

CHATHAM ISLANDS

Annual Report Summary 2013/14



chatham islands council

Profile of the Chatham Islands

The Chatham Islands and its people are a unique community, isolated by 800 kilometres of ocean from mainland New Zealand.

The Chatham Islands consist of two main inhabited islands, Chatham Island and Pitt Island. Pitt Island lies 23km south east of Chatham Island and both islands are surrounded by a number of smaller islands, all within a radius of approximately 50km. The main island, Chatham, has an area of 90,000 hectares. Pitt Island has an area of 6,300 hectares.

The islands were formed by a volcanic up-thrust and the land surface is predominantly flat with a number of peaks, the largest peak rising to 188 metres. A significant landmark on the Chatham

Islands is 'Te Whanga' which is a large lagoon that covers approximately 20,000 hectares or about one-fifth of the island. There are five settlement areas on the main island - Waitangi, Te One, Owenga, Port Hutt and Kaingaroa.

The 'livelihood' for a majority of islanders is dependent on fishing and farming. Their continued welfare and the islands' viability are linked with the sustainable management of the natural and physical resource base.

Chatham Islands Council is the smallest local authority in New Zealand. It has both district and regional council responsibilities.

The islands at a glance

600 people usually live in the Chatham Islands.

Its population is the smallest in size out of the 73 districts in New Zealand.

The most common occupational group on the Chatham Islands is Labourers, compared with Professionals in New Zealand as a whole.

59% of households have access to the Internet, compared with 77% of households throughout New Zealand.

4% of households have access to a cellphone, compared with 77% for New Zealand. This is because there is no cell phone coverage on the Chatham Islands.

54% of households in private occupied dwellings own the dwelling, with or without a mortgage; the equivalent figure is 65% for New Zealand as a whole.

There are 557 rateable properties and 102 non-rateable properties.

The unemployment rate in Chatham Islands Territory is 2.5% for people aged 15 years and over, compared with 7.1% for all of New Zealand.



Source: Statistics New Zealand 2013 Census Data



Mayor & General Manager's Report

It is our pleasure to present the 2013/14 Summary Annual Report. It is a must read document if you are interested in the progress being made towards the Council's goal of creating a sustainable future for the Chatham Islands.

2013/14 was a difficult year due to the Council's funding received from Government being less than what was expected. Between 2012/13 and 2013/14 Council was underfunded by \$1.3m. Working with the Minister of Local Government Hon Chris Tremain and his officials the shortfall was eventually covered by transferring \$900k of funds previously allocated for waste management purposes and \$400k from a reserve held by Canterbury Regional Council for Chatham Islands purposes.

An independent review of the Council's financial situation and future demands was undertaken by consultants Morrison Low for the Minister which resulted in the Council's forward budgets being fully funded.

We acknowledge the support provided by the Minister and his staff in to enable this funding support to continue.

As with previous years we have continued to work with Government and its officials to secure funding support for various projects. An update on these works is:

1. Jointly with the Chatham Islands Enterprise Trust (CIET) to establish an all-weather port facility in Waitangi. This is progressing well with funding now available to carry out remedial works on the existing structure to satisfy health and safety requirements and to design and consent whatever the final solution will be for this facility.
2. Jointly with CIET to reinstate the wharf and breakwater at Flowerpot on Pitt Island and to provide a new fit for purpose barge. The CIET has purchased the barge which is now operational and works are progressing on the construction of the breakwater and wharf. These works are estimated to be completed by December 2014.
3. For the provision of high-speed and affordable broadband and possibly mobile telephone services. At the time of writing this report the broadband service was being rolled out within the community though there are some coverage concerns which will require further effort. Mobile telephone services are still a work in progress.
4. Solutions to the high energy costs and its flow-on problems. This matter continues to be promoted with little progress being made. CIET continues to explore alternative energy sources to lessen the diesel influence on power prices.

5. The provision of compliant water supply schemes at Kaingaroa, Owenga, Te One and Waitangi. Funding was secured for Kaingaroa and the new scheme constructed. It was officially opened by Hon Chris Finlayson on 13 August 2014. Work is continuing with the Ministry of Health to find solutions for the other communities.

On the home front work is progressing with the Solid Waste Management Strategy. The sanitary landfill has been completed and is ready for operation. Work is progressing on the provision of transfer stations and recycling efforts.

We continue to progress the proposed community complex with CIET. The complex will provide accommodation for both entities as well as several other community purposes. Preliminary architect's designs and costings are available and form the basis for public consultation.

The project received a substantial boost in June 2014 when \$1.076m was secured to fund the museum part of the project. Council acknowledges the support offered by Arts and Culture Minister Hon Christopher Finlayson here.

On the regulatory front the new Chatham Islands Resource Management Document has been through the first round of public consultation. Hearings should commence early in the new year.

The Chatham Islands Council operating surplus for 2013/14 financial year was \$1.3m.

With support from our Regional Council Contractors substantial effort has continued in the biosecurity area, in particular the effort to eradicate/control gores has been substantial.

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.

Alfred Preece
Mayor

Owen Pickles
Chief Executive

25 November 2014



2013/14 in review

Government funding

The Council submitted a funding bid in 2011/12 to secure funding for the next three years. Based on the bid submitted, core funding from central government was secured. However, the amount was insufficient to cover the Council's increased operating obligations under the Local Government Act 2002. During the year, the funding shortfall was covered by conversion of waste management funds to general funds and utilisation of reserves held by the Canterbury Regional Council. The independent review commissioned by the Department of Internal Affairs recommended that additional funding was required to maintain service levels projected by Council's Long Term Plan 2012 – 2022. This was confirmed by the Government budget announced in May 2014.

Waitangi Port and Pitt Island Wharf upgrade

Chatham Islands Council in conjunction with the Chatham Islands Enterprise Trust has been working with central government to address the infrastructure issues associated with an all-weather port facility at Waitangi. Securing central government funding is fundamental to these issues being addressed. During the year, CIET gained funding support from the Government for the Pitt Island port development. The Pitt Island barge was delivered and port developments are progressing. Relevant parties are working together to develop a better business case for proposed replacement of the wharf facility at Waitangi.

Review of the Resource Management document

The Chatham Islands Resource Management document has been drafted and is currently being consulted on. This includes the development of a working relationship with Imi/Iwi. Protocols will be developed to assist in progressing the review of the Chatham Islands Resource Management document and recognition of Imi/Iwi and their relationship with their accustomed environments.

Waste Management Strategy

Progress towards implementing the Waste Management Strategy continued throughout the year. Land has now been made available and stage one being the establishment of a compliant sanitary landfill to meet health and environmental standards is now complete. Funding for a septic disposal system had been secured. Land transfer stations are yet to be established. A work programme is in place and underway.

Sustainable water

Water scheme upgrades for Kaingaroa, Owenga, Waitangi and Te One are a key priority. They will address issues of non-compliance with minimum water standards and will respond to community concerns on the impacts on health and safety. To provide sustainable and reliable water sources for these townships, the Council has been

working with the Ministry of Health to provide financial support for these developments. The upgrade for Kaingaroa was completed in March 2014. The Council will address water supply issues for Waitangi and Te One in stage two and stage three pending the outcome of negotiations with the Ministry of Health for funding. If unsuccessful, the project will be delayed until alternative financial support can be found.

Social housing

Work towards the establishment of a Social Housing Project has begun as a collaborative effort involving the Council, the Chatham Islands Enterprise Trust, Ngāti Mutunga o Wharekauri Iwi Trust and Hokotehi Moriori Trust. Relationships between the Social Housing Unit and the Island have strengthened through the support of Minister Tariana Turia, which has resulted in accessibility for Islanders to infrastructure grants and funding secured for housing upgrades for kaumatua / elderly housing.

Emergency Management Operations Centre

The Council continued to progress the Emergency Management Operations Centre project. Land for the facility has been secured.

Community complex – shared administration centre

The Council, in collaboration with the Chatham Islands Enterprise Trust, has begun investigations into the establishment of a new community complex and shared administration centre. A concept plan has been completed. A feasibility study was completed during the period under review and a one-off funding grant of \$1.07m from the Ministry of Culture and Heritage towards a new Museum was secured.

Community Resilience Project

Through the Community Development Scheme, funding of \$240,000 for the 'Community Resilience Project' was secured in 2011/12. The Community Resilience Project is now into its third year.

Long-Term Plan 2012/22 – "A Shared Vision"

The Council's Long-Term Plan (LTP) was adopted in June 2012. Developed in consultation with the community, the LTP "A Shared Vision" is a plan that reflects the programmes and desires of the people, providing for a better future and is underpinned by our community outcomes.



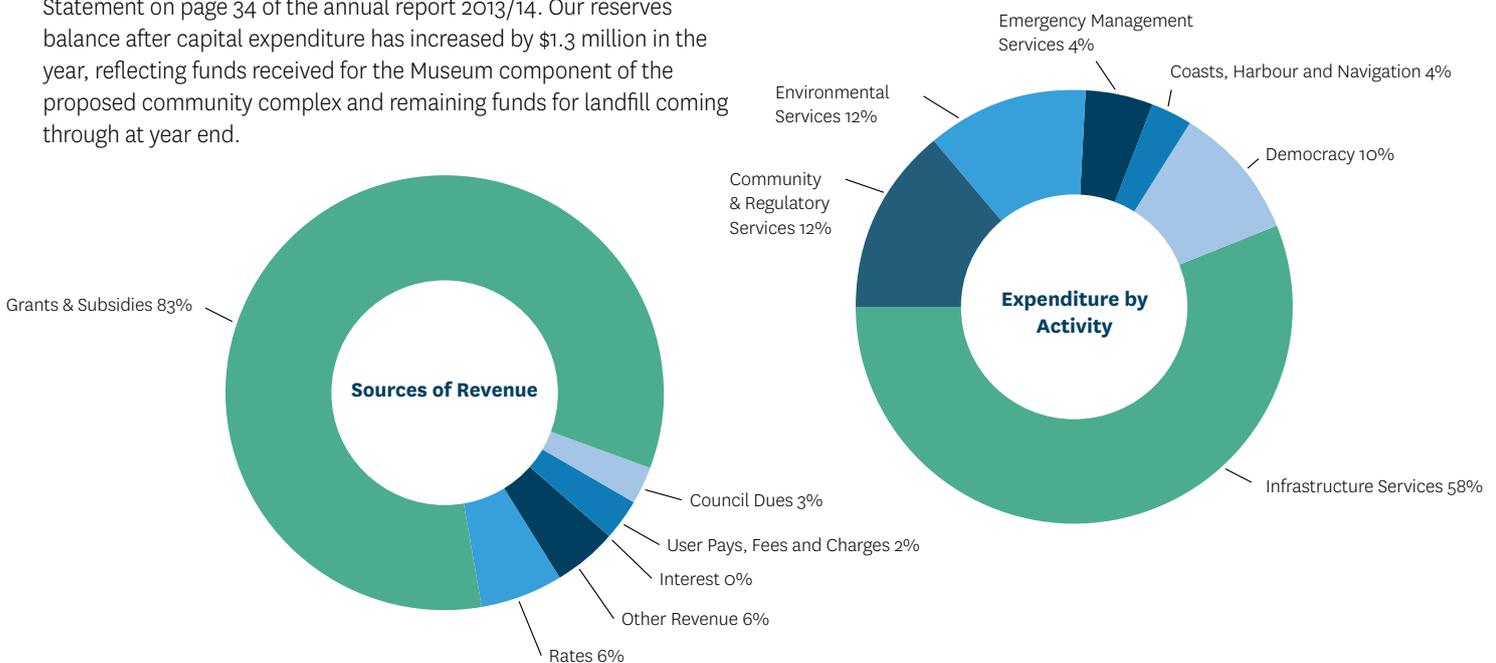
Financial highlights

The Chatham Islands' operating surplus for the 2013/14 financial year was \$1.3 million. The operating surplus is similar to the 2012/13 result of a \$1.5 million surplus; however, it is below the budgeted result for 2013/14 of \$4.5 million. The budget assumed sufficient funding would be provided by central government during the year to support on-island infrastructural development integral to improving of our community. Such funding was not secured during the year and these key on-island projects such as the upgrade to the on-island water supply, have been delayed for a further year. The Council will continue to work with central government to secure funds for these projects.

Operating surpluses are used to fund our capital works programme for the current and future financial years. Our sources and application of capital funding are highlighted in the Council Funding Impact Statement on page 34 of the annual report 2013/14. Our reserves balance after capital expenditure has increased by \$1.3 million in the year, reflecting funds received for the Museum component of the proposed community complex and remaining funds for landfill coming through at year end.

The Council does not have an investment portfolio or population base to support its required levels of service. Consequently, it is reliant on external support from central government to ensure the Council meets the current legislated level of service requirements. The revenue sources the Council received in 2013/14 are summarised in the chart below. Both operating and capital grants levels are below budgeted expectation and have impacted on our ability to deliver our vision to the community.

Operating expenditure by activity is summarised in the chart below; the largest portion of expenditure is on infrastructure, particularly the roading network. This is in line with last year's expenditure, but overall expenditure is less than budgeted.



Reporting entity

The primary objective of Chatham Islands Council is to provide goods and 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.

Basis of preparation

The full financial statements are prepared in accordance with the requirements of the Local Government Act 2002, which requires information to be prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The full financial statements comply with New Zealand accounting standards appropriate for Public Benefit Entities (NZ IFRS PBE) for periods beginning on or after 1 December 2012. The summary financial statements comply with FRS-43.

Measurement base

The summary financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$000).



Financial highlights

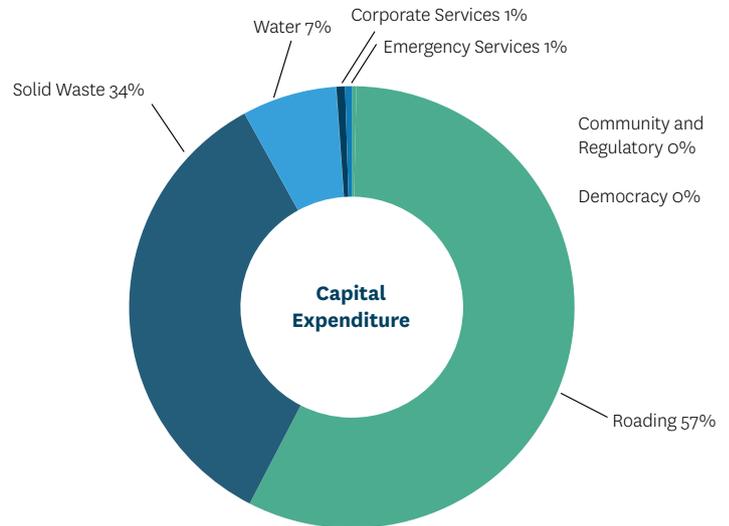
The Council is committed to developing on-island infrastructure for the community. The development of these capital assets is dependent on sufficient funding being agreed with central government or other external sources. The chart below summarises the Council's capital expenditure programme by area. The majority of capital expenditure relates to maintaining and improving our roading assets. However, expenditure has increased in the areas of solid waste and emergency services with the commencement of the sanitary landfill development and Emergency Management Operations Centre respectively.

At the end of the financial year, the Council's net assets are valued at \$55.9 million, compared with the closing position of \$55.6 million for the previous financial year. Of this movement, \$0.5 million relates to a 'non-cash' increase in the valuation of the Council's water and sewerage assets. Roading assets were overstated by \$1.5m last year and were reversed this year.

A summary of our financial statistics compared with last year is summarised in the table below:

Council Financial Statistics	Actual 2013/14	Actual 2012/13
Proportion of Rates Revenue to Total Revenue	5.98%	6.17%
Proportion of Dues Revenue to Total Revenue	3.23%	3.08%
Net Public Debt (as a percentage of Total Assets)	0.95%	2.77%
Public Debt (per rateable property)	\$991	\$2,871
Public Debt (per head of population)	\$920	\$2,588

The ratios of rates over total revenue are slightly lower than 2012/13. This is due to rates only increases of 0.8% for 2013/14. In addition, our level of debt has significantly reduced in 2013/14 due to one major funds received at year end. It was \$418,000 for landfill. Bank overdraft was utilised to smooth council's operation at the year-end of 2012/13.



Looking forward

Over the next ten years the Council will endeavour to progress current projects that contribute to enhancing the well-being of the community and realising the community outcomes. Key projects include:

- The completion of a water project that provides a sustainable and compliant water supply for Te One, Owenga and Waitangi
- The completion of transfer stations and a recycling programme

- New social housing
- A new Emergency Management Operations Centre
- Community complex and shared administration centre
- Roading projects
- The completion of a Community Resilience Project
- Successful Island relationships that achieves infrastructure outcomes such as the Port Project, broadband and energy
- A sound and respectful working relationship with Imi/Iwi.



Council performance during 2013/14

Democracy

Democracy includes 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, which includes elections.

1. Providing effective governance and leadership to the Chatham Islands community		
1.1	Measure: The percentage of residents who feel confident that Council decisions are made in the best interests of the community.	Target: 85% of residents are confident or very confident (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied or very dissatisfied).
	Result: ✗ Not achieved. Overall, 66% of respondents were confident or very confident, 12% dissatisfied or very dissatisfied and 22% 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% and 2% lower than the result reported last year. The Council continues to explore ways to improve community engagement and input into decision-making processes. The Council's current focus is on effective communication with residents through the Council website, monthly Council news and advertised Council meetings.	
1.2	Measure: The percentage of residents who are satisfied with the advocacy by the Mayor and councillors on behalf of the community.	Target: 85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).
	Result: ✗ Not achieved. Overall, 68% of respondents were satisfied or very satisfied, 16% dissatisfied or very dissatisfied and 16% had no opinion. This year's result is lower than the 85% target and satisfaction is 6% lower than that reported last year.	
1.3	Measure: Voter turnout.	Target: In top quartile of New Zealand Territorial Authorities greater than 60%
	Result: ✗ Not achieved. 54% turnout	
2. Meeting legislative requirements for governance, planning and reporting		
2.1	Measure: The percentage of official meetings of elected representatives conducted in compliance with the Local Government Official Information and Meetings Act 1987 and Council Standing Orders.	Target: 100%.
	Result: ✓ Achieved. No incidents of non-compliance reported. The Local Government Official Information and Meetings Act 1987 requires the Council to make all agendas and reports available two days before meetings, apart from extraordinary meetings.	
2.2	Measure: LTP/Annual Plan and Annual Report compliant with the Local Government Act 2002.	Target: Audited without qualification.
	Result: ✓ Achieved. The Annual Plan 2014/15 was completed and approved in compliance with the Local Government Act 2002.	
2.3	Measure: The Council's governance statement is kept up to date.	Target: Kept up to date with legal requirements.
	Result: ✓ Achieved. An up-to-date governance statement that meets legal requirements is in place, having been adopted in May 2014.	

Infrastructure Services

The Council is responsible for all public roads and service infrastructure on the Chatham Islands. As owner of these networks, the Council has a legal requirement to provide infrastructure to a certain standard.

1. Roading- Providing a safe, smooth and well-maintained and managed road network.		
1.1	Measure: The percentage of maintenance work identified in the Annual Roading Strategy undertaken.	Target: 100%
	Result: ✗ Not achieved. Overall, 90% of maintenance work identified was completed. The Sealed Pavement Rehabilitation and some reseal locations were not completed during the financial year. The Mangahau ring beam construction was deferred due to persistent wet weather when this work was planned. One of the main reasons being Downers plant and some staff being utilised on the new landfill construction which took four months.	
1.2	Measure: Number of motor vehicle crashes causing injury.	Target: Less than three injury crashes.
	Result: ✗ Not achieved. One serious crash incident and two minor crashes. One serious crash incident and two minor crashes resulting in injury. Two involved alcohol and other one it was highly suspected.	
1.3	Measure: The percentage of projects identified in the annual minor improvements programme completed.	Target: 100%
	Result: ✗ Not achieved. 67% of minor improvements projects were completed. Four of six complete annual minor improvements completed, one of the main reasons being Downers plant and staff being utilised on the new landfill construction.	
1.4	Measure: The number of infestations of plant pests within the road reserve found in quarterly inspections.	Target: None.
	Result: ✓ Achieved. 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. This is consistent with results in 2012/13.	
1.5	Measure: The number of requests or complaints about the road network.	Target: No more than 10 complaints a year.
	Result: ✗ Not achieved. Ten complaints were received. There were; two relating to pot holes, two relating to street lights, three reports of dead beasts for removal, one request for the installation of yellow lines outside Te One School, one complaint regarding the slippery surface on the footpath and one relating to a minor bridge repair.	
1.6	Measure: The percentage of the contractor's response to written requests or complaints within five working days.	Target: 100% within five working days.
	Result: ✓ Achieved. 100% of requests/complaints were responded to within five working days.	
1.7	Measure: The percentage of residents who are satisfied with the overall extent and safety of the urban and rural road network.	Target: 75% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).
	Result: ✗ Not achieved. Overall, 42% of respondents were satisfied or very satisfied, 47% dissatisfied or very dissatisfied and 11% had no opinion. This is below the 75% target. Satisfaction is 12% lower than last year.	
2. Solid and hazardous waste management - providing convenient and effective resource recovery and waste management facilities for the Chatham Islands that are economically and environmentally sustainable and protect public health.		
2.1	Measure: The percentage of the population within 20km of a transfer station or landfill.	Target: 75%.
	Result: ✓ Achieved. 75% of residents live within 20km of the three refuse sits provided. This has not changed from 2012/13.	
2.2	Measure: The number of complaints about facilities.	Target: No more than two complaints a year.
	Result: ✓ Achieved. No complaints were received.	
2.3	Measure: The time to respond to written requests or complaints.	Target: 100% within five working days of notification.
	Result: ✓ Achieved. No complaints were received.	
3. Water supply - providing a safe and reliable water supply for Waitangi.		
3.1	Measure: Compliance of monthly water quality testing with New Zealand Drinking Water Standards.	Target: 100% compliant.
	Result: ✗ Not achieved. The monthly testing is a DWSNZ 2008 compliance requirement and was undertaken throughout the period under review. During February and April water quality testing results showed a non compliant water quality result, however, after a series of retesting the results showed were less than 1 and compliant.	
3.2	Measure: The percentage of customers who are satisfied with the Waitangi water supply scheme.	Target: 80% of customers are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied).
	Result: ✗ Not achieved. 23% of respondents were connected to the Waitangi water supply. Of those, 72% were either very satisfied or satisfied, 17% dissatisfied or very dissatisfied and 10% had no opinion. This is below the target of 80%.	

Infrastructure Services continued...

The Council is responsible for all public roads and service infrastructure on the Chatham Islands. As owner of these networks, the Council has a legal requirement to provide infrastructure to a certain standard.

3.3	Measure: The number of complaints about the water supply.	Target: No more than five complaints a year.
	Result: ✓ Achieved. One complaint relating to loss of supply and one complaint relating to over chlorination.	
3.4	Measure: The time taken to respond to complaints and to restore lost supply.	Target: 95% of complaints are responded to within two hours and lost supply restored within eight hours of notification.
	Result: ✓ Achieved. Complaints were responded to within 24 hours.	
4. Stormwater - managing the level of Te Whanga and minimising flooding of land.		
4.1	Measure: The frequency of opening Te Whanga outlet.	Target: Te Whanga outlet will be opened a minimum of once every two years or more frequently as required.
	Result: ✗ Not achieved. Te Whanga outlet was not required to be opened during 2013/14. The outlet had been last opened in 2010/11.	
5. Wastewater (Sewerage) - providing a reliable, environmentally friendly sewerage system.		
5.1	Measure: Compliance with resource consent conditions (monthly monitoring of the system and an annual soil test).	Target: 100% compliance, other than minor non-compliance with nil or minor short-term adverse environmental effects.
	Result: ✓ Achieved. 100% compliance. No incidences of non-compliance were reported. This is consistent with performance in 2012/13.	
5.2	Measure: The number of complaints about odours or any other nuisances.	Target: No more than two complaints a year.
	Result: ✓ Achieved. No complaints about odours were received. This is consistent with performance in 2012/13.	
5.3	Measure: The number of complaints about the sewerage system.	Target: No more than five complaints a year.
	Result: ✓ Achieved. No complaints were received. This is consistent with performance in 2012/13.	
5.4	Measure: The time taken to respond to complaints of loss of service and to restore lost service.	Target: 95% of complaints are responded to within two hours and investigated within 12 hours and minor faults remedied within 24 hours of notification.
	Result: ✓ Achieved. Downer NZ is responsible for responding to complaints for loss of service. This is consistent with performance in 2012/13.	

Community and regulatory services

The Council seeks to promote community development through recreation, the arts and cultural heritage and to enhance the health and safety of the community through an effective and reliable administration of relative legislation.

1. Community services - providing community services		
1.1	Measure: The percentage of residents who are satisfied with community services.	Target: 85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied or very dissatisfied).
	Result: ✗ Not achieved. Overall, 58% satisfied 19% dissatisfied and 23% no opinion.	
1.2	Measure: The number of complaints about community services.	Target: No complaints.
	Result: ✗ Not achieved. One complaint received; relating to public toilets.	
1.3	Measure: Time taken to respond to complaints about operations and facilities and to remedy faults.	Target: 100% are investigated within 12 hours and minor faults remedied within 24 hours of notification.
	Result: ✓ Achieved. Responded within specified timeframes repaired within 24 hours.	
1.4	Measure: Compliance with NZS 5828 for safety of playground equipment.	Target: 100% compliance.
	Result: ✓ Achieved.	
1.5	Measure: The occupancy rate for council housing.	Target: Greater than 95%.
	Result: ✓ Achieved. 100% occupancy was achieved.	
1.6	Measure: The increase in the number of social houses on the Chatham Islands, in collaboration with Housing New Zealand and Chatham Islands Housing Trust.	Target: Two new houses.
	Result: ✗ Not achieved. No increase in the number of social houses. However, the Council, in collaboration with the Chatham Islands Enterprise Trust, Ngāti Mutunga o Wharekauri Iwi Trust and Hokotehi Moriori Trust during the year are working towards a Social Housing Project.	

II Community and regulatory services continued...

The Council seeks to promote community development through recreation, the arts and cultural heritage and to enhance the health and safety of the community through an effective and reliable administration of relative legislation.

2. Community services - provision of a local library service		
2.1	Measure: Community satisfaction with the existing library service.	Target: 100%.
	Result: ✗ Not achieved. Overall, 50% of respondents were satisfied or very satisfied, 10% dissatisfied or very dissatisfied, and 40% had no opinion.	
2.2	Measure: Renewal of library books.	Target: Books renewed every six weeks.
	Result: ✗ Not achieved. Books were renewed every two months through the Council's arrangement with Wellington City Council. This is consistent with 2012/13.	
3. Licensing and building - processing liquor licences and building consents		
3.1	Measure: The percentage of applications processed within statutory timeframes.	Target: 95%.
	Result: ✓ Achieved. Liquor licences – 13 applications were received and were issued within statutory timeframes. 7 Managers Certificates, 1 Off Licence, 1 Club Licence and 4 Special Licences. ✓ Achieved. Building consents – the Chatham Islands Council no longer issues building consents. This Function was performed by Christchurch City Council. The Chatham Islands Council acts as an agency to receive applications and payment of fees. Nine building consents were issued during 2013/14.	
3.2	Measure: The number of Liquor Licensing inspections.	Target: At least one Annual inspection.
	Result: ✓ Achieved. One inspection was undertaken in January 2014.	
4. Licensing and building - monitoring and enforcing compliance with liquor licence and building consent conditions		
4.1	Measure: 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.	Target: At least one inspection annually (for each business location).
	Result: ✓ Achieved. One inspection was undertaken by a Health Protection Officer in May 2014 through the Council's arrangement with Hawke's Bay District Health Board.	
4.2	Measure: The number of complaints about non-compliance with consent conditions.	Target: No more than five complaints received a year.
	Result: ✓ Achieved. No complaints were received in the year under review.	
4.3	Measure: Time taken to respond to complaints about non-compliance with consent conditions.	Target: 100% are resolved or have a resolution strategy in place within 21 days of notification.
	Result: Not measured. No complaints received.	
5. Dog and animal control - providing a safe and secure living environment for the community		
5.1	Measure: The number of complaints about dog and animal control.	Target: No more than five complaints a year.
	Result: ✗ Not achieved. Six complaints received	
5.2	Measure: The time taken to respond to complaints.	Target: 100% are responded to as follows: 1. Dog attacks and rushes attended to within one hour of notification. 2. Possible threats to public safety attended to within five hours. 3. Complaints of general nuisance attended to within 48 hours. 4. All other complaints investigated within two working days.
	Result: 1. ✓ Achieved. There were no dog attacks. 2. ✓ Achieved. Three complaints were attended to within five hours. 3. ✓ Achieved. Two complaints were responded to within required timeframes. 4. ✓ Achieved. There were no other complaints.	
5.3	Measure: The number of Island-wide inspections (including Pitt Island) carried out each year to make sure dogs are registered and to check animal welfare.	Target: Two inspections.
	Result: ✗ Not achieved. No inspections were undertaken.	
5.4	Measure: The percentage of residents who are satisfied with dog and animal control services	Target: 100% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, and very dissatisfied)
	Result: ✗ Not achieved. Overall, 40% of respondents were satisfied or very satisfied with dog and animal control, 36% dissatisfied or very dissatisfied and 24% had no opinion.	
5.5	Measure: The level of cost recovery achieved through registration fees and fines.	Target: 100%.
	Result: ✓ Achieved.	

Environmental Services

The Council seeks to maintain and sustain natural resources in order to promote a sound resource base and to protect the environment from threats that could be detrimental to the needs of the community now and in the future.

1. Resource management- authorising the use of natural and physical resources																																												
1.1	Measure: The percentage of resource consents processed within statutory timeframes.	Target: 100%.																																										
	Result: ✓ Achieved. All resource consents were processed within statutory timeframe.																																											
2. Resource management - responding to breaches of the Resource Management Act																																												
2.1	Measure: The time taken to respond to and initiate investigations for: 1. breaches of the Resource Management Act; 2. breaches of consent conditions.	Target: No complaints are received.																																										
	Result: ✓ Achieved. No complaints were received.																																											
2.2	Measure: The time taken to develop a plan to resolve individual breaches.	Target: 80% within one week and 100% within one month.																																										
	Result: Not measured. No breaches of the Resource Management Act occurred.																																											
3. Resource management - keeping the Resource Management Document compliant and up-to-date																																												
3.1	Measure: Efficiency and effectiveness review of the Chatham Islands Resource Management Document.	Target: The review will be completed 2012/13 and will be repeated in 2014/15.																																										
	Result: Not measured. Review unlikely to be repeated in 2014/15 given that the reviewed document was publicly notified in August 2014 (see below).																																											
3.2	Measure: Full review of the document within statutory timeframes.	Target: Will be undertaken in 2012/13 to 2014/15.																																										
	Result: ✓ Achieved. The document was publicly notified in August 2014 for public submissions.																																											
3.3	Measure: 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.	Target: Will be undertaken in 2012/13 to 2014/15.																																										
	Result: ✓ Achieved. Changes to the Chatham Islands Resource Management Document were incorporated into the reviewed document in April 2014.																																											
4. Resource management - maintaining the water quality of Chatham Islands streams and rivers																																												
4.1	Measure: Nutrient concentrations.	Target: Annual median nitrogen concentrations (DIN) are maintained or reduced.																																										
	Result: ✗ Not achieved. Nutrient levels have decreased at 2 sites and increased at 2 with 9 staying the same, as detailed in the table right. The nutrient concentration variances are very small and not ecologically significant.	<table border="1"> <thead> <tr> <th>Stream</th> <th>DIN (mg/L) 2012/13</th> <th>DIN (mg/L) 2013/14</th> </tr> </thead> <tbody> <tr><td>Awamata Stream</td><td>0.01</td><td>0.02</td></tr> <tr><td>Awatotara Creek</td><td>0.01</td><td>0.01</td></tr> <tr><td>Te Awainanga River</td><td>0.02</td><td>0.01</td></tr> <tr><td>Washout Creek</td><td>0.04</td><td>0.09</td></tr> <tr><td>Whangamoe Inlet Stream</td><td>0.01</td><td>0.05</td></tr> <tr><td>North Rakautahi tributary</td><td>0.02</td><td>0.02</td></tr> <tr><td>Blind Jims Creek</td><td>0.01</td><td>0.02</td></tr> <tr><td>Waitaha Creek</td><td>0.03</td><td>0.03</td></tr> <tr><td>Mangape Creek</td><td>0.10</td><td>0.12</td></tr> <tr><td>Mangahou Stream</td><td>0.01</td><td>0.01</td></tr> <tr><td>Te One Creek</td><td>0.01</td><td>0.02</td></tr> <tr><td>Waimahana Creek</td><td>0.03</td><td>0.02</td></tr> <tr><td>Waitamaki Creek</td><td>0.06</td><td>0.02</td></tr> </tbody> </table>	Stream	DIN (mg/L) 2012/13	DIN (mg/L) 2013/14	Awamata Stream	0.01	0.02	Awatotara Creek	0.01	0.01	Te Awainanga River	0.02	0.01	Washout Creek	0.04	0.09	Whangamoe Inlet Stream	0.01	0.05	North Rakautahi tributary	0.02	0.02	Blind Jims Creek	0.01	0.02	Waitaha Creek	0.03	0.03	Mangape Creek	0.10	0.12	Mangahou Stream	0.01	0.01	Te One Creek	0.01	0.02	Waimahana Creek	0.03	0.02	Waitamaki Creek	0.06	0.02
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4.2	Measure: The trophic state (Trophic Level Index, TLI) of lakes.	Target: The TLI of lakes is not increasing.																																										
	Result: ✗ Not achieved. Two lakes have increased TLI status, two have decreased and one has remained the same. Shallow lakes are prone to variability in TLI due to temperature and water level fluctuations.	<table border="1"> <thead> <tr> <th>TLI</th> <th>Trophic state</th> <th>General description</th> </tr> </thead> <tbody> <tr><td><1</td><td>Ultra-microtrophic</td><td>Practically pure, very clean, often have glacial sources</td></tr> <tr><td>1-2</td><td>Microtrophic</td><td>Very clean, often have glacial sources, very low nutrient enrichment</td></tr> <tr><td>2-3</td><td>Oligotrophic</td><td>Clear and blue, with low levels of nutrients and algae</td></tr> <tr><td>3-4</td><td>Mesotrophic</td><td>Moderate levels of nutrients and algae</td></tr> <tr><td>4-5</td><td>Eutrophic</td><td>Green and murky, with higher amounts of nutrients and algae</td></tr> <tr><td>5-6</td><td>Supertrophic</td><td>Very high nutrient enrichment and high algae growth</td></tr> <tr><td>>6</td><td>Hypertrophic</td><td>Saturated in nutrients, highly fertile, excessive algae growth</td></tr> </tbody> </table> <table border="1"> <thead> <tr> <th>Lake</th> <th>2012/13 TLI</th> <th>2013/14 TLI</th> </tr> </thead> <tbody> <tr><td>Huro</td><td>Supertrophic</td><td>Eutrophic</td></tr> <tr><td>Te Wapu</td><td>Eutrophic</td><td>Supertrophic</td></tr> <tr><td>Marakapia</td><td>Mesotrophic</td><td>Mesotrophic</td></tr> <tr><td>Tennants</td><td>Oligotrophic</td><td>Mesotrophic</td></tr> <tr><td>Rangatai</td><td>Mesotrophic</td><td>Oligotrophic</td></tr> </tbody> </table>	TLI	Trophic state	General description	<1	Ultra-microtrophic	Practically pure, very clean, often have glacial sources	1-2	Microtrophic	Very clean, often have glacial sources, very low nutrient enrichment	2-3	Oligotrophic	Clear and blue, with low levels of nutrients and algae	3-4	Mesotrophic	Moderate levels of nutrients and algae	4-5	Eutrophic	Green and murky, with higher amounts of nutrients and algae	5-6	Supertrophic	Very high nutrient enrichment and high algae growth	>6	Hypertrophic	Saturated in nutrients, highly fertile, excessive algae growth	Lake	2012/13 TLI	2013/14 TLI	Huro	Supertrophic	Eutrophic	Te Wapu	Eutrophic	Supertrophic	Marakapia	Mesotrophic	Mesotrophic	Tennants	Oligotrophic	Mesotrophic	Rangatai	Mesotrophic	Oligotrophic
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Emergency Management continued...

The Council seeks to provide an efficient and effective system of emergency management that minimises the potential effect of all hazards on the community and the environment.

There are plans for a unified civil defence headquarters to be built from new, and funding for this is being sought.

1.4	Measure: The percentage of residents who consider they are prepared and know what to do in an emergency.	Target: 75% of residents are well prepared or prepared on a scale of well prepared, prepared, not well prepared.
	Result: ✗ Not achieved. 73% felt they were prepared, 17% not well prepared, 9% no opinion.	
2. Emergency management - encouraging lifelines utilities to increase resilience		
2.1	Measure: The percentage of lifelines utilities that have identified the hazards with potential to affect their infrastructure.	Target: 100%.
	Result: ✓ Achieved. 100% of Chatham Islands' infrastructure would be impacted by the occurrence of a natural hazard. Hazard Risk Management Plan in place.	
3. Emergency management - providing support and assisting the recovery of social, emotional, economic and physical well-being of individuals and communities following emergency events		
3.1	Measure: The effectiveness of recovery assistance after emergencies.	Target: Subject to the scale of the emergency and the level of demand: 1. Immediate welfare needs of those affected have been met. 2. Systems have been established or reinstated to assist individual and community self-sufficiency. 3. Essential services have been restored to minimum operating levels.
	Result: 1. ✗ Not measured. No emergency had occurred. A Welfare Plan is in place. 2. ✗ Not measured. No emergency had occurred. A Contingency Plan is in place. 3. ✗ Not measured. No emergency had occurred. An essential Services Recovery Plan is in place.	
4. Rural fire - providing an effective rural fire prevention and response capability		
4.1	Measure: Time taken to respond to events.	Target: 100% are responded to within one hour of notification.
	Result: ✓ Achieved. Six events notified. All responded to within one hour	
5. Oil spill - Work closely with providers and community groups to ensure integrated analysis/trend, planning and provision of services to provide a safe and secure community		
5.1	Measure: Number of training exercises.	Target: At least one water equipment deployment exercise conducted annually.
	Result: ✓ Achieved. One training exercise undertaken with DOC and two other parties.	
5.2	Measure: Time taken to evaluate reports of oil spills.	Target: Oil spill reports evaluated within one hour of notification.
	Result: ✓ Achieved. One minor spill reported and evaluated within one hour, no action required	

Coasts, Harbours and Navigation

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.

1. Coasts, harbours and navigation - the community receives a service which meets its needs for safety		
1.1	Measure: Public satisfaction with administration of bylaws.	Target: Establish an upward trend for satisfaction on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied.
	Result: ✗ Not achieved. Overall, 47% of respondents were satisfied or very satisfied, 7% dissatisfied or very dissatisfied and 47% had no opinion.	
1.2	Measure: Formally respond to incidents and deal with complaints within seven days.	Target: 85% responded to within specified timeframes.
	Result: ✓ Achieved. One incident reported relating to a lead light outage which was repaired within one day.	
2. Coasts, harbours and navigation - navigational aids are maintained in proper working order		
2.1	Measure: The frequency of inspection of leading lights. Number of complaints about navigation aids. The time to replace outages.	Target: 1. Inspections carried out every three months. 2. No more than five a year. 3. Outages replaced within 24 hours.
	Result: 1. ✗ Not achieved. One lead light inspection had occurred at Kaingaroa during the period. One repair to the lead light at Kaingaroa was undertaken in February 2014. 2. ✓ Achieved. One complaint received. 3. ✓ Achieved. One outage responded to and repaired within 24 hours.	
3. Coasts, harbours and navigation - provide lifeline access between Chatham and Pitt islands		
3.1	Measure: The availability of the Owenga Wharf for safe and efficient movement of people, stock and goods.	Target: At all times.
	Result: ✓ Achieved. No safety or inefficiency complaints were received.	



Financial overview

Statement of Comprehensive Income for the year ended 30 June 2014

	Actual 2013/14 \$000	Annual Plan 2013/14 \$000	Actual 2012/13 \$000
Rates	469	487	496
Grants & subsidies	6,944	11,124	6,607
Other revenue	983	396	936
Total revenue	8,396	12,007	8,039
Expenditure	7,075	7,540	6,505
Total surplus/(deficit)	1,321	4,467	1,534
Increase/(decrease) in revaluation reserve	(922)	-	8,199
Total comprehensive income	399	4,467	9,733

Statement of Changes in Equity for the year ended 30 June 2014

	Actual 2013/14 \$000	Annual Plan 2013/14 \$000	Actual 2012/13 \$000
Equity at the beginning of the year	54,570	51,722	44,837
Total comprehensive income	399	4,467	9,733
Equity at the end of the year	54,969	56,189	54,570

Statement of Financial Position as at 30 June 2014

	Actual 2013/14 \$000	Annual Plan 2013/14 \$000	Actual 2012/13 \$000
Current assets	1,735	1,450	1,099
Non-current assets	56,086	57,974	55,703
Total assets	57,821	59,424	56,802
Current liabilities	2,305	2,715	1,557
Non-current liabilities	547	520	675
Total liabilities	2,852	3,235	2,232
Net assets	54,969	56,189	54,570
Public equity	54,969	56,189	54,570

Statement of Cash Flows for the year ended 30 June 2014

	Actual 2013/14 \$000	Annual Plan 2013/14 \$000	Actual 2012/13 \$000
Net cash flow from operating activities	4,443	6,647	2,959
Net cash flow from investing activities	(2,924)	(7,015)	(3,022)
Net cash flow from financing activities	(54)	(52)	(33)
Increase/(decrease) in cash held	1,464	(420)	(96)
Opening cash balance	(518)	(853)	(422)
Closing cash balance	946	(1,273)	(518)

The full financial statements have been audited and unmodified opinion issued.

Council has prepared the Summary Annual Report to provide an overview of Council's performance. The disclosures in the Summary Annual Report have been extracted from the Annual Report, which was adopted on 31 October 2014.

The Summary Annual Report cannot be expected to provide as much detail as the full Annual Report. The full Annual Report will provide a more complete understanding of Council's operations. The full Annual Report is available from Council on request.

Council can be contacted by telephone on (03) 305-0033 or via Council's website at www.cic.govt.nz.

Independent Auditor's report

The summary annual report was derived from the annual report of the Chatham Islands Council (Council) for the year ended 30 June 2014. We have considered whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

The annual report included full audited statements, and the summary annual report includes summary statements. We have audited the following summary statements reported in the summary annual report on pages 4 to 14:

- the summary statement of financial position as at 30 June 2014;
- the summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014; and
- the summary statement of service provision of Council.

We expressed an unmodified audit opinion on Council's full audited statements in our report dated 31 October 2014.

Opinion

In our opinion:

- the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with FRS-43 (PBE): *Summary Financial Statements*.

Basis of opinion

Our audit was carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand), and in particular with the International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements*. These standards require us to carry out procedures to confirm whether the summary annual report contains the information necessary, and at an appropriate level of aggregation, so as not to be misleading.

The summary statements and the full audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 31 October 2014 on the full audited statements.

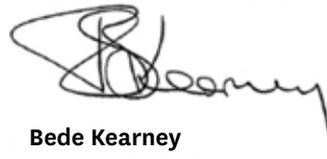
The summary statements do not contain all the disclosures required for full audited statements under generally accepted accounting practice in New Zealand. Reading the summary statements, therefore, is not a substitute for reading the full audited statements in the annual report of Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary annual report so that it represents, fairly and consistently, the information regarding the major matters dealt with in the annual report. This includes preparing summary statements, in accordance with FRS-43 (PBE): *Summary Financial Statements*. The Council is also responsible for the publication of the summary annual report, whether in printed or electronic form.

We are responsible for expressing an opinion on whether the summary annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report and whether the summary statements comply with FRS 43 (PBE): *Summary Financial Statements*.

Other than in our capacity as auditor we have no relationship with, or interest in, the Chatham Islands Council.



Bede Kearney

Audit New Zealand

On behalf of the Auditor-General, Christchurch, New Zealand

25 November 2014

The organisation

COUNCIL AND MANAGEMENT

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Stanton

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Beca Carter Hollings & Ferner Ltd
(Christchurch)
Paul Whyte

SOLICITORS

Wynn Williams

BANKERS

ANZ
(Waitangi - Chatham Islands)

AUDITORS

Audit New Zealand
(on behalf of the Auditor-
General)



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