



# CHATHAM ISLANDS

Annual Report 2015/16



chatham islands council

# Profile of the Chatham Islands

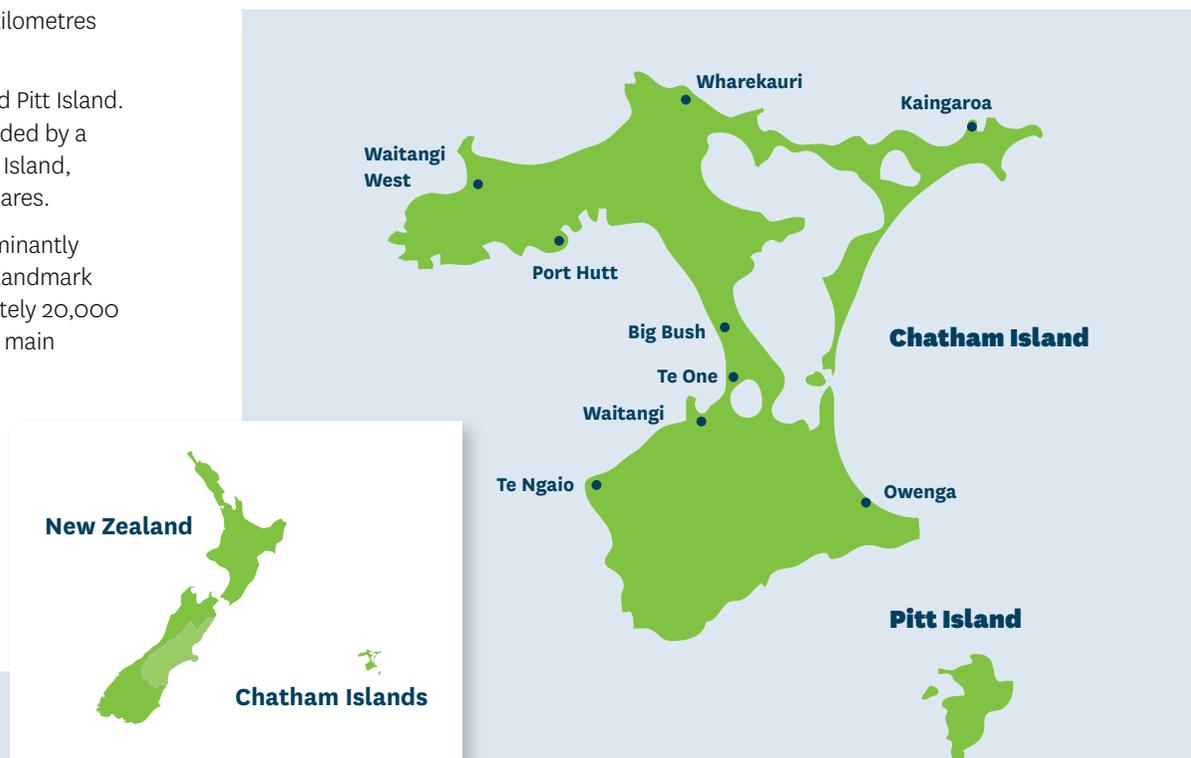
The Chatham Islands and its people are a unique community, isolated by 800 kilometres of ocean from mainland New Zealand.

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 of Chatham Island 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 the 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

Usually 600 people live in the Chatham Islands.

Its population is the smallest in size out of the 53 districts in New Zealand.

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

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

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

Among households in private occupied dwellings, 54% 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

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# Introduction

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Welcome to the 2015/16 Annual Report. This is an account of Chatham Islands Council's financial and service performance in the year from 1 July 2015 to 30 June 2016. It outlines what we committed to achieving in the Long-Term Plan for the year and describes how we delivered it. The report can be divided into three sections:

1. The overview, including a summary of our strategic approach, function and key highlights of the year,
2. Financial statements, detailing the Council's position and performance in financial terms,
3. Service performance summaries, which detail the work completed in each major area of Council activities and funds spent to deliver this to the community.

The Council has the following groups of activities:

- **Democracy services** – planning and support for the Council and its activities
- **Infrastructure services** – planning and maintaining infrastructure on the Islands
- **Community and regulatory services** – promoting community development through recreation, the arts and cultural heritage
- **Environmental services** – maintaining and sustaining natural resources to promote a sound resource base and protect the environment
- **Emergency management** – providing an efficient and effective system of emergency management to minimise the potential effect of all hazards on the community
- **Coasts, harbours and navigation** – harbour control to ensure safety in the territory's waterways.

Both the financial statements and service performance information are externally audited.

***The Chatham Islands' key financial accountability documents are as follows:***

## **The Long-Term Plan and Annual Plan**

The 10-year Long-Term Plan and the Annual Plan set out in detail how the Council manages its funding. They cover what projects are to be undertaken and how this is to be funded.

These plans also document how the Council consults with its community including Moriori and Māori. It identifies the Council's plans for the medium and long term, including coping with uncertainty and changing circumstances.

## **Annual Report**

The Annual Report details how much was achieved compared with the objectives set in the Long-Term Plan or Annual Plan. It is the Council's key financial accountability document. It also provides ratepayers and other interested entities with a report on how well the Council's assets are being looked after and how well the Council is performing as an organisation. The Annual Report informs readers about the Council's progress towards achieving its vision.

# Mayor and Chief Executive's report

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Welcome to the Chatham Islands Council Annual Report 2015/16.

This document looks back at the last financial year and explains how Council has met its commitments to the Chatham Islands Community.

The 2015/16 year was one of change and challenges.

The big success of the year was that the Government approved funding for the proposed port facility at Waitangi. The Government has been lobbied to fund the project over the past 10 years, so it was great to see work finally commence.

The Resource Management consent for the wharf project attracted a lot of attention, with 16 submissions received. It was a credit to all involved to have consents issued well within the statutory time frames. The construction project will be part of our lives for another year with completion forecast for November 2017.

The Council's biggest contract (\$35m) covering roads, water supplies and wastewater disposal systems over the next 10 years, went into the competitive market during the year resulting in a change of contractor. Fulton Hogan Limited was the successful tenderer and began work in January 2016.

Roading also poses a funding challenge with the financial assistance received from NZTA reducing by 1% annually from 90% until the target of 85% is reached. This funding loss is considered unsustainable and Council continues to seek a review of this decision.

The Council also renewed its contractual relationship with the Canterbury Regional Council (\$5m) for the next 4 years. This contract covers the Council's regional council functions and corporate support where required.



In March 2015 the Islands were battered by tropical cyclone Pam resulting in extra unbudgeted expenses for both the Council and community. The Council will form a Mayoral Relief Fund Trust to enable it to react positively to offers of funding support in the future.

The waste management strategy is progressing with a transfer station now operating at Kaingaroa and the Te One receiving centre now staffed and operating. We are working towards the whole system being operative by July 2017.

A commentary on our performance during the year is highlighted in 2015/16 in review on page 8, including our financial results from page 10.

In conclusion, we wish to record our appreciation to all those who work for and with the Council for their enthusiasm and hard work.

Alfred Preece  
Mayor

Owen Pickles JP  
Chief Executive

27 October 2016

# Our strategic approach

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## The Council's vision

The Council's aim is to work towards a sustainable future for our people, for our Islands and for present and future generations.

This is a vision that sets the direction of the Council and is guided by the values of:

**Sustainability** – sustainable development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

**A collective approach** – recognising the importance of a collective approach to achieving community well-being and the role the Council plays as an advocate, a facilitator or actively leading in activities and issues that enhance the well-being of our community.

**A valued community** – recognising that our community is made up of a diverse range of communities and their contributions towards community well-being are important and valued.

We will achieve our vision by:

- Strengthening relationships and working in partnership with the community, key organisations and central government
- Facilitating sustainable management of natural and physical resources
- Working towards achieving meaningful outcomes for our community.

Everyone in our community has a role to play to improve community well-being. A community outcome is the result that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district or region, in the present and for the future.

There are a number of community aspirations or outcomes that have been determined and prioritised by the community and that assist the Council in promoting the well-being of our community.

Understanding community outcomes enables the Council to work together with the community to find effective ways of achieving common goals. In other words, the community outcomes inform and guide the plans of local authorities, central government agencies and other organisations who work with the community. This ensures these groups know what is important to the community they are serving.

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## Moriori and Māori engagement

The 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 Moriori, Māori, 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, the Council recognises the Hokotehi Moriori Trust and Ngāti Mutunga o Wharekauri Iwi Trust as groups that represent mana whenua within the territory.

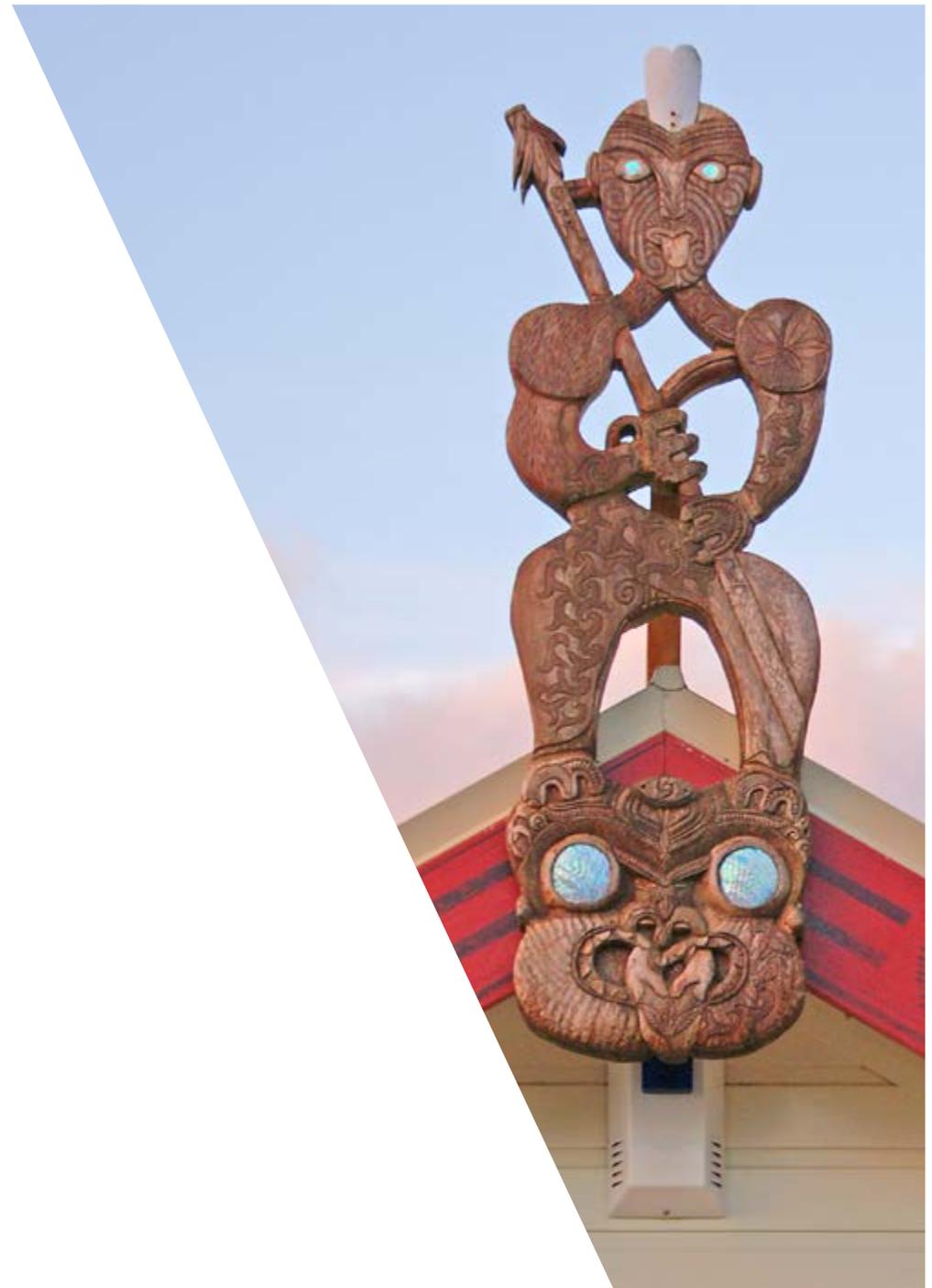
The Council recognises the obligation to actively promote Moriori and Māori participation in the decision-making process.

The key goals of the Council in progressing relationships with Imi/Iwi are:

- Working towards formalising working relationships.
- Building capacity to enhance participation in the decision-making process.
- Providing information to assist Moriori and Māori to effectively contribute to the decision-making process.
- Providing education and raising awareness among staff and elected members so that they can gain an appreciation of the Moriori and Māori values and traditions in relation to the Local Government Act 2002 and the Resource Management Act 1991.
- Consulting with Moriori and Māori on key decisions.

The Council also recognises an obligation to the Chatham Islands community under the Long-Term Plan 2015–25 in enhancing and acknowledging the importance of tchakat henu/tangata whenua.

The Council's policy on Moriori, Māori and Chatham Islands Council was adopted in 2015 as part of the Long-Term Plan 2015–25, and is included in this document.



# 2015/16 in review

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The 2015/16 financial year was another year of change and challenges for the Council.

## Roading

On-island roading works progressed in accordance with our asset management plans. The level of funding for roading continues to create challenges to the Council. Confirmed financial assistance received from the New Zealand Transport Agency (NZTA) has reduced by 1% and will continue to reduce by this amount annually until funding reaches 85%. Council is continuing to seek a review of this decision in light of the impact these reductions will place on the community in moving forward.

## Sustainable water

Water scheme upgrades for Owenga, Waitangi and Te One remain 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 the project. If unsuccessful, the project will be delayed until alternative financial support can be found.

The upgrade for Kaingaroa was completed in March 2015.

## Waste Management Strategy

The implementation of the Waste Management Strategy progressed during the year. This involved establishing a sanitary landfill complying with health and environmental standards. In addition, the transfer station at Kaingaroa and the Te One receiving centre are both now staffed and operating.

## Review of the Resource Management document

The draft Chatham Islands Resource Management document (CIRMD) was reviewed and subject to public consultation during 2013/14 and 2014/15. The CIRMD is awaiting approval from the Minister for the Environment before the document can be formally adopted by Council.

## Emergency Management

The Emergency Management Operations Centre project development remains on-going. Land for the facility has been secured; however the build has not yet commenced pending full funding for the project being secured. In the interim, the land has been leased to the Memorial Park Alliance as a work area for the duration of the Wharf development project.

Inundation mapping began in 2013 and has been progressed during this period. Mapping will be completed in November 2016 with a view to public consultation thereafter.

## Museum and Administration Facility

The Council considered a reduced facility option to establish a Museum and Administration structure as opposed to the originally proposed Community Complex. The Chatham Islands Enterprise Trust has opted not to progress with the shared administration proposal and there were difficulties in securing the local share of funding required for the community aspect of the building. A revised feasibility study is underway involving discussions with investors to fund this option.

The one-off funding grant of \$1.07m from the Ministry of Culture and Heritage towards a new Museum remains secure. Securing funding for the Administration side of the facility continues.

## Government funding

The Council submitted a funding bid during 2014/15. Based on the bid submitted, core funding from central government had been secured for 2014/15 through to 2017/18 to support Council's ongoing financial requirements in accordance with our Long-Term Plan (LTP) 2015-2025, a shared vision. This was confirmed by the Government budget announced in May 2015. The next review will be undertaken in 2017/18 for 2019 and beyond; the Council continues to rely on Government support to remain operational.

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## Waitangi Port upgrade

Government funding for the new port facility for Waitangi has been sourced by Chatham Islands Council in conjunction with the Chatham Islands Enterprise Trust (CIET). Work on the port upgrade commenced during the year and is on-going; the facility is expected to be completed in November 2017.

## Social housing

Work towards the establishment of a Housing Project continued. As part of a collaborative approach to establishing a Chatham Island Housing Solution, Council collaborated with other Island groups and organisations in progressing this project. Lead by Ngāti Mutunga in partnership with key island groups, an agreement between the Council, the Chatham Islands Enterprise Trust, Hokotehi Mori Trust and Ngāti Mutunga Wharekauri Iwi Trust to progress the Housing Solution for the Islands had been formalised. Work is yet to be scoped.

## Looking forward

Over the next 10 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.
- A new Emergency Management Operations centre.
- A New Museum and Administration facility.
- Roading projects.
- The implementation of the Islands Housing Solutions project.
- Successful Island relationships that achieves infrastructure outcomes such as the Port Project, broadband and cost-efficient energy sources.



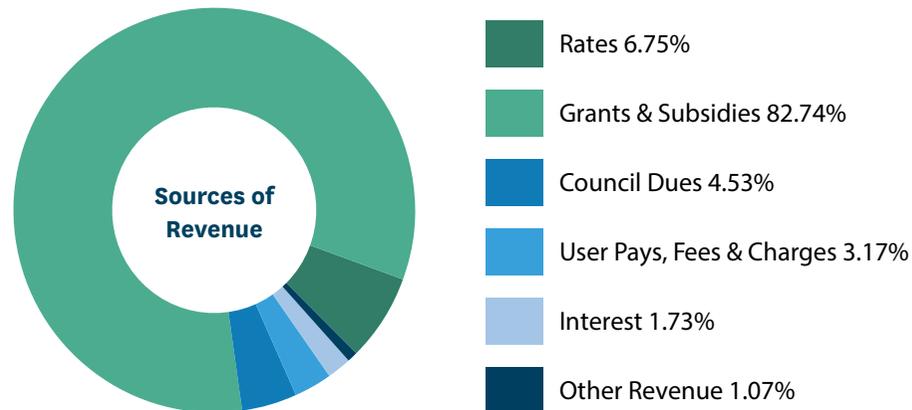
# 2015/16 in review

## Financial highlights

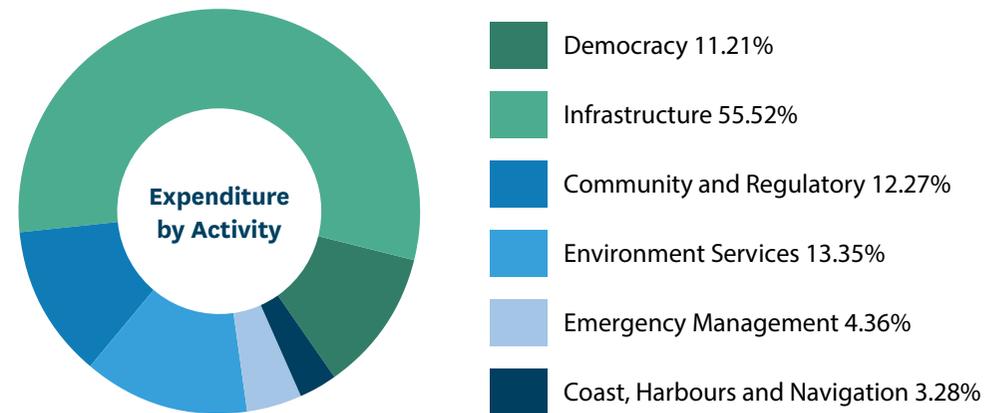
The Chatham Islands Council's operating surplus for the 2015/16 financial year was \$1.09 million. The operating surplus decreased \$0.4 million from \$1.5 million surplus in 2014/15; it is also below the budgeted result for 2015/16 of \$5.8 million. The budget assumed sufficient funding would be provided by central government during the year to support on-island infrastructural development integral to improving facilities for 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 and new solid waste transfer stations 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 our Council Funding Impact Statement on page 54.

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 2015/16 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.

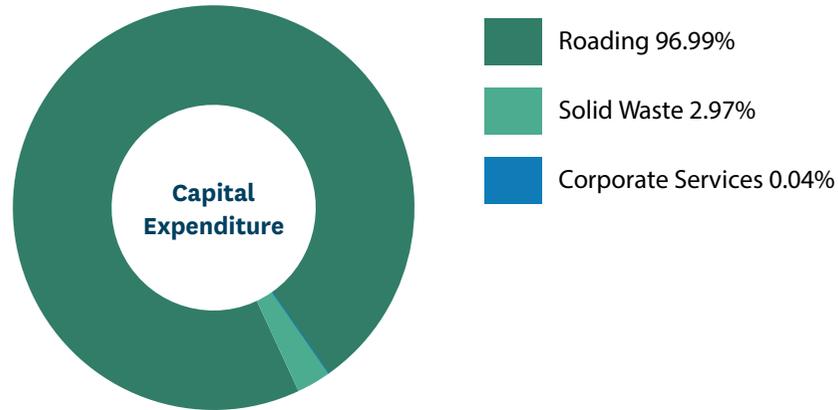


Operating expenditure by activity is summarised in the chart below; the largest portion of expenditure is on infrastructure, particularly the roading network. This is in line with last year's expenditure, but overall expenditure is less than budget.





The Council is also 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 \$57.8 million, compared with the closing position of \$57.3 million for the previous financial year.



A summary of our financial statistics compared with last year is presented in the table below.

Council Financial Statistics	Actual 2015/16	Actual 2014/15
Proportion of Rates Revenue to Total Revenue	6.75%	5.91%
Proportion of Dues Revenue to Total Revenue	4.53%	4.19%
Net Public Debt (as a percentage of Total Assets)	0.74%	0.83%
Public Debt (per rateable property)	\$794	\$903
Public Debt (per head of population)	\$737	\$838

The ratios of rates over total revenue are slightly high than 2014/15, this is because grant and subsidy revenue has decreased between years, rate levels have not changed significantly.

The ratios of dues increased 0.32% in 2015/16.

Public debt statistics have both decreased, with in-year repayments reducing debt balances.

## To the readers of Chatham Islands Council's Annual Report for the year ended 30 June 2016

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, on her behalf, to:

- audit the information included in the Council's annual report that we are required to audit under the Local Government Act 2002 (the audited information);
- report on whether the Council has complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report and the Local Government (Financial Reporting and Prudence) Regulations 2014.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 16 to 29:
  - present fairly, in all material respects:
    - the Council's financial position as at 30 June 2016;
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.
- the funding impact statement on page 54, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's long term plan;
- the service performance summaries on pages 34 to 53:
  - present fairly, in all material respects, the Council's levels of service for each group of activities for the year ended 30 June 2016, including:
    - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
    - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
  - comply with generally accepted accounting practice in New Zealand;
- the statements about capital expenditure for each group of activities on pages 56 to 61, present fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Council's long term plan;
- the funding impact statements for each group of activities on pages 56 to 61, present fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the Council's long term plan.

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## Compliance with requirements

The Council has:

- complied with the requirements of schedule 10 of the Local Government Act 2002 that apply to the annual report; and
- made the disclosures on pages 16 to 61 which are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 which represent a complete list of required disclosures and accurately reflects the information drawn from the Council's audited information.

Our audit was completed on 27 October 2016. This 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 our responsibilities, and we explain our independence.

## Basis of opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the audited information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.



An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Council's preparation of the information we audited in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of the disclosures in the information we audited;
- determining the appropriateness of the reported service performance summaries within the Council's framework for reporting performance; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

# Independent Auditor's report

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When reporting on whether the Council complied with the requirements of Schedule 10 of the Local Government Act 2002 that apply to the annual report, we limited our procedures to making sure the annual report included the required information and identifying material inconsistencies, if any, with the information we audited. We carried out this work in accordance with International Standard on Auditing (New Zealand) 720; The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

## **Responsibilities of the Council**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

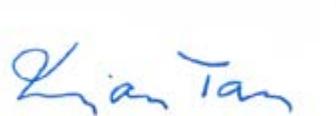
The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

## **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the annual report in accordance with the reporting requirements of the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014. Our responsibility arises from the Public Audit Act 2001.

## **Independence**

When carrying out our audit, we followed the independence requirements of the Auditor General, which incorporate the independence requirements of the External Reporting Board. Other than this 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

27 October 2016

# Financial statements

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## 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 the Local Government Act 2002, have been complied with.

### Responsibility

The Council and management of Chatham Islands Council 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 and service performance reporting.

In the opinion of the Council and management of Chatham Islands Council, the financial statements fairly reflect the financial position of the Council as at 30 June 2016, and the results of its operations, cash flows and the service performance achievements for the year ended on that date.

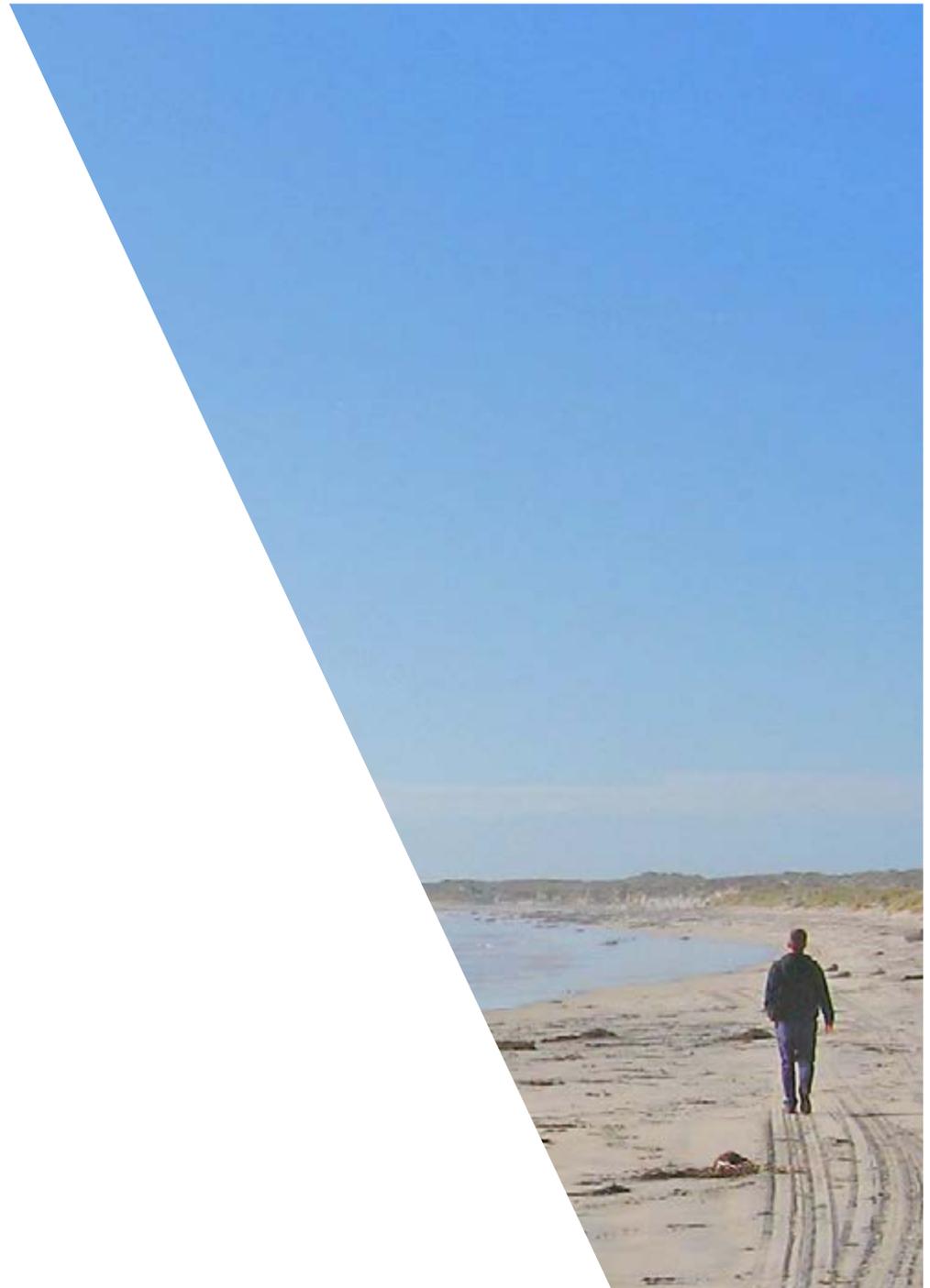


Alfred Preece  
Mayor

27 October 2016



Owen Pickles JP  
Chief Executive



# Financial statements

## Statement of comprehensive revenue and expense for the year ended 30 June 2016

	Note	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Actual 2014/15 \$000
<b>Revenue</b>				
Rates	2	543	525	539
Grants and Subsidies	2,19	6,648	12,121	7,674
Council Dues		364	281	382
User Pays, Fees and Charges		255	333	154
Interest	19	139	20	61
Other Revenue		86	-	305
<b>Total Revenue</b>	1	<b>8,034</b>	<b>13,280</b>	<b>9,115</b>
<b>Expenditure</b>				
Depreciation and Amortisation	3,6,7,19	1,852	2,163	2,220
Employment Benefits		805	855	797
Financial Costs	3	29	26	31
Other Expenditure		4,256	4,482	4,533
<b>Total Expenditure</b>	1	<b>6,942</b>	<b>7,526</b>	<b>7,581</b>
<b>Total Surplus/Deficit</b>		<b>1,092</b>	<b>5,754</b>	<b>1,534</b>
<b>Comprehensive Revenue and Expense</b>				
Increase/Decrease in Revaluation Reserve		-	-	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>1,092</b>	<b>5,754</b>	<b>1,534</b>

## Statement of changes in equity for the year ended 30 June 2016

	Note	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Actual 2014/15 \$000
<b>Equity at the start of the year</b>		<b>56,503</b>	<b>56,304</b>	<b>54,969</b>
Total Comprehensive Revenue and Expense		1,092	5,754	1,534
<b>Equity at the end of the year</b>	12	<b>57,595</b>	<b>62,058</b>	<b>56,503</b>

## Statement of financial position as at 30 June 2016

	Note	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Actual 2014/15 \$000
<b>Current Assets</b>				
Cash and Cash Equivalents	4	1,400	725	1,985
Funds Held in Trust	4	69	100	103
Current Trade and Other Receivables	5	518	1,248	1,463
<b>Total Current Assets</b>		<b>1,987</b>	<b>2,072</b>	<b>3,551</b>
<b>Non-Current Assets</b>				
Non-Current Trade and Other Receivables	5	90	-	109
Intangible Assets	7	1	3	4
Property, Plant and Equipment	6,19	57,864	61,789	57,284
<b>Total Non-Current Assets</b>		<b>57,955</b>	<b>61,792</b>	<b>57,397</b>
<b>Total Assets</b>		<b>59,942</b>	<b>63,864</b>	<b>60,948</b>

These statements should be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.



## Statement of financial position as at 30 June 2016 (continued)

	Note	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Actual 2014/15 \$000
<b>Current Liabilities</b>				
Bank Overdraft	4	-	-	-
Trade and Other Payables	8	1,673	1,128	3,710
Employee Entitlements	9	61	73	61
Provision for Pitt Island Barge Society	10	25	20	25
Current Portion of Provision - Landfill	10	121	30	109
Current Portion of Term Liabilities	11	56	58	58
<b>Total Current Liabilities</b>		<b>1,936</b>	<b>1,309</b>	<b>3,963</b>
<b>Non-Current Liabilities</b>				
Provision - Non-Current	10	25	65	37
Term Liabilities	11,19	386	433	445
<b>Total Non-Current Liabilities</b>		<b>411</b>	<b>498</b>	<b>482</b>
<b>Total Liabilities</b>		<b>2,347</b>	<b>1,806</b>	<b>4,445</b>
<b>Net Assets</b>		<b>57,595</b>	<b>62,058</b>	<b>56,503</b>
<b>Public Equity</b>				
Accumulated Funds and Reserves		57,595	62,058	56,503
<b>Total Public Equity</b>	12	<b>57,595</b>	<b>62,058</b>	<b>56,503</b>

## Statement of cash flows for the year ended 30 June 2016

	Notes	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Actual 2014/15 \$000
<b>Cash Flow from Operating Activities</b>				
Receipts from rates revenue		537	524	472
Receipts from Council Dues		385	276	382
Receipts from grants and subsidies		5,725	11,890	6,820
Interest received		139	20	61
Receipts from other revenue		2,008	333	931
Payments made to employees		(805)	(872)	(805)
Interest paid		(29)	(26)	(31)
Other payments to suppliers		(6,108)	(4,665)	(3,107)
<b>Net Cash Flow from Operating Activities</b>		<b>1,852</b>	<b>7,480</b>	<b>4,723</b>
<b>Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets		(2,429)	(7,732)	(3,548)
Sale/(Purchase) of Other Assets		19	-	17
<b>Net Cash Flow from Investing Activities</b>		<b>(2,410)</b>	<b>(7,732)</b>	<b>(3,531)</b>
<b>Cash Flow from Financial Activities</b>				
Loans Raised		-	-	-
Repayment of Loans		(61)	(22)	(49)
<b>Net Cash Flow from Financial Activities</b>		<b>(61)</b>	<b>(22)</b>	<b>(49)</b>
<b>Increase/(Decrease) in Cash Held</b>		<b>(619)</b>	<b>(274)</b>	<b>1,141</b>
Opening Cash Balance		2,088	1,100	947
<b>Closing Cash Balance</b>	4	<b>1,469</b>	<b>825</b>	<b>2,088</b>

Goods and Services Tax: The GST component of operating activities reflects the net GST paid to and received from Inland Revenue. The GST 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.

# Financial statements

## Statement of accounting policies

For the year ended 30 June 2016

### Reporting entity

Chatham Islands Council is a Unitary Local Authority under the Chatham Islands Council Act 1995 and the Local Government Act 2002 and is domiciled and operates in New Zealand.

Chatham Islands Council has designated itself as a public benefit entity for financial reporting purposes. The primary objective of the Council is to provide goods and services for community or social benefit rather than to make a financial return.

The financial statements of Chatham Islands Council are for the year ended 30 June 2016. The financial statements were authorised for issue on 27 October 2016.

### Basis of preparation

The 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 financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). This includes preparing the accounts on a going concern basis.

Chatham Islands Council has elected to prepare the financial statements in accordance with Tier 2 PBE accounting standards as it is not publicly accountable or large and therefore reduced disclosure requirements will apply.

### Measurement base

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

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$000). The functional currency of Chatham Islands Council is New Zealand dollars.

### Critical financial assumptions, judgements and estimations

The financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. These estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and, if applicable, future periods if the revision affects both current and future periods.

### Budget figures

The budget figures in the financial statements are those approved by Chatham Islands Council as part of the annual planning process. The Council has approved no additional expenditure outside the planning process.

The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

**The following accounting policies, which materially affect the measurement of results and financial position, have been applied.**

### Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. The recognition criteria for specific revenue items are described below:

- Rates revenue is recognised when it is levied. General rates and targeted rates are non-exchange transactions
- The New Zealand Transport Agency (NZTA) roading subsidies are recognised when the conditions pertaining to eligible expenditure have been fulfilled. These subsidies and grants are non-exchange transactions
- Government assistance and grants are recognised when eligibility is established. Grants are non-exchange transactions
- Other grants and bequests are recognised when control over the asset is obtained. Grants are non-exchange transactions.

### Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

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### **Leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Chatham Islands Council does not have any finance leases.

### **Taxation**

Chatham Islands Council is a public authority and consequently is exempt from the payment of income tax, except for income derived from Council Controlled Organisations.

### **Goods and services tax**

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 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 a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

### **Cash and cash equivalents**

Cash and cash equivalents include 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.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### **Trade and other receivables**

Trade and other receivables are measured at cost, less any provision for impairment.

A provision for impairment is established when there is evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the amounts expected to be collected.

### **Other financial assets**

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.



Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council have transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- Fair value through surplus or deficit
- Loans and receivables
- Held-to-maturity investments
- Fair value through other comprehensive revenue and expense.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

### **Financial assets at fair value through surplus or deficit**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

### **Property, plant and equipment**

The initial or subsequent cost of an item of property, plant and equipment is recognised as an asset where it is probable that future economic benefits or service potential will flow to the Council. Costs that do not meet these criteria are expensed. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially recognised at fair value.

Work in progress is recognised at cost less impairment and is not depreciated.

Asset classes that are revalued are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value. The valuation cycle for revalued asset classes is normally 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 comprehensive revenue and expense.

# Financial statements

The Council has the following classes of assets:

## Operational assets

Land and buildings were valued at deemed cost by way of Government Valuation, as at 1 July 1989. Subsequent additions are valued at cost. All other operational assets are valued at cost less accumulated depreciation.

## Infrastructure assets

**Roading:** Roothing assets (excluding land under roads) were revalued by MWH Ltd (Registered Engineers) at depreciated replacement cost, as at 30 June 2013. Subsequent additions are included at cost. Land under roads is recorded at cost and is not depreciated.

**Stormwater and sewerage reticulation:** The reticulation systems were valued by MWH Ltd (Registered Engineers) as at 30 June 2014. The valuation provided is depreciated replacement cost. Subsequent additions are included at cost.

**Solid waste:** Solid waste assets are new and will be revalued as part of the next asset revaluation, scheduled for 30 June 2018 unless necessary to review prior.

**Water:** The reticulation systems were valued by MWH Ltd at depreciated replacement cost as at 30 June 2014. Subsequent additions are included at cost.

**Harbour:** Harbour assets were valued by MWH Ltd at depreciated replacement cost as at 30 June 2013. Subsequent additions are included at cost.

## Depreciation

Depreciation is provided on a straight-line basis on all assets. Rates are calculated to allocate the asset's cost or valuation less estimated residual value over their estimated useful life, as follows.

Asset	Years
<b>Operational assets</b>	
Motor vehicles	5 years
Furniture/fittings	5-10 years
Buildings	25-50 years
Office equipment	5 years
Parks and reserves	25 years
Solid waste	25 years

Asset	Years
<b>Infrastructure assets</b>	
<b>Roothing</b>	
Top surface (seal)	10 years
Pavement (base course)	
Sealed	66 years
Unsealed	Not depreciated
Pavement	
Unsealed (wearing course)	5 years
Sub-base	Not depreciated
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
<b>Water reticulation</b>	
Pipes	25 years
Valves, hydrants	25 years
Pump stations	5-25 years
Tanks	80 years
<b>Sewerage reticulation</b>	
Pipes	80 years
Manholes	60 years
Sand filter	26 years
<b>Stormwater system</b>	
Pipes	40-60 years
<b>Harbour</b>	
Owenga Wharf	50 years



### Intangible assets

Intangible assets are primarily the costs associated with acquiring computer software, which 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 useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows.

Asset	Years
Computer software	5 years

### Impairment of property, plant and equipment and intangible assets

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.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive revenue and expense.

### Trade and other payables

Short-term payables are recorded at their face value.

### Employee benefit liabilities

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. Chatham Islands Council recognises a liability for sick leave 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.

### 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; in such cases, 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.

### Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

### Public 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 that 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 reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

# Financial statements

## NOTE 1: SUMMARY OF REVENUE AND EXPENDITURE BY ACTIVITY

	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Actual 2014/15 \$000
<b>Revenue by activity</b>			
Democracy	787	3,161	850
Infrastructure	5,032	6,740	5,812
Community and Regulatory	805	928	945
Environment	923	940	900
Emergency Services	293	1,335	419
Coasts, Harbours and Navigation	194	176	189
<b>Total Revenue</b>	<b>8,034</b>	<b>13,280</b>	<b>9,115</b>
<b>Expenditure by activity</b>			
Democracy	778	763	819
Infrastructure	3,854	4,422	4,217
Community and Regulatory	852	907	991
Environment	927	907	903
Emergency Services	303	331	428
Coasts, Harbours and Navigation	228	196	223
<b>Total Expenditure</b>	<b>6,942</b>	<b>7,526</b>	<b>7,581</b>
<b>Net Surplus/(Deficit)</b>	<b>1,092</b>	<b>5,754</b>	<b>1,534</b>

## NOTE 2: REVENUE

### Rating base information

The following rating base information is disclosed using rating base information at the end of 30 June 2015.

	30 June 2015
The number of rating units	680
The total land value of rating units	64,583,150
The total capital value of rating units	135,346,700

## NOTE 2: REVENUE (CONTINUED)

Rates Revenue	Actual 2015/16 \$000	Actual 2014/15 \$000
General Rates	273	275
<b>Targeted rates</b>		
Roading	52	51
Solid Waste	62	62
Water	69	67
Sewerage	65	65
<b>Total Targeted Rates</b>	<b>248</b>	<b>245</b>
Rates Penalties	17	19
<b>Total Rates Revenue</b>	<b>538</b>	<b>539</b>
Grants and Subsidies	Actual 2015/16 \$000	Actual 2014/15 \$000
Department of Internal Affairs	3,104	3,159
NZTA Rooding Subsidy	3,382	4,480
Ministry of Civil Defence and Emergency Management	134	8
Other	28	27
<b>Total Grants and Subsidies</b>	<b>6,648</b>	<b>7,674</b>

## NOTE 3: EXPENDITURE

Other Expenses	Actual 2015/16 \$000	Actual 2014/15 \$000
Audit Fees - financial statement	69	68
Audit Fees - consultation documents Long-Term Plan	-	45
Donations	57	73
Interest Expense	29	31
Operating Lease Rentals	70	69



### NOTE 3: EXPENDITURE (CONTINUED)

Directly attributable depreciation and amortisation expense by group of activity	Actual 2015/16 \$000	Actual 2014/15 \$000
Democracy	8	8
Roading	1,603	1,969
Sewerage	53	53
Solid Waste	60	54
Water	43	52
Stormwater	4	4
Community and Regulatory	41	40
Environment	-	-
Emergency Services	8	8
Coasts, Harbours and Navigation	32	32
<b>Total depreciation and amortisation expense</b>	<b>1,852</b>	<b>2,220</b>

### NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following for the purposes of the statement of cash flows.

	Actual 2015/16 \$000	Actual 2014/15 \$000
Cash at Bank and on Hand	25	909
Term Deposits with maturities of less than 3 months of acquisition	1,375	1,076
Funds held in trust	69	103
<b>Total Cash and Cash Equivalents</b>	<b>1,469</b>	<b>2,088</b>

The Council holds funds in trust generated by the Chatham Islands Radio Society (now ceased) to support the provision of television reception for Islanders and run an on-island radio service. During the year, \$35,000 have been distributed for this purpose.

The Council received grant funding of \$1.076 million in the 2013/14 financial year. This was for the construction of the museum element of the community complex. Construction of this facility has not commenced. If the terms of the grant agreement are not met, the Council may be required to repay this grant.

### NOTE 5: TRADE AND OTHER RECEIVABLES

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 their fair value.

	Actual 2015/16 \$000	Actual 2014/15 \$000
Rates	82	89
Sundry Debtors*	200	432
NZTA Assistance	148	701
Warm Homes Loans Advanced Current	18	17
GST Refund	70	224
<b>Total current trade and other receivables</b>	<b>518</b>	<b>1,463</b>
<b>Trade and other receivables non-current</b>		
Warm Homes Loans Advanced Non-Current	90	109
<b>Total non-current trade and other receivables</b>	<b>90</b>	<b>109</b>
<b>Consisting of:</b>		
Receivables from non-exchange transactions**	500	1,446
Receivable from exchange transactions**	108	126

\*Council has no impairment provision. The movement in the provision for the impairment of trade and other receivables for 2015/16 was nil (2014/15 nil).

\*\*Non-exchange transactions includes outstanding amount for rates, grants, infringement, and fees and charges that are partly subsidised by rates. Exchange transactions includes outstanding amount for commercial sales, and fees and charges that have not been subsidised by rates.

# Financial statements

## NOTE 6: PROPERTY, PLANT AND EQUIPMENT

Movements for each class of property, plant and equipment are as follows.

Actual 2015/16	Opening Cost/ Revaluation \$000	Accumulated Depreciation \$000	Carrying Value at the Start of the Year \$000	Additions/ Transfers \$000	Impairment/ Disposals at Cost \$000	Depreciation \$000	Revaluation \$000	Closing Accumulated Depreciation \$000	Carrying Value at the End of Year \$000
<b>Operational Assets</b>									
Land	271	-	271	-	-	-	-	-	271
Buildings	1,473	(664)	809	-	-	(30)	-	(694)	779
Furniture and Fittings	128	(86)	41	1	-	(10)	-	(96)	32
Plant and Office Equipment	154	(101)	53	-	-	(11)	-	(112)	42
Vehicles	109	(61)	48	-	-	(13)	-	(74)	35
Parks and Reserves	99	(61)	38	-	-	(4)	-	(65)	34
<b>Total Operational Assets</b>	<b>2,234</b>	<b>(973)</b>	<b>1,260</b>	<b>1</b>	<b>-</b>	<b>(68)</b>	<b>-</b>	<b>(1,041)</b>	<b>1,193</b>
<b>Infrastructural Assets</b>									
Roading	54,183	(3,731)	50,452	2,354	-	(1,591)	-	(5,322)	51,217
Solid Waste	1,523	(104)	1,419	73	-	(63)	-	(167)	1,429
Stormwater	14	(10)	4	-	-	(1)	-	(11)	3
Sewerage	1,397	(366)	1,031	-	-	(53)	-	(419)	978
Water	2,084	(351)	1,733	-	-	(43)	-	(394)	1,690
Harbour	1,470	(85)	1,385	-	-	(31)	-	(116)	1,354
<b>Total Infrastructural Assets</b>	<b>60,671</b>	<b>(4,647)</b>	<b>56,024</b>	<b>2,427</b>	<b>-</b>	<b>(1,782)</b>	<b>-</b>	<b>(6,429)</b>	<b>56,671</b>
<b>Property, Plant and Equipment</b>	<b>62,905</b>	<b>(5,620)</b>	<b>57,284</b>	<b>2,428</b>	<b>-</b>	<b>(1,850)</b>	<b>-</b>	<b>(7,470)</b>	<b>57,864</b>

## CORE ASSETS 2015/16

Included within the infrastructure assets are the following core Council assets.

Actual 2015/16	Closing Book Value \$000	Additions \$000	Vested \$000	Replacement Cost \$000
<b>Water</b>				
Treatment Plants and Facilities	369	-	-	501
Other Assets	1,321	-	-	1,617
<b>Sewerage</b>				
Treatment Plants and Facilities	437	-	-	881
Other Assets	545	-	-	946

## CORE ASSETS 2015/16 (CONTINUED)

Actual 2015/16	Closing Book Value \$000	Additions \$000	Vested \$000	Replacement Cost \$000
<b>Stormwater</b>				
Storm Drainage	3	-	-	13
<b>Roads and Footpaths</b>				
Roads and Footpaths	51,217	2,354	-	70,836
<b>TOTAL</b>	<b>53,892</b>	<b>2,354</b>	<b>-</b>	<b>74,793</b>



**NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

Actual 2014/15	Opening Cost/ Revaluation \$000	Accumulated Depreciation \$000	Carrying Value at the Start of the Year \$000	Additions/ Transfers \$000	Impairment/ Disposals at Cost \$000	Depreciation \$000	Revaluation \$000	Closing Accumulated Depreciation \$000	Carrying Value at the End of Year \$000
<b>Operational Assets</b>									
Land	271	-	271	-	-	-	-	-	271
Buildings	1,473	(635)	838	-	-	(29)	-	(664)	809
Furniture and Fittings	128	(76)	51	-	-	(10)	-	(86)	41
Plant and Office Equipment	154	(88)	66	-	-	(13)	-	(101)	53
Vehicles	72	(54)	18	37	-	(7)	-	(61)	48
Parks and Reserves	99	(57)	42	-	-	(4)	-	(61)	38
<b>Total Operational Assets</b>	<b>2,197</b>	<b>(910)</b>	<b>1,286</b>	<b>37</b>	<b>-</b>	<b>(63)</b>	<b>-</b>	<b>(973)</b>	<b>1,260</b>
<b>Infrastructural Assets</b>									
Roading	50,774	(1,762)	49,012	3,409	-	(1,969)	-	(3,731)	50,452
Solid Waste	1,430	(47)	1,383	93	-	(57)	-	(104)	1,419
Stormwater	14	(9)	5	-	-	(1)	-	(10)	4
Sewerage	1,397	(313)	1,084	-	-	(53)	-	(366)	1,031
Water	2,077	(309)	1,768	6	-	(42)	-	(351)	1,733
Harbour	1,470	(54)	1,416	-	-	(31)	-	(85)	1,385
<b>Total Infrastructural Assets</b>	<b>57,162</b>	<b>(2,494)</b>	<b>54,668</b>	<b>3,508</b>	<b>-</b>	<b>(2,153)</b>	<b>-</b>	<b>(4,647)</b>	<b>56,024</b>
<b>Property, Plant and Equipment</b>	<b>59,359</b>	<b>(3,404)</b>	<b>55,954</b>	<b>3,545</b>	<b>-</b>	<b>(2,216)</b>	<b>-</b>	<b>(5,620)</b>	<b>57,284</b>

**CORE ASSETS 2014/15**

Included within the infrastructure assets are the following core Council assets.

Actual 2014/15	Closing Book Value \$000	Additions \$000	Vested \$000	Replacement Cost \$000
<b>Water</b>				
Treatment Plants and Facilities	389	6	-	501
Other Assets	1,344	-	-	1,617
<b>Sewerage</b>				
Treatment Plants and Facilities	475	-	-	881
Other Assets	556	-	-	946

**CORE ASSETS 2014/15 (CONTINUED)**

Actual 2014/15	Closing Book Value \$000	Additions \$000	Vested \$000	Replacement Cost \$000
<b>Stormwater</b>				
Storm Drainage	4	-	-	13
<b>Roads and Footpaths</b>				
Roads and Footpaths	50,452	3,409	-	68,514
<b>TOTAL</b>	<b>53,220</b>	<b>3,415</b>	<b>-</b>	<b>72,472</b>

# Financial statements

## NOTE 6: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Insurance of Assets	Actual 2015/16 \$000	Actual 2014/15 \$000
Total value of assets covered by insurance contracts	2,576	2,204
The maximum amount to which assets are insured under Council insurance policies	5,971	5,427

The Council is not covered by any financial risk sharing arrangements in relation to its assets. The Council does not self-insure its assets.

The majority of Council assets are roading infrastructural assets; they are not insured as any remedial work required will be carried out via the NZTA funded roading programme.

No property, plant and equipment is pledged as security for liabilities. There are no restrictions over the title of these assets.

## NOTE 7: INTANGIBLE ASSETS

	Actual 2015/16 \$000	Actual 2014/15 \$000
Opening Cost Software	17	17
Addition/(Disposals) Software	-	-
<b>Closing Cost Software</b>	<b>17</b>	<b>17</b>
Opening Accumulated Amortisation Software	(13)	(10)
Amortisation Software	(3)	(3)
<b>Closing Accumulated Amortisation Software</b>	<b>(16)</b>	<b>(13)</b>
<b>Closing Book Value</b>	<b>1</b>	<b>4</b>

No software is pledged as security for liabilities. There are no restrictions over the title of these assets.

## NOTE 8: TRADE AND OTHER PAYABLES

	Actual 2015/16 \$000	Actual 2014/15 \$000
<b>Payables under exchange transactions</b>		
General Creditors	590	2,551
<b>Total</b>	<b>590</b>	<b>2,551</b>
<b>Payables under non-exchange transactions</b>		
Tax Payable	-	79
Revenue in Advance	1,076	1,076
General Suspense	7	4
<b>Total</b>	<b>1,083</b>	<b>1,159</b>
<b>Total Payable</b>	<b>1,673</b>	<b>3,710</b>

## NOTE 9: EMPLOYEE BENEFIT LIABILITIES

	Actual 2015/16 \$000	Actual 2014/15 \$000
Annual and Sick Leave	41	13
Accrual for Employee Benefits	20	48
<b>Total Employee Benefits</b>	<b>61</b>	<b>61</b>

## NOTE 10: PROVISIONS

A provision has been recognised for landfill closure costs that 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 has also been made for the estimated refund of one year of Council Dues to the Pitt Island Barge Society. Council Dues are repayable on the production of audited accounts by the Pitt Island Barge Society on an annual basis.

## NOTE 11: BORROWINGS

The carrying amount of term liabilities repayable within one year approximates their fair value, as the effect of discounting is not significant.

**NOTE 12: EQUITY**

	Actual 2015/16 \$000	Actual 2014/15 \$000
<b>General Funds</b>		
Opening Balance	14,142	12,608
Plus Net Surplus for the Year	1,092	1,534
Adjust for transfer (to)/from other reserves	(265)	-
<b>Closing Balance</b>	<b>14,969</b>	<b>14,142</b>
<b>Emergency Services Reserve</b>		
Opening Balance	-	-
Adjust for transfer (to)/from other reserves	250	-
<b>Closing Balance</b>	<b>250</b>	<b>-</b>
<b>Mayoral Relief Reserve</b>		
Opening Balance	-	-
Adjust for transfer (to)/from other reserves	15	-
<b>Closing Balance</b>	<b>15</b>	<b>-</b>
<b>Te Whanga Reserve</b>		
Opening Balance	(3)	(3)
Adjust for transfer (to)/from other reserves	-	-
<b>Closing Balance</b>	<b>(3)</b>	<b>(3)</b>
<b>Burial Register Reserve</b>		
Opening Balance	31	31
Adjust for transfer (to)/from other reserves	-	-
<b>Closing Balance</b>	<b>31</b>	<b>31</b>
<b>Assets Revaluation Reserve</b>		
Opening Balance	42,333	42,333
Revaluations/Impairments	-	-
Closing Balance	42,333	42,333
<b>Total Equity at End of Year</b>	<b>57,595</b>	<b>56,503</b>

**NOTE 12: EQUITY (CONTINUED)**

The Council's capital is its public equity, which includes retained earnings and reserves. The Local Government Act 2002 requires the Council to manage its finances prudently and in a manner that promotes the current and future interests of the community. Public equity is a derivative of managing revenues, expenses, assets, liabilities, investments, and other general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and does not require them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in the future generations are not required to meet the costs of deferred renewals and maintenance.

**Chatham Islands Council has the following reserve funds:**

General Funds – Revenue appropriation account to fund future development.

Emergency Services Reserve - Funds are set aside for emergency events such as natural disasters.

Mayoral Relief Reserve – Funds are set aside for emergency relief.

Te Whanga Opening – Funds set aside for the opening of Te Whanga (lagoon).

Burial Register Reserve – Fund to provide for the mapping of burial sites in the Chatham Islands with a view to accurately documenting these historic sites of significance in the form of a register.

Asset Revaluation Reserve – Reserves generated by revaluations in property, plant and equipment and other assets.

**NOTE 13: FINANCIAL INSTRUMENTS**

Financial assets	Actual 2015/16 \$000	Actual 2014/15 \$000
Cash at Bank and Investments	1,469	2,088
Trade and Other Receivables	608	1,572
<b>Total Loans and Receivables</b>	<b>2,077</b>	<b>3,660</b>

Financial liabilities at amortised cost	Actual 2015/16 \$000	Actual 2014/15 \$000
Trade and Other Payables	597	2,634
Loans	442	503
<b>Total Financial Liabilities at amortised cost</b>	<b>1,039</b>	<b>3,137</b>

# Financial statements

## NOTE 14: REMUNERATION OF ELECTED MEMBERS AND CHIEF EXECUTIVE

### Elected members' remuneration

The following people held office as elected members of the Council's governing body during the reporting period.

Name	Position	Actual 2015/16	Actual 2014/15
Alfred Preece	Mayor	46,400	46,400
Jeffrey Clark	Deputy Mayor	16,800	16,800
Eoin Chisholm	Councillor	12,000	12,000
Monique Croon	Councillor	12,000	12,000
Keri Day	Councillor	12,000	12,000
Greg Horler	Councillor	12,000	12,000
Nigel Ryan	Councillor	12,000	12,000
Joseph Tapara (until May 2016)	Councillor	11,000	12,000
Nathaniel Whaitiri	Councillor	12,000	12,000
<b>Total Honoraria</b>		<b>146,200</b>	<b>147,200</b>
Full-time equivalent members		9	9

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is based on head count.

### Chief Executive remuneration

The Chief Executive of the 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 \$181,970 (2014/15, \$180,277).

The key management personnel of the Council includes the Chief Executive, Mayor and Councillors, total full time equivalent personnel for the year is 10 (2014/15 10).

### Severance payments

For the 2015/16 financial year the Council made no severance payments (2014/15 \$nil).

## Council staffing levels and remuneration

	Actual 2015/16	Actual 2014/15
Short Term Employment Benefits	328,170	330,491
<b>Total compensation of key management personnel</b>	<b>328,170</b>	<b>330,491</b>

At balance date, the Council employed six full-time employees and nine full-time equivalent employees (in 2014/15, there were six full-time employees and nine full-time equivalent employees).

Total annual remuneration by band for employees as at 30 June based on head count is disclosed below:

Band	Actual 2015/16	Actual 2014/15
< \$59,999	7	8
\$60,000 – \$199,999	6	5
<b>Total</b>	<b>13</b>	<b>13</b>

## NOTE 15: RELATED PARTY TRANSACTIONS

A party is considered to be related to the Council if it could be perceived to have a significant influence on decisions made by the Council, or vice-versa. This may be through ownership or as member of management/Council or a close family member of such an individual. During the year, payments were made to entities that meet this definition as follows.

Description	Actual 2015/16		Actual 2014/15	
	Actual	Outstanding balances	Actual	Outstanding balances
Refuse site lease and investigation	42,481	-	39,941	-
Owenga Station	9,450	-	11,970	-
Waitangi Hardware	7,191	-	6,099	971
Awarakau Farmstays	16,878	-	18,597	-
<b>Total</b>	<b>75,999</b>	<b>-</b>	<b>76,607</b>	<b>971</b>

The Council also provides accommodation to a member of key management personnel, at a rental rate approved by the Council.

In addition to the values disclosed above, key management personnel were involved in minor transactions with the Council as part of a usual business relationship.

Key management personnel compensation disclosures are included in Note 14.

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#### NOTE 16: STATEMENT OF CONTINGENCIES

The Council is not aware of any contingent assets or liabilities as at 30 June 2016 (30 June 2015 nil).

#### NOTE 17: STATEMENT OF COMMITMENTS

As at 30 June the Council has operating lease commitments as detailed below.

Contract Commitments	Actual 2015/16 \$000	Actual 2014/15 \$000
Not later than 1 year	7	1,268
Between 1 and 5 years	7	7
More than 5 years	-	-
	<b>14</b>	<b>1,275</b>

The Council has a land lease agreement for landfill with Mr and Mrs Preece (Alfred Preece is the Mayor). The lease is \$39,000 per year plus CPI increase for the life of the landfill to a maximum of 160 years (8 rights of renewal at 20 years).

The Council does not have any capital commitments as at 30 June 2016 (30 June 2015 nil).

#### NOTE 18: SUBSEQUENT EVENTS

There have been no significant events after the balance date.



#### NOTE 19: EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variations from the Council's budget figures in its Long-Term Plan 2015/16 are as follows:

##### Statement of comprehensive revenue and expense

Grants and subsidies are less than budgeted by \$5.5 million, with funding for major projects not being secured. These projects include: \$2.4 million for a new shared administration center, \$1 million for the new emergency services complex, \$1.2 million for the new transfer stations and closure of old dump sites and \$0.5 million for township water schemes. In addition, NZTA subsidies decreased by \$0.5 million, partially from the reduced funding support from NZTA and due to on-island roading works delayed from the change in contractor and transportation of roading equipment.

Interest revenue includes interest from investment of museum funds, which were not budgeted.

Depreciation and amortisation expenses are less than budgeted by \$0.3 million as the budget included proposed capital projects that were postponed due to lack of funding.

##### Statement of financial position

Property, plant & equipment is less than budgeted by \$3.9 million due to projects such as new transfer stations, township water schemes, new emergency services complex and new shared administration center being postponed as funding was not secured.

# Financial statements

## Financial prudence

### Annual Report disclosure statement for the year ended 30 June 2016

#### What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

#### Rates affordability benchmark

The council meets the rates affordability benchmark if:

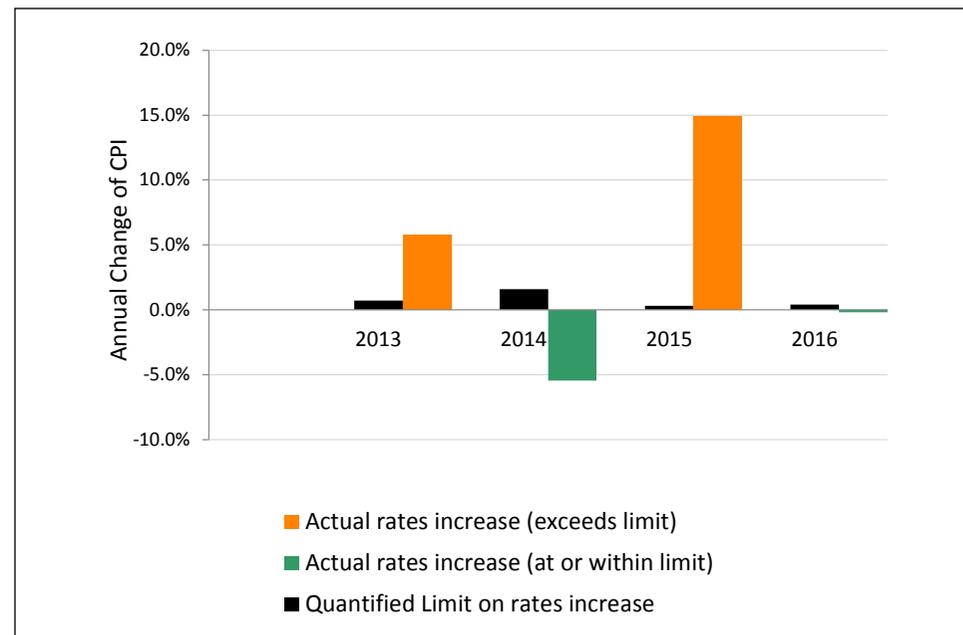
- its actual rates income equals or is less than each quantified limit on rates;
- its actual rates increases equal or are less than each quantified limit on rates increases.

#### Rates (income) affordability

The Council did not set a quantified limit on rates in its financial strategy of the Long-Term Plan 2015–25 as funding is substantially provided from the Crown appropriation. Consequentially, no graph has been included.

#### Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is that rates will not exceed the rate of inflation.

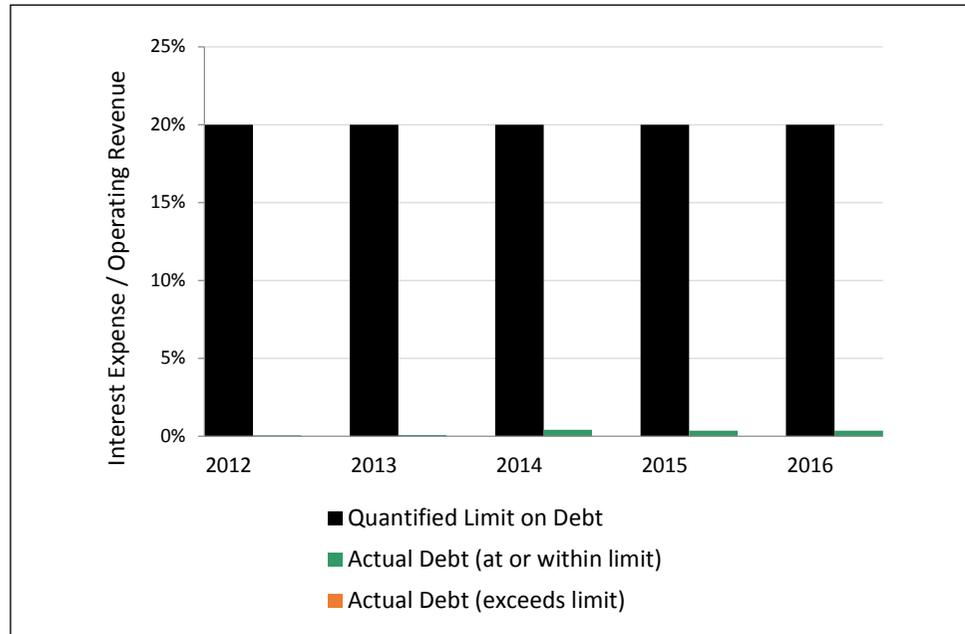


In 2015, the Council did not comply with rate increase limitations within the financial strategy. The in-year rate increase was 15%, whilst inflation was 0.3%. Funding from central government was below expectation, with the shortfall between this funding and the Council's legislative obligations met through ratepayer contributions and a reduction in services provided in year.

## Debt affordability benchmark

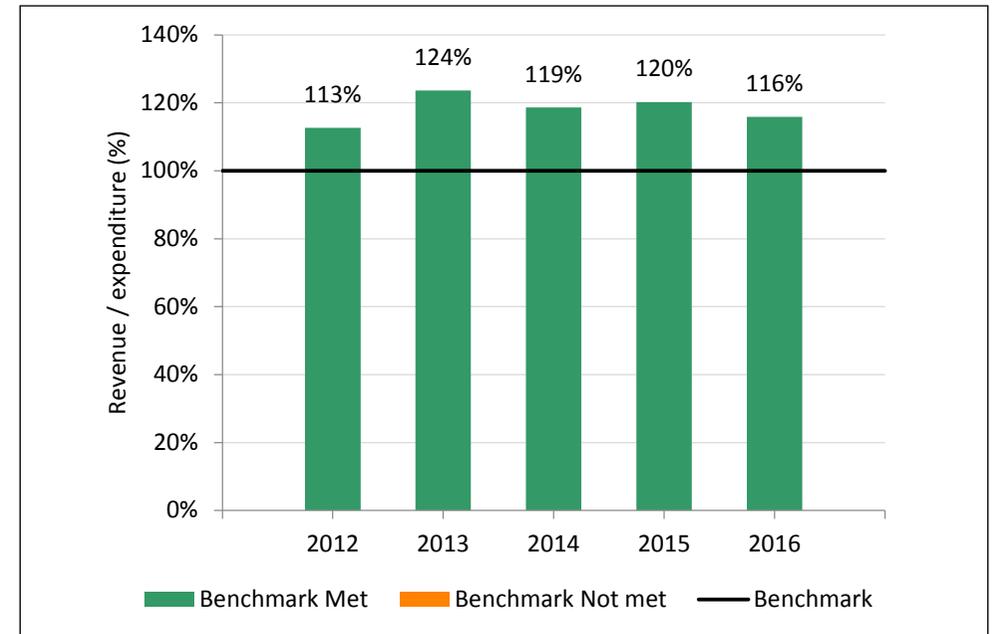
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long-Term Plan 2015–25. The quantified limit is that interest expense will not exceed 20% of operating revenue.



## Balanced budget benchmark

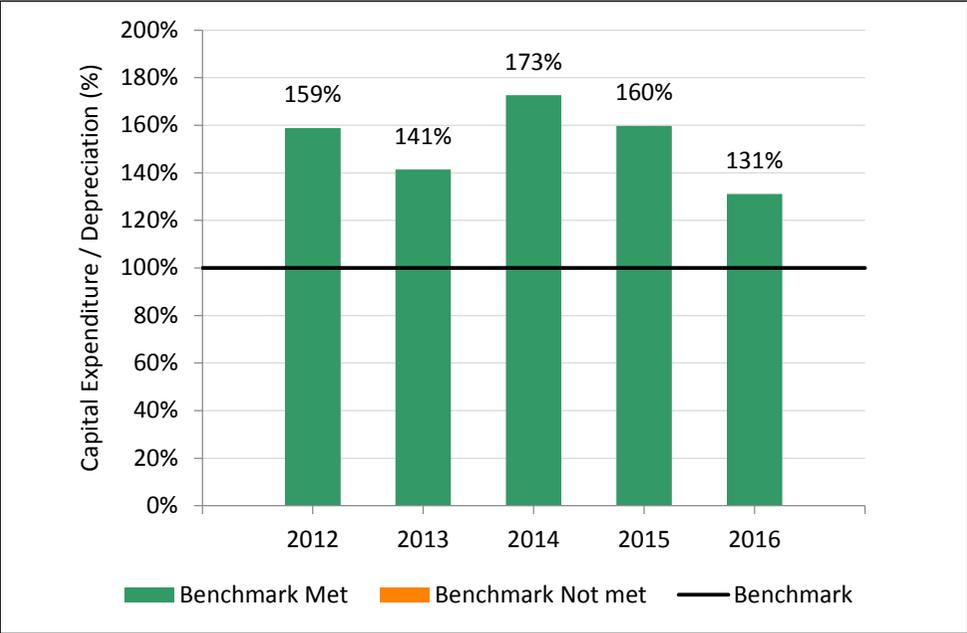
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The council meets this benchmark if its revenue equals or is greater than its operating expenses.



# Financial statements

## Essential services benchmark

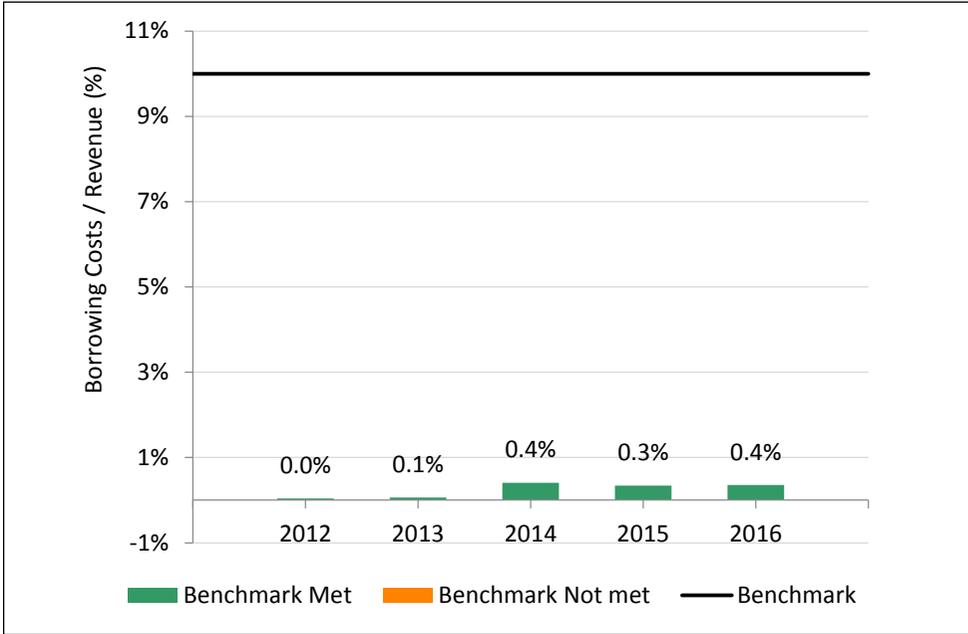
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment).

A local authority meets the debt servicing benchmark for a year if its borrowing costs for the year equal or are less than 10% of its revenue defined as above.

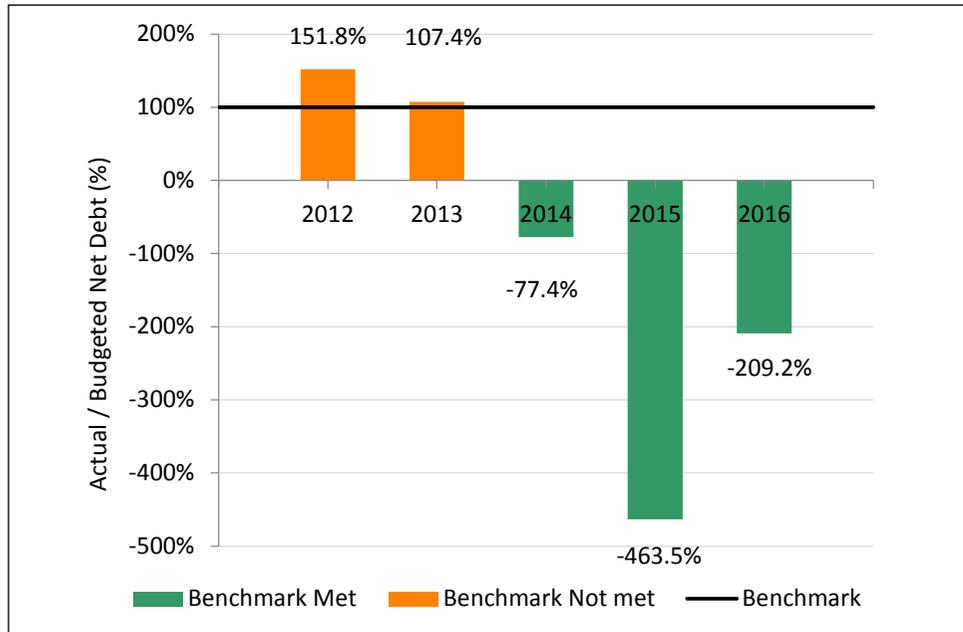




### Debt control benchmark

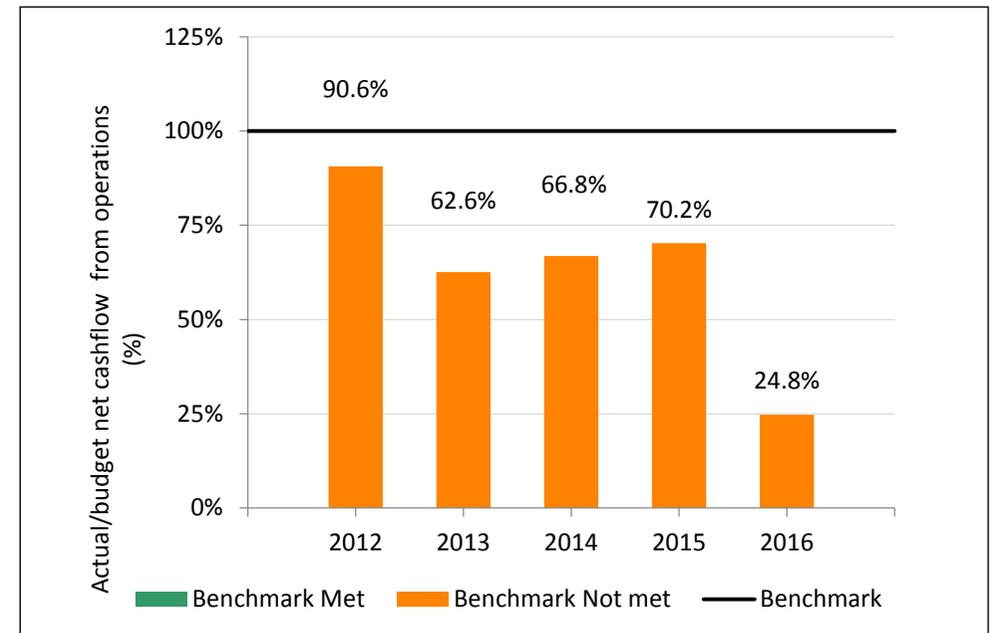
The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement net debt means financial liabilities less financial assets (excluding trade and other receivables).

The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



### Operations control benchmark

This graph displays the council's actual net cash flows from operations as a proportion of its planned net cash flow from operations. The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



The operations control benchmark shows whether actual net operating cash flow is equal to or less than planned. The above graph reflects the reality of funding issues faced by the Council over the years. It is impossible for the Council to meet its legislative obligations and to operate in a self-sufficient manner without support from central government, given the small ratepayer base and a lack of investments. Many projects were budgeted and had to be postponed due to lack of funding.

# Service performance summaries

## Democracy services

### *We aim to meet our statutory responsibilities and provide effective governance and leadership*

This activity 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. This includes elections and consultation with the community.

#### Key activities for democracy services

- **Governance:** It is recognised that a collaborative approach to addressing Island issues is essential to community well-being.
- **Partnership:** The Council will work with its key partners in central government and other Island agencies to promote the interests of the Islanders. It will seek to do this in a manner that is clearly defined and is transparent to Chatham Islands residents.
- **Community representation:** Elected Councillors provide a vital link with individuals and the community. Democratic processes allow the opportunity for the public to have their say. The Council is accountable to the community.
- **Community liaison:** The Council acknowledges and values the importance of tchakat henu/tangata whenua as an integral part of our community.

#### Community outcomes

Our Long-Term Plan 2015–25 identified the following aspirations for our democratic functions:

- A community that promotes economic development for its fishing, farming and tourism industries
- An enterprising and innovative community that promotes partnerships with leading organisations
- A culturally enriched community that acknowledges and values the importance of tangata whenua/tchakat henu as an integral part of our community.

## Progress to achieving our democratic functions

- **Economic development and a sustainable Council:** Fundamental to sustaining financial viability, the Council places reliance on external funding sources to ensure it meets the legislative level of service requirements. The primary reason for this reliance is that the Council does not have an investment portfolio or the population base to support required levels of service unless core funding from central government is secured. Government funding has been secured for 2015/16 through to 2017/18 to meet Council financial requirements under the Council's previous Long-Term Plan 2012–2022.
- **Building partnerships:** The Council continues to maintain a sound working relationship with the Chatham Islands Enterprise Trust and employs a collective Island approach to finding solutions to addressing sustainability of infrastructure for the Islands. In partnership with the Chatham Islands Enterprise Trust, work is progressing with central government in addressing the Islands' infrastructure issues. Funding of \$52m was secured for the Waitangi Wharf upgrade during the year.
- **Recognition of Imi/Iwi:** The establishment of a working relationship with Imi/Iwi continues. It is envisaged that protocols for a working relationship between the Council and Imi/Iwi will be developed and formalised. These protocols will assist in progressing matters relating to resource management and the recognition of Imi/Iwi and their relationship with their accustomed environments.
- **Engaging and informing our community:** The Council undertakes the local authority elections, runs decision-making processes such as Council meetings, and informs and engages with our community. The most recent local elections were held in 2013/14.

During the 2015/16 year, the Council adopted the Annual Plan 2016/17. This provides a platform for 'meaningful engagement' with the community. A summary document was distributed widely through a mail-drop to all households and businesses.

The Council informs the community about decision-making and activities through our website, the Chatham Islander, the community e-list and other publications such as Council agendas, the quarterly newsletter 'Uniquely Chathams', and Annual Plan/Annual Report summary documents.

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## The challenges we face delivering our democratic functions

- We rely on government assistance to meet the Council's current statutory responsibilities. Securing continued funding support remains uncertain and failing to do so could potentially affect the Council's ability to deliver and maintain the required level of service in the future.
- We need to engage with the community in ways that the community find meaningful. A lack of effective engagement could potentially affect participation and make it more difficult to bring together skills, experiences and knowledge in promoting a collective approach to finding solutions to sustainability.
- We need to increase understanding of Council decision-making processes and opportunities for input. A lack of understanding of the decision-making processes could potentially result in adverse reactions to Council decisions and inhibit opportunities for input.

Funding impact statements for each group of activities are disclosed in Appendix 1.

## Performance assessment

We aim to enable residents to be well informed about and engaged in decision-making. To assess our performance, we ask for the community's views in relation to whether they believe Council decisions are made in the best interests of the community and on the advocacy provided by the Mayor and Councillors.

We also record levels of participation in elections and monitor the performance of our legislative requirements for governance, reporting and planning. Our performance against key reporting deliverables is detailed on the next page.



# Service performance summaries

1. Providing effective governance and leadership to the Chatham Islands community														
1.1	<b>Measure:</b> The percentage of residents who feel confident that Council decisions are made in the best interests of the community.	<b>Target:</b> 85% of residents are confident or very confident (measured by annual survey, on a scale of very confident, confident, unconfident, very unconfident).												
<div style="text-align: center;"> <h3>Confidence in Council's decision making</h3> <p>■ Very confident ■ Confident ■ No opinion ■ Unconfident ■ Very unconfident</p> <table border="1"> <caption>Confidence in Council's decision making (2015/16)</caption> <thead> <tr> <th>Confidence Level</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Very confident</td> <td>18%</td> </tr> <tr> <td>Confident</td> <td>41%</td> </tr> <tr> <td>No opinion</td> <td>21%</td> </tr> <tr> <td>Unconfident</td> <td>15%</td> </tr> <tr> <td>Very unconfident</td> <td>7%</td> </tr> </tbody> </table> <p>Target: 85% Confident or very confident</p> </div>			Confidence Level	Percentage	Very confident	18%	Confident	41%	No opinion	21%	Unconfident	15%	Very unconfident	7%
Confidence Level	Percentage													
Very confident	18%													
Confident	41%													
No opinion	21%													
Unconfident	15%													
Very unconfident	7%													
<b>Result:</b> Not achieved. Overall, 58% of residents are confident or very confident, 21% unconfident or very unconfident and 21% had no opinion. This year's satisfaction result is significantly lower than the 85% target. This target was not measured in 2014/15 as the question was excluded from the annual survey.														
1.2	<b>Measure:</b> Voter turnout.	<b>Target:</b> In top quartile of New Zealand Territorial Authorities greater than 60%												
<b>Result:</b> Not measured. Local Authority Elections will be held in October 2016. The last Local Government Elections held in 2013 resulted in 54% voter turnout, which is below the targeted figure.														

2. Meeting legislative requirements for governance, planning and reporting		
2.1	<b>Measure:</b> 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.	<b>Target:</b> 100%.
<b>Result:</b> Achieved. Full compliance with legislative requirements, no issues reported. The Local Government Official Information and Meetings Act 1987 require the Council to make all agendas and reports available two days before a meeting, excluding extraordinary meetings. This is consistent with performance in 2014/15.		
2.2	<b>Measure:</b> Long Term Plan/Annual Plan and Annual Report compliant with the Local Government Act 2002.	<b>Target:</b> Audited without modification/qualification.
<b>Result:</b> Achieved. The Long-Term Plan 2015-25 and Annual Plan 2015/16 were completed and adopted in compliance with the Local Government Act 2002. The Annual Report 2014/15 was audited without modification.		

## Looking ahead – key projects

- The Council will continue to work with central government to secure future funding support so that the Council can continue to meet its statutory responsibilities, further enabling a sustainable future for the Island community.
- The Council will continue to take a collective approach to establish the Waitangi Wharf upgrade through the Governance Group, comprising representatives from Department of Internal Affairs, the Chatham Islands Enterprise Trust and the Council. We will also continue to maintain working relationships with central government and the Chatham Islands Enterprise Trust to promote the interests of our Islanders.
- The Council acknowledges the importance of Moriori and Māori in the decision-making process; and developing a sound platform for building a working relationship in which a pathway to the sustainable management of Island resources is effectively followed.

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## Infrastructure services

### ***We aim to meet our statutory responsibilities and provide access to quality 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.

#### **Key activities of infrastructure services**

- **Roading:** The council plans for movement of people and goods within the territory, providing public roads and roading-related infrastructure and promoting road safety.
- **Solid waste:** The Council provides waste management services for public health reasons and to protect the environment.
- **Water supply:** Operating a public water supply that services the Waitangi village and Kaingaroa; and providing fire fighting capability in part of Waitangi village.
- **Stormwater:** The Council minimises damage to property from flooding and reducing erosion and water pollution.
- **Sewerage:** The Council provides for the collection, treatment and disposal of wastewater in Waitangi.

#### **Community outcomes**

Our Long-Term Plan 2015–25 identified the following aspirational outcomes for infrastructure services:

- A safe, secure and healthy community with access to quality infrastructure services
- An enterprising and innovative community that promotes economic development for its fishing, farming and tourism industries and has access to reliable transportation services
- An environmentally conscious community that protects, sustains and enriches the environment for future generations.



#### **Progress to achieving our infrastructure service functions**

- **Access to quality infrastructure:** Progress towards implementing the Waste Management Strategy continued throughout the year. A compliant sanitary landfill to meet health and environmental standards has now been established. Funding for a septic disposal system has been secured. Land transfer stations are yet to be established; a work programme for this is in place and underway. An application made to the Waste Minimisation Fund, Ministry for the Environment, has been approved in principle and stage one of the implementation of the Council's Waste Management Plan will ensure a positive economic impact.
- **A safe and secure community:** Water scheme upgrades for Owenga, Waitangi and Te One are a key priority. These will address issues of non-compliance with minimum water standards and respond to community concerns about 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 Council throughout the period has continued to work to find solutions to supply issues for Waitangi, Te One and Owenga.
- **Reliable transportation services:** The Council's implementation of the Chatham Islands Land Transport Strategy continues. The strategy sets out the features of the current land transport system and strategies for meeting the Islands' needs. The road maintenance programme has been adhered to over the year. Road safety and compliance remain a key focus of the roading programme.
- **Protecting our environment:** The Council continues to manage stormwater assets and to minimise the damage to property from flooding, erosion and water pollution. The Waitangi sewerage systems continue to operate to compliance. This also ensures that the Moriori/Māori relationship with their accustomed environment is not affected by any adverse effects the wastewater system may have on the environment.

#### **The challenges we face delivering our infrastructure service functions**

- There is uncertainty over the level of grants for roading, and other central government support that is the subject of a government review. This in turn could affect our ability to maintain and sustain a viable and compliant Council.

Funding impact statements for each group of activities are disclosed in Appendix 1.

# Service performance summaries

## Performance assessment

We aim to meet our statutory responsibility with the provision of our infrastructure services. To assess our performance, we ask for the community's views on their levels of satisfaction in relation to the overall extent and safety of our road network and our water schemes. We also assess our performance by the number of complaints received and responded to within specified timeframes, and the level of compliance with resource management conditions and New Zealand Standards relating to roading and water.

1. Roading – a safe, smooth, well-maintained and well-managed road network		
1.1	<b>Measure:</b> The percentage of maintenance and renewal work identified in the Annual Roading Strategy that is undertaken.	<b>Target:</b> 100%.
	<b>Result:</b> Not achieved. Planned maintenance work identified in the Annual Roading Strategy was 90% complete. The completion of the sealed pavement rehabilitation in Owenga was not completed, leaving a section of road 'unsealed'. The predominant reasons delaying completion relates to shipping delays in late 2015 and early 2016, coupled with change in maintenance contractor. This target was achieved in 2014/15.	
1.2	<b>Measure:</b> Number of motor vehicle crashes causing injury where alcohol was not involved or heavily suspected.	<b>Target:</b> Less than three injury crashes.
	<b>Result:</b> Achieved. No motor vehicle crash reported causing injury. In 2014/15 three motor vehicle crashes causing injury were reported.	
1.3	<b>Measure:</b> The percentage of minor improvement projects identified in the Annual Roading Strategy that are completed.	<b>Target:</b> 100%.
	<b>Result:</b> Not achieved. Only 20% of identified minor improvement projects were constructed. This is primarily due to deferring allocated funding (and expenditure) to the 2016/17 financial year to focus on larger projects. In the 2015/16 financial year, the maintenance contractor was changed. This target was achieved in 2014/15.	
1.4	<b>Measure:</b> The number of infestations of plant pests within the road reserve found in quarterly inspections.	<b>Target:</b> None.
	<b>Result:</b> Achieved. No infestations of pest plant had been reported. Plant infestation is based primarily on no observed infestations during the roading contractor's quarterly network inspections. This is also supported by no public complaints received. This is consistent with results in 2014/15.	

1. Roading – a safe, smooth, well-maintained and well-managed road network (continued)														
1.5	<b>Measure:</b> The number of requests or complaints about the road network.	<b>Target:</b> No more than 10 complaints a year.												
	<b>Result:</b> Not achieved. Eleven roading complaints were received. These complaints consisted of: two complaints about dead animals on the road; two complaints relating to rubbish near the Te One Dump site; one complaint about the lack of metal on the road; one complaint about the size of metal on the road causing punctures; one complaint about a slippery road surface; one complaint about soft spots in the unsealed road; one complaint about the width of the road after adjacent drainage work; one complaint about the sand blow along the Port Hutt road and one complaint about pot holes. Ten roading complaints were received in 2014/15.													
1.6	<b>Measure:</b> The percentage of the contractor's responses that are made to written requests or complaints within a time that meets its contractual obligations.	<b>Target:</b> 100% within contractual obligation.												
	<b>Result:</b> Achieved. 100% of contractor's response to written requests and complaints were attended to within five working days. This is consistent with results in 2014/15.													
1.7	<b>Measure:</b> The percentage of residents who are satisfied with the chip-sealed road network.	<b>Target:</b> 75% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied).												
	<div style="text-align: center;"> <h3>Satisfaction with chip-sealed roads</h3> <table border="1"> <caption>Satisfaction with chip-sealed roads (2015/16)</caption> <thead> <tr> <th>Satisfaction Level</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Very satisfied</td> <td>1%</td> </tr> <tr> <td>Satisfied</td> <td>8%</td> </tr> <tr> <td>No opinion</td> <td>22%</td> </tr> <tr> <td>Dissatisfied</td> <td>30%</td> </tr> <tr> <td>Very dissatisfied</td> <td>39%</td> </tr> </tbody> </table> <p>Target: 75% Satisfied or very satisfied</p> </div> <p>This is a new performance target, no comparative information available</p>		Satisfaction Level	Percentage	Very satisfied	1%	Satisfied	8%	No opinion	22%	Dissatisfied	30%	Very dissatisfied	39%
Satisfaction Level	Percentage													
Very satisfied	1%													
Satisfied	8%													
No opinion	22%													
Dissatisfied	30%													
Very dissatisfied	39%													
	<b>Result:</b> Not achieved. Overall, 9% of respondents were satisfied or very satisfied 69% dissatisfied or very dissatisfied and 22% had no opinion. This is significantly below the 75% target. This is a new target for the 2015/16 financial year. Previously Council assessed residents overall assessment of the extent and safety of the roading network. In 2014/15, 20% of respondents were satisfied or very satisfied with the roading network.													



1. Rooding – a safe, smooth, well-maintained and well-managed road network (continued)														
<b>1.8</b>	<b>Measure:</b> The percentage of residents who are satisfied with the unsealed road network.	<b>Target:</b> 75% of residents are satisfied or very satisfied.												
<div style="text-align: center;"> <h3>Satisfaction with unsealed roads</h3> <p>■ Very satisfied ■ Satisfied ■ No opinion ■ Dissatisfied ■ Very dissatisfied</p> <table border="1"> <caption>Satisfaction with unsealed roads</caption> <thead> <tr> <th>Satisfaction Level</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Very satisfied</td> <td>7%</td> </tr> <tr> <td>Satisfied</td> <td>16%</td> </tr> <tr> <td>No opinion</td> <td>19%</td> </tr> <tr> <td>Dissatisfied</td> <td>30%</td> </tr> <tr> <td>Very dissatisfied</td> <td>28%</td> </tr> </tbody> </table> <p style="text-align: right;">Target: 75% Satisfied or very satisfied</p> </div> <p>This is a new performance target, no comparative information available</p> <p><b>Result:</b> Not achieved. Overall, 23% of respondents were satisfied or very satisfied, 59% dissatisfied or very dissatisfied and 18% had no opinion. This is significantly below the 75% target. This is a new target for the 2015/16 financial year. Previously Council assessed residents overall assessment of the extent and safety of the rooding network. In 2014/15, 20% of respondents were satisfied or very satisfied with the rooding network.</p>			Satisfaction Level	Percentage	Very satisfied	7%	Satisfied	16%	No opinion	19%	Dissatisfied	30%	Very dissatisfied	28%
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Very satisfied	7%													
Satisfied	16%													
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Very dissatisfied	28%													

1. Rooding – a safe, smooth, well-maintained and well-managed road network (continued)														
<b>1.9</b>	<b>Measure:</b> The percentage of residents who are satisfied with the safety of the road network.	<b>Target:</b> 75% of residents are satisfied or very satisfied .												
<div style="text-align: center;"> <h3>Satisfaction with road safety</h3> <p>■ Very satisfied ■ Satisfied ■ No opinion ■ Dissatisfied ■ Very dissatisfied</p> <table border="1"> <caption>Satisfaction with road safety (2015/16)</caption> <thead> <tr> <th>Satisfaction Level</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Very satisfied</td> <td>8%</td> </tr> <tr> <td>Satisfied</td> <td>18%</td> </tr> <tr> <td>No opinion</td> <td>18%</td> </tr> <tr> <td>Dissatisfied</td> <td>33%</td> </tr> <tr> <td>Very dissatisfied</td> <td>23%</td> </tr> </tbody> </table> <p style="text-align: right;">Target: 75% Satisfied or very satisfied</p> </div> <p>This is a new performance target, no comparative information available</p> <p><b>Result:</b> Not achieved. Overall, 25% of respondents were satisfied or very satisfied 56% dissatisfied or very dissatisfied and 19% had no opinion. This is significantly below the 75% target. This is a new target for the 2015/16 financial year. Previously Council assessed residents overall assessment of the extent and safety of the rooding network. In 2014/15, 20% of respondents were satisfied or very satisfied with the rooding network.</p>			Satisfaction Level	Percentage	Very satisfied	8%	Satisfied	18%	No opinion	18%	Dissatisfied	33%	Very dissatisfied	23%
Satisfaction Level	Percentage													
Very satisfied	8%													
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Very dissatisfied	23%													

# Service performance summaries

Providing Roads and Footpaths - mandatory measures		
2.1	<b>Measure:</b> Road Safety.	<b>Target:</b> The number of fatalities and serious injury crashes on the local road network is less than two crashes.
	<b>Result:</b> Achieved. No fatalities were reported. One serious injury crash was reported relating to a collision with a cattle beast. This is a new reporting measure for 2015/16.	
2.2	<b>Measure:</b> Road Condition.	<b>Target:</b> The average quality of ride on a sealed local road network, measured by smooth travel exposure.
	<b>Result:</b> Target has not been measured*	
2.3	<b>Measure:</b> Road Maintenance.	<b>Target:</b> The percentage of the sealed local road network that is resurfaced.
	<b>Result:</b> Target has not been measured*	
2.4	<b>Measure:</b> Footpaths.	<b>Target:</b> 100% of footpaths are maintained in accordance with the roading maintenance contract specifications. New target for this year.
	<b>Result:</b> Achieved. All required footpath maintenance was completed. This is a new reporting measure for 2015/16.	
2.5	<b>Measure:</b> Response to service requests.	<b>Target:</b> The Council responds to 100% of customer service requests relating to roads and footpaths within five working days.
	<b>Result:</b> Achieved. All customer service requests via Council's contractor were responded to within five working days. This is a new reporting measure for 2015/16.	
	*The vast majority of the road network on the Chatham Islands is unsealed (only 13km of sealed road), therefore targets relating to sealed road networks have not been set.	

3. 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.		
3.1	<b>Measure:</b> The percentage of the population within 20km of a transfer station or landfill.	<b>Target:</b> 75%.
	<b>Result:</b> Achieved. Of our residents, 75% live within 20km of the three refuse sites provided. This is consistent with 2014/15 levels of achievement.	
3.2	<b>Measure:</b> The number of complaints about facilities.	<b>Target:</b> No more than two complaints a year.
	<b>Result:</b> Not achieved. Five complaints were received. Three complaints related to rubbish from the Te One Dump blowing onto private land, one complaint relating to rubbish at the Te One Dump needing maintenance and one complaint relating to people scavenging through rubbish at the Te One Dump site. In May 2016 a Waste Management Officer was employed to maintain and monitor the Te One Dump. Opening hours are limited to three days a week and has resulted in better control and management of the landfill. A public awareness initiative has been implemented during the year with quarterly newsletters promoting waste minimisation, recycling and our short and long term waste management outcomes. In 2014/15, three complaints were received.	
3.3	<b>Measure:</b> The time to respond to written requests or complaints.	<b>Target:</b> 100% within five working days of notification.
	<b>Result:</b> Achieved. All complaints were addressed within five working days, consistent with achievement in the 2014/15 financial year.	
4. Water supply – providing a safe and reliable water supply for Waitangi and Kaingaroa		
4.1	<b>Measure:</b> Compliance of monthly water quality testing with New Zealand Drinking Water Standards	<b>Target:</b> 100% compliant
	<b>Result:</b> Achieved. All testing fully compliant with New Zealand Drinking Water Standards. Monthly testing is a DWSNZ 2008 compliance requirement and was undertaken throughout the period under review. No reports of E.coli had been reported. This is consistent with achievement in the 2014/15 financial year.	



4. Water supply – providing a safe and reliable water supply for Waitangi and Kaingaroa (continued)																				
4.2	<b>Measure:</b> The percentage of customers who are satisfied with the Waitangi and Kaingaroa water supply schemes	<b>Target:</b> 80% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied or very dissatisfied)																		
<p style="text-align: center;"><b>Satisfaction with water supplies</b></p> <p style="text-align: center;">■ Very satisfied ■ Satisfied ■ No opinion ■ Dissatisfied ■ Very dissatisfied</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <caption>Satisfaction with water supplies data</caption> <thead> <tr> <th>Year</th> <th>Very satisfied</th> <th>Satisfied</th> <th>No opinion</th> <th>Dissatisfied</th> <th>Very dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>9%</td> <td>77%</td> <td>0%</td> <td>14%</td> <td>0%</td> </tr> <tr> <td>2015/16</td> <td>46%</td> <td>37%</td> <td>0%</td> <td>17%</td> <td>0%</td> </tr> </tbody> </table> <p style="text-align: right;">Target: 80% Satisfied or very satisfied</p> <p>Note the 2015/16 financial year includes feedback from residents connected to the new water supply at Kaingaroa.</p>			Year	Very satisfied	Satisfied	No opinion	Dissatisfied	Very dissatisfied	2014/15	9%	77%	0%	14%	0%	2015/16	46%	37%	0%	17%	0%
Year	Very satisfied	Satisfied	No opinion	Dissatisfied	Very dissatisfied															
2014/15	9%	77%	0%	14%	0%															
2015/16	46%	37%	0%	17%	0%															
<p><b>Result:</b> Achieved. Only 18% of respondents (24 in all) were connected to the Waitangi or Kaingaroa water supplies. Of these respondents, 83% were either very satisfied or satisfied and 17% were dissatisfied or very dissatisfied. This is above the 80% target. In the 2014/15 financial year, 86% of respondents were either satisfied or very satisfied, noting that for comparative purposes the Kaingaroa water scheme was not operational.</p>																				
4.3	<b>Measure:</b> The number of complaints about the water supply.	<b>Target:</b> No more than five complaints a year.																		
<p><b>Result:</b> Achieved. Two complaints were received. Both complaints related to a loss of water supply, which was a result of maintenance. In the 2014/15 financial year, two complaints were also received.</p>																				
4.4	<b>Measure:</b> The time taken to respond to complaints and to restore lost supply.	<b>Target:</b> 95% of complaints are responded to within two hours and lost supply restored within eight hours of notification.																		
<p><b>Result:</b> Achieved. Two complaints were received and attended to within this time period. Response times were not measured in 2014/15.</p>																				

5. Water Supplies – mandatory measures	
5.1	<b>Measure:</b> Safety of drinking water.
<p><b>Target:</b> The Council's drinking water complies with: a) Part 4 of the drinking water standards (bacteria compliance criteria). b) Part 5 of the drinking water standards (protozoal compliance criteria)</p>	
<p><b>Result:</b> Not achieved. As a small neighbourhood and rural agricultural drinking water supplier, Council meets the drinking water standards if it either complies with the requirements in part 4, 5, 7, 8 and 9, or if the Council follows a water safety plan. Council has elected to follow the latter option and is therefore referred to as a participating supplier for both the Waitangi and Kaingaroa schemes. This requires compliance under part 10 of the standards. For the year in review, both Waitangi and Kaingaroa were taking all practicable steps to comply with part 10. As the water safety plans were in progress but not approved, the sites were not fully compliant. In addition, there was inadequate protozoal treatment and insufficient frequency of monitoring to comply with parts 4 and 5 of the standards. For the 2016/17 financial year it is likely Waitangi will comply with these standards, but not Kaingaroa. This is because the installed treatment process (which was agreed with the Ministry of Health) does not meet the protozoal compliance criteria set in part 5. This is a new reporting measure for 2015/16.</p>	
5.2	<b>Measure:</b> Maintenance of the reticulation network.
<p><b>Target:</b> The percentage of real water loss from the Council's networked reticulation system does not exceed 20%.</p>	
<p><b>Result:</b> Not measured, information was not collected during the year. This is a new reporting measure for 2015/16.</p>	
5.3	<b>Measure:</b> Fault response times.
<p><b>Target:</b> Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:</p> <p>a) Attendance for urgent call-outs: the time from when the Council receives notification to when service personnel reach the site does not exceed two hours.</p> <p>b) Resolution of urgent call-outs; the time from when the Council receives notification to when service personnel confirm resolution of the fault or interruption does not exceed eight hours.</p> <p>c) Attendance of non-urgent call-outs: the time from when the Council receives notification to when service personnel reach the site does not exceed two hours.</p> <p>d) Resolution of non-urgent call-outs; the time from when Council receives notification to when service personnel confirm resolution of the fault or interruption does not exceed eight hours.</p>	
<p><b>Result:</b> Achieved. This is a new reporting measure for 2015/16.</p> <p>a) Two complaints were received. Both complaints related to a loss of supply, which was a result of maintenance. Both complaints were attended to within two hours of lost of supply.</p> <p>b) Resolution of the above issue occurred within eight hours.</p> <p>c) No non-urgent call-outs received.</p> <p>d) No resolution to non-urgent call-outs required.</p>	

# Service performance summaries

5. Water Supplies – mandatory measures (continued)	
5.4	<p><b>Measure:</b> Customer Satisfaction.</p> <p><b>Target:</b> The total number of complaints received by Council about any of the following:            a) Drinking water clarity            b) Drinking water taste            c) Drinking water odour            d) Drinking water pressure or flow            e) Continuity of supply.            The Council's response to any of these issues does not exceed five complaints per year, 5% of connections.*            * Percentage has been used as the scale as the Chatham Islands Council coverage is below the per 1,000 mandatory measure level.</p> <p><b>Result:</b> Achieved. Two complaints were received related to continuity of supply. No other complaints were received. This is a new reporting measure for 2015/16.</p>
5.5	<p><b>Measure:</b> Demand Management.</p> <p><b>Target:</b> The average consumption of drinking water per day per resident within the territorial authority district. Is less than 500L/person/day.</p> <p><b>Result:</b> Achieved for measured sites. In Waitangi average annual usage is 450L/person/day. No flow records were available for Kaingaroa during the 2015/16 year, however recent readings for July and August 2016 show flow at 300L/person/day. This is a new reporting measure for 2015/16.</p>
6. Stormwater – Managing the level of Te Whanga and minimising flooding	
6.1	<p><b>Measure:</b> The frequency of opening Te Whanga outlet.</p> <p><b>Target:</b> Te Whanga outlet is opened as required.</p> <p><b>Result:</b> Achieved. The Te Whanga outlet was not required to be opened during 2015/16. The outlet was last opened in 2010/11.</p>
7. Stormwater – Stormwater Drainage– mandatory measures	
7.1	<p><b>Measure:</b> System and Adequacy.</p> <p><b>Target:</b> a) The number of flooding events that occur in a territorial authority district does not exceed two per year. b) For each flooding event, the number of habitable floors affected does not exceed two per year.*</p> <p><b>Result:</b> Achieved. No flooding events occurred. This is a new reporting measure for 2015/16.</p>
7.2	<p><b>Measure:</b> Discharge compliance.</p> <p><b>Target:</b> Compliance with Council's resource consents for discharge from its Stormwater system is measured by the number of: a) Abatement notices. b) Infringement notices. c) Enforcement orders. d) Convictions. Non- compliance reports do not exceed three events per year.</p> <p><b>Result:</b> Achieved. No notices issued. This is a new reporting measure for 2015/16.</p>
7.3	<p><b>Measure:</b> Response times.</p> <p><b>Target:</b> The median response time to attend a flooding event, measured from the time taken that the territorial authority receives notification to the time that the service personnel reach the site, will not exceed two hours.</p> <p><b>Result:</b> Achieved. No events of flooding occurred. This is a new reporting measure for 2015/16.</p>

7. Stormwater – Stormwater Drainage– mandatory measures (continued)	
7.4	<p><b>Measure:</b> Customer Satisfaction.</p> <p><b>Target:</b> The number of complaints received by the Council about the performance of its Stormwater system does not exceed five per year.*</p> <p><b>Result:</b> Achieved. No complaints were received. This is a new reporting measure for 2015/16.</p> <p><i>*Targets have been set relating to Stormwater in order to measure Council performance. However, there are no ratepayers connected to the Council's Stormwater system, therefore the mandatory per 1,000 scale cannot be applied.</i></p>
8. Sewerage – providing a reliable, environmentally friendly sewerage system	
8.1	<p><b>Measure:</b> Compliance with resource consent conditions (monthly monitoring of the system and an annual soil test).</p> <p><b>Target:</b> 100% compliance, other than minor non-compliance with nil or short-term adverse environmental effects.</p> <p><b>Result:</b> Achieved. Fully compliant, no incidences of non-compliance were reported. This is consistent with performance in 2014/15.</p>
8.2	<p><b>Measure:</b> The number of complaints about odours or any other nuisances.</p> <p><b>Target:</b> No more than two complaints a year.</p> <p><b>Result:</b> Achieved. No complaints about odours were received. This is consistent with performance in 2014/15.</p>
8.3	<p><b>Measure:</b> The number of complaints about the sewerage system.</p> <p><b>Target:</b> No more than five complaints a year.</p> <p><b>Result:</b> Achieved. No complaints about the sewerage system were received. This is consistent with performance in 2014/15.</p>
8.4	<p><b>Measure:</b> The time taken to respond to complaints of loss of service and to restore lost service.</p> <p><b>Target:</b> 95% of complaints are responded to within two hours and investigated within 12 hours and minor faults remedied within 24 hours of notification.</p> <p><b>Result:</b> Achieved. No complaints about loss of service were received. This is consistent with performance in 2014/15.</p>
9. Sewerage and the treatment and disposal of sewerage – mandatory measures	
9.1	<p><b>Measure:</b> System and adequacy.</p> <p><b>Target:</b> The number of dry-weather sewerage overflows from the sewerage system is less than five per year, 5% of properties connected.*</p> <p><b>Result:</b> Achieved. This is a new reporting measure for 2015/16.</p>



9. Sewerage and the treatment and disposal of sewerage – mandatory measures (continued)	
9.2	<p><b>Measure:</b> Discharge compliance.</p> <p><b>Target:</b> Compliance with resource consents for discharge from its sewerage system as measured by the number of:</p> <ul style="list-style-type: none"> <li>a) Abatement notices</li> <li>b) Infringement notices</li> <li>c) Enforcement orders</li> <li>d) Convictions</li> </ul> <p>Is fewer than two events per year.</p> <p><b>Result:</b> Achieved. No notices issued. This is a new reporting measure for 2015/16.</p>
9.3	<p><b>Measure:</b> Fault response times.</p> <p><b>Target:</b> Where the Council attends to sewerage overflows resulting from a blockage or other fault in the Council's sewerage system, the following median response times are measured:</p> <ul style="list-style-type: none"> <li>a) Attendance time: the time when the territorial authority receives notification to when the service personnel reach the site does not exceed 12 hours.</li> <li>b) Resolution time: the time from when the territorial authority receives notification to when the service personnel confirms resolution of the blockage or other fault does not exceed 24 hours.</li> </ul> <p><b>Result:</b> Achieved. No incidences of blockages or faults had occurred. This is a new reporting measure for 2015/16.</p>
9.4	<p><b>Measure:</b> Customer satisfaction.</p> <p><b>Target:</b> The total number of complaints received by the Council about any of the following:</p> <ul style="list-style-type: none"> <li>a) Sewerage odour</li> <li>b) Sewerage systems faults</li> <li>c) Sewerage system blockages</li> <li>d) The Council's response to issues with its sewerage system</li> </ul> <p>Does not exceed two per year, 2% of properties connected.*</p> <p><b>Result:</b> Achieved. No complaints regarding the sewerage system were received. This is a new reporting measure for 2015/16.</p> <p><i>*Percentage has been used as the scale as the Chatham Islands Council coverage at 100 connections is below the per 1,000 mandatory measure level.</i></p>

### Looking ahead – key projects

- The establishment of a new waste management system by way of the provision of transfer stations.
- Continue to work towards sustainable and reliable water sources for the townships of Waitangi, Te One and Owenga.
- Continue to provide a safe, smooth, well-maintained and managed road network.

## Community and regulatory services

### ***We aim to promote community development and provide community and regulatory services that meet the community's needs***

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 relevant legislation.

### **Key activities of community and regulatory services**

- **Providing services to the community:** Chatham Islands Council considers social and community development to be a 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.
- **Processing licensing and building consents:** Wellington City Council ensures compliance with the New Zealand Building Code. Chatham Islands Council has the responsibility to protect and promote public health by undertaking the licensing and inspection of premises to ensure compliance with the Health Act 1956, Sale and Supply of Alcohol Act 2012, Local Government Act 2002 and Hazardous Substances and New Organisms Act 1996 and Council bylaws.
- **Dog and animal control:** The Council carries out animal control functions in accordance with the Dog Control Act 1996, the Impounding Act 1955 and animal control bylaws.

# Service performance summaries

## Community outcomes

Our Long-Term Plan 2015–25 identified the following outcomes as aspirations for community and regulatory services:

- A safe, secure and healthy community with access to affordable, quality housing, access to education opportunities for all ages and access to recreation and sports facilities
- An enterprising and innovative community that promotes economic development for its fishing, farming and tourism industries
- A culturally enriched community that protects and values the Chatham Islands way of life and traditions, that values and supports the arts as a means of sustaining our heritage and that values its taonga and treasures.

## Progress to achieving our community and regulatory functions

- **Access to education opportunities for all ages:** The Council provides a library service that enables access to knowledge.
- **A safe and secure community:** A level of compliance is maintained through the administration of liquor licensing, health registrations and dog and animal control in order to reduce the impact of alcohol, health and animal related harm. A Liquor Ban Bylaw is in place.
- **Access to recreation and sports facilities:** The Council maintains a good working relationship with the Norman Kirk Memorial Reserve committee that oversees the Council's recreational asset, providing a sports and recreation facility for the community. The Council continues to administer the Sport NZ funding.
- **A community that promotes economic development for its fishing, farming and tourism industries:** The Council continues to provide community support by way of in-kind contributions to the Visitor Industry Group.
- **A community that values the Chatham Islands way of life and traditions:** The Council maintains and sustains a morgue, public cemeteries and a burial register. Having the ability to comply with the requirements of the Health Act 1956 and to provide a qualified mortician remains challenging. The Council currently does not comply with this Act. However, the provision of public cemeteries and the acknowledgement of the Chatham Islands' burial traditions are important for Islanders. In these ways, the relationship between the Council and its community on matters of cultural sensitivity can be realised.

- **A community that values and supports the arts as a means of sustaining our heritage:** The Council provides grants and donations that enables participation in the arts through administering the Creative Communities Scheme and in-kind contributions.
- **A community that values its taonga and treasures:** The Council over the year had continued to support the Chatham Islands Museum and Cultural Heritage Trust and the establishment of a new museum. A feasibility study had been completed in 2014-15. The new facility enables the relationship between the Council and its community on matters of cultural heritage to be realised, through the provision of a museum.

## The challenges we face delivering our community and regulatory services functions

- The Council's housing stock and Council buildings require on-going maintenance; without such maintenance, the assets could degrade significantly. Two of the three Council staff houses have been deemed unfit for purpose and disposed of. Replacement of the houses remains uncertain. Maintenance of the Council's community flats continues.
- While conditions on liquor licences and health registrations may constrain individuals' choices or actions, benefits accrue to the wider community and the environment from having such conditions.
- The Council continues to be non-compliant with the Health Act 1956 while there is no qualified on-Island mortician.
- There remains uncertainty over the demand for community housing.

Funding impact statements for each group of activities are disclosed in Appendix 1.

## Performance assessment

We aim to meet our statutory responsibility with the provision of our community and regulatory services. To assess our performance, we ask for the community's views on their levels of satisfaction in relation to community and regulatory services. We also assess our performance on compliance with New Zealand Standards, processing within statutory timeframes, frequency of inspections and by the number of complaints received and responded to within specified timeframes.



1. Community services – providing community services														
1.1	<b>Measure:</b> The percentage of residents who are satisfied with community services.	<b>Target:</b> 85% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, or very dissatisfied).												
<p style="text-align: center;"><b>Satisfaction with community services</b></p> <p style="text-align: center;">■ Very satisfied ■ Satisfied ■ No opinion ■ Dissatisfied ■ Very dissatisfied</p> <table border="1"> <caption>Satisfaction with community services - 2015/16</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Very satisfied</td> <td>19%</td> </tr> <tr> <td>Satisfied</td> <td>37%</td> </tr> <tr> <td>No opinion</td> <td>31%</td> </tr> <tr> <td>Dissatisfied</td> <td>8%</td> </tr> <tr> <td>Very dissatisfied</td> <td>5%</td> </tr> </tbody> </table> <p style="text-align: right;">Target: 85% Satisfied or very satisfied</p> <p>This is a new performance target, no comparative information available.</p>			Category	Percentage	Very satisfied	19%	Satisfied	37%	No opinion	31%	Dissatisfied	8%	Very dissatisfied	5%
Category	Percentage													
Very satisfied	19%													
Satisfied	37%													
No opinion	31%													
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<b>Result:</b> Not achieved. Overall, 56% of respondents were satisfied or very satisfied, 13% dissatisfied or very dissatisfied and 31% had no opinion. The level of satisfaction is below the target of 85%. This target was not measured in 2014/15 as the question was excluded from the annual survey.														
1.2	<b>Measure:</b> The number of complaints about community services.	<b>Target:</b> No complaints.												
<b>Result:</b> Not achieved. Three complaints were received. One complaint related to housing and an unsafe ramp, one complaint related to the public toilet and one complaint related to fence maintenance at the Kapito cemetery. One complaint was received in 2014/15.														
1.3	<b>Measure:</b> Time taken to respond to complaints about operations and facilities and to remedy faults.	<b>Target:</b> 100% are investigated within 12 hours and minor faults remedied within 24 hours of notification.												
<b>Result:</b> Not achieved. One of the three complaints received was attended to within 24 hours of notification. The remaining two issues relating to housing and the Kapito fencing maintenance were not remedied within 24 hours as this required time to repair. In 2014/15 this target was also not achieved due to the time to respond to the complaint.														

1. Community services – providing community services (continued)																				
1.4	<b>Measure:</b> Compliance with NZS 5828 for safety of playground equipment.	<b>Target:</b> 100% compliance.																		
<b>Result:</b> Achieved. Full compliance, no incidences of non-compliance were reported. This is consistent with performance in 2014/15.																				
1.5	<b>Measure:</b> The occupancy rate for Council housing.	<b>Target:</b> Greater than 95%.																		
<b>Result:</b> Achieved. Full occupancy. This is consistent with performance in 2014/15.																				
2. Community services – providing a local library service																				
2.1	<b>Measure:</b> Community satisfaction with the existing library service.	<b>Target:</b> 100%.																		
<p style="text-align: center;"><b>Satisfaction with library services</b></p> <p style="text-align: center;">■ Very satisfied ■ Satisfied ■ No opinion ■ Dissatisfied ■ Very dissatisfied</p> <table border="1"> <caption>Satisfaction with library services - 2014/15 and 2015/16</caption> <thead> <tr> <th>Year</th> <th>Very satisfied</th> <th>Satisfied</th> <th>No opinion</th> <th>Dissatisfied</th> <th>Very dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>9%</td> <td>21%</td> <td>61%</td> <td>6%</td> <td>3%</td> </tr> <tr> <td>2015/16</td> <td>15%</td> <td>28%</td> <td>47%</td> <td>8%</td> <td>2%</td> </tr> </tbody> </table> <p style="text-align: right;">Target: 100% Satisfied or very satisfied</p>			Year	Very satisfied	Satisfied	No opinion	Dissatisfied	Very dissatisfied	2014/15	9%	21%	61%	6%	3%	2015/16	15%	28%	47%	8%	2%
Year	Very satisfied	Satisfied	No opinion	Dissatisfied	Very dissatisfied															
2014/15	9%	21%	61%	6%	3%															
2015/16	15%	28%	47%	8%	2%															
<b>Result:</b> Not achieved. Overall, 43% of respondents were satisfied or very satisfied (an increase of 11% from last year), 10% dissatisfied or very dissatisfied, (an increase of 4% from last year) and 47% had no opinion. This result is significantly below the target of 100%.																				
2.2	<b>Measure:</b> Renewal of library books.	<b>Target:</b> Books renewed every six weeks.																		
<b>Result:</b> Not achieved. Books were renewed approximately every eight weeks during the year; six renewals were undertaken during the period under review. This is consistent with library book renewals in 2014/15.																				
3. Licensing and building – processing liquor licences and building consents																				
3.1	<b>Measure:</b> The percentage of applications processed within statutory timeframes.	<b>Target:</b> 95%.																		
<b>Result:</b> Achieved. The council received 23 liquor licensing applications, of these 20 were issued within statutory timeframes. Two manager's certificates, eight renewal of manager's certificates, two renewals of an on-licence, two renewals of an off-licence and nine special licences. In the 2014/15 financial year, 14 applications were received, with 13 processed within statutory timeframes.																				

# Service performance summaries

3. Licensing and building – processing liquor licences and building consents (continued)		
3.2	<b>Measure:</b> The number of Liquor Licensing inspections.	<b>Target:</b> At least one licensed premises inspection annually.
	<b>Result:</b> Achieved. One liquor licensing inspection was undertaken during March 2016. This is consistent with the 2014/15 financial year.	
4. Licensing and building – monitoring and enforcing compliance with liquor licence and building consent conditions		
4.1	<b>Measure:</b> 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	<b>Target:</b> At least one food and registered premises inspection annually.
	<b>Result:</b> Achieved. An inspection was completed during April 2016. No inspection occurred during the 2014/15 financial year due to a change with contractual service providers.	
4.2	<b>Measure:</b> The number of complaints about non-compliance with building consent conditions.	<b>Target:</b> No more than five complaints received a year.
	<b>Result:</b> Achieved. No complaints were received during the year. This is consistent with performance during the 2014/15 financial year.	
4.3	<b>Measure:</b> Time taken to respond to complaints about non-compliance with consent conditions.	<b>Target:</b> 100% are resolved or have a resolution strategy in place within 21 days of notification.
	<b>Result:</b> Achieved. No complaints were received during the year. This is consistent with performance during the 2014/15 financial year.	
5. Dog and animal control – a safe and secure living environment for the community		
5.1	<b>Measure:</b> The number of complaints about dog and animal control.	<b>Target:</b> No more than five complaints a year.
	<b>Result:</b> Not achieved. Sixteen complaints were received. Nine complaints relating to stock and seven complaints relating to dogs. In the 2014/15 financial year, 14 complaints were received.	
5.2	<b>Measure:</b> The time taken to respond to complaints.	
	<b>Target:</b> 100% are responded to as follows: a) Dog attacks and rushes attended to within one hour of notification. b) Possible threats to public safety attended to within five hours. c) Complaints of general nuisance attended to within 48 hours. d) All other complaints investigated within two working days.	
	<b>Result:</b> a) Not achieved. Six complaints were received relating to dogs worrying sheep and chickens, these were not attended to within one hour. In 2014/15 one complaint was received, this was not attended to within one hour. b) Achieved. No threats to public safety. In 2014/15 three complaints were received, these were not responded to within five hours. c) Achieved. No complaints of general nuisance. In 2014/15 nine complaints were received relating to general nuisance, eight of these complaints were not responded to within 48 hours. d) Achieved. One complaint had been investigated within two working days. In 2014/15 one complaint was received and investigated within two working days.	

5. Dog and animal control – a safe and secure living environment for the community (continued)																				
5.3	<b>Measure:</b> The number of Island-wide inspections (including Pitt Island) carried out each year to make sure dogs are registered and to check animal welfare.	<b>Target:</b> Two inspections.																		
	<b>Result:</b> Not achieved. One partial inspection (Chatham Island only) was undertaken during June 2016. In 2014/15 one partial inspection was undertaken at Owenga.																			
5.4	<b>Measure:</b> The percentage of residents who are satisfied with dog and animal control services.																			
	<b>Target:</b> 100% of residents are satisfied or very satisfied (measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, or very dissatisfied).																			
	<div style="text-align: center;"> <p><b>Satisfaction with dog and animal control</b></p> <table border="1"> <caption>Satisfaction with dog and animal control</caption> <thead> <tr> <th>Year</th> <th>Very satisfied</th> <th>Satisfied</th> <th>No opinion</th> <th>Dissatisfied</th> <th>Very dissatisfied</th> </tr> </thead> <tbody> <tr> <td>2014/15</td> <td>4%</td> <td>24%</td> <td>28%</td> <td>25%</td> <td>19%</td> </tr> <tr> <td>2015/16</td> <td>4%</td> <td>21%</td> <td>30%</td> <td>24%</td> <td>21%</td> </tr> </tbody> </table> </div> <p style="text-align: right;">Target: 100% Satisfied or very satisfied</p>		Year	Very satisfied	Satisfied	No opinion	Dissatisfied	Very dissatisfied	2014/15	4%	24%	28%	25%	19%	2015/16	4%	21%	30%	24%	21%
Year	Very satisfied	Satisfied	No opinion	Dissatisfied	Very dissatisfied															
2014/15	4%	24%	28%	25%	19%															
2015/16	4%	21%	30%	24%	21%															
	<b>Result:</b> Not achieved. Overall, 25% of respondents were satisfied or very satisfied with dog and animal control (a decrease of 6% from last year), 45% dissatisfied or very dissatisfied (a 4% increase from last year) and 30% had no opinion. These figures are significantly less than the target of 100%.																			
5.5	<b>Measure:</b> The level of cost recovery through registration fees and fines.	<b>Target:</b> 100%.																		
	<b>Result:</b> Achieved. All costs fully recovered, this is consistent with the 2014/15 financial year																			

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## Looking ahead – key projects

- **Staff housing on-Island:** The establishment of a new social housing entity is being investigated and a draft Housing Solution Report was prepared for consideration. The Social Housing Project is being undertaken in collaboration with the other Island representative groups.
- **Morgue:** The Council continues to look at ways to address issues relating to the morgue and appropriate mortician services. Discussions with Canterbury District Health Board and Manaaki Whanau O Wharekauri are underway with a view to address ways to better operate this service.
- **Complex – library:** Access to information is a prerequisite for effective participation in the community as informed citizens. To this end the Council is proposing to establish a public library system that ensures that there is reasonable opportunity for people to access the information they need to participate fully. The proposed library is part of the proposed community complex along with administration and meeting facilities, 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. A concept plan was completed along with a feasibility study; however, the project has stalled and the Council is to consider alternative solutions.
- **Community Resilience Project:** The Community Resilience Project had been completed in December 2015. A report on the project had been prepared which provided a summary of the project's, successes, learning and challenges. The document had been publicly circulated.



## Environmental services

### ***We aim to maintain, sustain and protect our natural resources now and for future generations***

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.

### **Key activities of environmental services**

- **Managing the community's resources:** The Council is responsible for the monitoring and reporting on the state of the Chatham Islands environment – its land, air, water and coastal resources and compliance with the requirements of the Resource Management Act 1991.
- **Biosecurity control:** The Council carries out work under the Biosecurity Act 1993; this is to ensure the economic and ecological sustainability of the territory. The Council will carry out pest management in accordance with National and Regional Pest Management Strategies.
- **Water quality and hydrology:** The Council monitors and reports on the Chatham Islands environment to identify water quality, river flows and rainfall trends.
- **Protection of historic places:** The Council ensures compliance with the Heritage New Zealand Pouhere Taonga Act 2014 to protect historic areas and wāhi tapu on the Islands. There are 11 registered historic places on the Islands.

### **Community outcomes**

Our Long-Term Plan 2015–25 identified the following as aspirational outcomes for environmental services:

- An enterprising and innovative community that promotes economic development for its fishing, farming and tourism industries
- An environmentally conscious community that protects, sustains and enriches the environment for future generations and promotes a safe, healthy and secure community
- A culturally enriched community that acknowledges and values the importance of tchakat henu/tangata whenua as an integral part of our community and values its taonga.

# Service performance summaries

## Progress to achieving our environmental services functions

- **A community that promotes economic development for its fishing, farming and tourism industries:** Through its contract with Environment Canterbury, the Council continues to monitor any changes in government policy, such as aquaculture reforms, that may have an impact on the Chatham Islands. The Council also continues to implement the Chatham Islands Pest Management Strategy in compliance with the Biosecurity Act 1993.
- **A community that protects, sustains and enriches the environment for future generations:** The Council continues to promote the importance of maintaining and sustaining the Chatham Islands' natural environment through informing the community. 'Uniquely Chathams' is a quarterly newsletter that aims to raise awareness and appreciation of the environment.
- **A safe, secure and healthy community:** The Council continues to maintain a contract with Environment Canterbury, which oversees the Council's regional resource management responsibilities.
- **A community that acknowledges and values the importance of tchakat henua and tangata whenua as an integral part of our community:** The Council continues to engage with Imi/Iwi on matters relating to resource management. This enables the relationship between the Council, the community and Moriori/Māori on matters of natural resources and the environment to be realised.
- **A community that values its taonga and treasures:** The Council continues to work towards gathering baseline information and monitoring water quality in order to maintain, sustain and protect natural resources and the environment.

## The challenges we face delivering our environmental services functions

- The introduction and spread of new plant and animal pests pose a significant risk to the Chatham Islands.

Funding impact statements for each group of activities are disclosed in Appendix 1.

## Performance assessment

We aim to meet our statutory responsibility with the provision of our environmental services. To assess our performance, we measure compliance, the maintenance of water quality and frequency of inspections.

We also assess our performance on maintaining internal border control.

1. Resource management – authorising the use of natural and physical resources		
1.1	<b>Measure:</b> The percentage of resource consents processed within statutory timeframes.	<b>Target:</b> 100%.
	<b>Result:</b> Achieved. Full compliance, one subdivision resource consent was received and consented during the year. In 2014/15 three consent applications were received and consented.	
2. Resource management – responding to breaches of the Resource Management Act 1991		
2.1	<b>Measure:</b> The time taken to respond to and initiate investigations for: a) breaches of the Resource Management Act; b) breaches of consent conditions	<b>Target:</b> Within one hour of notification.
	<b>Result:</b> Achieved. No breaches of the Resource Management Act 1991 or consent conditions reported. This is consistent with the 2014/15 financial year.	
2.2	<b>Measure:</b> The time taken to develop a plan to resolve individual breaches.	<b>Target:</b> 80% within one week and 100% within one month
	<b>Result:</b> Achieved. No plan was required to be developed, as there were no individual breaches. This is consistent with the 2014/15 financial year.	
3. Resource management – keeping the Resource Management Document compliant and up to date		
3.1	<b>Measure:</b> The Chatham Islands Resource Management Document is compliant and up to date.	<b>Target:</b> 100% compliant and up to date.
	<b>Result:</b> Achieved. A review of the Chatham Islands Resource Management Document was undertaken during 2013/14 and 2014/15. The Document is with the Ministry for the Environment for sign-off since December 2015.	
4. Water quality and hydrology – monitoring the water quality of Chatham Islands streams, rivers and lakes		
4.1	<b>Measure:</b> Sample and analyse water quality for 20 sites on the Chatham Islands four times a year	<b>Target:</b> State of the environment water quality monitoring programme maintained at the current level (all sites are monitored).
	<b>Result:</b> Achieved. All sites monitored and data stored in database (fully available on request) as well as displayed on council's website www.cic.govt.nz. This is a new target for 2014/15.	



5. Water quality and hydrology – monitoring the river flows and rainfall of Chatham Islands		
5.1	<b>Measure:</b> Monitor and record river flows, lagoon level (Te Whanga) and rainfall on the Chatham Islands.	<b>Target:</b> Six river flow sites: three rain gauges and two lagoon water level recorders fully operational (example results: all sites monitored, data recorded and available to the public e.g. via the website).
	<b>Result:</b> Achieved. All sites monitored and data stored in database (fully available on request) as well as displayed on council's website www.cic.govt.nz. New target for this year.	
6. Water quality and hydrology – reporting the water quality and hydrology of Chatham Islands		
6.1	<b>Measure:</b> A Summary Report of water quality and hydrology (river flow, lagoon level and rainfall) is available for the public.	<b>Target:</b> A report is available by the end of August following every financial year (example results: short report provided to Council and then available via the website).
	<b>Result:</b> Not achieved. A Water Quality Report has been prepared, however there was a delay in presenting the report to Council to allow discussion regarding the National Policy Statement. It is envisaged that the Report will be presented to Council following the 2016 Local Authority Elections. This was a new reporting measure, no comparative information available.	
7. Biosecurity – preventing the arrival and establishment of new pests		
7.1	<b>Measure:</b> Results of inspection of at risk sites.	<b>Target:</b> No new pest incursion found at risk sites.
	<b>Result:</b> Achieved. There was however, one 'new to Chatham Islands' potential plant pest found. This was a solitary Tree Lupin that was controlled immediately by the resident Biosecurity Officer. This is consistent with performance in 2014/15.	
7.2	<b>Measure:</b> Maintaining an internal border between Chatham Island, Pitt Island, and New Zealand.	<b>Target:</b> Training provided to freight handlers at major ports supplying the Chatham Islands. Establishing a partnership with Biosecurity New Zealand to develop a Marine Biosecurity Plan as a part of the internal border.
	<b>Result:</b> Achieved. Regular freight handler training occurring via SPS Biosecurity. No new pests found. Four staff have been trained and equipped to carry out Marine Pest surveillance surveys. The first surveys of the four main ports on Chatham Island will occur in October 2016 and at least annually from that point on. This is consistent with performance in 2014/15.	



7.3	<b>Measure:</b> Public awareness.	<b>Target:</b> Regular media coverage of pests.
	<b>Result:</b> Achieved. Regular communications relating to Bio-security activities and projects are circulated in the Chatham Islands Community Focus Trust weekly newsletters, the monthly Chatham Islander newspaper and the quarterly environmental newsletter 'Uniquely Chatham Islands'. This is consistent with performance in 2014/15.	
8. Biosecurity – monitoring and enforcing operational and property plans		
8.1	<b>Measure:</b> Results of enforcement action to ensure landowners and occupiers do not introduce, sell, propagate or distribute pest species.	<b>Target:</b> 80% of plans implemented.
	<b>Result:</b> Achieved. The level of plant pest awareness from landowners has significantly increased over the past two years. This is primarily due to the two proactive resident Bio-security staff on the Island. There are numerous cases where landowners are contacting Environment Canterbury staff about pest related issues as a result of their increased level of awareness and concern. New target for this year.	
8.2	<b>Measure:</b> Results of enforcement action to ensure landowners carry out control of feral goats and gorse.	<b>Target:</b> 80% of plans implemented.
	<b>Result:</b> Achieved. The feral goat population had been eradicated from one geographical area (over 1,056 shot). This just leaves approximately 40-50 goats left in one other totally separate area. Bio-security staff have been working with the new landowner to achieve the eradication goal. New target for this year.	
9. Biosecurity – preventing the arrival and establishment of marine pests		
9.1	<b>Measure:</b> An annual underwater surveillance programme to determine the presence or absence of the ten most invasive marine pests that are present in New Zealand or are likely to arrive from some other destination.	<b>Target:</b> Annual survey to be undertaken on all Ports on Chatham and Pitt Islands.
	<b>Result:</b> Not achieved. The first surveys are proposed for October 2016. New target for this year.	
9.2	<b>Measure:</b> Public awareness.	<b>Target:</b> Regular media coverage on marine pests.
	<b>Result:</b> Not achieved. The results for the proposed survey to be undertaken in October 2016 will be made available to the Public once Council has been informed. New target for this year.	

### Looking ahead – key projects

- The Council will finalise the Chatham Islands Resource Management Document.
- The Council will continue to authorise the use of natural and physical resources and respond to breaches of the Resource Management Act 1991.
- The Council will continue to maintain the water quality programme of Chatham Islands' streams, rivers and lakes, the water quality monitoring programme in the Chatham Islands and the water quality of Te Whanga.
- The Council will continue to prevent the arrival and establishment of new pests and monitor progress with operational and property plans according to the Chatham Islands Pest Management Strategy.

# Service performance summaries

## Emergency management

### *We aim to provide emergency management that responds effectively to the needs of the community*

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.

#### Key activities of emergency management

- **Civil defence:** The Civil Defence Emergency Management Act 2002 imposed statutory obligations on the Council to carry out hazard-based risk management in four areas: reduction of risk, readiness for events, response and recovery after an event.
- **Rural fire services:** The Council is a Rural Fire Authority under the Forest and Rural Fires Act 1977 and must meet requirements for the prevention, detection and suppression of rural fires.
- **Marine oil spill response:** The Maritime Transport Act 1994 requires the Council to prepare, maintain and review regional marine oil spill contingency plans.

#### Community outcomes

Our Long-Term Plan 2015–25 identified the following aspirational outcomes for emergency management:

- A safe and secure community
- An enterprising and innovative community that promotes economic development for its fishing, farming and tourism industries
- An environmentally conscious community that protects, sustains and enriches the environment for future generations
- A culturally enriched community that values the Chatham Islands way of life and traditions.

#### Progress to achieving our emergency management functions

- **A safe and secure community:** The Council continues to progress the Emergency Management Operations Centre project. With the challenges associated with isolation and remoteness, it is necessary to establish a resourced facility that supports, enables and strengthens community resilience in times of threat. This facility is significant and fundamental to New Zealand's most isolated community and continued community well-being. Land for the facility has been secured. No funding for this project has been secured as yet; the Council continues to actively pursue funding options.
- **Promoting economic development:** The Council, through the Civil Defence Emergency Management (CDEM) Group plan, has a hazard risk analysis in place. This will assist organisations, agencies and groups to better plan for their needs.
- **Protecting, sustaining and enriching the environment:** The Council continues to have up-to-date emergency management plans in place.
- **Valuing the way of life and traditions:** The Council continues to ensure emergency management is proactive in understanding and protecting community values and the natural environment. During the year, training was undertaken in oil spill, rural fire and search and rescue.

#### The challenges we face delivering our emergency management functions

- A significant emergency, oil spill or fire could potentially affect the Chatham Islands economically as well as both short-term and long-term quality of life. The safety (life and property) of a potentially larger percentage of the community would be at risk and the recovery period could be longer.

Funding impact statements for each group of activities are disclosed in Appendix 1.

#### Performance assessment

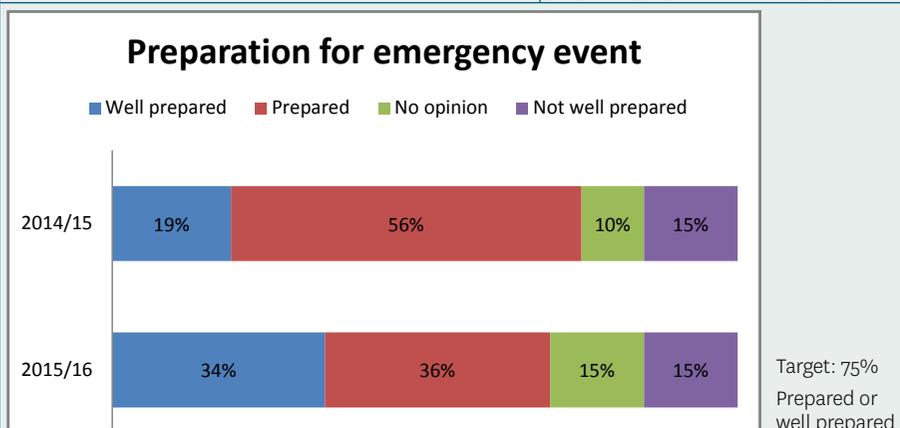
We aim to meet our statutory responsibility with the provision of emergency management. To assess our performance, we measure the community's readiness and the effectiveness of recovery.

We also assess our performance by the time taken to respond to events.



**1. Emergency management – coordinating hazard analysis and planning, providing an effective emergency response and recovery capability and raising community preparedness**

1.1	<b>Measure:</b> The state of readiness of the Emergency Management Operations Centre, including staff and volunteers, emergency management equipment, control facilities and communication systems.	<b>Target:</b> a) 100% readiness, 24-hours/7 days. b) 100% of staff and volunteers are appropriately trained and resourced.
	<b>Result:</b> Achieved. Full compliance for both targets. Readiness was tested in response to Cyclone Pam in March 2015. All staff and volunteers are trained and resourced, this is an ongoing activity.	
1.2	<b>Measure:</b> All emergency management plans are compliant with statutory requirements.	<b>Target:</b> 100% compliant.
	<b>Result:</b> Achieved. Fourteen plans are in place. Six plans were reviewed during 2015/16 and are due to be completed during 2017. All plans are updated in accordance with statutory requirements. This is consistent with performance in 2014/15	
1.3	<b>Measure:</b> The percentage of members of the multi-agency response team who have completed basic specialist emergency services training.	<b>Target:</b> 80%
	<b>Result:</b> Achieved. 81% of members of the multi-agency response team have completed basic specialist emergency services training. Annual response team training is ongoing. Three new members of the response team were undertaking specialist training during the year under review. Training is an ongoing exercise, in 2014/15 all members of the multi-agency response team had completed such training, however there has been a change in membership in year, impacting on the result.	
1.4	<b>Measure:</b> The percentage of residents who consider they are prepared and know what to do in an emergency.	<b>Target:</b> 75% of residents are well prepared or prepared on a scale of well prepared, prepared, not well prepared.



**Result:** Not achieved. Of the respondents, 34% felt they were well prepared and 40% prepared in the event of civil defence emergency (a decrease of 5% from last year) and below the plan target of 75%. The percentage of respondents that felt that they were not prepared was 15% (an increase of 6%), 15% had no opinion.

**2. Emergency management – providing support for and assisting the recovery of social, emotional, economic and physical well-being of individuals and communities following emergency events**

2.1	<b>Measure:</b> The effectiveness of recovery assistance after emergencies.	<b>Target:</b> 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.
	<b>Result:</b> Not measured. There were no emergency events that occurred in the 2015/16 financial year. In the previous year welfare needs, response systems and essential services were all tested as a result of Cyclone Pam hitting the Island in March 2015; the response was considered appropriate given the scale of events.	

**3. Emergency management – providing an effective rural fire prevention and response capability**

3.1	<b>Measure:</b> Time taken to respond to events.	<b>Target:</b> 100% are responded to within one hour of notification.
	<b>Result:</b> Achieved. A total of 39 fires were reported during the year, all events were responded to within one hour of notification. Fires varied from major to minor events: 16 events related to the rubbish dump and 23 related to vegetation. In 2014/15 one major and one minor fire were reported, both responded to within one hour.	

**4. Marine oil spill response – work closely with providers and community groups to ensure integrated analysis, planning and provision of services to provide a safe environment**

4.1	<b>Measure:</b> Number of training exercises.	<b>Target:</b> At least one water equipment deployment exercise conducted annually.
	<b>Result:</b> Achieved. One oil spill training exercise was held during March 2016. This result is consistent with 2014/15 performance.	
4.2	<b>Measure:</b> Time taken to evaluate reports of oil spills.	<b>Target:</b> Oil spill reports evaluated within one hour of notification.
	<b>Result:</b> Not measured. No incidences of marine oil spill reported, no oil spill in 2014/15 reported.	

# Service performance summaries

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## Looking ahead – key projects

- The Council will continue to coordinate hazard analysis and planning, providing an effective emergency response and recovery capability and raising community preparedness. We will encourage lifeline utilities to increase resilience. The Council will provide support and assist in the recovery of social, emotional, economic and physical well-being of individuals and communities following emergency events. The Council will provide an effective rural fire prevention and response capability and work closely with providers and community groups to ensure integrated analysis, planning and provision of services to provide a safe environment.
- The Emergency Management Operations Centre project employs a collective approach to addressing the need for a unified Island Civil Defence and Emergency Management centre that can respond to the needs of the community in the event of a 'threat'. The Council's overarching objective for the centre is to provide an efficient and effective system of emergency management that minimises the potential effect of all hazards on the community and the environment.

## Coasts, harbours and navigation

### *We aim to promote, maintain and sustain a safe environment for both commercial and recreational maritime activities*

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.

### Key activities of coasts, harbours and navigation

- **Ensuring navigational safety:** 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 Council seeks to promote, maintain and sustain a safe environment for both commercial and recreational maritime activities.

## Community outcomes

Our Long-Term Plan 2015–25 identified the following aspirational outcomes for coasts, harbours and navigation:

- A safe, healthy and secure community with access to quality infrastructure services
- An enterprising and innovative community that promotes economic development for its fishing, farming and tourism industries and provides access to reliable and affordable transportation services
- An environmentally conscious community that protects, sustains and enriches the environment for future generations.

## Progress to achieving our coasts, harbours and navigation function

- **Access to quality infrastructure:** The Council continues to recognise the need to play both a facilitating and a leading role in working with others to address barriers to social and economic development that are constraints on community well-being. Funding support from the Government for the Waitangi Wharf development has been approved, with construction underway.
- **Promoting economic development:** The Owenga Wharf assists the development of the fishing industry. The coasts, harbours and navigation activity assumes that the resources from the sea continue to be a major part of the Chatham Islands economy.
- **Reliable transportation services:** During the year, the Council continued to maintain the 'lifeline' from Chatham Island to Pitt Island through the provision of the Owenga Wharf, which enables the movement of stock and goods.
- **Protecting our environment:** The Council continues to implement the Navigation Safety Bylaw and Regional Maritime Oil Contingency plans. During the year a review of the Navigation Safety Bylaw was undertaken and further training in oil spill response was undertaken.

## The challenges we face delivering our coasts, harbours and navigation functions

- The ongoing maintenance costs of Owenga Wharf are funded through the New Zealand Transport Agency. There is uncertainty over the level of grants, which are the subject of a government review into the financing of land transport.

Funding impact statements for each group of activities are disclosed in Appendix 1.

### Performance assessment

We aim to meet our statutory responsibility with the provision of our coasts, harbours and navigation services. To assess our performance, we ask for the community's views on their levels of satisfaction in relation to the administration of the bylaw, the availability of the wharf and frequency of inspections.

We also assess our performance by the number of complaints received and responded to within specified timeframes.

1. Coasts, harbours and navigation – the community receives a service which meets its needs for safety		
1.1	<b>Measure:</b> The Navigation Safety Bylaw is kept up-to date.	<b>Target:</b> Reviewed every three years.
	<b>Result:</b> Achieved. The Navigation Safety Bylaw 2013 is in place, this is due for renewal in the 2016/17 financial year.	
1.2	<b>Measure:</b> Formally respond to incidents and deal with complaints within seven days.	<b>Target:</b> 85% responded to within seven days.
	<b>Result:</b> Not measured. No complaints were received.	
2. Coasts, harbours and navigation – navigational aids are maintained in proper working order		
2.1	<b>Measure:</b> The frequency of inspection of leading lights.	<b>Target:</b> Inspections carried out every three months.
	<b>Result:</b> Not achieved. One inspection was completed in year. In 2014/15 two inspections were completed.	
2.2	<b>Measure:</b> Number of complaints about navigation aids.	<b>Target:</b> No more than five a year.
	<b>Result:</b> Achieved. One outage was reported, this light was replaced at Kaingaroa in July 2015. No outages reported in 2014/15.	
2.3	<b>Measure:</b> The time to replace outages.	<b>Target:</b> Outages repaired within 24 hours.
	<b>Result:</b> Not achieved. No record of time taken to replace outage. This is consistent with performance in 2014/15.	



### 3. Coasts, harbours and navigation – provide lifeline access between Chatham and Pitt Islands

3.1	<b>Measure:</b> The availability of the Owenga Wharf for safe and efficient movement of people, stock and goods.	<b>Target:</b> Available at all times.
	<b>Result:</b> Achieved. No safety or inefficiency complaints were received in year. In 2014/15 one safety complaint was received relating to the slippery surface of the wharf.	

### Looking ahead – key projects

- The Council will ensure the community receives a service that meets its needs for safety, including by ensuring navigational aids are maintained in proper working order and lifeline access are provided between Chatham and Pitt islands.
- The Council will work with its key partners to promote the interests of Islanders in relation to the Waitangi Wharf upgrade.

# Appendix 1 – Funding impact statements

## Council funding impact statement

The Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 require the Council to adopt a Funding Impact Statement both for the Council and for each group of activities. The objective of the policy makers is to provide information that is more easily understood. The Funding Impact Statement must identify: the sources of funding to be used; the amount of funds expected to be produced from each source; and how the funds are to be applied.

Revenue and expenditure in the Funding Impact Statements are recognised on a basis consistent with the financial statements. However, transactions with no funding impact, such as depreciation, have been removed. The regulations also require the Funding Impact Statement for each group of activities to disclose internal charges and cost allocation and not eliminate these as required by Generally Accepted Accounting Practice (GAAP).

The Revenue and Financing Policy contained in the Long-Term Plan 2015–25 sets out Chatham Islands policies with respect to which funding mechanisms are to be used to finance the operating and capital expenditure.

COUNCIL	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Actual 2014/15 \$000	Annual Plan 2014/15 \$000
<b>Source of operating funding</b>				
General Rates, Uniform Annual General Charge, Rates Penalties	290	279	293	274
Targeted Rates	179	181	178	178
Subsidies and Grants for Operating Purposes	3,920	4762	1,405	4,661
Fees and Charges	69	65	67	66
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	849	634	3,661	412
<b>Total Operating Funding</b>	<b>5,307</b>	<b>5921</b>	<b>5,604</b>	<b>5,591</b>
<b>Applications of operating funding</b>				
Payments to Staff and Suppliers	3,592	5343	3,757	4,901
Financial Costs	17	18	21	30
Other Operating Funding Applications	1,480	-	1,583	230
<b>Total Application of Operating Funding</b>	<b>5,089</b>	<b>5361</b>	<b>5,361</b>	<b>5161</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>218</b>	<b>560</b>	<b>244</b>	<b>430</b>
<b>Source of capital funding</b>				
Subsidies and Grants for Capital Expenditure	2,727	7,359	3,509	5,631
Increase/(Decrease) in Debt	-	-	-	(46)
<b>Total Source of Capital Funding</b>	<b>2,727</b>	<b>7,359</b>	<b>3,509</b>	<b>5,585</b>
<b>Application of capital funding</b>				
Capital Expenditure				
- to improve the level of service	2,427	1,614	2,821	3,210
- to replace existing assets	1	6,123	724	2,794
Increase/(Decrease) in Reserves	517	182	208	11
<b>Total Applications of Capital Funding</b>	<b>2,945</b>	<b>7,919</b>	<b>3,753</b>	<b>6,015</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(218)</b>	<b>(560)</b>	<b>(244)</b>	<b>(430)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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## Group Activities

### ■ Democracy

### ■ Infrastructure

Roading

Sewerage

Solid Waste

Water

Stormwater

### ■ Community and regulatory

### ■ Environmental

### ■ Emergency management

### ■ Coasts, harbours and navigation



# Appendix 1 – Funding impact statements

DEMOCRACY SERVICES	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	724	672	858
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	63	128	133
<b>Total Operating Funding</b>	<b>787</b>	<b>800</b>	<b>991</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	262	294	832
Financial Costs	-	-	-
Internal Charges and Overheads Applied	509	459	117
<b>Total Application of Operating Funding</b>	<b>771</b>	<b>753</b>	<b>949</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>16</b>	<b>47</b>	<b>42</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Operating Purposes for Capital Expenditure	-	2,361	-
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>2,361</b>	<b>-</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	-	-
-- to replace existing assets	1	2,370	42
Increase (Decrease) in Reserves	15	39	-
<b>Total Applications of Capital Funding</b>	<b>16</b>	<b>2,409</b>	<b>42</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(16)</b>	<b>(47)</b>	<b>(42)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

INFRASTRUCTURE SERVICES	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	179	246	175
Subsidies and Grants for Operating Purposes	1,676	2,442	2,458
Fees, Charges	69	-	65
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	381	44	13
<b>Total Operating Funding</b>	<b>2,305</b>	<b>2,732</b>	<b>2,711</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	1,992	2,306	2,369
Financial Costs	-	-	17
Internal Charges and Overheads Applied	111	100	14
<b>Total Application of Operating Funding</b>	<b>2,103</b>	<b>2,406</b>	<b>2,400</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>202</b>	<b>326</b>	<b>311</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Capital Expenditure	2,727	4,007	2,456
Increase (Decrease) in Debt	-	-	(8)
<b>Total Source of Capital Funding</b>	<b>2,727</b>	<b>4,007</b>	<b>2,448</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	2,427	624	568
-- to replace existing assets	-	3,651	2,165
Increase (Decrease) in Reserves	502	58	26
<b>Total Applications of Capital Funding</b>	<b>2,929</b>	<b>4,333</b>	<b>2,759</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(202)</b>	<b>(326)</b>	<b>(311)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



INFRASTRUCTURE SERVICES – ROADING	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	52	53	50
Subsidies and Grants for Operating Purposes	974	1,863	1,813
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	334	5	12
<b>Total Operating Funding</b>	<b>1,360</b>	<b>1,921</b>	<b>1,875</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	1,413	1,645	1,643
Financial Costs	-	-	-
Internal Charges and Overheads Applied	-	-	-
<b>Total Application of Operating Funding</b>	<b>1,413</b>	<b>1,645</b>	<b>1,643</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>(53)</b>	<b>276</b>	<b>232</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Capital Expenditure	2,408	2,406	2,202
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>2,408</b>	<b>2,406</b>	<b>2,202</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	2,355	174	270
-- to replace existing assets	-	2,500	2,164
Increase (Decrease) in Reserves	-	8	-
<b>Total Applications of Capital Funding</b>	<b>2,355</b>	<b>2,682</b>	<b>2,434</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>53</b>	<b>(276)</b>	<b>(232)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

INFRASTRUCTURE SERVICES – SEWERAGE	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	65	65	64
Subsidies and Grants for Operating Purposes	101	78	71
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	7	21	-
<b>Total Operating Funding</b>	<b>173</b>	<b>164</b>	<b>135</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	133	119	125
Financial Costs	-	-	-
Internal Charges and Overheads Applied	40	36	9
<b>Total Application of Operating Funding</b>	<b>173</b>	<b>155</b>	<b>134</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>-</b>	<b>9</b>	<b>-</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Operating Purposes for Capital Expenditure	-	332	-
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>332</b>	<b>-</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	-	-
-- to replace existing assets	-	332	-
Increase (Decrease) in Reserves	-	9	-
<b>Total Applications of Capital Funding</b>	<b>-</b>	<b>341</b>	<b>-</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>-</b>	<b>(9)</b>	<b>-</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Appendix 1 – Funding impact statements

INFRASTRUCTURE SERVICES – SOLID WASTE	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	62	63	61
Subsidies and Grants for Operating Purposes	374	329	350
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	25	7	1
<b>Total Operating Funding</b>	<b>461</b>	<b>399</b>	<b>412</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	179	352	386
Financial Costs	-	-	-
Internal Charges and Overheads Applied	27	24	-
<b>Total Application of Operating Funding</b>	<b>206</b>	<b>376</b>	<b>386</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>255</b>	<b>23</b>	<b>26</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Capital Expenditure	319	819	-
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>319</b>	<b>819</b>	<b>-</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	72	-	-
-- to replace existing assets	-	819	-
Increase (Decrease) in Reserves	502	23	26
<b>Total Applications of Capital Funding</b>	<b>574</b>	<b>842</b>	<b>26</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(255)</b>	<b>(23)</b>	<b>(26)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

INFRASTRUCTURE SERVICES – WATER	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	220	168	209
Fees, Charges	69	65	65
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	15	9	-
<b>Total Operating Funding</b>	<b>304</b>	<b>242</b>	<b>274</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	267	190	201
Financial Costs	-	-	17
Internal Charges and Overheads Applied	37	33	4
<b>Total Application of Operating Funding</b>	<b>304</b>	<b>223</b>	<b>222</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>-</b>	<b>19</b>	<b>52</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Capital Expenditure	-	450	254
Increase (Decrease) in Debt	-	-	(8)
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>450</b>	<b>246</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	450	298
-- to replace existing assets	-	-	-
Increase (Decrease) in Reserves	-	19	-
<b>Total Applications of Capital Funding</b>	<b>-</b>	<b>469</b>	<b>298</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>-</b>	<b>(19)</b>	<b>(52)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

INFRASTRUCTURE SERVICES – STORMWATER	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	7	5	15
Fees, Charges	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	-	2	-
<b>Total Operating Funding</b>	<b>7</b>	<b>7</b>	<b>15</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	-	-	15
Financial Costs	-	-	-
Internal Charges and Overheads Applied	7	7	-
<b>Total Application of Operating Funding</b>	<b>7</b>	<b>7</b>	<b>15</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Capital Expenditure	-	-	-
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	-	-
-- to replace existing assets	-	-	-
Increase (Decrease) in Reserves	-	-	-
<b>Total Applications of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Appendix 1 – Funding impact statements

COMMUNITY AND REGULATORY SERVICES	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual Charge, Rates Penalties	290	279	271
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	303	344	340
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	212	305	177
<b>Total Operating Funding</b>	<b>805</b>	<b>928</b>	<b>788</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	286	329	572
Financial Costs	17	18	47
Internal Charges and Overheads Applied	502	451	110
<b>Total Application of Operating Funding</b>	<b>805</b>	<b>798</b>	<b>729</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>-</b>	<b>130</b>	<b>59</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Capital Expenditure	-	-	-
Increase (Decrease) in Debt	-	-	(57)
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>(57)</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	-	-
-- to replace existing assets	-	102	2
Increase (Decrease) in Reserves	-	28	-
<b>Total Applications of Capital Funding</b>	<b>-</b>	<b>130</b>	<b>2</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>-</b>	<b>(130)</b>	<b>(59)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

ENVIRONMENTAL SERVICES	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	764	868	872
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	159	72	37
<b>Total Operating Funding</b>	<b>923</b>	<b>940</b>	<b>909</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	809	804	909
Financial Costs	-	-	-
Internal Charges and Overheads Applied	114	103	-
<b>Total Application of Operating Funding</b>	<b>923</b>	<b>907</b>	<b>909</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>-</b>	<b>33</b>	<b>-</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Operating Purposes for Capital Expenditure	-	-	-
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	-	-
-- to replace existing assets	-	-	-
Increase (Decrease) in Reserves	-	33	-
<b>Total Applications of Capital Funding</b>	<b>-</b>	<b>33</b>	<b>-</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>-</b>	<b>(33)</b>	<b>-</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>



EMERGENCY MANAGEMENT	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	283	317	107
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	10	28	127
<b>Total Operating Funding</b>	<b>293</b>	<b>345</b>	<b>234</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	182	229	214
Financial Costs	-	-	-
Internal Charges and Overheads Applied	111	100	20
<b>Total Application of Operating Funding</b>	<b>293</b>	<b>329</b>	<b>234</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>-</b>	<b>16</b>	<b>-</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Operating Purposes for Capital Expenditure	-	990	-
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>990</b>	<b>-</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	990	-
-- to replace existing assets	-	-	-
Increase (Decrease) in Reserves	-	16	-
<b>Total Applications of Capital Funding</b>	<b>-</b>	<b>1,006</b>	<b>-</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>-</b>	<b>(16)</b>	<b>-</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

COASTS, HARBOURS AND NAVIGATION	Actual 2015/16 \$000	Long-Term Plan 2015/16 \$000	Long-Term Plan 2014/15 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	167	119	128
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	27	57	10
<b>Total Operating Funding</b>	<b>194</b>	<b>176</b>	<b>138</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	61	48	138
Financial Costs	-	-	-
Internal Charges and Overheads Applied	133	120	-
<b>Total Application of Operating Funding</b>	<b>194</b>	<b>168</b>	<b>138</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>-</b>	<b>8</b>	<b>-</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Operating Purposes for Capital Expenditure	-	-	-
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	-	-
-- to replace existing assets	-	-	-
Increase (Decrease) in Reserves	-	8	-
<b>Total Applications of Capital Funding</b>	<b>-</b>	<b>8</b>	<b>-</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>-</b>	<b>(8)</b>	<b>-</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Appendix 2 – Glossary of terms

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**These definitions are intended to define terms in this Annual Report in plain English. For legal definitions, refer to the Local Government Act 2002.**

### **Activity**

Groups of related services, projects or goods provided by or on behalf of the Council are combined into an activity. These activities are then put into groups of activities.

### **Annual Plan**

The Annual Plan is produced in the intervening years between the Long-Term Plan. It includes an updated budget and explains variations to the Long-Term Plan. It also confirms arrangements for raising revenue for the next financial year. The community must be consulted on the Annual Plan.

### **Annual Report**

The Annual Report reports on the performance of the Council against the objectives, policies, activities, performance measures, indicative costs, and sources of funds outlined in the Annual Plan and the Long-Term Plan.

### **Asset**

Something of value that the 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 maintained 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 the 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 Plan. The Council seeks to contribute to these outcomes through its various activities.

### **Current assets**

Assets that 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 recognise 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.

### **Group of activities**

Council groups all its services into categories of activities (which equates to group activities in the Local Government Act 2002).

### **Imi/Iwi**

People or tribe.

### **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.

### **Land value**

Value of land excluding improvements.

### **Local Government Act 2002**

The Local Government Act 2002 is the primary legislation that governs the Council's operations and actions.

### **Long-Term Plan (LTP)**

A 10-year plan that sets out the Council's response to community outcomes and how the Council will manage its finances and the community's resources. This plan was previously referred to as the Long-Term Council Community Plan.

### **Operating expenditure**

Expenditure through the Council's activities on such items as salaries, materials and electricity. All these inputs are consumed within the financial year.

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### **Operating revenue**

Money earned through the activities in return for a service provided, or by way of a grant or subsidy to ensure particular goods or services are provided. Examples include subsidies, rental revenue, permits, fees and council dues.

### **Operating surplus/(deficit)**

Operating surplus and operating deficit are accounting terms meaning the excess of revenue over expenditure and excess expenditure over revenue respectively. Revenue 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 revenue 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. The Council uses these measures when reporting on how it has performed in its various activities.

### **Property, plant and equipment and intangible assets**

These consist of software, hardware, land and buildings and infrastructure assets including sewerage and water systems, and roading. They are sometimes referred to as fixed assets and or capital assets.

### **Public equity**

Public equity represents the net worth of Chatham Islands Council if all the assets were sold for the values recorded and the liabilities were extinguished.

### **Regulatory role**

The 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 the Council including goods, services and policy advice.



### **Service provider**

The Council provides services as required by law e.g. sewerage services or by community mandate e.g. playgrounds.

### **Significance**

Significance means the degree of importance of the issue, proposal or decision of matter before the Council in terms of its likely impact on or consequences for the current and future social, economic, environmental and cultural well-being.

### **Significance policy**

This policy sets out the way in which the Council determines how significant a project or decision is 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 comprehensive revenue and expense**

This can also be referred to as the Profit and Loss Statement, the Revenue 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 a 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.

# The organisation



## Council and Management

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Joe Tapara (until May 2016)

## Council Staff

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Corporate Services Manager  
Deborah Goomes  
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Emergency Management Co-ordinator  
Rana Solomon  
rana@cic.govt.nz

## Engineers

MWH Ltd (Christchurch)  
(MWH New Zealand Ltd)

Nigel Lister, Shaun Boshier,  
Bryan Peters – Roads and bridges

Richard Bennett – Water and wastewater

John Cocks – Sanitation

## Contractors

Environment Canterbury  
Fulton Hogan Ltd

## Resource Management

Beca Ltd

## Solicitors

Wynn Williams

## Bankers

ANZ (Waitangi – Chatham Islands)

## Auditors

Audit New Zealand  
(on behalf of the Auditor General)





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