island and the high cost of getting it back.</p>	
A community that promotes economic development for its fishing, farming and tourism industries.	Council has put in formal grant applications to upgrade the water supply in Owenga, and Kaingaroa, and for a second non potable supply in Waitangi. The Government criteria are currently under review, with no decision made yet.	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 2009/10	Actual
Compliance of monthly water quality testing with New Zealand Drinking Water Standards.	100 % compliant.	Due to changes to standards and cost and logistics this target is not achieved. Weekly testing by Downer EDI indicates the absence of contaminants.
The percentage of customers who are satisfied with the Waitangi water supply scheme.	80% of customers are satisfied or very satisfied. (Measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied).	32% of respondents (35) were connected to the Waitangi water supply. Of those that were connected, 68% (23) were satisfied or very satisfied , 18% (6) dissatisfied and 15% (5) had no opinion. Satisfaction with the water supply was 77% in 2008/2009 and there is still some way to go to reach the LTCCP target of 80%.
The number of complaints about the water supply.	No more than five complaints a year.	Achieved . Two complaints were received. These complaints were for the loss of water

		service.
The time taken 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.	Achieved. Complaints responded to immediately. No supply outages for greater than eight hours.

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 was carried out in 2007/08 so was not necessary this year. Council remains vigilant about rising lake levels.	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. Managing the level of Te Whanga and minimising flooding of land

Measure	Targets for 2009/10	Actual
The frequency of opening Te Whanga outlet	Te Whanga outlet will be opened a minimum of once every two years or more frequently as required.	No opening required during 2009/2010.

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 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. Resource consent conditions were met.	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/Mori relationship with their accustomed environment is not affected by any adverse reactions the wastewater system may have on the environment.
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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

Measure	Targets 2009/10	Actual
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.	Achieved. 100% compliance, other than minor non-compliance with nil or minor short-term adverse environmental effects
The number of complaints about odours or any other nuisances	No more than two complaints a year.	Achieved. No complaints about odours were received.
The time taken 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.	Achieved . Downer NZ Ltd is responsible for responding to complaints for loss of service. No complaints were received.

Cost of services statement

INFRASTRUCTURE SERVICES	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Revenue			
General Funds	437,083	364,166	474,698
Targeted Rates	178,424	181,836	170,484
Grant - New Zealand Transport Agency (NZTA)	3,577,076	4,556,751	3,450,226
Grants -Other	-	902,067	722
User Pays and Other Income	19,451	1,020	5,160
Total Revenue	4,212,034	6,005,840	4,101,290
Operating Expenditure	3,103,012	3,105,442	2,585,883
Operating Surplus/(Deficit)	1,109,022	2,900,398	1,515,407
Capital and Reserves Funding Requirements			
Capital Expenditure	3,147,614	4,980,361	3,272,372
Te Whanga Opening Reserve	-	5,000	-
Total Funding Required	3,147,614	4,985,361	3,272,372
Funded by:			
Operating Surplus	1,109,022	2,900,398	1,515,407
Depreciation	1,788,147	1,814,768	1,416,676
Transfers from (to) General Reserve	250,445	270,195	340,289
Total Funding Applied	3,147,614	4,985,361	3,272,372

Financial commentary

Roading spending varied significantly this year from the expected annual plan figures however approved roading projects not completed this year, but approved for NZTA funding, will be expended next financial year. Some delays have been experienced getting consent to proceed with the new landfill and transfer stations. And grant applications have been submitted to the Ministry of Health for water schemes but the government has put the programme on hold.

Operating Expenditure includes:			
Roads	2,683,146	2,557,461	2,165,277
Solid Waste	61,445	225,032	40,725
Water	192,363	162,182	168,648
Stormwater	4,142	4,450	12,091
Wastewater	161,916	156,317	199,142
Operating Expenditure	3,103,102	3,105,442	2,585,883
Capital Expenditure includes:			
Roading renewals	2,626,500	4,262,861	3,203,672
Roading new projects	436,961	0	0
Solid Waste	2,019	140,000	68,700
Water	82,134	577,500	0
Capital Expenditure	3,147,614	4,980,361	3,272,372

COMMUNITY AND REGULATORY

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.

Community Outcome	Progress made	Impact on well-being
Access to affordable quality housing.	Council would like to build four new community houses, and is exploring funding options. This is a change from the plan to refurbish 2 houses funded by mortgages this year.	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. Museum software was purchased and a Trust set up in July 2010 to administer the museum.	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 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 bio security.	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.	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.

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.

How we check performance

Levels of Service

1. Providing community services

Measure	Targets for 2009/10	Actual
The percentage of residents who are satisfied with community services.	85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied dissatisfied or very dissatisfied).	Overall, 73% of respondents were satisfied or very satisfied, 17% dissatisfied or very dissatisfied and 11% had no opinion. There has been a good increase from the 59% identified in 2008-2009 and there is still a way to go to reach the CILTCP target of 85%.
The number of complaints about community services	No complaints.	Actual – Community buildings, 10 leading lights, 1 Community housing, 20.
Time taken 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.	Achieved. There were 10 complaints for community buildings, 20 complaints for community housing and 1 complaint for leading lights.
Compliance with NZS 5828 for safety of playground equipment	100% compliance.	Achieved.
The occupancy rate for council housing	Greater than 95%.	Achieved . 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	Two new houses.	No increase in the number of social housing.
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2. Provision of a local library service

Measure	Targets for 2009-10	Actual
Community satisfaction with the existing Library service	100%.	Achieved – (in response to question: “How satisfied are you with community services such as the maintenance of parks, council buildings and cemeteries, <u>the library</u> and the provision of grants?” , Overall, 73% of respondents were satisfied or very satisfied , 17% dissatisfied or very dissatisfied and 11% had no opinion. There has been a good increase from the 59% identified in 2008-2009 and there is still a way to go to reach the CILTCP target of 85%.
Renewal of library books	Books renewed every six weeks.	Achieved. Books are renewed every six weeks through Council’s arrangement with Wellington City Council.

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 1st 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.	From 1st May Christchurch City Council took over accredited building control status for the Islands. An inspector visited the islands in February 2010.	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 2009-10	Actual
The percentage of applications processed within statutory timeframes	95%.	Liquor Licenses – achieved 100%. 14 new liquor licenses were issued. Building Consents – achieved 100%. The Chatham Islands Council no longer issues building consents. This function is performed by Christchurch City Council.

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

Measure	Targets for 2009-10	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.	Achieved. One inspection undertaken by a Health Protection Officer through Council's arrangement with Hawkes Bay District Health Board.
The number of complaints about non-compliance with consent conditions	No more than five complaints a year.	Achieved. No complaints received.
Time taken 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.	Achieved.

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 2009-10	Actual
The number of complaints about dog and animal control	No more than five complaints a year.	Not achieved. 5 dog complaints, 16 stock complaints.
The time taken to respond to complaints	100% are responded to as follows:	Achieved.

	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> a. No dog attacks reported that required responding to. b. No incidences on possible threats to public safety received. c. Achieved. Complaints received were minimal. All complaints were responded to within required timeframes. d. Achieved. Complaints received were minimal. All complaints were responded to within required timeframes.
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.	Not achieved. One inspection undertaken.
The percentage of residents who are satisfied with dog and animal control services	100% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied)	Overall, <u>55% of respondents were satisfied or very satisfied</u> with dog and animal control, 27% dissatisfied or very dissatisfied and 18% had no opinion. These figures are significantly less than the 100 % identified in the CILTCP and an increase on the 48% reported in 2008-2009. The combining of dog and stock control in the question may be a factor in the result.
The level of cost recovery achieved through registration fees and fines	100%.	Not achieved. 63% cost recovery.

Cost of services statement

COMMUNITY & REGULATORY	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Revenue			
General Funds	248,228	260,763	376,569
Grants – Other	40,486	22,900	38,932
User Pays & Other Income	92,612	104,514	110,260
Total Revenue	381,326	388,177	525,761
Operating Expenditure	496,730	571,427	699,671
Provision for Pitt Island Barge Society Refund of Dues	48,000	-	(20,000)
Operating Surplus/(Deficit)	(163,404)	(183,250)	(193,910)
Capital and Reserves Funding Requirements			
Operating Deficit	163,404	183,250	193,910
Capital Expenditure	14,182	300,000	128,288
Loan Repayments/(Drawdowns)	(73,313)	(369,153)	5,537
Total Funding Required:	104,273	114,097	327,735
Funded by:			
Operating Surplus	-	-	-
Depreciation	34,275	46,976	32,215
Transfer from/(to) General Reserve	69,998	67,121	68,520
Mortgage Funding	-	-	227,000
Total Funding Applied	104,273	114,097	327,735
Operating Expenditure includes:			
Community Services	424,440	469,055	592,362
Licences and Building	97,334	77,213	80,585
Dogs and Animal Control	22,956	25,159	26,724
Operating Expenditure	544,730	571,427	699,671

Financial commentary

During the year the Pitt Island Barge society was reimbursed with the amount being less than anticipated resulting in a net \$24,000 credit to expenditure.

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

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 regional resource management responsibilities.</p> <p>Environment Canterbury has been keeping a watching brief on the aquaculture reforms and the Coastal policy statement. The latter has been delayed.</p> <p>Initial discussions were held around the need to update the resource management document, and a project plan will be scoped and drawn up.</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. Authorising the use of natural and physical resources

Measure	Targets for 2009-10	Actual
The percentage of resource consents processed within statutory timeframes	100%	Achieved. Three consents issued for the Owenga wharf, wind turbine generators and wave power generation.

2. Responding to breaches of the Resource Management Act

Measure	Targets for 2009-10	Actual
The time taken to respond to and initiate investigations for: <ul style="list-style-type: none"> • breaches of the Resource Management Act • breaches of consent conditions 	Within one hour of notification	No complaints received.
The time taken to develop a plan to resolve individual breaches	80% within one week and 100% within one month	No complaints received.

3. Keeping the Resource Management Document compliant and up-to-date

Measure	Targets for 2009-10	Actual
Efficiency and effectiveness review of the Chatham Islands Resource Management Document	Review completed 2009/10 and will be repeated in 2014/15.	To be completed
Full review of the document	2010/11.	Yet to be undertaken.
Changes to the Chatham Islands Resource Management Document are drafted, so as to give effect to the New Zealand Coastal Policy Statement (NZCPS) as necessary	2010/11.	Yet to be undertaken.

4. Maintaining the water quality of Chatham Islands streams and rivers

Measure	Targets for 2009-10	Actual
Nutrient concentrations	Annual median nitrogen concentrations (DIN) are maintained or reduced.	Actual for 2009/10, baseline data shown. See figure 1.1

Stream	DIN
Awamata Stream	0.01275
Awatotara Creek	0.00625
Te Awainanga River	0.0095
Washout Creek	0.0845
Whangamoe Inlet Stream	0.022
Trib draining Rakautahi	0.01725
Blind Jims Creek	0.00725
Waitaha Creek	0.01825
Mangape Creek	0.08575
Mangahou Stream	0.01975
Te One Creek	0.0175
Waitamaki Creek	0.01725
Waimahana Creek	0.01475

5. Maintaining the water quality of Chatham Island lakes

Measure	Targets for 2009-10	Actual
The trophic state (Trophic Level Index) of lakes	The TLI of lakes is not increasing.	Actual for 2009/10, base line data shown. See figure 1.2

LAKE	2009/10
Tennants	MESO
Rangitai	MESO
Huro	HYPER
Te Wapu	SUPER
Marakapia	EUTRO

Hypertrophic
Supertrophic
Eutrophic
Mesotrophic
Oligotrophic

6. Maintaining the water quality of Te Whanga

Measure	Targets for 2009-10	Actual
The percentage of times a year when chlorophyll concentrations at a site are less than 4 milligrams per litre (ANZECC 2000 trigger value)	The percentage is increasing.	Actual for 2009/10, baseline data shown. See figure 1.3

Site - Te Whanga Lagoon	Date	Chl. a (plankton)
Northern Basin	18-Sep-09	20.5
	14-Dec-09	6.7
	17-Mar-10	18.7
	12-Jun-10	6.2
Central Basin	17-Sep-09	1.4
	10-Dec-09	0.9
	16-Mar-10	2.1
Southern Basin	10-Jun-10	7.9
	18-Sep-09	7.3
	12-Dec-09	0.7
	16-Mar-10	4.2
	10-Jun-10	1.3

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
<p>A community that protects, sustains and enriches the environment for future generations.</p>	<p>A new three year contract for Pest Management Services was signed with Environment Canterbury in August 2009, fully funded by the Government. Alison Turner was appointed as Environment Canterbury officer responsible for Pest Management on the Chatham Islands. Alison has been equipped with a Ute and quad bike to assist her role. Alison is the visible face of the Pest Management strategy, behind the scenes much additional work has been progressing. Land care Research was contracted by Environment Canterbury to produce advice on best practice scientific methodology for carrying out pest surveillance. This will be used by Environment Canterbury's other contractor SPS Biosecurity LTD in its surveillance work. Of particular note this year was the detection and eradication of a species of cockroach not known on the Chatham Islands. A marine Biosecurity Partnership has been established between the Council Environment Canterbury and Doc. This group has drawn up an action list around key vectors of pest introduction. The initial costing is \$75,000. Funding is being sought, as Council went into the arrangement on a zero available funding basis.</p> <p>Work continues with landowners on property plans.</p> <p>Surveillance, training and education was carried out at shipping ports by SPS Biosecurity. Funding for incursion response is held by Environment Canterbury, and was used to employ a rat dog on Pitt following an alarm concerning a rat's nest that proved to be false.</p> <p>See the Council's web site for SPS Annual Report on activities.</p>	<p>There is a benefit to social, economic, environmental and cultural well-being through the engagement of a team to address Council's Biosecurity threats through 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.</p>

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. Preventing the arrival and establishment of new pests

Measure	Targets for 2009-10	Actual
Results of inspection of at risk sites	Improving trends.	Surveillance programme based on Land Research NZ Ltd. Criteria has been put in place for high risk species on Chatham Island and Pitt Island. No detections of the presence of high risk species has been found.
Maintaining an internal border between Chatham Island, Pitt Island and New Zealand	Training provided to freight handlers at major ports supplying the Chatham Islands. Establishing a partnership with Biosecurity NZ to develop a marine Biosecurity plan as a part of the internal border.	Achieved. Training provided to freight handlers at major ports supplying the Chatham Islands Plan completed and funding obtained
Public awareness	Regular media coverage of pests.	Achieved. Articles were written for the local newspaper, the Chatham Islander,

2. Monitoring and enforcing operational and property plans

Measure	Targets for 2009-10	Actual
Results of enforcement action to ensure landowners and occupiers do not introduce, sell, propagate or distribute pest species	80% of plans implemented.	No enforcement action required in 2009/10.
Results of enforcement action to ensure landowners carry out control of feral goats and gorse		

Cost of services statement –

ENVIRONMENTAL	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Revenue			
General Funds	41,023	51,771	51,567
Grants Regional Support	679,832	655,487	355,179
User Pays & Other Income	2,952	5,000	8,469
Total Revenue	723,807	712,258	415,215
Operating Expenditure	748,286	716,665	424,354
Operating Surplus/(Deficit)	(24,479)	(4,407)	(9,139)
Capital and Reserves Funding Requirements			
Operating Deficit	24,479	4,407	9,139
Transfer to RMA Document Fund	7,814	-	39,284
Total Funding Required:	32,293	4,407	48,423
Funded by:			
Operating Surplus	-	-	-
Transfers from RMA Document Fund	-	143,000	-
Transfer from General Reserve	32,293	(138,593)	48,423
Total Funding Applied	32,293	4,407	48,423
Operating Expenditure includes:			
Resource Management	366,185	350,626	318,335
Biosecurity	382,101	366,039	106,019
Operating Expenditure	748,286	716,665	424,354

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

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.	Work has been completed 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. The second plan is for Civil Defence deployment	Well trained volunteers and staff ensure better management and protection for the community's well-being. Building relationships ensures open lines of communication and helps gauge that community well-being is being accomplished.

	<p>from NZ which is now complete. The Chatham Islands Rural Fire Plan was also completed. CIC was donated 3 sirens for the Island, these have been deployed and were activated in the recent Feb 2010 Chile tsunami alert. Communications were strengthened following the tsunami, with the purchase by Environment Canterbury for CIC of a Began satellite system, and the purchase of six handheld radios. The final output from the 2005 CD Plan will be completed in October 2010 with a tsunami exercise. This was delayed from earlier this year due to the real thing occurring. There were no fires this fire season except headaches and unnecessary work caused by people continuing to light fires in the dump.</p>	
A community that promotes economic development for its fishing, farming and tourism industries.	There were no major meetings on the Chatham Islands in 2009/10, but a monitoring and review team from the Ministry of Civil Defence is planned to visit to review the CD set up in August 2010.	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 proactive in the understanding and 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

Measures	Targets for 2009-10	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	a. Achieved. The Emergency Operations Centre have essential emergency management equipment, control facilities and communication systems in place. b. Achieved. All staff and volunteers are appropriately trained and resourced. Staff and volunteer training is on-going.
The percentage of members of the multi-agency response team who have completed basic specialist emergency services training	80%.	44% (nine members, four holding certificate in Emergency Management Training).
The percentage of residents who consider they are prepared and know what to do in an emergency	75% of residents are well prepared or prepared on a scale of well prepared, prepared, not well prepared.	a. 20% have a home civil defence kit. b. 60% know where to go in an emergency. c. This is the first year that this question has been asked and there is, therefore, no previous data available. Overall, <u>80% of respondents felt they were prepared or well prepared</u> . 15% felt they were not prepared or not very well prepared and 6% had no opinion. This exceeds the target of 75% in the LTCCP.

2. Encouraging lifelines utilities to increase resilience

Measures	Targets for 2009-10	Actual
The percentage of lifelines utilities that have identified the hazards with potential to affect their infrastructure	100%.	100% of Chatham Islands' infrastructure would be impacted by the occurrence of a natural hazard. Hazard Risk Management Plan in place

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

Measures	Targets for 2009-10	Actual
The effectiveness of recovery assistance after emergencies	Subject to the scale of the emergency and the level of demand:	One tsunami alert had occurred during 2009/10 that resulted in response action being taken

	<ul style="list-style-type: none"> a. Immediate welfare needs of those affected have been met b. Systems have been established or reinstated to assist individual and community self-sufficiency c. Essential services have been restored to minimum operating levels. 	<ul style="list-style-type: none"> a. Yes. Two welfare centring were activated b. Yes. System established and individual and community self-sufficiency reinstated c. No lifeline utilities were at threat.
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Rural Fire

Levels of service

1. Providing an effective rural fire prevention and response capability

Measures	Targets for 2009-10	Actual
Time taken to respond to events	100 % are responded to within one hour of notification.	No events.

Oil Spill

Levels of service

1. Work closely with providers and community groups to ensure integrated analysis, planning and provision of services to provide a safe

Measures	Targets for 2009-10	Actual
Number of training exercises	At least one water equipment deployment exercise conducted annually.	Achieved. One training exercise undertaken.
Time taken to evaluate reports of oil spills	Oil spill reports evaluated within one hour of notification.	Achieved. Two minor events attended.

Cost of services statement

EMERGENCY MANAGEMENT	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Revenue			
General Funds	81,288	58,608	65,843
Grant - Regional Council Support	21,658	20,882	17,569
Grants- Other	17,413	17,500	4,974
User Pays & Other Income	1,010	-	40,785
Total Revenue	121,369	96,990	129,171
Operating Expenditure	168,523	139,904	177,230
Operating Surplus/(Deficit)	(47,254)	(42,914)	(48,059)
Capital and Reserves Funding Requirements			
Operating Deficit	47,254	42,914	48,059
Capital Expenditure	27,850	25,000	-
Total Funding Required	75,104	67,914	48,059
Funded by:			
Operating Surplus	-	-	-
Depreciation	72,722	5,310	242
Transfer from General Reserve	2,382	62,604	47,817
Total Funding Applied	75,104	67,914	48,059
Operating Expenditure includes:			
Civil Defence	92,667	62,921	111,495
Rural Fire	48,793	49,973	41,370
Maritime Safety	27,063	27,010	24,365
Operating Expenditure	168,523	139,904	177,230

Financial commentary

Travel to New Zealand to work with mainland authorities on Emergency Management was more frequently required and expenditure was ahead of budget as a result.

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

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.	A new wharf has now been provided, principally funded by a grant from the NZTA. This replaces the old unsafe and rotting wharf.	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.	The new wharf will assist with moving stock from Pitt and with development of the fishing industry..	As above.
Access to reliable and affordable transportation services.	The wharf is 97% grant funded from NZTA, which also covered 2.5% of the cost for administration.	As above.
A community that protects, sustains and enriches the environment for future generations.	Consent requirements for Paua beds were followed.	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. The community receives a service which meets its needs for safety

Measure	Targets for 2009-10	Actual
Public satisfaction with administration of bylaws	Establish an upward trend for satisfaction on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied.	Overall, 48% of respondents were satisfied or very satisfied, 6% dissatisfied or very dissatisfied and 47% had no opinion. The results of this question are skewed by the fact that 47% of respondents had no opinion. There is some justification, therefore, to consider the results based on those individuals who did give an opinion which results in 89% being satisfied and 12% dissatisfied. The target for the CILTCP is to 'establish an upward trend' from the 48% in 2008/2009
Formally respond to incidents and deal with complaints within seven days	85% responded to within seven days	Achieved. One incident responded to.

2. Navigational aids are maintained in proper working order

Measure	Targets for 2009-10	Actual
The frequency of inspection of leading lights		Kaingaroa three inspections, Owenga one inspection.
Number of complaints about navigation aids	No more than five a year	Achieved . One complaint was received that related to an outage.
The time to replace outages	Outages replaced within 24 hours	Achieved. One outage was responded to and replaced within 24hours through a Council arrangement with Chatham Island Electricity Ltd.

3. Provide lifeline access between Chatham and Pitt islands

Measure	Targets for 2009-19	Actual
The availability of the Owenga Wharf for safe and efficient movement of people, stock and goods	At all times	Achieved. No reports relating to safety and inefficiency received.

Cost of services statement

COASTS, HARBOURS & NAVIGATION	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Revenue			
General Funds	197,479	197,609	309,280
Grants – (New Zealand Transport Agency)	1,282,204	1,009,000	228,450
Grants – Regional Services	21,020	20,267	21,413
User Pays and Other Income	10,023	12,732	14,779
Total Revenue	1,510,726	1,239,608	573,922
Operating Expenditure	370,769	375,301	149,091
Operating Surplus/(Deficit)	1,139,957	864,307	424,831
Capital and Reserves Funding Requirements			
Capital Expenditure	1,298,298	1,000,000	236,042
Total Funding Required	1,298,298	1,000,000	236,042
Funded by:			
Operating Surplus	1,139,957	864,307	424,831
Depreciation	43,787	199,760	49,962
Transfer from /(to) General Reserve	114,554	(64,067)	(238,751)
Total Funding Applied	1,298,298	1,000,000	236,042
Operating Expenditure includes:			
Regional Council Support	22,248	20,267	21,413
Maritime Safety	20,576	11,955	20,070
Marine Radio	5,821	5,500	18,658
Administration	84,629	63,388	38,988
Depreciation and Write Off of Wharf	237,495	274,191	49,962
Operating Expenditure	370,769	375,301	149,091
Capital Expenditure includes:			
Owenga Wharf Upgrade Work in Progress	1,298,298	1,000,000	236,042
Total Capital Expenditure	1,298,298	1,000,000	236,042

Financial commentary

The Owenga Wharf project cost is higher than the annual plan figure however last year there were funds that were not spent during the 2008/9 year as planned that are more than adequate to cover these costs. Overall the wharf came in under the total budget for the project.

COST OF SERVICES STATEMENT – ALL GROUPS OF ACTIVITIES

ALL GROUPS OF ACTIVITIES	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Revenue			
General Funds	1,235,882	1,268,053	1,486,767
Targeted Rates	178,424	181,836	170,484
Grants (New Zealand Transport Agency)	4,859,280	5,565,751	3,678,676
Grants Capital	-	902,067	-
Grants Regional Functions	1,074,000	1,034,630	665,130
Grants Other	57,899	40,400	44,628
User Pays and Other Income	126,049	123,265	181,230
Total Revenue	7,531,534	9,116,002	6,226,915
Operating Expenditure	5,641,703	5,534,206	4,679,106
Operating Surplus/(Deficit)	1,889,831	3,581,796	1,547,809
Capital and Reserves Funding Requirements			
Transfers to Special Reserves	7,814	5,000	39,284
Loan Repayments	21,687	-	5,537
Capital Expenditure	4,497,707	6,310,461	3,647,787
Total Funding Required	4,527,208	6,315,461	3,692,608
Funded by:			
Operating Surplus	1,889,831	3,581,796	1,547,809
Depreciation and Amortisation	1,886,888	2,156,461	1,522,896
Loan Funding	95,000	369,153	227,000
Transfer from RMA Document Fund	-	143,000	-
Transfer from General Reserve	645,489	65,051	394,903
Total Funding Applied	4,527,208	6,315,461	3,692,608

Performance against budget

Overall NZTA grants were much lower this year as the roading programme was not implemented as expected, this is also reflected in lower expenditure. Projects that did not go ahead this year include the water scheme which did not receive government approval, and proposed upgrades to two community houses which Council has yet to make a decision on. Expenditure on Environment Canterbury services under the contract was greater than budgeted this year, but will be less in future years following the contract renewal. Spending this year on the wharf was higher than the annual plan but funds from last year were available and in total the project is slightly under budget. The old Owenga Wharf and the Whangaetate bridge were written out of the books this year. The increase in doubtful debts was ahead of budget. This increase was due to a 123K doubtful debt that was recognised as a result of Black Robin Ferries being placed in receivership.

Financial Statements
for the year ended
30 June 2010

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 2010 fairly reflect the financial position, results of operations, cash flows and service performance of Chatham Islands Council.



Alfred Preece
Mayor

28 October 2010



Owen Pickles
General Manager

Audit Report

To the readers of Chatham Islands Council's financial statements and service provision information for the year ended 30 June 2010

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 on her behalf. The audit covers the financial statements, the service provision information and the Council's compliance with the other requirements of Schedule 10 of the Local Government Act 2002 that are included in the annual report of the Council for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Council on pages 47 to 74:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Council's financial position as at 30 June 2010; 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 6 to 46:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Council's levels of service provision for the year ended 30 June 2010, including:
 - the levels of service provision as measured against the intended levels of service provision adopted in the long-term council community plan; and
 - the reasons for any significant variances between the actual service provision and the expected service provision.
- The Council has complied with the other requirements of Schedule 10 of the Local Government Act 2002 that are applicable to the annual report, and that are included in the Council's financial statements, service provision information and on pages 4 and 5.

The audit was completed on 28 October 2010, 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, the service provision 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, the service provision 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, the service provision information and the other requirements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether the significant management and system 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 financial and service provision data;
- reviewing significant estimates and judgements made by the Council;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied;
- determining the appropriateness of the reported service provision information within the Council's framework for reporting performance; and
- determining whether all required disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements, the service provision information and the other requirements.

We evaluated the overall adequacy of the presentation of information in the financial statements, the service provision 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 and service provision information 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 2010. They must also fairly reflect the results of its operations and cash flows for the year ended on that date.

The service provision information must fairly reflect the Council's levels of service provision for the year ended 30 June 2010.

The Council is also responsible for meeting the other requirements of Schedule 10 of the Local Government Act 2002 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, the service provision 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 New Zealand Institute of Chartered Accountants. Other than the audit, we have no relationship with or interests in the Council.

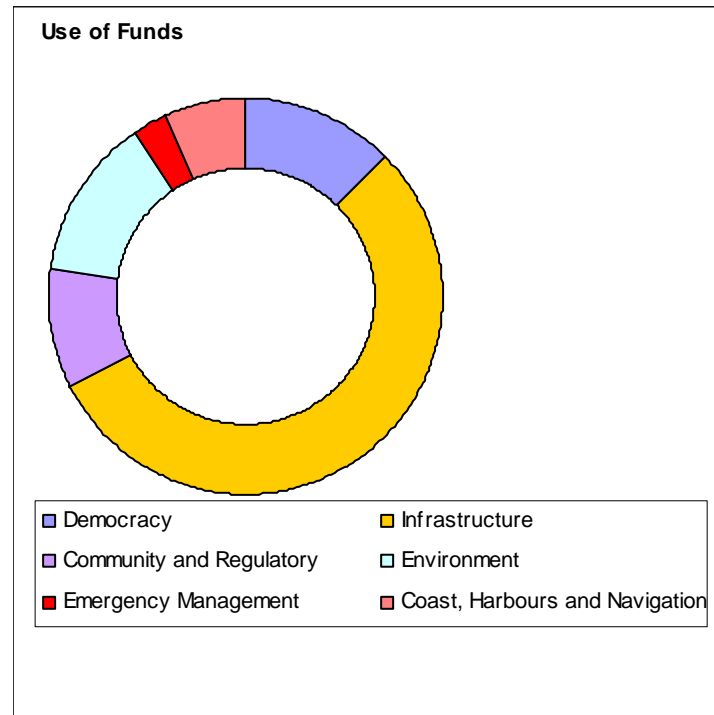
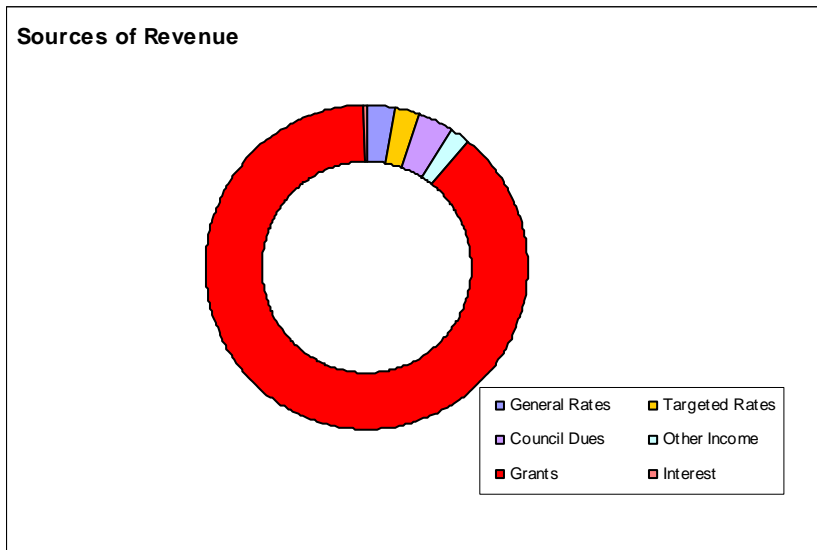


Julian Tan
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Matters relating to the electronic presentation of the audited financial statements, service provision information and the other requirements

This audit report relates to the financial statements, service provision information and the other requirements of Chatham Islands Council for the year ended 30 June 2010 included on Chatham Islands Council's website. The Council is responsible for the maintenance and integrity of Chatham Islands Council's website. We have not been engaged to report on the integrity of Chatham Islands Council's website. We accept no responsibility for any changes that may have occurred to the financial statements, service provision information and the other requirements since they were initially presented on the website. The audit report refers only to the financial statements, service provision 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, service provision 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, service provision information and the other requirements as well as the related audit report dated 28 October 2010 to confirm the information included in the audited financial statements, service provision information and the other requirements presented on this website.

FINANCIAL HIGHLIGHTS



Council Financial Statistics	Actual 2009/10	Actual 2008/09
Proportion of Rates Revenue to Total Revenue	5.4%	6.1%
Proportion of Dues Revenue to Total Revenue	3.7%	3.7%
Net Public Debt (as a percentage of Total Assets)	1.13%	0.95%
Public Debt (per rateable property)	\$923	\$798
Public Debt (per head of population)	\$819	\$699

Council had a surplus of \$1,889,831 (2008/09 \$1,547,809). The ratio of current assets to current liabilities is 77.23% (2009 87.8%) with a contingent asset of \$180,158 which council now expects to collect. Council is holding significant income in advance, which has been classified as a current liability.

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 2010. The financial statements were authorised for issue on 28 October 2010.

Basis of Preparation

These financial statements have been prepared in accordance with NZ GAAP including the going concern basis. Council has adopted the going concern assumption on the basis that it will continue to receive operational funding from Central Government in order for it to fulfil its required regional and territorial local government responsibilities. 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.

There have been no changes in accounting policies other than changes in presentation required under NZ IAS 1 and disclosures required under NZ IAS 7. These policies have been applied on a basis consistent with those used in the previous period.

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 year 1 of the LTCCP2009/19.

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:

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

Asset	Years
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	50 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 COMPREHENSIVE INCOME

For the Year Ended 30 June 2010

	Note	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Revenue				
Rates	2	404,510	393,336	379,071
Grants & Subsidies	2	6,699,358	8,290,397	5,347,234
Council Dues		282,114	265,000	232,119
User Pays, Fees & Charges		126,049	123,265	174,293
Interest		14,003	44,004	86,360
Other Revenue		5,500	-	6,239
Total Revenue	1	7,531,534	9,116,002	6,225,316
Expenditure				
Depreciation and Amortisation	3	1,886,888	2,156,461	1,522,896
Employee Benefits	3	518,484	509,943	457,986
Financing Cost	3	30,325	33,687	10,023
Other Expenditure		3,206,006	2,834,115	2,686,602
Total Expenditure	1	5,641,703	5,534,206	4,677,507
Total Surplus/Deficit	1	1,889,831	3,581,796	1,547,809
Other Comprehensive Income				
Increase/(decrease in Revaluation Reserve)	12	247,846	-	(358,750)
Total Other Comprehensive Income		247,846	-	(358,750)
Total Comprehensive income		2,137,677	3,581,796	1,189,059

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2010

	Note	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/9 \$
Equity at the start of the year		41,722,364	42,076,766	40,533,305
Total Comprehensive Income		2,137,677	3,581,796	1,189,059
Equity at the end of the year	12	43,860,041	45,658,562	41,722,364

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 2010

	Notes	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Current Assets				
Cash & Cash Equivalents	4	-	-	617,176
Investments		173,530	-	165,715
Trade and Other Receivables	5	847,554	566,060	1,467,062
		<u>1,021,084</u>	<u>566,060</u>	<u>2,249,953</u>
Non Current Assets				
Property, Plant & Equipment	7	45,251,814	47,131,882	42,707,915
Intangible Assets	6	3,585	-	788
		<u>45,255,399</u>	<u>47,131,882</u>	<u>42,708,703</u>
Total Assets		<u>46,276,483</u>	<u>47,697,942</u>	<u>44,958,656</u>
Current Liabilities				
Trade and Other Payables	8	1,174,784	899,317	2,218,767
Employee Benefit Liabilities	9	56,116	-	45,194
Current Portion of Term Liabilities	11	25,865	-	210,950
Provisions – Pitt Island Barge Refund	10	12,000	-	60,000
Provisions – Landfill Closure		26,667	-	26,667
Bank Over draft	4	356,964	467,844	-
		<u>1,652,396</u>	<u>1,367,161</u>	<u>2,561,578</u>
Non Current Liabilities				
Provisions – Landfill Closure	10	119,500	119,500	119,500
Term Liabilities	11	644,546	552,720	555,214
		<u>764,046</u>	<u>672,220</u>	<u>674,714</u>
Total Liabilities		<u>2,416,442</u>	<u>2,039,381</u>	<u>3,236,292</u>
Net Assets		<u>43,860,041</u>	<u>45,658,561</u>	<u>41,722,364</u>
Public Equity				
Accumulated Funds & Reserves	12	43,860,041	45,658,561	41,722,364
Total Public Equity		<u>43,860,041</u>	<u>45,658,561</u>	<u>41,722,364</u>

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 2010

	Notes	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Cash Flow from Operating Activities				
Rates		442,553	393,336	349,509
Council Dues		110,656	265,000	237,206
Grants		7,061,764	8,121,218	4,962,238
Interest		13,848	44,004	88,689
Other Receipts		127,330	123,265	171,465
Goods & Services Tax (net)		89636	-	-
		7,845,787	8,946,823	5,809,107
Employees & Councillors		(525,607)	(503,889)	(575,801)
Interest		(30,325)	(33,687)	(10,023)
Supplies and Services		(3,140,967)	(2,840,170)	(2,267,236)
Goods & Services Tax (net)		-	-	(236,844)
		(3,696,899)	(3,377,746)	(3,089,904)
Net Cash Flow from Operating Activities	14	4,148,888	5,569,077	2,719,203
Cash Flow from Investing Activities				
Purchase of Fixed Assets		(5,211,643)	(6,172,461)	(2,398,940)
Sale/(Purchase) of Other Assets		15,190	-	(39,284)
			(6,172,461)	(2,438,224)
Cash Flow from Financing Activities				
Loans Raised		95,000	386,000	227,000
Repayment of Loans		(21,575)	(16,847)	(5,536)
		73,425	369,153	221,464
Net Cash Flow from Financing Activities		73,425	369,153	221,464
Increase/(Decrease) in Cash Held	(5,196,453)	(974,140)	(234,231)	502,443
Opening Cash Balance		617,176	(233,613)	114,733
Closing Cash Balance	4	(356,964)	(467,844)	617,176

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 2010

Note 1: Summary of Cost of Services by Activity

	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$		Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$
Revenue by Activity:				Expenditure by Activity:			
Democracy	582,272	503,951	479,955	Democracy	706,383	625,468	621,278
Infrastructure	4,212,034	6,175,019	4,101,290	Infrastructure	3,103,012	3,105,441	2,585,883
Community and Regulatory	381,326	388,177	525,761	Community and Regulatory	544,730	571,427	719,671
Environment	723,807	712,257	421,450	Environment	748,286	716,665	424,354
Emergency Management	121,369	96,990	129,173	Emergency Management	168,523	139,904	177,230
Coasts, Harbours & Navigation	1,510,726	1,239,608	573,922	Coasts, Harbours & Navigation	370,769	375,301	149,091
Total Revenue	7,531,534	9,116,002	6,225,316	Total Expenditure	5,641,703	5,534,206	4,677,507
Net Surplus/(Deficit)					1,889,831	3,581,796	1,547,809

Note 2: Revenue

	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$	
Rates Revenue				Rates Remissions for the year were \$3,685 (2009 \$3,692) excl GST and were granted in accordance with Council's Rates Remissions Policy.
General Rates	211,828	211,500	191,588	
Targeted Rates allocated to activities:				
Roading	43,456	43,050	41,092	
Refuse	39,079	39,307	50,000	
Water	43,484	45,019	37,736	
Sewerage	52,405	54,460	41,656	
Total Targeted Rates	178,424	181,836	170,484	
Rates Penalties	14,258	-	16,999	
Total Rates	404,510	393,336	379,071	
	Actual 2009/10 \$	Annual Plan 2009/10 \$	Actual 2008/09 \$	
Grant Revenue				
Grants & Subsidies Consist of:				
Grants – Territorial Authority Functions	708,179	747,548	958,800	
Grants – Regional Council Functions	1,074,000	1,034,631	665,130	
Grants – NZTA Rooding Subsidy	3,577,076	5,458,818	3,450,226	
Grants – NZTA Wharf	1,282,204	1,009,000	228,450	
Grants – Other	57,899	40,400	44,628	
Total Grants & Subsidies	6,699,358	8,290,397	5,347,234	

Note 3: Expenditure

	Actual 2009/10 \$	Actual 2008/09 \$	
Audit of Annual Report	58,995	59,038	*Includes \$27,884 to Pitt Island Barge Society over 3 year's accounts.
Audit of the LTCCP 2009-19	-	43,400	
Donations	64,684*	30,796	
Interest Expense	30,325	10,023	
Loss on Disposal of Assets	313,390	1,599	
Increase/(Decrease) in Doubtful Debts Provision	122,577	(2,500)	

Note 4: Cash and Cash Equivalents/Bank Overdrafts

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:

	Actual 2009/10	Actual 2008/09
	\$	\$
Cash at bank and on hand	65,444	684,335
Bank overdrafts	(422,408)	(67,159)
	<u>(356,964)</u>	<u>617,176</u>

Note 5: Debtors and Other Receivables

	Actual 2009/10	Actual 2008/09
	\$	\$
Rates	45,370	89,098
Sundry Debtors	252,266	100,680
Debtor Accruals	26,235	40,083
NZTA Assistance	468,409	999,993
GST Refund	145,310	234,945
Retentions	33,461	-
Prepayments	4,680	7,763
	<u>975,631</u>	<u>1,472,562</u>
Less Provision for Impairment (Doubtful Debts)	(128,077)	(5,500)
	<u>847,554</u>	<u>1,467,062</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.

On 21 October 2010 Black Robin Freighters Ltd was placed in receivership. The company is expected to continue trading however provision has been made for impairment of this debt. Council has specific powers under the Chatham Islands Council Act 1995 to recover council dues over and above usual debt collection processes.

The status of trade receivables as at 30 June 2010 is detailed in the following table:

	2009/10			2008/09		
	\$			\$		
		Impairment	Net	Gross	Impairment	Net
Past due 1- 60 days	820,975	(25,372)	795,603	1,450,826	-	1,450,826
Past due 61- 90 days	38,032	(12,576)	25,456	8,367	-	8,367
Past due > 90 days	116,581	(90,129)	26,452	5,606	(5,500)	106
	975,588	(128,077)	847,511	1,464,799	(5,500)	1,459,299

Movements in the Provision for Debtors Impairment were as follows:

	Actual 2009/10	Actual 2008/09
	\$	\$
Sundry Debtors and Rates Debtors		
As at 1 July	5,500	8,000
Additional provisions made during year	128,077	-
Gross Provisions reversed during the year	(5,500)	(2,500)
	128,077	5,500

Council holds no security over receivables, however all debts are believed collectable as Council has powers under the following legislation:

- Local Government Rating Act 2002 to recover outstanding rates debts
- Chatham Island Council Act 1995 to recover outstanding council dues

Note 6: Intangible Assets

	Actual 2009/10	Actual 2008/09
	\$	\$
Intangible Assets		
Computer software – cost at start of year	925	-
Computer software – additions during the year	2,895	925
Computer software – cost at end of year	3,820	925
Accumulated amortisation and impairment losses at start of year	(137)	-
Current Year Amortisation	(97)	(137)
Accumulated amortisation and impairment losses at end of year	(234)	(137)
Total Intangible Assets – net book value at end of year	3,586	788

Note 7: Property Plant & Equipment

2010	Opening Cost/ Revaluation	Accumulated Depreciation	Carrying value at start of year	Additions	Impairment losses reversed	Disposals at cost	Depreciation Reversed	Depreciation	Carrying value at end of year
Land – at cost	180,631	-	180,631	-	-	-	-	-	180,631
Buildings – at cost	1,450,748	(488,214)	962,534	-	-	-	-	(29,026)	933,508
Furniture & Fittings – at cost	85,610	(32,779)	52,831	14,558	-	-	-	(7,680)	59,709
Plant & Office Equipment – at cost	98,464	(68,078)	32,835	8,226	-	-	-	(14,820)	26,241
Vehicles – at cost	34,739	(32,207)	2,532	27,850	-	(16,236)	16,236	(6,246)	24,136
Parks & Reserves – at cost	99,112	(37,041)	62,071	-	-	-	-	(3,965)	58,106
Harbour – at cost	1,139,015	(648,584)	490,431	1,298,298	-	(830,192)	655,889	(43,787)	1,570,639
Total Operational Assets	3,088,319	(1,306,903)	1,783,865	1,348,932	-	(846,428)	672,125	(105,524)	2,852,970
Roading – at valuation	42,091,454	(3,631,356)	38,460,099	3,062,827	248,167	(146,132)	7,046	(1,711,699)	39,920,308
Land Under Roads – at cost	108,758	-	108,758	-	-	-	-	-	108,758
Refuse – Solid Waste - at cost	34,774	(12,294)	22,480	2,019	-	-	-	(5,879)	18,620
Stormwater - at cost	12,540	(7,318)	5,222	-	-	-	-	(313)	4,909
Sewerage – at valuation	1,401,291	(323,797)	1,077,494	-	-	(196,013)	196,013	(36,580)	1,040,914
Water - at valuation	1,499,013	(249,016)	1,249,997	82,134	-	(80,198)	80,198	(26,796)	1,305,335
Total Infrastructural Assets	45,147,830	(4,223,781)	40,924,050	3,146,980	248,167	(422,343)	283,257	(1,781,267)	42,398,844
Property Plant & Equipment	48,236,149	(5,530,684)	42,707,915	4,495,912	248,167	(1,268,771)	955,382	(1,886,791)	45,251,814

Impairment

An impairment loss of \$125,000 relating to the Whangaete bridge abutments has been reversed as the bridge is now replaced. \$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 has been repaired and an \$158,750 impairment loss has been reversed. It now 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 7: Property Plant & Equipment (continued)

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
Total Operational Assets	2,878,725	(1,359,990)	1,518,735	-	374,490	(3,198)	(106,162)	1,783,865
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
Total Infrastructural Assets	42,234,209	(2,807,185)	39,427,023	(358,750)	3,272,372	-	(1,416,596)	40,924,050
Property Plant & Equipment	45,112,934	(4,167,175)	40,945,758	(358,750)	3,646,862	(3,198)	(1,522,758)	42,707,915

Note 8: Trade and Other Payables

	Actual 2009/10 \$	Actual 2008/09 \$
Creditors & Accruals	1,009,440	2,037,487
GST Payable	-	-
Income in Advance Rates	4,577	10,262
Income in Advance	169,179	169,179
Deposits	1,838	1,838
Other	(10,250)	
	1,174,784	2,218,767

Note 9: Employee Benefit Liabilities

	Actual, 2009/10 \$	Actual 2008/09 \$
Employee Entitlements:		
Annual & Sick leave	41,087	32,707
Accrual for employee benefits	15,029	12,487
Total Employee Benefit Liabilities	56,116	45,194

Note 10: Provisions

	Land Fill Closure	Pitt Island Barge Society	2009/10 Total	2008/9 Total
Opening Balance	146,167	60,000	206,167	197,000
Additions/(Expenditure)		(48,000)	(48,000)	9,167
Closing Balance	146,167	12,000	158,167	206,167

A provision of \$146,167 has been recognised for landfill closure costs, which are expected to be incurred 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 \$12,000 (2009 \$60,000) has been made for the estimated refund of one years Council Dues to the Pitt Island Barge Society which is payable on production of audited accounts.

Note 11: Term Liabilities

	Actual 2009/10	Actual 2008/09
	\$	\$
Loans - Balance at 1 July	427,806	206,343
Plus loans raised during the year	295,918	227,000
Less loans repaid during the year	(222,493)	(5,537)
Total Borrowings at 30 June	501,231	427,806
Income in Advance	169,179	338,357
Less Current Portion of Term Liabilities	(25,865)	(210,950)
Total Term Liabilities	644,545	555,213

The loan is repayable over the following periods:

Current portion < 1 year	25,865	210,950
Non-Current 1-2 years	27,572	10,978
Non-Current 2-5 years	145,707	205,878
Non-Current 2-5 years	302,087	-
Total Non-Current Portion	475,366	216,856
Total Current plus Non Current Borrowings	501,231	427,806

The Council has a loan from the Chatham Islands Enterprise Trust with which was refinanced for a further period of fifteen years, with a review after five years. Council resolved to approve this loan at their meeting of 27 May 2010. The loan has been included in the figures above for loans raised and loans repaid during the year.

The Council has three loans with the ANZ for \$216,243 with terms of 10 years and variable interest rates.

There is a suspensory loan from Housing New Zealand for \$90,000 which will not have to be repaid if the loan conditions continue to be met.

Note 12: Public Equity

	Actual 2009/10	Actual 2008/09
	\$	\$
General Funds		
Opening Balance	6,685,431	5,176,906
Plus Net Surplus for the year	1,889,831	1,547,809
Less Transfers to Other Reserves (District Fund)	(7,815)	(39,284)
Closing Balance	8,567,447	6,685,431
Te Whanga Opening Reserve		
Opening Balance	3,286	3,286
Plus Transfer (to)/from General Reserve	-	-
Closing Balance	3,286	3,286
RMA Document Fund Reserve		
Opening Balance	165,715	126,431
Plus Transfer from General Reserve	7,815	39,284
Closing Balance	173,530	165,715
Burial Register Reserve		
Opening Balance	30,907	30,907
Plus Transfer from General Reserve	-	-
Closing Balance	30,907	30,907
Museum Displays Valuation Reserve		
Opening Balance	26,134	26,134
Plus Transfer from General Reserve	-	-
Closing Balance	26,134	26,134
Community Trust of Canterbury Reserve		
Opening Balance	2,666	2,666
Plus Receipt from Community Trust	-	-
Less Expenditure during the Year	-	-
Closing Balance	2,666	2,666
Asset Revaluation Reserve		
Opening Balance	34,808,225	35,166,975
Revaluations/Impairments	247,846	(358,750)
Closing Balance	35,056,071	34,808,225
TOTAL EQUITY AT END OF YEAR	43,860,041	41,722,364

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 2009-19 p80). 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. CIC maximum credit exposure for each class of financial instrument is as follows:

	Actual 2009/10 \$	Actual 2008/09 \$
Cash on call & term deposit	173,520	850,050
Debtors and other receivables*	1,317,054	1,464,799
Total Credit Risk	1,490,584	2,314,849

*Debtors and other receivables exclude prepayments.

Cash at bank and term deposits are with ANZ bank, which has a credit rating of AA- (as at 31st March 2010). Debtors include rates and Council Dues which are subject to the Local Government (Rating) Act 2002 and The Chatham Islands Council Act 1995. Of the balance, \$613,719 are debts due from the Crown (2008 \$999,993). There is no procedure to monitor the credit status of other debtors which 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.

	Actual 2009/10 \$	Actual 2008/09 \$
Loans and receivables		
Term deposits	173,530	165,715
Maturity date	4 months -1 year maturity 20 December 2010	20 December 2009
Interest rate	5.2%	4.72%

An increase in interest rate of 100 basis points would lead to extra interest income of \$2,800 (2009 \$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. (2009 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.

	Carrying Amount \$	Contracted Cash Flows \$	Less than 1 Year \$	1-5 Years \$	More than 5 Years \$	*Creditors and other payables excludes employee benefit liabilities and income in advance.
Creditors & other payables *	1,001,028	1,001,028	1,001,028	-	-	
Income in advance	338,357	342,934	173,755	169,179	-	
Heartlands Loan – 7.62%	194,988	328,868	21,925	87,698	219,245	
ANZ Mortgage - 5.95%	216,243	277,178	30,849	123,397	122,932	

Currency Risk

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

Note 14: Cash Flow Reconciliation

	Actual 2009/10 \$	Actual 2008/09 \$
Reported Surplus/(Deficit) for the year	1,889,831	1,547,809
Add back Non Cash Items:		
Depreciation and amortisation	1,886,791	1,522,896
Loss on disposal of assets	295,120	3,198
Increase in investments (non-cash)	(7,815)	-
Increase in provisions	(53,500)	6,667
Movement in Working Capital Items:		
(Increase)/decrease in debtors	535,372	(629,442)
Increase/(decrease) in GST payable/receivable	89,636	(236,844)
Increase/(decrease) in creditors	(328,291)	302,752
Increase/(decrease) in grants in advance	(169,178)	203,369
Increase/(decrease) in employee entitlements	10,922	(1,202)
Net Cash flow from Operating Activities	4,148,888	2,719,203

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 \$106,729 (2009 \$101,941).

		Actual 2009/10	Actual 2008/09
		\$	\$
Alfred Preece (Deputy Mayor until January 2010)	Mayor	26,250	12,000
Patrick Smith (until January 2010)	Former Mayor	25,589	41,100
Jeffrey Ian Clark (From February 2010)	Deputy Mayor	8,946	2,917
Monique Croon		7,235	7,000
Antoinette Gregory- Hunt		7,227	7,000
Nigel Ryan		7,888	7,000
Nathaniel Whaitiri		8,493	7,000
Bruce Mills (Until November 2008)		-	2,924
Eva-Cherie Tuck		7,874	7,000
Philip Christiansen		7,227	7,000
		<hr/>	<hr/>
		106,729	100,941

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 \$161,741 (2009 \$153,425) .

Severance Payments

For the year ended 30 June 2010 the Council made no severance payments (2009 \$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 is a close member of the family of any individual referred to. During the year small payments were made to Councillors or their spouses, children or dependants or to companies or firms in whom Councillors had ownership interests, and a member of staff. 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. The Council provided accommodation to a member of the key management personnel at a rental approved by Council.

Description	Actual 2009/10 \$	Actual 2008/09 \$
Refuse Site Lease	9,878	17,179
Cleaning Services	-	5,168
Hardware & fuel	5,228	3,889
Shipping services	6,910	1,483
Accommodation, Food and Travel	2,948	-
Rental	5,252	5,096
	<u>30,216</u>	<u>32,815</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.

	Actual 2009/10 \$	Actual 2008/09 \$
Total compensation of key management personnel.	<u>359,185</u>	<u>330,845</u>
Short term employee benefits	<u>359,185</u>	<u>330,845</u>

Note 17: Statement of Contingencies

Council is not aware of any contingent liabilities as at 30 June 2010 (2009 \$ 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, and the subsequent late payment penalties resulting from this.

Note 18: Statement of Commitments

As at 30 June 2010 the Council has capital or operating lease commitments as set out below.

Contract Commitments	2010	2009
	\$	\$
Not later than 1 Year	4,406,835	1,966,535
Between 1–5 Years	13,321,234	178,998
More than 5 Years	-	-

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 renegotiated for a further for 5 years.

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 2009 until 31 August 2010.

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 2010	30 June 2009
Area and Population		
Date of Constitution for Territory		1995
Area - sq km		963
Population		
Note: Source of Population Statistics, Statistics New Zealand Demographic Trends, published January 2007(usually resident population)		
Valuation		
Rateable properties - no. of		
Non-rateable properties - no. of		
Gross capital value		107,769,950
Net capital value (i.e. Capital value of rateable property)		97,476,800
Gross land value	612	50,794,800
Net land value (i.e. Land value of rateable property)		46,707,300
Date of last revision		September 2006
Rates and Rating		
Total rates struck (including GST)	536	
System of Rating	102	406,974
	Capital Value	Capital Value
Council Dues		
Dues collected from Air		49,186
Dues collected from Sea		182,933
Public Debt		
Public Debt Outstanding		427,806
Unexercised loan authorities		250,000
Building Consents		
Value of consents (2008 includes Owenga Wharf \$1.46m)	-	991,820
New Houses	-	3
CCC took over the Building Consent function 1 st May 2009 and no data is available for the 2009/10 financial year.	-	536

Appendix I – Glossary of Terms

These definitions are intended to define terms in this Annual Report 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/Imi

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.