



Annual Report Summary 2008/09



chatham islands council



From the Mayor and General Manager

It is our pleasure to present the 2008/2009 Annual Report for the Chatham Islands Council.

In financial terms, Council has finished the year with a surplus of \$1.5m. This is influenced by the value of capital works completed during the year.

The highlight of the year was the obtaining of funding to enable a new wharf to be constructed at Owenga. This project, costing \$1.6m, is now well underway, with the contractors hoping to be finished before Christmas.

Roading continues to be the Council's largest cost item with \$5.3m of maintenance and capital expenditure during the 2008/09 year. The Chatham Islands is now a stand-alone Land Transport Region and it was pleasing to have the first Land Transport Programme approved and substantially funded recently.

Iwi relationships were tested during the year when Koiwi were found at the Council's Te One landfill. This has caused the Council to focus on building better relationships with the Island's iwi.

During the year, the Council and Chatham Islands Enterprise Trust commissioned Mr Hugh Rennie QC and Mr Basil Morrison to review the future of the two organisations and to report on how they can work more closely together or even merge. The resulting report and its recommendations are now under consideration by both organisations, with joint meetings arranged to drive progress.

The year ahead will have a water and waste management focus as the Council works towards establishing compliant schemes for Kaingaroa and Owenga, and seeks a site for the proposed new sanitary landfill.

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

Patrick Smith QSO JP
Mayor

Owen Pickles JP
General Manager

Community outcomes

A review of the community outcomes during the year ending 30 June 2006 formed the basis of the Council's Long Term Community Plan 2009-2019.

The community outcomes reflect local priorities:

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

Public Satisfaction Questionnaire

A questionnaire was developed based on the public satisfaction targets identified in the Chatham Islands Annual Plan 2008-2009. The questionnaire was administered by telephone on 27, 29, 30 and 31 July 2009. Participants were chosen at random from the Chatham Islands' section of the Christchurch telephone book (2009). Calls were not made to businesses, Pitt Island, Council staff (where known to the researchers) or Councillors. Respondents that said they were not residents of the island were excluded.

Council responsibilities: issues and projects during 2008/09

Democracy

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

Measure	Target	Actual
Residents feel confident that Council decisions are made in the best interests of the community.	85% of residents are confident or very confident.	48% of respondents were confident, 34% were not confident, 17% had no opinion.
Residents are satisfied with the advocacy by the mayor and councillors on behalf of the community.	85% of residents are satisfied or very satisfied.	Overall 59% of respondents were satisfied, 26% were dissatisfied, 16% had no opinion.

Infrastructure services

Land Transport

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

Measure	Target	Actual
The percentage of maintenance work identified in the Annual Roding Strategy undertaken.	100%.	100%.
The percentage of projects identified in the Annual Roding Strategy to address black/grey accident spots completed.	100%.	N/A. There are no identified black or grey spots; areas of safety concern addressed 100%.
Infestations of plant pests within the road reserve found in quarterly inspections.	None.	None.
Requests or complaints about the road network.	No more than 10 complaints a year.	16 complaints received.
Response time to written requests or complaints.	100% within five working days of notification.	100% response within five working days.
Residents satisfied with the extent and safety of the urban and rural road network.	75% of residents are satisfied or very satisfied	41% of respondents were satisfied, 57% were dissatisfied, 2% had no opinion..

Solid and Hazardous Waste Management

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

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

Water supply

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

Measure	Target	Actual
Customers are satisfied with the Waitangi water supply scheme.	80% of customers are satisfied or very satisfied.	77% of respondents were satisfied, 8% were dissatisfied, 15% had no opinion.
The number of complaints about the water supply.	No more than five complaints a year.	Five complaints received.
Response time to complaints and to restore lost supply.	95% responded to within two hours and lost supply restored within eight hours.	Complaints responded to immediately. No supply outages for greater than eight hours.

Stormwater

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

Measure	Target	Actual
The frequency of opening the Te Whanga outlet to avoid flooding.	As required.	One opening.



Wastewater

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

Measure	Target	Actual
Compliance with resource consent conditions.	100% compliance.	100% compliance.
Complaints about odours or any other nuisances.	No more than two complaints a year.	One received.
Response times to complaints or to restore lost service.	95% responded to within two hours and investigated within 12 hours and minor faults remedied within 24 hours of notification.	No complaints received.

Community Services

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

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

Measure	Target	Actual
Residents are satisfied with community services.	85% of residents are satisfied or very satisfied.	59% of respondents were satisfied, 21% were dissatisfied, 20% had no opinion.
Complaints about community services.	None.	2 complaints mortuary, 1 complaint toilets, 1 complaint leading light.
Response times to complaints about operations and facilities and to remedy faults.	100% investigated within 12 hours and minor faults remedied within 24 hours of notification.	All faults investigated within 12 hours. Faults remedied where practical.
Compliance with NZS 5828 for playground equipment.	100% compliance.	Equipment complies.
Occupancy rate for Council housing.	Greater than 95%.	100% occupancy.
An increase in the number of social houses.	Six new houses.	No increase in the number of social houses. 3 community flats and 1 staff house upgraded.

Licensing and buildings

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

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

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

Measure	Target	Actual
Applications processed within statutory timeframes.	95%.	100%. 21 building consents issued. 10 liquor licenses processed.
The frequency of inspections of premises to assess compliance with public health standards.	At least one inspection annually.	All 6 licensed premises inspected.
Complaints about non-compliance with consent conditions.	No more than five complaints a year.	One complaint.
Response times to complaints about non-compliance.	100% are resolved or have a resolution strategy in place within 21 days of notification.	100%.

Dog and Animal Control

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

Measure	Target	Actual
Number of complaints about dogs and animals.	No more than five complaints a year.	5 dog complaints received. 10 stock complaints.
Response times to complaints.	100% are responded to within time frames.	14 complaints dealt with within time frames. All complaints dealt with appropriately.
Inspections each year to make sure dogs are registered and to check animal welfare.	Two.	One inspection.
Residents are satisfied with dog and animal control services.	100% of residents are satisfied or very satisfied.	48% of respondents were satisfied, 45% were dissatisfied, 7% had no opinion.
Cost recovery through registration fees and fines.	100%.	53%.



Environmental Services

Resource Management

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

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

Animal and Plant Pest Control – Biosecurity

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

Measure	Target	Actual
Long-term trend in the number of new infestations of containment or control plant pests outside known areas.	No increase over time.	Biannual surveillance of “high risk” sites on Chathams. The new pest management strategy (PMS) will intensify the surveillance programme. Pest management and surveillance at key departure points for Chathams. Continued support, audits and training for the main players who deal with Chathams freight.
Long-term trend in total control plant pests.	Reducing over time.	Liaison with Landcare Research, DOC and CIC on co-ordinating surveillance and underpinning any future surveillance under the Chatham Islands Regional Pest Management Strategy with scientific methodology. Liaison with Biosecurity New Zealand on progressing marine biosecurity, to progress the strategy.
Level of compliance by land occupiers to carry out containment and control under the PMS.	Increasing over time (with 100% compliance by 2016).	No further action yet on plans put in place in 2006/07.

Emergency Management

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

Measure	Target	Actual
The state of readiness of the Emergency Operations Centre.	100% readiness, 24-hours/7 days. 100% of staff and volunteers trained and resourced.	Not all staff are trained. All volunteers are fully trained. Councillors are still to complete training.
Percentage of multi-agency response team completed basic specialist emergency services training.	80%.	Training provided to Response Team on 17 June 2009.
Percentage of residents prepared for an emergency.	Targets will be established in the 2008/09 Annual Plan based on a 2007/08 survey.	Survey still to be conducted.
Percentage of lifelines utilities that have identified hazards with potential to affect their infrastructure.	100%.	Still work to be done on potential hazards of fuel and storage.

Coasts, Harbours and Navigation

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

Measure	Target	Actual
Percentage of residents satisfied with administration of navigation safety bylaws.	85% of residents are satisfied or very satisfied.	48% of respondents were satisfied, 10% were dissatisfied, 41% had no opinion.
Time to respond to incidents and deal with complaints.	85% responded to within seven days.	No navigational complaints.



Summary Statement Of Financial Performance and Movements In Equity

for the year ended 30 June 2009

	\$000	\$000	\$000
	Actual 2008/09	Annual Plan 2008/09	Actual 2007/08
Grants and Subsidies	5,347	7,065	4,318
Other Revenue	878	906	850
Total Revenue	6,225	7,971	5,168
Operating Expenditure	4,677	5,176	4,038
Surplus (deficit)	1,548	2,795	1,130
Increase in Revaluation Reserve (Impairment)	(359)	-	7,452
Total Recognised Revenue and Expenses	1,189	2,795	8,582
Equity at the beginning of the year	40,533	31,989	31,951
Equity at the end of the year	41,722	34,784	40,533

Summary Statement of Financial Position

as at 30 June 2009

Equity	41,722	34,784	40,533
<i>Represented by:</i>			
Total Current Assets	2,250	721	834
Total Property Plant and Equipment	42,708	35,400	40,945
Total Assets	44,958	36,121	41,779
<i>Less</i>			
Total Current Liabilities	2,562	924	888
Total Non-current Liabilities	674	413	358
Total Liabilities	3,236	1,337	1,246
Net Assets	41,722	34,784	40,533

Summary Statement Of Cashflows

for the year ended 30 June 2009

Net Cashflows from Operating Activities	2,719	4,500	2,428
Net Cashflows from Investing Activities	(2,438)	(4,583)	(2,102)
Net Cashflows from Financing Activities	221	48	(5)
Net Cashflow for the Year	502	(35)	321
Opening Cash Balance	115	155	(206)
Closing Cash Balance	617	120	115



Financial Overview

Performance against budget

Income is 78% of budget which is accounted for by lower grant income for the Owenga Wharf reflecting slower than expected progress. Also, the budgeted grant for the solid waste project has not been paid due to delays in finding suitable sites. Excluding these two factors, actual income is 98% of budgeted income with the minor difference reflecting lower interest income and a delay recognising revenue for the pest management strategy implementation.

Operational expenditure is 90% of budgeted expenditure. Overheads were ahead of budget with the Government not yet agreeing to Council's request to reimburse interest on past GST amounting to \$180k. The solid waste project is under budget by \$160k. Community services were over budget as expenditure (funded by Housing New Zealand) to refurbish 3 community houses was classified as deferred maintenance rather than capital works. Biosecurity expenditure was lower because implementation of the Pest Management Strategy was delayed pending appointment of a staff member to the on Island role.

Capital expenditure is 79% of budget. The solid waste project is \$268k under budget and work on Owenga wharf is \$1,224k under budget for the year. Roading is \$219k over budget after adjustments to account for minor safety works.

Notes to the Summary Financial Statements for the Year Ended 30 June 2009

The Council has prepared the Summary Annual Report to provide users with an overview of Council performance. The Local Government Act 2002 Part 6 s98 (b) requires the Council to make available a summary of the information contained in its Annual Report. The disclosures included in the Summary Annual Report have been extracted from the full Annual Report adopted by Council on 14th October 2009. The full Annual Report received an unqualified audit opinion. The Summary Annual Report cannot be expected to provide as complete an understanding as the full Annual Report. The full Annual Report is available from the Council on request by phoning (03) 305 0033 or can be accessed via the Council website www.cic.govt.nz.

The Summary Annual Report was authorised for issue by the General Manager on 14th October 2009.

Accounting Policies

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

Audit Report

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

To the readers of Chatham Islands Council's Summary Annual Financial Statements, Performance Information and the other requirements for the year ended 30 June 2009.

We have audited the summary financial statements, performance information and the other requirements as set out in pages 2 to 6.

Unqualified Opinion

In our opinion:

- the summary financial statements, performance information and the other requirements represent, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the information reported in the summary financial statements, performance information and the other requirements complies with FRS-43: Summary Financial Statements and is consistent with the full financial statements from which it is derived.

We expressed an unqualified audit opinion, in our report dated 14 October 2009, on:

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

Basis of Opinion

Our audit was conducted in accordance with the Auditor General's Auditing Standards, which incorporate the New Zealand Auditing Standards. Other than in our capacity as auditor, we have no relationship with or interests in the Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report and we are responsible for expressing an opinion on those summary financial statements, performance information and the other requirements. These responsibilities arise from the Local Government Act 2002.



Julian Tan, Audit New Zealand

On behalf of the Auditor-General Christchurch, New Zealand
14th October 2009

MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE SUMMARY ANNUAL REPORT

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

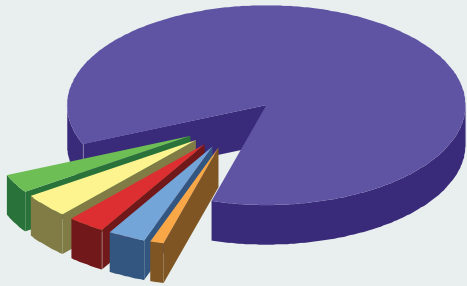
The audit report refers only to the financial statements, performance information and the other requirements named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements, performance information and the other requirements. If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

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



Sources of Revenue (\$000)

General Rates	\$209	3%
Targeted Rates	\$170	3%
Council Dues	\$232	4%
Other Income	\$180	3%
Grants	\$5,347	86%
Interest	\$87	1%

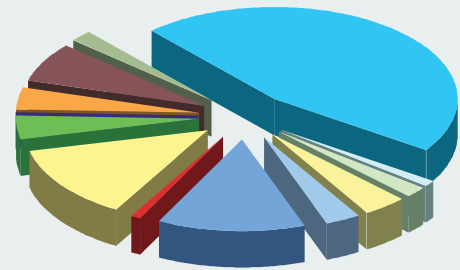


Use of Funds (\$000)

Democracy	\$621	13%
Solid and Hazardous Waste Management	\$41	1%
Community Services	\$612	13%
Water Supply	\$169	4%
Stormwater	\$12	0%
Wastewater (Sewerage)	\$199	4%
Resource Management	\$318	7%
Licensing and Building	\$81	2%
Land Transport (Roading)	\$2,165	46%
Dog and Animal Control	\$27	1%
Biosecurity (Animal and Plant Pest Control)	\$106	2%
Civil Defence/Rural Fire/Marine Oil Spill	\$177	4%
Coasts, Harbours and Navigation	\$149	3%

Council Financial Statistics

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



The Chatham Islands - General Statistics

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

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

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

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

Area:	963 sq km	Government Valuations	Gross Land Value	\$50,794,800
Rateable Assessments:	536		Gross Capital Value	\$107,769,950
			Net Land Value	\$46,707,300
			Net Capital Value	\$97,476,800

Council Directory

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