



# Chatham Islands Council

Annual Report  
2018/19



chatham islands council

*Our people, our Islands, our future*

# 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 640 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 cellphone, 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.

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

Welcome to the 2018/19 Annual Report. This is an account of Chatham Islands Council's financial and service performance in the year from 1 July 2018 to 30 June 2019. 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 four sections:

1. The overview, including a summary of our strategic approach, function and 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.
4. Financial accountability at an activity level is detailed in our funding impact statements in Appendix 1.

***The Chatham Islands Council's 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 what 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 parties 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.

# Our strategic approach

## **The Council's vision**

The Council is working towards creating a resilient and sustainable community that embraces diversity and builds growth for our people, our Islands and our future.

These are the Council's priorities for ensuring that:

- we lead with integrity and respect,
- we work collectively for the greater good of the community to achieve community aspirations,
- we strive towards a sustainable future and actively pursue opportunities that can enhance the wellbeing and prosperity of our community, and
- we are accountable to our community and transparent in our decision-making.



## Mayor and Chief Executive's report

It is with pleasure that we present to you the Chatham Islands Council Annual Report for 2018/19.

It is a must-read document if you are interested in the progress being made towards Chatham Island Council's vision, including our goal to create a resilient and sustainable community that embraces diversity and builds growth for our people, our Islands and our future.

The Chatham Islands Council is unique in that approximately 85% of its funding comes from Central Government agencies to support on-island projects and to meet its statutory obligations as a Council with both regional and district functions. One of the significant uncertainties associated with this funding model relates to the level of funding support we receive from Central Government agencies. In May 2019, the level of Central Government funding support was confirmed at prior year funding levels, covering our day-to-day operating requirements. This does not fully cover our roading programme costs, nor does it allow for investment in other on-island infrastructure, which is desperately needed. We have been working with our funding agencies to review the current approach to supporting us as a Council.

Roading projects continue to be our major activity with between \$3.5 and \$4.5 million spent annually. It was pleasing to see the completion of the Waikato Bridge/Culvert replacement project and the continued successful management of our roading programme. We acknowledge the work of our engineers Stantec and contractors Fulton Hogan on this activity.

The implementation of the Waste Management Strategy is completed with the establishment of the waste recovery and processing building. The transfer stations at Owenga and Kaingaroa are up and running, though there remains a need for further education about waste sorting.

The planning/design works for the proposed combined Council offices and museum are progressing with plans and budgets hopefully ready for consideration in October 2019.

Rate affordability for rates and Council dues also remains at the forefront of our minds, with Council committed to limiting rating increases to reflect inflationary movements, and no proposed increase in Council dues. We believe this is fair and in line with contributions from mainland New Zealand.

We have continued to build relationships with our regional partners including the Chatham Islands Enterprise Trust, Hokotehi Moriori Trust and Ngati Mutunga o Wharekauri Iwi Trust and other Central Government agencies.

We wish to again highlight our appreciation to all those who work for and with the Council for their passion, hard work, and ongoing support that they have provided to our community including the various Government agencies for their ongoing financial assistance.

Monique Croon  
Mayor

Owen Pickles MNZM JP  
Chief Executive

## 2018/19 in review

The 2018/19 financial year was one of change and challenges for the Council.

### Waste Management Strategy

Our Waste Management Strategy has now been implemented and is in operation. A sanitary landfill complying with health and environmental standards has now been constructed, along with two transfer stations at Kaingaroa and Owenga. A waste processing and recovery facility is operating at Te One.

### Roading

On-island roading works have progressed in accordance with our asset management plan. This year we have focused on the quality issues associated with the sealed road network. The ongoing sustainability of funding support for roading infrastructure continues to create challenges for us. Financial assistance received from the New Zealand Transport Agency (NZTA) remains set at 88% of costs by the Minister of Transport. Historically, the level of support was 91%, this difference of approximately \$120 thousand per annum must also be funded by Council. The Council has had to fund the difference from targeted rates and general funds, which has impacted on the Council's ability to provide other services to our community.

### Emergency Management Operations Centre

The Emergency Management Operations Centre project development remains ongoing. However, the build has not yet commenced, pending full funding for the project being secured.

### Sustainable water

Council has been exploring where there are gaps in our current service; specifically, we have investigated water supply extensions for the areas of Waitangi and Te One. The Council has been working with the Ministry of Health to support water scheme upgrades for Waitangi and Te One. As yet, financial support has not been agreed and therefore these projects have been delayed. The purpose of the water upgrades is to address issues of non-compliance with minimum drinking water standards, while responding to community concerns on the impacts of water quality on our health and safety.

### Review of the Resource Management document

The draft Chatham Islands Resource Management document (CIRMD) is now partially operational, awaiting approval from the Minister for the Environment, before the document can be formally adopted by Council. The Minister has withheld approval pending additional compliance work with the National Policy Statement on coastal and freshwater management.

### Council offices and community complex

The Council and Chatham Islands Enterprise Trust are working with an on-island company with the view to lease a purpose-built office facility for the administration and museum part of the facility. An agreement has been negotiated and a review of the building design is underway. Any future decisions on the project are on hold until after the 2019 Council elections have been finalised. A one-off funding grant of \$1 million from the Ministry of Culture and Heritage towards the new museum remains secure.

### Social housing

In 2015 the Government provided \$2 million for the provision of housing through Ngati Mutunga O Wharekauri Iwi Trust, and the Chatham Islands Housing Partnership Trust (CIHPT). CIHPT was established to administer these funds. Trustees are appointed from Chatham Islands Council, Chatham Islands Enterprise Trust, Hokotehi Moriori Trust and Ngati Mutunga O Wharekauri Iwi Trust. Council have a ¼ interest in the Trust and therefore the Trust is not controlled by the Council as a Council Controlled Entity. CIHPT is currently planning for a proposed housing development at Sandstone, and is providing an education programme around housing ownership.

### Other Island infrastructure

The Council is working with other Island groups and Government to upgrade the airport runway, improve broadband services, and to find a sustainable/affordable source for electricity.

## Moriori and Māori engagement

### Looking forward

Over the next 10 years Council will endeavour to progress current projects that contribute to enhancing the wellbeing 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, Kaingaroa and Waitangi.
- 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 achieve infrastructure outcomes such as the airport runway, high speed broadband and mobile telephone service covering all the Islands, and cost-efficient energy sources.

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 2018-28 in enhancing and acknowledging the importance of tchakat henua/tangata whenua.

## Overview of our financial performance

This overview provides a summary of our results for the 2018/19 financial year. Further details are outlined later in our financial statements and supporting notes and our service performance summaries.

As a Council, our focus has been on prudent financial management and operating within the confines of the financial assistance packages provided by the Crown and rates received from our islanders. With funding from the financial assistance packages remaining at previous levels, this has resulted in Council limiting on-island asset development and providing only basic services to our islands residents.

Achieving a positive cashflow remains a challenge for Council, with a net increase in cash of \$130 thousand for the year. The result was better than our anticipated \$677 thousand cash loss, with the improvement associated with delays in roading works moving cash payments into the next financial year. With a limited cash movement for the year, the Council's primary operating bank account remains in overdraft.

The Chatham Islands Council has recognised an operating surplus of \$1.1 million for the year, this being the difference between our total operating income less our operating expenditure. In the previous year, the surplus was \$0.6 million (excluding the impact of asset revaluations). We expected to achieve a surplus of \$1.4 million in our 2018/19 Annual Plan. The surplus is lower than predicted, with grants from the New Zealand Transportation Agency (NZTA) below budgeted levels; reflective of lower actual roading expenditure due to delays in sourcing and transporting material to the islands; the NZTA subsidy is based on 88% of actual costs incurred. Further explanations on significant variances to budget are provided in note 19 on page 29.

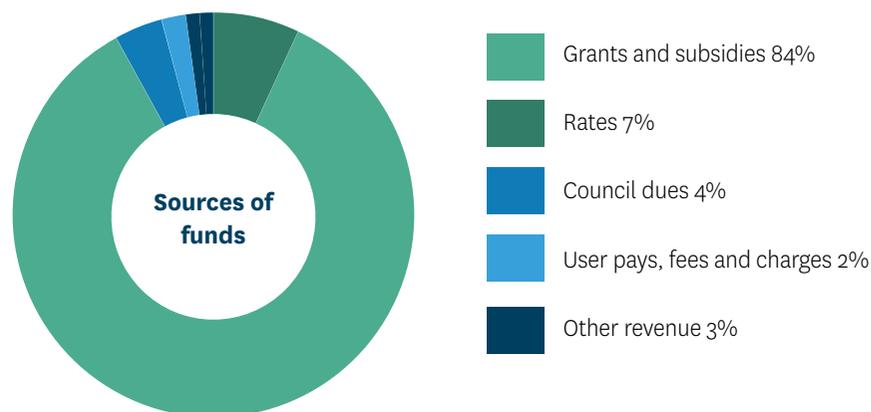
It is important to note that our operating surplus excludes the cost of purchasing capital assets, such as the cost of improving our roading infrastructure. Therefore, in addition to the cash flow statement, to understand our financial impacts more fully, readers would benefit from viewing the summary of our sources and applications of funding, from an operating and capital perspective in our Council and activity funding impact statements from page 53.

The Council does not have an investment portfolio or population base to independently support its on-island activities and meet required levels of service and statutory requirements. Consequently, it is reliant on external support from Central Government to ensure the Council continues to operate in a financially and legally sustainable manner.

### Our sources of funds

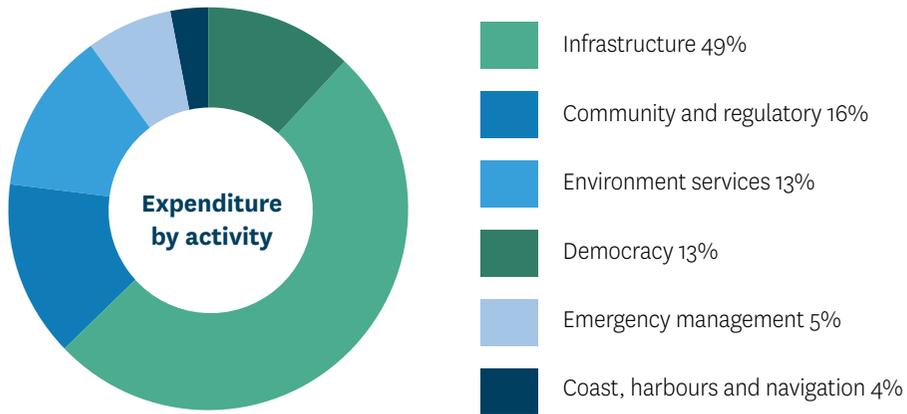
Council receives income from a range of sources but is primarily reliant on Central Government grants to remain operational. The budget assumed sufficient funding would be provided during the year to support on-island projects, including infrastructural development integral to improving facilities for our community. Grants for capital projects are below budget, with funding for several key projects not confirmed, therefore the on-island works did not proceed.

A summary of our funding sources for the year is detailed in the graph below.



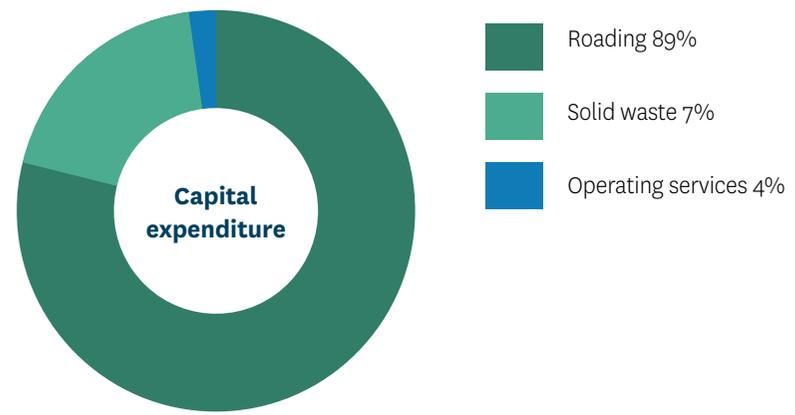
### Our allocation of funds

Operating expenditure by activity is summarised in the graph below; the largest portion of expenditure relates to on-island infrastructure works, particularly the roading network.



### Our capital expenditure

The graph below summarises the Council’s capital expenditure programme by area. The majority of our capital expenditure relates to maintaining and improving our roading infrastructure.



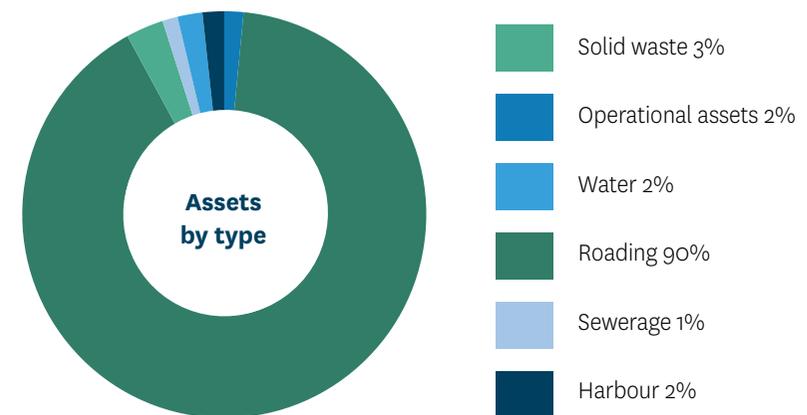
### Our assets

At the end of the financial year, the Council’s operational and infrastructural assets are valued at \$84.1 million, compared with \$82.8 million for the previous financial year. Outside of roading works, our current level of funding support does not allow for Council to maintain our on-island infrastructure, specifically our water and wastewater assets.

Our 2018-28 Long-Term Plan highlighted \$1.2 million in critical repairs required to our assets over the 10-year period of the plan. The level of assessed critical repairs assumed a proposed \$3 million upgrade to the Waitangi water treatment plant would be completed. With no external funding commitment, Council was unable to invest in these improvements, resulting in the upgrade at Waitangi being further deferred. Consequently, the assessed critical repairs to our infrastructure are likely to be higher with additional expenditure in other areas being required, to retain a status quo level of service.

The assessed level of investment excluded potential ramifications arising from the Havelock North gastroenteritis outbreak of 2016. One of the likely consequences of the outbreak is that a higher level of compliance will be set, this may result in additional costs to meet statutory compliance levels for which Council would not have the financial resources to meet.

With the Council unable to invest in on-island infrastructure, the asset quality is likely to deteriorate over time, in addition this reduces the quality of service that we can offer to our residents and increases the risk of asset failure. Our last infrastructural asset revaluation in 2018 identified a number of water and wastewater assets with an assessed life expectancy of one year. Due to lack of funds, Council has been unable to repair or replace these assets in the year, and therefore the risk of these assets failing is assessed as high. Council continues to work with Central Government agencies to secure funding to address these concerns, reflecting budgeted minimal requirements.



## To the readers of Chatham Islands Council's annual report for the year ended 30 June 2019

The Auditor General is the auditor of Chatham Islands Council (the Council). The Auditor General has appointed me, Julian Tan, using the staff and resources of Audit New Zealand, to report on the information in the Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 31 October 2019. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 14 to 29:
  - > present fairly, in all material respects:
    - » the Council's financial position as at 30 June 2019;
    - » the results of the operations and cash flows for the year ended on that date; and
  - > comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime;
- the funding impact statement on page 53, 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 statement of service performance summaries on pages 34 to 52:

- > presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2019, 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
- > complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 54 to 58, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the Council's long-term plan; and
- the funding impact statement for each group of activities on pages 54 to 58, 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.

### Central Government financial support

Without modifying our opinion, we draw your attention to the going concern disclosure in Note 18 on page 28, which explains the financial challenges faced by the Council and that the Council is reliant on ongoing financial support from Central Government in providing services to its community. The Council has disclosed it will continue to work with Central Government to negotiate additional financial support and improve its cash position. We consider the Council's disclosures to be adequate.

### Report on the disclosure requirements

We report that the Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 30 to 33, which represent a complete list of required disclosures and accurately reflects the information drawn from the Council's audited information and, where applicable, the Council's long term plan and annual plans.



### **Basis for our opinion on the audited information**

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

### **Responsibilities of the Council for the audited information**

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 enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Council or there is no realistic alternative but to do so.

### **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's long term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the significant activities, as a reasonable basis for assessing the levels of service achieved and reported by the Council.

# Independent Auditor's report

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 9, 13, and 59 to 63, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independence

We are independent of the Council in accordance with the independence requirements of the Auditor General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit and our report on the disclosure requirements, we have no relationship with or interests in the Council.



## Julian Tan

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

# Financial statements

## Statement of compliance and responsibility

### Compliance

Councillors and management of Chatham Islands Council confirm the statutory requirements in relation to the Annual Report, as outlined in the Local Government Act 2002, have been complied with during the year.

### Responsibility

Councillors 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 Councillors and management of Chatham Islands Council, the financial statements fairly reflect the financial position of the Council as at 30 June 2019, and the results of its operations, cash flows and the service performance achievements for the year ended on that date.

Monique Croon  
Mayor  
31 October 2019

Cindy Butt  
Acting Chief Executive



# Financial statements

## Statement of comprehensive revenue and expense for the year ended 30 June 2019

	Note	Actual 2018/19 \$000	Annual Plan 2018/19 \$000	Actual 2017/18 \$000
<b>Revenue</b>				
Rates	2	571	548	556
Grants & subsidies	2,19	7,160	7,921	6,753
Council Dues		312	275	370
User pays, fees & charges		142	160	113
Interest	4	116	18	78
Other revenue		219	61	83
<b>Total revenue</b>	1	<b>8,521</b>	<b>8,983</b>	<b>7,954</b>
<b>Expenditure</b>				
Depreciation and amortisation	8,19	1,544	2,080	1,678
Employment benefits	3	983	882	1,001
Financial costs		23	19	17
Other expenditure	4	4,846	4,633	4,675
<b>Total expenditure</b>	1	<b>7,409</b>	<b>7,614</b>	<b>7,371</b>
<b>Total surplus/deficit</b>		<b>1,112</b>	<b>1,370</b>	<b>583</b>
<b>Comprehensive revenue and expense</b>				
Increase/(decrease) in revaluation reserve	8, 13	-	-	22,706
<b>Total other comprehensive revenue and expense</b>		<b>-</b>	<b>-</b>	<b>22,706</b>
<b>Total comprehensive revenue and expense</b>		<b>1,112</b>	<b>1,370</b>	<b>23,289</b>

## Statement of changes in equity for the year ended 30 June 2019

	Note	Actual 2018/19 \$000	Annual Plan 2018/19 \$000	Actual 2017/18 \$000
<b>Equity at the start of the year</b>		<b>81,662</b>	<b>61,676</b>	<b>58,373</b>
Total comprehensive revenue and expense		1,112	1,370	23,289
<b>Equity at the end of the year</b>	13	<b>82,774</b>	<b>63,046</b>	<b>81,662</b>

## Statement of financial position as at 30 June 2019

	Note	Actual 2018/19 \$000	Annual Plan 2018/19 \$000	Actual 2017/18 \$000
<b>Current assets</b>				
Cash & cash equivalents	5	24	-	26
Cash funds held in trust	5	36	25	55
Other financial assets	6, 19	1,439	-	1,508
Current trade and other receivables	7	778	900	744
<b>Total current assets</b>		<b>2,277</b>	<b>925</b>	<b>2,334</b>
<b>Non-current assets</b>				
Non-current trade and other receivables	7	21	77	44
Property, plant & equipment	8, 19	84,117	64,050	82,785
<b>Total non-current assets</b>		<b>84,139</b>	<b>64,127</b>	<b>82,829</b>
<b>Total Assets</b>		<b>86,416</b>	<b>65,052</b>	<b>85,163</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 2019 (continued)

	Note	Actual 2018/19 \$000	Annual Plan 2018/19 \$000	Actual 2017/18 \$000
<b>Current liabilities</b>				
Bank overdraft	5	207	386	358
Trade & other payables	9, 19	2,972	1,005	2,612
Employee entitlements	10	88	64	93
Current portion of provisions	11	113	45	118
Current portion of term liabilities	12	39	62	60
<b>Total current liabilities</b>		<b>3,420</b>	<b>1,562</b>	<b>3,240</b>
<b>Non-current liabilities</b>				
Provisions	11	-	-	-
Term liabilities	12	221	444	261
<b>Total non-current liabilities</b>		<b>221</b>	<b>444</b>	<b>261</b>
<b>Total liabilities</b>		<b>3,641</b>	<b>2,006</b>	<b>3,501</b>
<b>Net assets</b>		<b>82,775</b>	<b>63,046</b>	<b>81,662</b>
<b>Public equity</b>				
Accumulated funds & reserves		82,775	63,046	81,662
<b>Total public equity</b>	13	<b>82,775</b>	<b>63,046</b>	<b>81,662</b>

## Statement of cash flows for the year ended 30 June 2019

	Note	Actual 2018/19 \$000	Annual Plan 2018/19 \$000	Actual 2017/18 \$000
<b>Cash flow from operating activities</b>				
Receipts from rates revenue		560	553	560
Receipts from Council Dues		248	279	384
Receipts from grants and subsidies		7,198	7,939	6,639
Interest received		116	18	78
Receipts from other revenue		374	243	465
Payments made to employees		(1,027)	(882)	(1,002)
Interest paid		(23)	(19)	(17)
Other payments to suppliers		(4,562)	(4,631)	(4,335)
<b>Net cash flow from operating activities</b>		<b>2,883</b>	<b>3,499</b>	<b>2,772</b>
<b>Cash flow from investing activities</b>				
Purchase of fixed assets		(2,761)	(4,406)	(2,864)
Sale/(purchase) of other assets		70	38	(41)
<b>Net cash flow from investing activities</b>		<b>(2,692)</b>	<b>(4,368)</b>	<b>(2,905)</b>
<b>Cash flow from financial activities</b>				
Loans raised		-	200	-
Repayment of loans		(61)	(8)	(56)
<b>Net cash flow from financial activities</b>		<b>(61)</b>	<b>192</b>	<b>-</b>
<b>Increase/(decrease) in cash held</b>		<b>130</b>	<b>(677)</b>	<b>(189)</b>
Opening cash balance		(277)	316	(88)
<b>Closing cash balance</b>	5	<b>(147)</b>	<b>(361)</b>	<b>(277)</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 2019

### 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 2019. The financial statements were authorised for issue on 31 October 2019.

### 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. Refer to note 18 in the financial statements for further details on our going concern assumption.

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.



### **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 IRD is included as part of receivables or payables in the Statement of Financial Position.

The net amount of GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as 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**

Cash investments include investments in bank with maturities exceeding three months. They are initially measured at the amount invested, adjusted for interest received.

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. These assets 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 Stantec Ltd (Registered Engineers) at depreciated replacement cost, as at 30 June 2018. Subsequent additions are included at cost. Land under roads is recorded at cost and is not depreciated.

**Storm water and sewerage reticulation:** The reticulation systems were valued by Stantec Ltd (Registered Engineers) as at 30 June 2018. The valuation provided is depreciated replacement cost. Subsequent additions are included at cost.

**Solid waste:** Solid waste assets were valued by Stantec Ltd (Registered Engineers) as at 30 June 2018. The valuation provided is depreciated replacement cost. Subsequent additions are included at cost.

**Water:** The reticulation systems were valued by Stantec Ltd at depreciated replacement cost as at 30 June 2018. Subsequent additions are included at cost.

**Harbour:** Harbour assets were valued by Stantec Ltd at depreciated replacement cost as at 30 June 2018. 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>	
Vehicles	5-10 years
Furniture/fitings	5-10 years
Buildings	25-50 years
Office equipment	5 years
Parks and reserves	25 years

Asset	Years
<b>Infrastructure assets</b>	
<b>Roothing</b>	
Top surface (seal)	10 years
Pavement (base course) Sealed Unsealed	60 years Not depreciated
Pavement Unsealed (wearing course)	8 years
Sub-base and formation	Not depreciated
Culverts	70-75 years
Footpaths and kerbs	35 years
Signs	8 years
Retaining walls	60 years
Bridges	60 years
<b>Water reticulation</b>	
Pipes, valves, hydrants	25 years
Pump stations	5-25 years
Tanks	80 years
<b>Sewerage reticulation</b>	
Pipes and other reticulation assets	60-80 years
<b>Solid waste</b>	
Landfill, transfer stations and other assets	5-25 years
<b>Storm water 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 liabilities for annual leave, at balance date. This has been calculated on an actual entitlement basis. Chatham Islands Council does not recognise a liability for sick leave.

### 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.

### Council Controlled Organisations

The Council has one Council Controlled Organisation, the Chatham Islands Mayoral Disaster Relief Fund Trust, as a body to receive grants to respond to emergency events on the Chatham Islands. For the year ended 30 June 2019, the entity was dormant and had no assets or liabilities, nor has the entity made any transactions during the year. The Council has exempted this organisation from reporting under Section 7 of the Local Government Act 2002.

# Financial statements

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

The cost of service for each of the Council's activities has been derived by allocating revenue and expenditure items directly to each activity statement, where directly attributable. Other indirect items, are those that cannot be identified in an economically feasible manner to an activity. These items are allocated to each activity using cost drivers. This may result in disproportionate gains or losses at an activity level where revenue and expenditure categories are matched.

There have been no changes in the allocation methodology during the year.

	Actual 2018/19 \$000	Annual Plan 2018/19 \$000	Actual 2017/18 \$000
<b>Revenue by activity</b>			
Democracy	1,173	1,094	1,158
Infrastructure	4,786	5,443	4,239
Community and Regulatory	1,698	1,581	1,584
Environment	262	246	261
Emergency Services	275	325	388
Coasts, Harbours and Navigation	327	294	324
<b>Total Revenue</b>	<b>8,521</b>	<b>8,983</b>	<b>7,954</b>
<b>Expenditure by activity</b>			
Democracy	941	779	870
Infrastructure	3,660	4,325	3,863
Community and Regulatory	1,164	999	949
Environment	983	1,061	963
Emergency Services	396	277	496
Coasts, Harbours and Navigation	265	173	230
<b>Total Expenditure</b>	<b>7,409</b>	<b>7,614</b>	<b>7,371</b>
<b>Net Surplus/(Deficit)</b>	<b>1,112</b>	<b>1,369</b>	<b>583</b>

## NOTE 2: REVENUE

Rates is further broken down in the table below:

Rates Revenue	Actual 2018/19 \$000	Actual 2017/18 \$000
General Rates	292	287
<b>Targeted rates</b>		
Roading	54	53
Solid Waste	65	64
Water	68	67
Sewerage	64	65
<b>Total Targeted Rates</b>	<b>251</b>	<b>249</b>
Rates Penalties	28	20
<b>Total Rates Revenue</b>	<b>571</b>	<b>556</b>

## Rating base information

The following rating base information is disclosed using rating base information at the end of 30 June 2018.

	30 June 2018
The number of rating units	664
The total land value of rating units	69,021,800
The total capital value of rating units	144,449,550



**NOTE 2: REVENUE (CONTINUED)**

Grants and subsidies is further broken down in the table below:

Grants and Subsidies	Actual 2018/19 \$000	Actual 2017/18 \$000
Department of Internal Affairs	3,206	3,206
NZTA roading subsidy	3,486	3,313
Ministry for the Environment	450	-
Other	18	234
<b>Total Grants &amp; Subsidies</b>	<b>7,160</b>	<b>6,753</b>

For the Council, the principal grants and reimbursements are from the following sources:

- The Department of Internal Affairs provides an annual contribution to meet the Council’s statutory obligations. The Crown’s annual contribution is for \$3.2 million per annum, this level of financial support is committed for the foreseeable future. The Crown’s contribution is enough to cover our operating requirements but does not cover depreciation of infrastructure assets; which means we are unable to effectively plan for or invest in infrastructural development. Previous applications for additional funding were unsuccessful. Council will make an application in 2020/21 for additional support for an investment programme, and funding required for identified areas of financial shortfall. Currently, there is no certainty as to whether the difference will be funded.
- The New Zealand Transport Agency (NZTA) reimburses part of the Council’s costs for maintaining the local roading infrastructure. The reimbursements from NZTA are for costs already incurred, with no unfulfilled conditions or other contingencies relating to the reimbursements. The current level of support provided by NZTA is at 88% of actual costs incurred. There is a shortfall of approximately \$500 thousand per annum related to roading works and the NZTA subsidy received. Council currently fund the NZTA shortfall from reserves; which further draws on Council’s cash liquidity.

**NOTE 3: EXPENDITURE – EMPLOYMENT BENEFITS**

Key management personnel of the Council include the Mayor, Councillors and the Chief Executive. The assessed total full time equivalent of the key management personnel is assessed as ten for the year ended 30 June 2019 (as at 30 June 2018, ten). Due to the difficulty in determining the full time equivalent figure for the Mayor and Councillors, the figure is based on head count.

**Mayoral and Councillor remuneration**

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

Name	Position	Actual 2018/19	Actual 2017/18
Alfred Preece	Mayor	51,372	52,436
Jeffery Clark	Deputy Mayor	21,181	21,339
Eoin Chisholm	Councillor	1,377	16,127
Monique Croon	Councillor	16,220	16,358
Keri Day	Councillor	15,889	16,016
Richard Joyce	Councillor	16,211	16,348
Nigel Ryan	Councillor	17,367	16,340
Jason Seymour	Councillor	16,499	15,263
Eva Tuck	Councillor	16,211	16,348
<b>Total Honoraria</b>		<b>172,326</b>	<b>186,575</b>

The Remuneration Authority is responsible for setting the remuneration levels for elected members. The elected members receive an annual salary, as opposed to a combination of meeting fee payments and annual salary, elected members receive no other non-monetary benefits. Furthermore, there have been no appointments of elected members to other boards, with the purpose of representing Council’s interests, related party transactions are disclosed as part of note 16.

**NOTE 3: EXPENDITURE – EMPLOYMENT BENEFITS (CONTINUED)****Chief Executive remuneration**

The total remuneration of the Chief Executive for the year ended 30 June 2019 was \$191,719 (as at 30 June 2018 \$188,062).

**Other employee numbers and remuneration bands:**

As at 30 June 2019, the Council employed nine full time and three full time equivalent employees (as at 30 June 2018, the comparative figures of employment were nine full time and three full time equivalent employees).

The table below identifies the number of people employed by the Council at the end of the financial year and identifies the breakdown of remuneration levels of employees into bands. Where a band contains less than five staff members, the band is combined with the next highest band.

Band	Actual 2018/19
< \$59,999	8
\$60,000 - \$199,999	6
<b>Total</b>	<b>14</b>

Band	Actual 2017/18
< \$59,999	7
\$60,000 - \$119,999	6
\$120,000 - \$199,999	1
<b>Total</b>	<b>14</b>

**Severance payments**

For the year ended 30 June 2019, the Council made no severance payments outside normal contractual terms (for the year ended 30 June 2018, \$nil).

**NOTE 4: EXPENDITURE – OTHER SIGNIFICANT ITEMS:**

Included within expenditure are the following notable items:

Other Expenses	Actual 2018/19 \$000	Actual 2017/18 \$000
Audit fees - financial statements	73	72
Audit fees - other	-	48
Donations and grants	120	130
Bad debts	4	15
Lease expense	42	41
Interest expense	23	17

**NOTE 5: CASH AND CASH EQUIVALENTS**

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

	Actual 2018/19 \$000	Actual 2017/18 \$000
Cash at bank and on hand	24	26
Funds held in trust	36	55
Bank overdraft	(207)	(358)
<b>Total cash and cash equivalents</b>	<b>(147)</b>	<b>(277)</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.

The Council's 2019/20 Annual Plan has forecasted a net closing cash overdraft (including investments and funds held in trust) of \$651 thousand. The Council's deteriorating cash position is primarily a result of Council electing to fund the difference between roading works and the New Zealand Transport Agency's (NZTA) 88% subsidy from cash reserves. The Council has an overdraft arrangement in place with its on-island banking facility to cover the forecast overdraft, which includes the ability to provide adequate security against any required short-term borrowing or increased overdraft limit.

The Council will continue to work with Central Government agencies to negotiate additional financial support. However, given Council is reliant on external funding to meet operating requirements and the asset upgrade programme, Council's operating cash facility is likely to remain in overdraft.



#### NOTE 6: OTHER FINANCIAL ASSETS

The Council's investment programme is limited to holding term deposits with the on-island ANZ bank. Where the investment term exceeds three months, the investment is classified as a cash investment.

Included within the cash investments balance is a grant to fund construction of the museum element of the Council offices and community complex. The grant is held in an interest bearing account, at year-end the total balance available was \$1.2 million (2017/18 \$1.2 million). Construction responsibilities have changed compared to when the grant was awarded (as outlined in note 9: trade and other payables). The museum grant will be applied to the museum part of the proposed complex, or if that doesn't go ahead, to a standalone museum project.

#### NOTE 7: 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 2018/19 \$000	Actual 2017/18 \$000
Rates	116	105
Sundry debtors <sup>1</sup>	554	92
Sundry accruals	30	431
Warm Homes loans advanced current	23	20
GST refund	54	97
<b>Total current trade and other receivables</b>	<b>778</b>	<b>744</b>
<b>Trade and other receivables non-current</b>		
Warm Homes loans advanced non-current	21	44
<b>Total Non-Current Trade and Other Receivables</b>	<b>21</b>	<b>44</b>
<b>Consisting of:</b>		
Receivables from non-exchange transactions <sup>2</sup>	755	724
Receivables from exchange transactions <sup>2</sup>	44	64

<sup>1</sup> Council has no impairment provision. The movement in the provision for the impairment of trade and other receivables for 2018/19 was nil (2017/18 nil).

<sup>2</sup> Non-exchange transactions includes outstanding amount for rates, grants, infringements, and fees and charges that are partly subsidised by rates. Exchange transactions includes outstanding amounts for commercial sales, and fees and charges that have not been subsidised by rates.

#### NOTE 8: PROPERTY, PLANT AND EQUIPMENT

Insurance of Assets	Actual 2018/19 \$000	Actual 2017/18 \$000
Total value of assets covered by insurance contracts	2,790	2,906
The maximum amount to which assets are insured under Council insurance policies	6,429	5,888

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

The Council self-insures a portion of its assets. The majority of Council's self insured assets are roading infrastructural assets; they are not insured as any remedial work required will be carried out via the New Zealand Transport Agency funded roading programme.

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

#### Asset investment

Our 2018-28 Long-Term Plan highlighted \$1.2 million in critical repairs required to our assets over the 10-year period of the plan. The level of assessed critical repairs assumed a proposed \$3 million upgrade to the Waitangi water treatment plant would be completed. With no external funding commitment, Council was unable to invest in these improvements, resulting in the upgrade at Waitangi being further deferred. Consequently, the repairs to our infrastructure are likely to be higher, to retain a status quo level of service. With the Council unable to invest in on-island infrastructure, the asset quality is likely to deteriorate over time. In addition, this reduces the quality of service that we can offer to our residents and increases the risk of asset failure.

#### Infrastructural revaluation

During the 2017/18 financial year, the Council revalued its roading, sewerage, solid waste and water infrastructural assets. The Council's 2017/18 roading revaluation resulted in a revaluation movement of \$21.6 million. This increase was mainly attributed to: A change in the revaluation methodology to utilise standard roading widths as the system information was considered unreliable. Updated roading sub-base depths that reflected current engineering design/construction practice for replacements. A significant change in the roading unit rates due to cost-price increases (including transportation of materials to the Island), and a change in contractor with a different cost structure, since the prior revaluation.

Our infrastructural asset revaluation identified a number of water and wastewater assets with an assessed life expectancy of one year. Due to lack of funds, Council has been unable to repair or replace these assets in the year, and therefore the risk of these assets failing is assessed as high. Council has elected not to further impair these assets due to the reduced value of the assets being incorporated into the revaluation.

# Financial statements

## NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

Actual 2018/19	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	7	-	-	-	-	278
Buildings	1,473	(754)	719	17	-	(29)	-	(783)	707
Furniture and Fittings	129	(109)	20	-	-	(7)	-	(116)	13
Plant and Office Equipment	244	(157)	87	17	-	(20)	-	(177)	84
Vehicles	249	(104)	145	65	-	(27)	-	(131)	183
Parks and Reserves	99	(73)	26	-	-	(4)	-	(77)	22
<b>Total Operational Assets</b>	<b>2,465</b>	<b>(1,197)</b>	<b>1,268</b>	<b>106</b>	<b>-</b>	<b>(87)</b>	<b>-</b>	<b>(1,284)</b>	<b>1,287</b>
<b>Infrastructural Assets</b>									
Roading	74,775	-	74,775	2,555	-	(1,194)	-	(1,194)	76,136
Solid Waste	2,436	-	2,436	216	-	(117)	-	(117)	2,535
Storm water	14	(11)	3	-	-	-	-	(11)	3
Sewerage	1,089	-	1,089	-	-	(61)	-	(61)	1,028
Water	1,723	-	1,723	-	-	(49)	-	(49)	1,674
Harbour	1,491	-	1,491	-	-	(37)	-	(37)	1,454
<b>Total Infrastructural Assets</b>	<b>81,528</b>	<b>(11)</b>	<b>81,517</b>	<b>2,771</b>	<b>-</b>	<b>(1,457)</b>	<b>-</b>	<b>(1,468)</b>	<b>82,831</b>
Work in progress	-	-	-	-	-	-	-	-	-
<b>Property, Plant and Equipment</b>	<b>83,993</b>	<b>(1,208)</b>	<b>82,785</b>	<b>2,877</b>	<b>-</b>	<b>(1,544)</b>	<b>-</b>	<b>(2,752)</b>	<b>84,117</b>

## CORE ASSETS 2018/19

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

Actual 2018/19	Closing Book Value \$000	Additions \$000	Vested \$000	Replacement Cost \$000
<b>Water</b>				
Treatment Plants and Facilities	368	-	-	603
Other Assets	1,306	-	-	1,697
<b>Sewerage</b>				
Treatment Plants and Facilities	463	-	-	1,175
Other Assets	566	-	-	992

## CORE ASSETS 2018/19 (CONTINUED)

Actual 2018/19	Closing Book Value \$000	Additions \$000	Vested \$000	Replacement Cost \$000
<b>Storm water</b>				
Storm Drainage	3	-	-	13
<b>Roads and Footpaths</b>				
Roads and Footpaths	76,136	2,555	-	95,186
<b>TOTAL</b>	<b>78,841</b>	<b>2,555</b>	<b>-</b>	<b>99,666</b>



**NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

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

Actual 2017/18	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	(724)	749	-	-	(30)	-	(754)	719
Furniture and Fittings	128	(103)	25	1	-	(6)	-	(109)	20
Plant and Office Equipment	178	(132)	46	66	-	(25)	-	(157)	87
Vehicles	189	(87)	102	60	-	(17)	-	(104)	145
Parks and Reserves	99	(69)	30	-	-	(4)	-	(73)	26
<b>Total Operational Assets</b>	<b>2,338</b>	<b>(1,115)</b>	<b>1,223</b>	<b>127</b>	<b>-</b>	<b>(82)</b>	<b>-</b>	<b>(1,197)</b>	<b>1,268</b>
<b>Infrastructural Assets</b>									
Roading	58,881	(6,684)	52,197	2,363	-	(1,405)	21,620	-	74,775
Solid Waste	1,623	(184)	1,439	454	-	(74)	617	-	2,436
Storm water	14	(11)	3	-	-	-	-	(11)	3
Sewerage	1,397	(472)	925	-	-	(53)	217	-	1,089
Water	2,084	(427)	1,657	46	-	(33)	53	-	1,723
Harbour	1,470	(147)	1,323	-	-	(31)	199	-	1,491
<b>Total Infrastructural Assets</b>	<b>65,469</b>	<b>(7,925)</b>	<b>57,544</b>	<b>2,863</b>	<b>-</b>	<b>(1,596)</b>	<b>22,706</b>	<b>(11)</b>	<b>81,517</b>
Work in progress	49	-	49	(49)	-	-	-	-	-
<b>Property, Plant and Equipment</b>	<b>67,856</b>	<b>(9,040)</b>	<b>58,816</b>	<b>2,941</b>	<b>-</b>	<b>(1,678)</b>	<b>22,706</b>	<b>(1,208)</b>	<b>82,785</b>

**CORE ASSETS 2017/18**

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

Actual 2017/18	Closing Book Value \$000	Additions \$000	Vested \$000	Replacement Cost \$000
<b>Water</b>				
Treatment Plants and Facilities	379	-	-	603
Other Assets	1,344	46	-	1,697
<b>Sewerage</b>				
Treatment Plants and Facilities	485	-	-	1,175
Other Assets	604	-	-	992

**CORE ASSETS 2017/18 (CONTINUED)**

Actual 2017/18	Closing Book Value \$000	Additions \$000	Vested \$000	Replacement Cost \$000
<b>Storm water</b>				
Storm Drainage	3	-	-	13
<b>Roads and Footpaths</b>				
Roads and Footpaths	74,775	2,363	-	92,631
<b>TOTAL</b>	<b>77,590</b>	<b>2,409</b>	<b>-</b>	<b>97,111</b>

# Financial statements

## NOTE 9: TRADE AND OTHER PAYABLES

The Council's trade and other payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value, these are summarised in the table below:

	Actual 2018/19 \$000	Actual 2017/18 \$000
<b>Payables under exchange transactions</b>		
General Creditors	1,896	1,536
<b>Payables under non-exchange transactions</b>		
Revenue in Advance	1,076	1,076
<b>Total</b>	<b>1,076</b>	<b>1,076</b>
<b>Total Payable</b>	<b>2,972</b>	<b>2,612</b>

The Council received a grant from the Ministry of Culture and Heritage of \$1 million dollars to assist in funding construction of the museum within the new Council office and community complex, currently held as revenue in advance. Previously, it was intended the Council would fund the cost of the development and own the building. However, Council is now working with an on-island organisation to lease a purpose built facility, in partnership with the Chatham Islands Enterprise Trust. Whilst the scope and the cost of the building is still under negotiation, it is intended the grant will either be applied to the museum part of the proposed complex or, if that does not go ahead, to a standalone museum project.

## NOTE 10: EMPLOYEE BENEFIT LIABILITIES

A provision for employee benefit liabilities (holiday leave and outstanding remuneration) is recognised as a liability when benefits are earned but not paid, this includes the following items:

	Actual 2018/19 \$000	Actual 2017/18 \$000
Annual leave	81	76
Accruals for employment benefits	7	17
<b>Total Employment Benefit Liabilities</b>	<b>88</b>	<b>93</b>

Council does not provide any retirement or long service leave benefits to staff.

## NOTE 11: PROVISIONS

A provision for the future costs of closing three landfills sites has been estimated by engineering firm Stantec Limited, who have estimated the provision using the Ministry for the Environment Guide to the management of closing and closed landfills in New Zealand. These landfills are now closed, and costs to maintain and monitor these closed sites are expected to occur imminently, now that the new transfer stations and landfill site have been opened. Consequently, closure costs have been re-estimated in light of current indicative costs to remediate the land and other available best practise estimates.

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.

A summary of our provisions, including movements in material provisions above are summarised below:

	Actual 2018/19 \$000	Actual 2017/18 \$000
<b>Landfill post closure costs</b>		
Opening balance	93	93
Movement in provision	(5)	-
<b>Closing balance</b>	<b>88</b>	<b>93</b>
Consisting of:		
Current	88	93
Non-current	-	-
<b>Pitt Island Barge Society</b>	<b>25</b>	<b>25</b>
<b>Total provisions</b>	<b>113</b>	<b>118</b>



#### NOTE 12: BORROWINGS

The Council maintains a prudent borrowings position in relation to our equity and annual revenue. Council will enter into borrowing arrangements where there is sufficient assurance that additional funding assistance can be obtained to repay borrowings.

Council's current borrowings have supported upgrades to Council's current housing stock and the on-island warm homes loan scheme. Interest costs associated with the Council's borrowings is disclosed in note 4.

The Council received a 20-year suspensory loan of \$90,000 from Housing New Zealand that must be repaid if the Council does not meet the conditions of the loan prior to 2029. Due to the uncertain nature of this suspensory loan, the Council will not recognise the loan as revenue until it is certain the funding conditions will be met.

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

#### NOTE 13: EQUITY

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. Our general funds are largely managed as a derivative of managing revenues, expenses, assets, liabilities, investments, and 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 but does not expect them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has asset management plans in place for major classes of assets, detailing renewal and programmed maintenance. These plans ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Local Government Act 2002 requires the Council to make adequate and effective provision in its Long-Term Plan to meet the expenditure needs identified in those plans. The Local Government Act 2002 sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the Council's Long-Term Plan.

#### NOTE 13: EQUITY (CONTINUED)

Equity reserves include the following notable funds:

	Actual 2018/19 \$000	Actual 2017/18 \$000
<b>General Funds</b>		
Opening Balance	16,320	15,737
Plus Net Surplus for the Year	1,112	583
Adjust for transfer (to)/from other reserves	28	-
<b>Closing Balance</b>	<b>17,461</b>	<b>16,320</b>
<b>Emergency Services Reserve</b>		
Opening Balance	250	250
Adjust for transfer (to)/from other reserves	-	-
<b>Closing Balance</b>	<b>250</b>	<b>250</b>
<b>Mayoral Relief Reserve</b>		
Opening Balance	25	25
Adjust for transfer (to)/from other reserves	-	-
<b>Closing Balance</b>	<b>25</b>	<b>25</b>
<b>Te Whanga Reserve</b>		
Opening Balance	(3)	(3)
Adjust for transfer (to)/from other reserves	3	-
<b>Closing Balance</b>	<b>-</b>	<b>(3)</b>
<b>Burial Register Reserve</b>		
Opening Balance	31	31
Adjust for transfer (to)/from other reserves	(31)	-
<b>Closing Balance</b>	<b>-</b>	<b>31</b>
<b>Assets Revaluation Reserve</b>		
Opening Balance	65,039	42,333
Revaluations/Impairments	-	22,706
Closing Balance	<b>65,039</b>	<b>65,039</b>
<b>Total Equity at End of Year</b>	<b>82,775</b>	<b>81,662</b>

# Financial statements

## NOTE 13: EQUITY (CONTINUED)

### 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, this reserve is now closed.

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, this reserve is now closed.

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

## NOTE 14: STATEMENT OF COMMITMENTS

The Council has entered into a lease arrangement, renting land for Council activities. Whilst the terms of this arrangement are subject to annual negotiation, the expected future commitment is as follows:

Contract Commitments	Actual 2018/19 \$000	Actual 2017/18 \$000
Not later than 1 year	43	42
Between 1 and 5 years	178	175
More than 5 years	451	496
	<b>672</b>	<b>713</b>

The Council has no contractual commitments for the acquisition of property, plant and equipment as at 30 June 2019 (as at 30 June 2018, nil).

The Council has in place a number of contracts with external service providers to provide engineering services on infrastructural assets. The scope of future work is dependent on organisational priorities, funding availability, and due to these uncertainties, no disclosure has been made.

## NOTE 15: STATEMENT OF CONTINGENCIES

Subsequent to year end, the Council engaged the services of an external consulting firm to assess the Council's level of compliance with the requirements of the Holidays Act 2003 relating to payments made to employees in the last six years. The findings are under review by the Council.

Otherwise, the Council is not aware of any contingent assets or liabilities as at 30 June 2019, as at 30 June 2018, nil.

## NOTE 16: RELATED PARTY TRANSACTIONS

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence.

Related parties comprise of Council and key management personnel, including the Mayor, Councillors and the Chief Executive.

Council has entered into transactions with key management personnel during the year. These transactions were part of a normal supplier relationship and on terms and conditions no more or less favourable than those reasonable to expect the Council would have adopted in dealing with the party on an arm's length basis in the same circumstances.

In addition to the information disclosed above, the Council also provides accommodation to three staff, at a market based rental rate as approved by Council.

## NOTE 17: SUBSEQUENT EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no events after the end of the reporting period that require adjustment to the financial statements or the notes to the financial statements.

## NOTE 18: GOING CONCERN

Central Government funding comprises approximately 85% of Council's total funding. The majority relates to the annual Crown contribution and the New Zealand Transport Agency (NZTA) subsidy for on-island roading works.

The annual Crown contribution remains static at \$3.2 million per annum. Financial support currently provided has not been adjusted for inflation or increased to reflect additional legislative requirements, expected levels of service or asset upgrades. The financial impact is that Council is expected to do more year-on-year with comparatively less funding.

The NZTA subsidy rate is set at 88% of roading expenditure. The Council has self-funded this funding shortfall of approximately \$500 thousand per annum. As the Council has minimal cash reserves, this has resulted in the Council going further into overdraft and creditor payment terms being extended.

Recently Council has also had to respond to one-off emergency events such as the Waitangi peat fire, which were not fully covered by way of grant, further depleting cash resources and limiting the level of service to be provided to the community.

Whilst these factors have all had a detrimental impact on the Council's cash position, the accounts have been prepared on a going concern basis as there are currently overdraft facilities in place with the on-island bank to cover the expected cash decrease for the 2019/20 financial year. The Council will continue to work with Central Government agencies to negotiate additional financial support and improve the cash position.

Given the above, the going concern assumption has been considered in preparing the financial statements for the year ended 30 June 2019, and is assessed as appropriate.

The financial statements have therefore been prepared using the going concern assumption.

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

Explanations for major variations from the Council's budget figures in its 2018/19 Annual Plan are as follows:

##### **Statement of comprehensive revenue and expense**

The grant & subsidies received in year were \$0.8 million less than expectation, this variation relates mainly to the level of support received from the New Zealand Transport Agency (NZTA) being below budget. The NZTA subsidy is based on 88% of actual costs incurred. Council's roading programme was behind budget with delays in sourcing and transporting material to the islands, and intentionally deferring roading projects of a lower priority. Consequently, the grant received was also below budget.

Depreciation and amortisation costs were \$0.5 million below expectation, this change is a direct impact of the 2017/18 revaluation, which also reassessed depreciation rates. The revaluation occurred after the budget was created.

##### **Statement of financial position**

Cash investments are higher than budget by \$1.4 million, primarily as the budget assumed a grant to assist with the construction of the museum element of the Council offices and community complex would be utilised. Council was initially expecting to develop the purpose-built facility. However, Council is now working with an on-island organisation to lease a facility, in partnership with the Chatham Islands Enterprise Trust. The grant will be applied to the museum part of the proposed complex or if that doesn't go ahead, to a standalone museum project.

Property, plant & equipment exceeds budgeted by \$20.0 million, in the 2017/18 financial year Council completed a revaluation, which increased the value by \$22.7 million. The remaining difference relates to the deferment of capital projects as they were deemed unaffordable due to lack of confirmed central government financial support.

Trade & other payables are greater than budget by \$2.0 million. Of this figure, \$1.0 million relates to revenue in advance on the grant associated with the construction of the new Council offices and community complex (mentioned above), this facility was expected to be constructed in 2019. The remainder reflects the Council's tight cash operating situation, and expected financial support being below actual levels. Consequently, the Council has had to manage the operating shortfalls by delaying paying creditors until cash funds are available.



# Financial statements

## Financial prudence graphs

Annual Report disclosure statement for the year ended 30 June 2019

### What is the purpose of this statement?

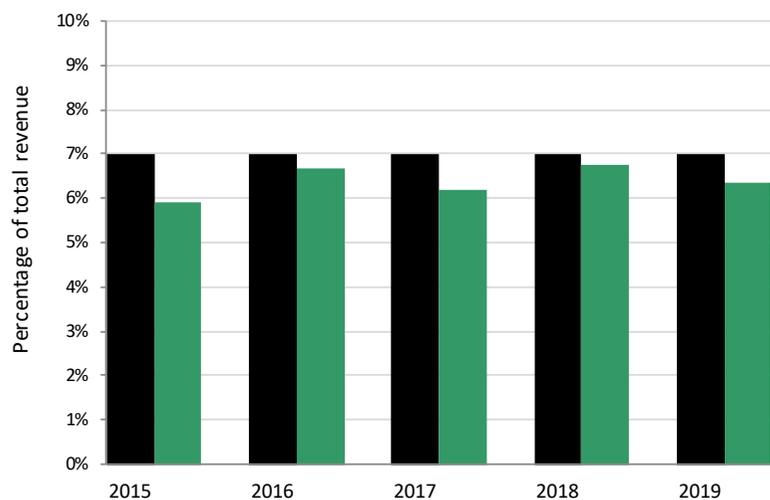
The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council is required to include this 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 and its actual rates increases equal or are less than each quantified limit on rates increases.

#### Rates (income) affordability

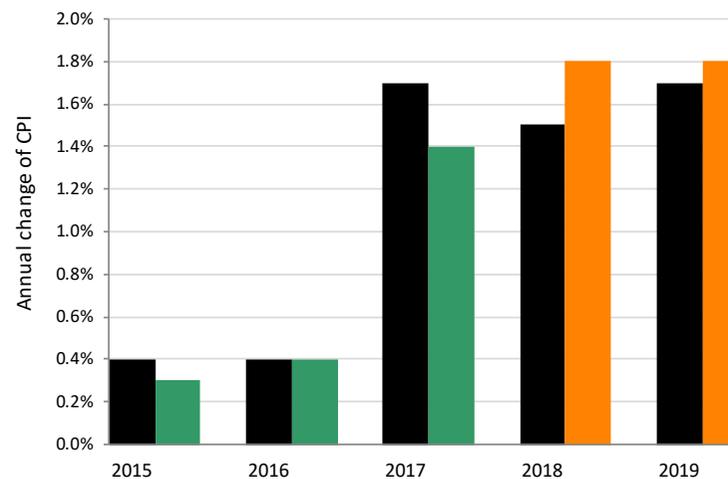
The following graph compares the Council's planned rates income with a quantified limit on rates contained in the financial strategy included in the 2018-28 Long-Term Plan. The quantified limit is 7% of total revenue.



- Actual rates income (exceeds limit)
- Actual rates income (at or within limit)
- Quantified Limit on rates income

#### 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.



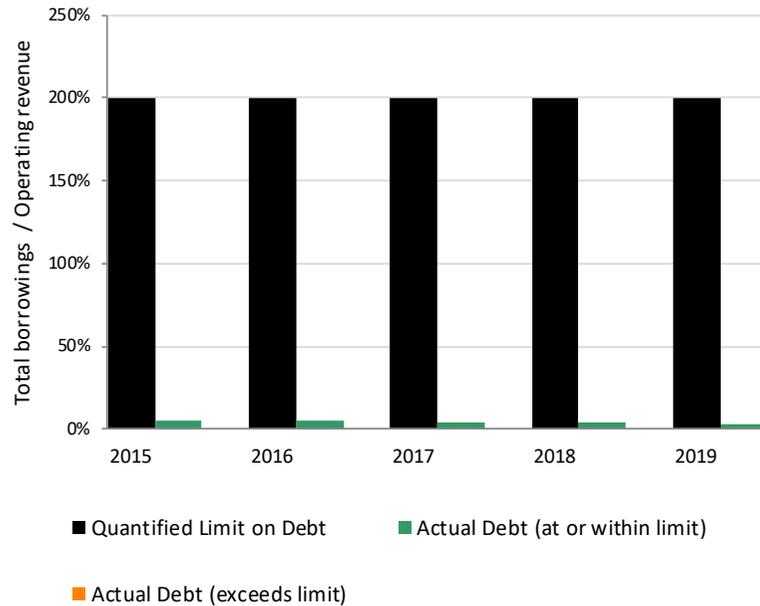
- Actual rates increase (exceeds limit)
- Actual rates increase (at or within limit)
- Quantified Limit on rates increase



### Debt affordability benchmark

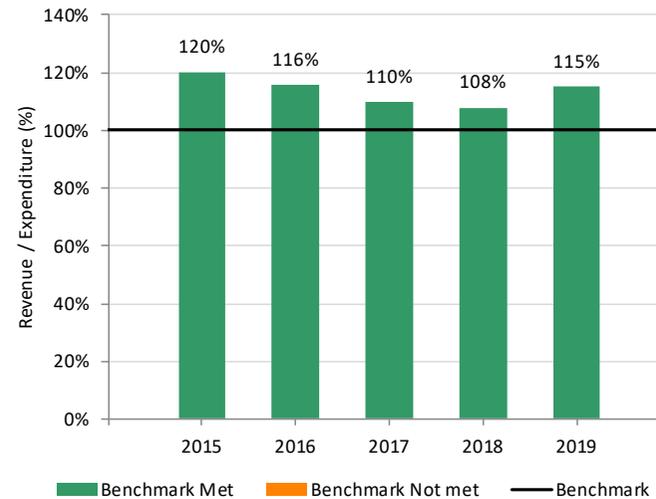
The Council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

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 2018-28. The quantified limit is that total borrowings will not exceed 200% of operating revenue.



### Balanced budget benchmark

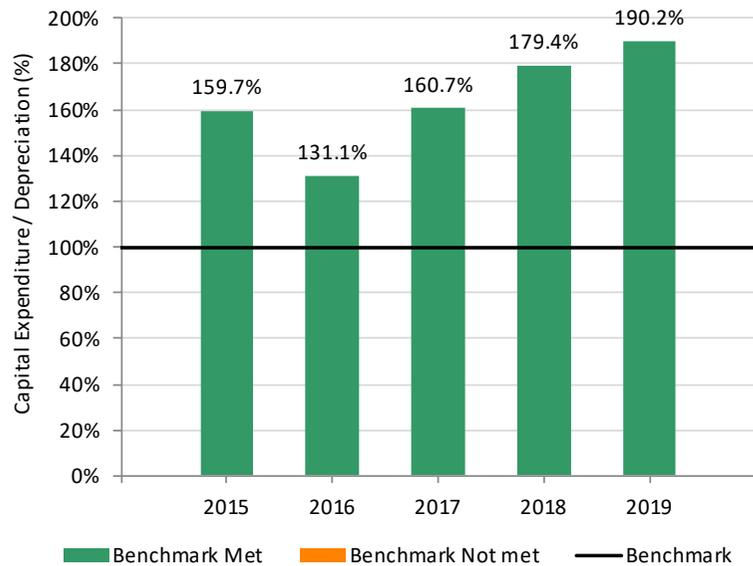
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial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

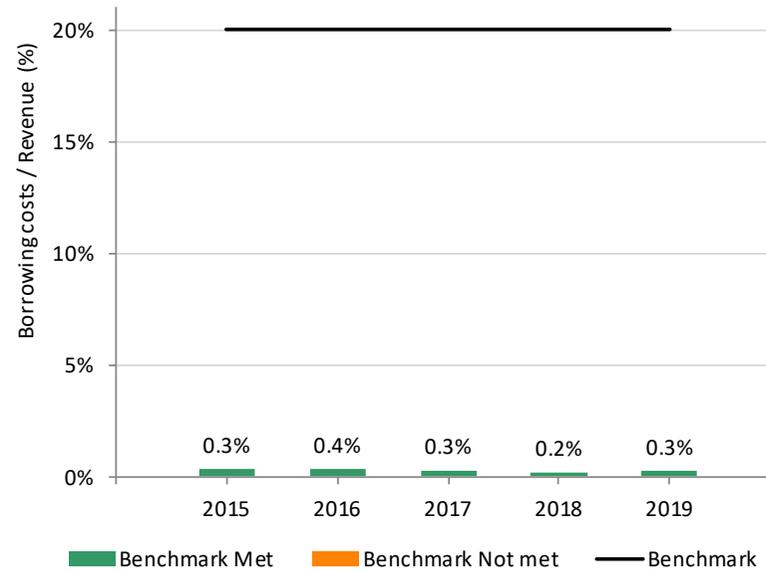
The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## 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 20% of its revenue defined as above.

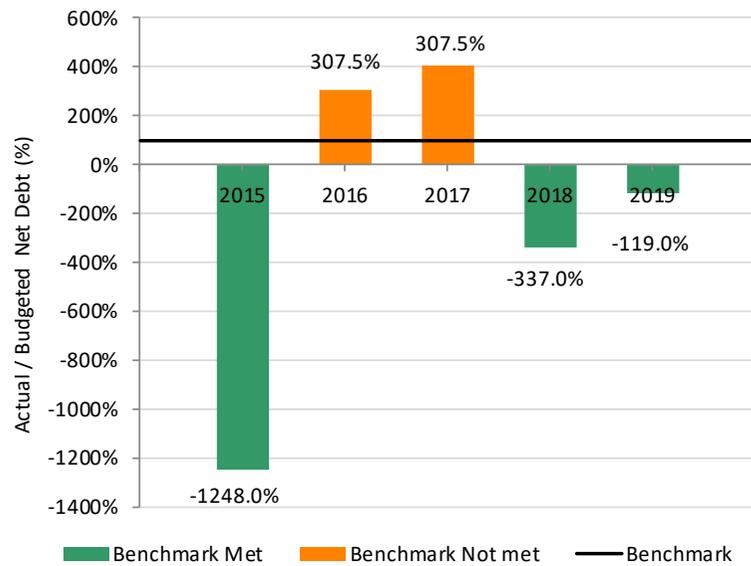




### Debt control benchmark

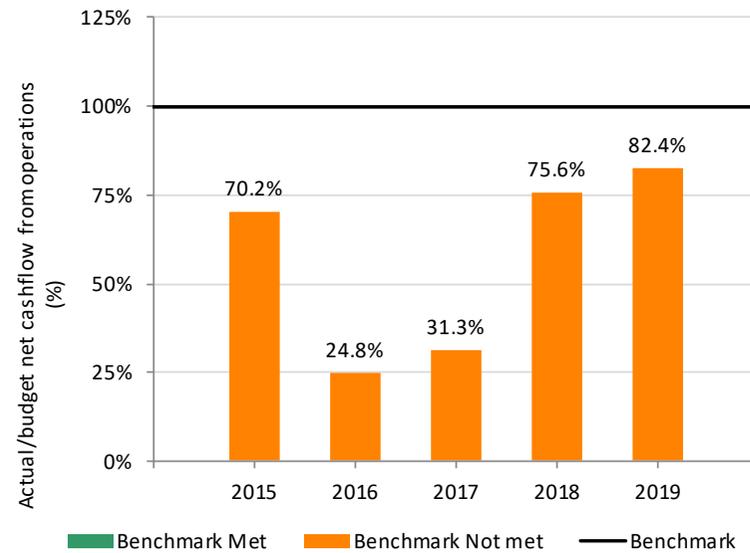
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement net debt means financial liabilities less financial assets (excluding trade and other receivables).

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 that were budgeted 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 wellbeing.
- **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 2018-28 identified the following aspirations for our democratic functions:

- Economic wellbeing, growth builders: A community that promotes economic development for its fishing, farming and tourism industries
- Environmental wellbeing, sustainable action: An enterprising and innovative community that promotes partnerships with leading organisations
- Cultural wellbeing, embracing diversity: A culturally enriched community that acknowledges and values the importance of tchakat henu/tangata whenua 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. In May 2019 the level of funding support was again confirmed at status quo funding levels. This does not fully cover our roading programme, nor does it allow for investment in other on-island infrastructure, which is desperately needed. An application will be made to the Government to increase its annual contribution for 2020/21, to cover our expected operational funding shortfall and prudently provide for an on-island infrastructural investment programme. If the level of assistance is below this level, Council may need to consider whether any shortfall will be funded by reducing expenditure and levels of service to affordable levels, or temporarily funding the shortfall through debt.
- **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 the sustainability of our island along with other government departments.
- **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 next local elections will be held in October 2019.

During this year, the Council adopted the 2019/20 Annual Plan, this provides a platform for meaningful engagement with the community. With the exception of uncertainty surrounding our level of funding; there was no significant difference between our budget and that recorded in the second year of our 2018-28 Long-Term Plan. Consequently, further consultation was considered unnecessary, although information acknowledging our funding reliance and uncertainties were widely distributed.

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

### **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 to promote a collective approach to finding solutions.
- We need to increase the community's 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.

A funding impact statement for the democracy group of activities is disclosed in Appendix 1.



# Service performance summaries

## Performance assessment

We aim to enable residents to be well informed 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.

Targets	Measure	Result for 2018/19
Residents feel confident that Council decisions are made in the best interests of the community	85% of residents are confident or very confident* that Council decisions are made in the best interests of the community.	<p>Annual public satisfaction survey of Chatham Islands Council Services not undertaken in year.</p> <p>In 2017/18, 59% of residents expressed confidence in our decision-making process. This percentage is a reasonable estimate of the current level of satisfaction experienced by our residents. Delays in constructing our new purpose-built facility and the current state of our Council building are likely to have a negative impact on the residents' level of satisfaction.</p> <p>Council has followed an appropriate decision-making process by:</p> <ul style="list-style-type: none"> <li>• Circulating Council meeting agendas available on the Council website five working days before the meeting date</li> <li>• Advertising public meetings in our two local media Council maintains and monitor a complaints and enquiries register. In 2018/19 no complaints or enquiries were received regarding Council decisions or level of community engagement.</li> </ul>

Targets	Measure	Result for 2018/19
Council engages and connects with the communities it serves	80% of residents consider the information supplied by Council to be sufficient (i.e. enough or more than enough), as measured by the annual residents' survey.	<p>Annual public satisfaction survey of Chatham Islands Council Services not undertaken in year. Resident's satisfaction with engagement is a new measure in the 2018/19 financial year and therefore no level of resident satisfaction can be reasonably estimated.</p> <p>In addition to that mentioned previously, Council has successfully engaged with its community by:</p> <ul style="list-style-type: none"> <li>• Providing regular website and Facebook updates of key Council information including updates on our activities</li> <li>• Our website is monitored, and statistics are collected on visitation.</li> <li>• A regular monthly "Council" page in the Chatham Islander provides updates and information on current Council activities and key decisions</li> <li>• Council supports our community events by way of grants and sponsorship</li> </ul>

\*measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied.

## 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 upgrading on-island infrastructure and promoting the interests of our Islanders. We will maintain working relationships with Central Government and the Chatham Islands Enterprise Trust to assist with development.
- The Council acknowledges the importance of Mori 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.



## 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.
- **Storm water:** 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 2018-28 identified the following aspirational outcomes for infrastructure services:

- Economic wellbeing, growth builders: An enterprising and innovative community that promotes economic development for its fishing, farming and tourism industries and has access to reliable transportation services.
- Environmental wellbeing, sustainable action: 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:** The Waste Management Strategy establishment has been completed with the establishment of the waste recovery and processing building. This year focused on providing further education about waste sorting. The year ahead will see the closing/rehabilitation of the old dump sites.
- **A safe and secure community:** Water scheme upgrades for Owenga, Waitangi, Kaingaroa 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 government agencies to provide financial support for these developments. The Council throughout the period has continued to work to find solutions to supply issues for Waitangi, Kaingaroa, 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 storm water 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.

A funding impact statement for the group infrastructure services of activities is 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 other infrastructure 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.

## Roading

Targets	Measure	Result for 2018/19
Residents are satisfied with chip-sealed roads	75% of residents are satisfied or very satisfied* with chip-sealed roads.	Annual public satisfaction survey of Chatham Islands Council Services not undertaken in year. In 2017/18, 59% of residents expressed satisfaction with our chip-sealed roads. This percentage is a reasonable estimate of the current level of satisfaction experienced by our residents.  Council also monitors satisfaction with our roads by: <ul style="list-style-type: none"> <li>• Maintaining and monitoring a complaints and enquiries register.</li> <li>• Council receives monthly reports from its roading contractor and roading engineers. Any updates or important information regarding our roading network is communicated via the usual web/social media and newsletter media.</li> </ul>
Residents are satisfied with the unsealed road network	75% of residents are satisfied or very satisfied* with the unsealed road network.	Annual public satisfaction survey of Chatham Islands Council Services not undertaken this year. In 2017/18, 20% of residents expressed satisfaction with unsealed road network.  In addition to the monitoring Council completes on our roads, three complaints were received in 2018/19 regarding the unsealed road network, these were responded to and resolved directly by our contractors.

Targets	Measure	Result for 2018/19
Roads are safe	Less than two fatalities or serious injury crashes on the road network per year.	No motor vehicle incidents were reported this year causing death or serious injury. In 2017/18, one roading fatality was reported.
Quality road condition	The average quality of ride on the sealed network and unsealed network to be less than 105 and 160 roughness respectively, as per the NAASRA Road Classification System.	The average ride quality is rated as "good" with average NAASRA <sup>1</sup> in the 2018/19 year assessed as 64 for sealed roads and 131 for unsealed roads. This is an improvement on the prior periods ride quality assessment of 73 for sealed roads. Roughness for unsealed roads were not assessed in 2017/18.
Sufficient road maintenance	The percentage of the sealed local road network that is resurfaced, is above 5% of the sealed networks.	No road resurfacing was performed for Council in 2018/19. Council's resurfacing programme is not conducted on an annual basis, with the three year work programme condensed into one year to become more cost effective and efficient. In 2017/18, 11% of the sealed road network was resurfaced, this was work associated with the completion of the Waitangi Wharf project.
Footpaths are maintained	100% of footpaths are maintained in accordance with the roading maintenance contract specifications.	All footpaths were maintained in accordance with Council's roading maintenance specifications. In 2017/18, footpath maintenance was partially completed, due to footpaths maintenance at Hight Place being deferred to the 2018/19 financial year.
Respond to service requests in a timely manner	Council will respond to 100% of customer service requests relating to roads and footpaths within five working days.	All but one customer service request was responded to within five working days by Council's contractor. The exception was due to high winds delaying gorse spraying from occurring. In 2017/18, all service requests were attended to within five working days.

\*measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied

<sup>1</sup> National Association of Australia State Road Authorities



## Solid waste management and minimisation

Targets	Measure	Result for 2018/19
Respond to written requests or complaints in a timely manner	100% of complaints are responded to within five working days of notification.	In the 2018/19 financial year, no complaints were received. Previously, all complaints have been addressed within five working days.
Residents are satisfied with the landfill and recycling service and ease of use	75% of residents are satisfied or very satisfied* with the landfill and recycling service and ease of use.	<p>Annual public satisfaction survey of Chatham Islands Council Services not undertaken this year.</p> <p>This was a new target in the 2018/19 financial year. However, Council also monitors satisfaction with our landfill and recycling facilities by:</p> <ul style="list-style-type: none"> <li>• Maintaining and monitoring a complaints and enquiries register. In 2018/19 one complaint was received regarding the landfill and recycling service and ease of use.</li> <li>• Regular meetings have been held with Councils Waste Management Portfolio group. These meetings provide updates and oversight of our waste management operations.</li> <li>• Our Recovery facility and transfer stations have been in operation for one year. As part of a programme of continued improvement, a review and audit of our waste management activity will be completed by November 2019. This audit and review is being conducted by a Senior Civil and Environmental Engineer from Stantec New Zealand. The review and audit will inform ways to improve our levels of service.</li> <li>• Any updates or important information regarding the landfill and recycling service and ease of use is communicated via the usual web/social media and newsletter media.</li> </ul>
Waste minimisation activities and services are effective	There is a reduction in waste going to landfill per annum.	Not assessed this year; 2018/19 is the first year measuring this target and therefore is the baseline in future monitoring works, which will ascertain movements in waste going to landfill.
Residents are aware of waste management services provided by Council and how to use them	Minimum of quarterly communication and engagement activities relating to waste management.	Regular communications relating to solid waste management and minimisation activities and projects are circulated in the Chatham Islands Community Focus Trust weekly newsletters, the monthly Chatham Islander magazine, the quarterly Council newsletter 'Uniquely Chathams' and on our Facebook page.

## Water supply

Targets	Measure	Result for 2018/19
Residents connected to a water scheme are satisfied with the service	80% of residents connected to a water scheme are satisfied or very satisfied* with the service.	<p>Annual public satisfaction survey of Chatham Islands Council Services not undertaken this year. In 2017/18, for those residents connected to our water supplies, 67% of residents expressed satisfaction with our water supply service. This percentage is estimated as being higher than the current level of satisfaction experienced by our residents. The absence of reliable water supply, especially during the summer period and the number of boil water notices issued (in Kaingaroa only) have negatively influenced our residents' level of satisfaction. With our community vocal and irate about the continuing water shortages experienced last summer.</p> <p>Council has been working with Central Government agencies to secure funding to invest in our water infrastructure assets, to increase the level of service experienced by our residents. Unfortunately, current applications have been unsuccessful, meaning desired critical works have not occurred, retaining the current standard, which is below that of our mainland counterparts.</p>
Water is potable	No temporary advisory notices issued to boil water – as issued in consultation with the Ministry of Health.	In consultation with the Ministry of Health, a temporary boil water notice was put in place (and subsequently lifted) in Kaingaroa for August/September 2018 and May/June 2019. Council is seeking funding for long-term solutions to mitigate this situation occurring again. Funding restrictions have limited our ability to support infrastructural development, and therefore we may be unable to rectify this situation quickly, meaning there is likely to be a sustained period where there is no potable water on-island. This is a new target for the 2018/19 financial year, no boil water notices were issued in 2017/18.

## Service performance summaries

Targets	Measure	Result for 2018/19
Water is safe to drink	<p>Council's drinking water complies with:</p> <ul style="list-style-type: none"> <li>Part 4 of the drinking water standards (bacteria compliance criteria)</li> <li>Part 5 of the drinking water standards (protozoal compliance criteria)</li> </ul>	<p>Water supplies were not fully complying with the drinking water standards for 2018/19 year. Distribution zone compliance was achieved, except when boil water notices were in place. Council is seeking funding for long-term solutions to achieve compliance. This is consistent with the 2017/18 financial year.</p>
The reticulation network is maintained	<p>The percentage of real water loss from the Council's networked reticulation system does not exceed 20%.</p>	<p>Information not collected this year. However, no incidences of water loss reported that exceeded 20%. This is consistent with that of the 2017/18 financial year.</p>
Respond to faults in a timely manner	<p>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>Attendance for urgent call-outs does not exceed two hours.</p> <ul style="list-style-type: none"> <li>Resolution of urgent call-outs does not exceed eight hours.</li> <li>Attendance of non-urgent call-outs does not exceed two hours.</li> <li>Resolution of non-urgent call-outs does not exceed eight hours.</li> </ul>	<p>The following median response times were measured:</p> <ul style="list-style-type: none"> <li>No urgent call-outs had occurred during the year.</li> <li>All issues were resolved within eight hours.</li> <li>No non-urgent call-outs received.</li> <li>No resolution to non-urgent call-outs required.</li> </ul> <p>This is consistent with that of the 2017/18 financial year.</p>

Targets	Measure	Result for 2018/19
Residents are satisfied with drinking water	<p>The total number of complaints received by Council about any of the following:</p> <ul style="list-style-type: none"> <li>Drinking water clarity</li> <li>Drinking water taste</li> <li>Drinking water odour</li> <li>Drinking water pressure or flow</li> <li>Continuity of supply</li> <li>And Council's response to any of these issues does not exceed five complaints per year. And 5% of properties connected (a percentage has been used as the scale of the Council coverage (the number of connections) is below the per 1,000 mandatory measure).</li> </ul>	<p>Many residents expressed concern about the water shortages, although no official complaint was received in writing. Historic and current trends indicate for the January to March period, dry weather conditions result in critical water storages requiring urgent water conservation measures to be imposed at Waitangi and across the Island. A fill tank was set up in Waitangi in January 2019 for residents to access water and was restricted to urgent domestic use only. Council are considering sustainable solutions to mitigate or resolve the issues associated with water shortages, including seeking funding to improve the reliability of its drinking water supply in terms of quantity and quality. Unfortunately, given the Council's financial position, we may be unable to commit our resources to improving our infrastructure. Consequently, Council is unable to guarantee continuity of water supply and the level of service experienced by our residents is unlikely to improve.</p> <p>The trend of increasing tourist numbers during summer will further exacerbate and put pressure on the current water supply.</p>
Demand is managed	<p>The average consumption of drinking water per day per resident, within the territorial authority district, is less than 500L/person/day.</p>	<p>In Waitangi, average annual usage was 330L/person/day and in Kaingaroa annual usage was 280L/person/day. In the 2017/18 financial year, average annual usage in Waitangi was 450L/person/day and in Kaingaroa annual usage was 300L/person/day.</p>



## Storm water

Targets	Measure	Result for 2018/19
Storm water management is adequate	The number of flooding events that occur in a territorial authority district does not exceed two per year. For each flooding event, the number of habitable floors affected does not exceed two per year. And 5% of properties connected (a percentage has been used as the scale of the Council coverage (the number of connections) is below the per 1,000 mandatory measure).	No flooding events occurred. This is consistent with that of the 2017/18 financial year.
Storm water discharge is compliant with our Resource Management Plan	Compliance with Council's resource consents for discharge from its storm water management is measured by the number of: <ul style="list-style-type: none"> <li>• Abatement notices</li> <li>• Infringement notices</li> <li>• Enforcement orders</li> <li>• Convictions</li> <li>• Non-compliance reports these should not exceed three events per year.</li> </ul>	No discharge notices issued, or other non-compliance event identified. This is consistent with that of the 2017/18 financial year.
Respond to flooding events in a timely manner	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that the service personnel reach the site, will not exceed two hours.	No flooding events occurred. This is consistent with that of the 2017/18 financial year.

Targets	Measure	Result for 2018/19
Residents are satisfied with storm water management	The number of complaints received by Council about the performance of its storm water management does not exceed five per year. And 5% of properties connected (a percentage has been used as the scale of the Council coverage (the number of connections) is below the per 1,000 mandatory measure).	Three complaints were received this year, relating to the high levels of Te Whanga Lagoon. The complaints related to the high-water levels causing erosion to property, exposing buried objects and covering the road in the Northern part of the Island. To open the Lagoon, a joint committee must agree that it is safe and conditions are suitable to do so. Specifically considering whether the water level and risks posed to the community warrant the cost of opening the channel.

# Service performance summaries

## Sewerage

Targets	Measure	Result for 2018/19
Residents are satisfied with the wastewater system	75% of residents are satisfied or very satisfied* with the wastewater system.	<p>Annual public satisfaction survey of Chatham Islands Council Services not undertaken this year. This was a new target in the 2018/19 financial year. However, Council also monitors satisfaction with our wastewater system by:</p> <ul style="list-style-type: none"> <li>• Maintaining and monitoring a complaints and enquiries register. In 2018/19 one complaint was received regarding the wastewater system.</li> <li>• Council receives monthly reports on its wastewater system from its environmental engineers, with no issues of note to report. Monthly reports on wastewater system are in the monthly council meeting agenda and the agenda are available on Council's website.</li> </ul> <p>Due to funding short falls the Council has no additional funding to improve, repair or replace our wastewater plant. This further exacerbates an already deteriorated wastewater asset. Also development and growth will put further pressure on the system e.g. there is serious corrosion of the waste holding tanks that needs to be addressed, but again this work has been deferred.</p> <p>Council has been working with Central government agencies to secure funding to invest in our wastewater infrastructure assets, to increase the level of service experienced by our residents. Unfortunately, current applications have been unsuccessful, meaning desired critical works have not occurred, retaining the current standards, which is below that of our mainland counterparts.</p>

### Looking ahead – key projects

- 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.

Targets	Measure	Result for 2018/19
Residents are satisfied with the wastewater system	<p>The total number of complaints received by Council about any of the following:</p> <ul style="list-style-type: none"> <li>• Sewage odour</li> <li>• Sewerage system faults</li> <li>• Sewerage system blockages</li> <li>• And Council's response to any of these issues does not exceed 2% of properties connected (a percentage has been used as the scale of the Council coverage (the number of connections) is below the per 1,000 mandatory measure).</li> </ul>	No complaints regarding the sewerage were received. This is consistent with that of the 2017/18 financial year.
System is adequate	The number of dry-weather sewerage overflows from the sewerage system is less than five per year. And 5% of properties connected (a percentage has been used as the scale of the Council coverage (the number of connections) is below the 1,000 mandatory measure).	No sewage overflow this year, or 0% of properties connected. This is consistent with that of the 2017/18 financial year.
Wastewater discharge is compliant	<p>Compliance with resource consents for discharge from sewerage system as measured by the number of:</p> <ul style="list-style-type: none"> <li>• Abatement notices</li> <li>• Infringement notices</li> <li>• Enforcement orders</li> <li>• Convictions</li> </ul> <p>These should not occur more than twice per year.</p>	No notices issued. This is consistent with that of the 2017/18 financial year.
Respond to faults in a timely manner	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: Attendance time: the time when the Council receives notification to when the service personnel reach the site does not exceed 12 hours. Resolution time: the time from when the Council receives notification to when the service personnel confirms resolution of the blockage or other fault does not exceed 24 hours.	No incidences of blockages or faults occurred. This is consistent with that of the 2017/18 financial year.



## Community and regulatory services

### ***We aim to promote community development and provide 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 wellbeing of the Chatham Islands community. It views recreation, arts and culture as essential to the health and wellbeing 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.

#### **Community outcomes**

Our Long-Term Plan 2018-28 identified the following outcomes as aspirations for community and regulatory services:

- **Economic wellbeing, growth builders:** An enterprising and innovative community that promotes economic development for its fishing, farming and tourism industries
- **Cultural wellbeing, embracing diversity:** 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 Chatham Islands 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 has continued to support The Chatham Islands Museum & Cultural Heritage Charitable Trust.

# Service performance summaries

## 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. Replacement of council 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.

A funding impact statement for the community and regulatory services group of activities is 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.

Targets	Measure	Result for 2018/19
Residents are satisfied with community services, including library and dog and animal control services	85% of residents are satisfied or very satisfied* with community services.	Annual public satisfaction survey of Chatham Islands Council Services not undertaken this year.  This was a new target in the 2018/19 financial year. However, Council also monitors satisfaction with our community services by: <ul style="list-style-type: none"> <li>• Maintaining and monitoring a complaints and enquiries register. In 2018/19 no complaints or enquiries were received regarding our community services.</li> <li>• Any updates or important information regarding community services, library and dog and animal control services is regularly communicated via the usual web/social media and newsletter media.</li> </ul>
Respond to complaints about operations and facilities, and remedy faults in a timely manner	100% of complaints about operations and facilities are investigated within 12 hours, with minor faults remedied within 24 hours of notification.	One complaint was received regarding maintenance of the morgue. Council completed immediate maintenance and repairs and has established a programme of regular maintenance checks and upkeep at the morgue. In the 2017/18 financial year, one of the three complaints received was attended within 24 hours of notification. The remaining two issues related to building work and were not remedied within 24 hours as they required repair time.
Liquor licensing applications to be processed within statutory timeframes	95% of liquor licensing applications are processed within statutory timeframes.	In total, all 25 liquor licensing applications (or 100%) were received and issued within statutory timeframes. In 2017/18, 82% of liquor licensing applications were processed within statutory timeframes due to objections requiring further investigation.
Liquor licenses and food premises are compliant	No issues of non-compliance identified or reported.	No issues of non-compliance identified or reported. This is a new target in 2018/19.
Island-wide dog inspections (including Pitt Island) carried out	At least one inspection annually to ensure dogs are registered, and to check animal welfare.	No dog inspections were undertaken in 2018/19, this was due to staff being unavailable to complete inspections. In 2017/18, one partial inspection (Chatham Island only) was undertaken.

\*measured by annual survey, on a scale of very satisfied, satisfied, dissatisfied, very dissatisfied

## Looking ahead – key projects

- **Staff housing on-Island:** The Chatham Islands Housing Partnership Trust (CIHPT) was established in 2017 under the administration of the Ngati Mutunga O Wharekauri Iwi Trust. CIHP draws its members from the two Iwi Trusts, Chatham Islands Council and Chatham Islands Enterprise Trust. The CIHP Trust was established with a \$2 million Government grant, with the aim of assisting the community with the provision of a wide range of housing initiatives, including social housing.
- **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 ongoing with a view to address ways to better operate this service.
- **Council community complex:** After listening to our community, the Council proposed the construction of a new purpose built community facility, which included Council offices, museum and other community facilities. Funding constraints have resulted in the facilities development being split into two stages. Design and planning works for the first stage, being the Council office and museum are underway, ready for consideration in October 2019. The initial stage of the complex will be built by an independent entity with council renting the purpose build facility. The later stages of this project would include the possibility of an indoor sports stadium, library and additional meeting room space.



# Service performance summaries

## 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 2018-28 identified the following as aspirational outcomes for environmental services:

- Economic wellbeing, growth builders: An enterprising and innovative community that promotes economic development for its fishing, farming and tourism industries
- Environmental wellbeing, sustainable action: An environmentally conscious community that protects, sustains and enriches the environment for future generations and promotes a safe, healthy and secure community
- Cultural wellbeing, embracing diversity: 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.

#### 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 monitors 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 promotes 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 maintains a contract with Environment Canterbury, which oversees the Council's regional resource management responsibilities.
- **A community that acknowledges and values the importance of tchakat henu and tangata whenua as an integral part of our community:** The Council engages 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 works 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.

A funding impact statement for the environmental services group of activities is 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.

Targets	Measure	Result for 2018/19
Resource consents processed within statutory timeframes	100% of resource consents processed within statutory timeframes.	Full compliance, no resource consent requests were received and consented during the year. In the 2017/18 year, three subdivisions were received and consented within statutory timeframes.
Respond to and initiate investigations in a timely manner for: <ul style="list-style-type: none"> <li>Breaches of the Resource Management Act</li> <li>Breaches of consent conditions</li> </ul>	Any breach to the Resource Management Act 1991 or consent conditions responded to within one hour of notification.	No breaches of the Resource Management Act 1991 or consent conditions reported. This is consistent with the 2017/18 result.
The Chatham Islands Resource Management Document is compliant	The Chatham Islands Resource Management is made fully operative and steps are taken to update the document as required by nationally set direction.	A review of the Chatham Islands Resource Management Document has been completed, and the Document was made partially operative in January 2018. The Document has been awaiting sign-off from the Ministry for the Environment since December 2015.
Sample and analyse water quality	Sample and analyse water quality for all sites on the Chatham Islands four times per year. State of the environment water quality monitoring programme maintained at current level (all sites are monitored).	All sites monitored and data stored in database (fully available on request) as well as displayed on Council's website <a href="http://www.cic.govt.nz">www.cic.govt.nz</a> . This is consistent with that of the 2017/18 financial year.

Targets	Measure	Result for 2018/19
River flows and Te Whanga Lagoon level monitored and data made publicly available	Monitor and record river flows, lagoon level and rainfall on Chatham Island. All sites are monitored, with data recorded and available to the public e.g. on the website.	All sites monitored and data stored in database (fully available on request) as well as displayed on Council's website. This is consistent with that of the 2017/18 financial year.
Water quality and hydrology data is available to the public	A summary report (including river flow, lagoon level, and rainfall data) is available by the end of August for the previous financial year (report provided to Council and then available via the website).	A water quality report was prepared and presented to Council in July 2019. This is consistent with that of the 2017/18 financial year. Interested readers can access this report through the Council's website: <a href="http://www.cic.govt.nz">www.cic.govt.nz</a>
Pest inspections conducted	Two inspections undertaken per financial year. No new pest incursions found at risk sites (results of inspection will be published on the Council website).	Based on the quarterly site inspections completed, no new pests were found at risk sites. A solitary Plague Skink at a non-risk site was found in late 2018, resulting in extensive trapping of suspect sites being completed in consultation with MPI; with no further pest presence indicated on island. Two redback spiders were also intercepted on incoming freight.  A suspected rat incursion was reported on Pitt Island this year. We responded by rapidly sending our dedicated rat dog and handler to the site. No rats were detected by the dog, faeces samples were sent for analysis concluding the samples were mice.
Internal borders between Chatham Island, Pitt Island, and New Zealand are maintained	At least one training session to be provided to freight handlers at major ports supplying the Chatham Islands. Partnership to be established with Biosecurity NZ to develop a marine biosecurity plan as part of the internal border protection.	Annual freight handler training sessions occur via SPS Biosecurity, with regular refresher training provided on an as required basis.  Four staff have been trained and equipped to carry out Marine Pest surveillance surveys in partnership with Biosecurity NZ. The dive team have now carried out four surveys of all four ports, with no incursion occurrences identified. Complimentary crab "potting" has also occurred to identify potential invasive crab presence.

## Service performance summaries

Targets	Measure	Result for 2018/19
Landowners and occupiers do not introduce, sell, propagate or distribute pest species	80% of plans implemented.	No pest management or enforcement plans required to be implemented in year.  The level of plant pest awareness from landowners has significantly increased over the past three years; with regular pest awareness campaigns and our two biosecurity staff on the Island contributing to this success. There have been numerous cases where landowners have proactively contacted our Regional Council service provider, Environment Canterbury, to address pest issues as a result of their increased level of awareness and concern.
Landowners carry out control of gorse and feral goats	80% of plans implemented.	No pest management or enforcement plans required to be implemented in year.  The feral goat population has been eradicated from one geographical area, leaving approximately 40-50 goats left in one other totally separate area. The number has not significantly reduced from the prior year, due to the difficult terrain inhabited by the goats.  For the past seven years, the Chatham Islands Council have approved an annual Helicopter Gorse spraying budget of up to \$150,000. Landowners are invited to participate in the scheme on a dollar for dollar basis. To date, the subsidised programme has resulted in over 1,400 hectares of Gorse being sprayed
Monitor invasive marine pests that are present in New Zealand or are likely to arrive from other destinations	An annual underwater surveillance programme to be undertaken on all ports on Chatham and Pitt Islands, and the Ministry for Primary Industries to be notified of pest incursions.	An annual underwater survey has been completed on all ports on Chatham and Pitt Islands. No new marine pests have been found as part of these completed surveys or other on-site reviews.
Residents are aware of and follow pest management practices	Minimum of quarterly communication and engagement activities relating to pest management, including marine pests.	Regular communications relating to biosecurity activities and projects are circulated in the Chatham Islands Community Focus Trust weekly newsletters, the monthly Chatham Islander magazine, and the quarterly Council newsletter 'Uniquely Chathams'.

### Looking ahead – key projects

- 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.



## 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. Fire Emergency Services New Zealand (FENZ) took responsibility for rural fire services from 1 July 2018.
- **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 2018-28 identified the following aspirational outcomes for emergency management:

- Social wellbeing, resilient community: A safe and secure community
- Environmental wellbeing, sustainable action: An environmentally conscious community that protects, sustains and enriches the environment for future generations

#### 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 wellbeing. Land for the facility has been secured. No funding for this project has been secured as yet. However, the Council continues to actively pursue funding options.
- **Promoting economic development and enriching the environment:** 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.
- **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.

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

- A significant emergency 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.

A funding impact statements for the emergency management group of activities is disclosed in Appendix 1.

# Service performance summaries

## 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.

Targets	Measure	Result for 2018/19
Residents consider they are prepared and know what to do in an emergency	75% of residents are well-prepared or prepared* and know what to do in an emergency.	<p>Annual public satisfaction survey of Chatham Islands Council Services not undertaken in year.</p> <p>In 2017/18, 74% of residents considered they were prepared and knew what to do in an emergency. This percentage is a reasonable estimate of the current level of readiness experienced by our residents.</p> <p>Council also monitors community emergency preparedness by:</p> <ul style="list-style-type: none"> <li>Providing emergency preparedness education to our community in the Chatham Islands Community Focus Trust weekly newsletters, the monthly Chatham Islander magazine, and the Chatham Islands Emergency Management Facebook page.</li> <li>Holding a two-day Emergency Operations Centre training event in May 2019 (facilitated by trainers from NZ) with participants from all sectors of the community. In May/June 2019 Council made a call out to the community that resulted in additional volunteers joining the pool of emergency area coordinators.</li> </ul>
Residents are aware of emergency management procedures	Minimum of quarterly communication and engagement activities relating to emergency management.	Regular communications relating to emergency management activities and projects are circulated in the Chatham Islands Community Focus Trust weekly newsletters, the monthly Chatham Islander magazine, and the quarterly Council newsletter 'Uniquely Chathams' and the Chatham Islands Emergency Management facebook page.

Targets	Measure	Result for 2018/19
The Emergency Management Operations Centre is always ready to respond	<p>Including staff and volunteers, emergency management equipment, control facilities, and communication systems.</p> <ul style="list-style-type: none"> <li>Annual emergency event training exercise held</li> <li>All staff and volunteers participate in at least one skills training session per annum</li> <li>Emergency management equipment tested quarterly.</li> </ul>	An Emergency Operations Centre training event was held in May 2019 (facilitated by trainers from NZ), and a skills area coordinator training was scheduled in July 2019 for staff and volunteers to participate in. All emergency equipment tested quarterly to confirm readiness.
The marine oil spill plan is current and compliant	At least one water equipment deployment exercise conducted annually.	An oil spill training exercise and water deployment exercise was held in March 2019. Consistent with performance in the 2017/18 financial year.

\*measured by annual survey, on a scale of well-prepared, prepared, not well-prepared.

## Looking ahead – key projects

- 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. 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 2018-28 identified the following aspirational outcomes for coasts, harbours and navigation:

- **Social wellbeing, resilient community:** A safe, healthy and secure community with access to quality infrastructure services.
- **Economic wellbeing, growth builders:** 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.
- **Environmental wellbeing, sustainable action:** 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 wellbeing. 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.

A funding impact statement for the coasts, harbours and navigation group of activities is disclosed in Appendix 1.

# Service performance summaries

## 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.

Targets	Measure	Result for 2018/19
Navigation safety is managed in accordance to best practice	Use of a safety management system modelled on the New Zealand Port and Harbour Safety code, reviewed every three years.	A Navigation Safety Management System has been developed and installed, in line with best practice guidance. A further review by a panel from the Port and Harbour Safety Code will be conducted in November 2019. In the prior financial year, the plan was reviewed and assessed as appropriate, requiring no further update.
Owenga Wharf is available for safe and efficient movement of people, stock, and goods	No instances of the wharf being unavailable during suitable sea and weather conditions.	No safety or inefficiency complaints were received in year. Furthermore, there were no other instances of Owenga Wharf being unavailable for Navigation Safety reasons in year. This is consistent with the 2017/18 financial year.

## 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.



## 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 2018-28 sets out Chatham Islands policies with respect to which funding mechanisms are to be used to finance the operating and capital expenditure.

Reconciliation of Operating Funding to Statement of Comprehensive Revenue and Expense	Actual 2018/19 \$000	Annual Plan 2018/19 \$000	Actual 2017/18 \$000	Annual Plan 2017/18 \$000
Surplus/(Deficit) of Operating Funding	410	34	176	348
Subsidies and Grants for Capital Expenditure	2,246	3,415	2,085	3,338
Less depreciation	1,544	2,080	1,678	1,854
<b>Statement of Total Comprehensive Income</b>	<b>1,112</b>	<b>1,369</b>	<b>583</b>	<b>1,832</b>

COUNCIL	Actual 2018/19 \$000	Annual Plan 2018/19 \$000	Actual 2017/18 \$000	Annual Plan 2017/18 \$000
<b>Source of operating funding</b>				
General Rates, Uniform Annual General Charge, Rates Penalties	320	292	307	287
Targeted Rates	183	256	182	288
Subsidies and Grants for Operating Purposes	4,915	4,506	4,669	4,695
Fees and Charges	68	-	67	78
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	789	514	644	554
<b>Total Operating Funding</b>	<b>6,275</b>	<b>5,568</b>	<b>5,869</b>	<b>5,902</b>
<b>Applications of operating funding</b>				
Payments to Staff and Suppliers	3,980	5,515	4,068	4,678
Financial Costs	23	19	17	23
Other Operating Funding Applications	1,862	-	1,608	853
<b>Total Application of Operating Funding</b>	<b>5,865</b>	<b>5,534</b>	<b>5,693</b>	<b>5,554</b>
<b>Surplus/(Deficit) of Operating Funding</b>	<b>410</b>	<b>34</b>	<b>176</b>	<b>348</b>
<b>Source of capital funding</b>				
Subsidies and Grants for Capital Expenditure	2,246	3,415	2,085	3,338
Increase/(Decrease) in Debt	(60)	138	(61)	-
<b>Total Source of Capital Funding</b>	<b>2,186</b>	<b>3,553</b>	<b>2,024</b>	<b>3,338</b>
<b>Application of capital funding</b>				
Capital Expenditure				
- to improve the level of service	232	1,997	538	990
- to replace existing assets	2,645	2,408	2,402	2,668
Increase/(Decrease) in Reserves	(281)	(818)	(740)	28
<b>Total Applications of Capital Funding</b>	<b>2,596</b>	<b>3,587</b>	<b>2,200</b>	<b>3,686</b>
<b>Surplus/(Deficit) of Capital Funding</b>	<b>(410)</b>	<b>(34)</b>	<b>(176)</b>	<b>(348)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Appendix 1 – Funding impact statements

DEMOCRACY SERVICES	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	993	993	714
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	180	101	133
<b>Total Operating Funding</b>	<b>1,173</b>	<b>1,094</b>	<b>847</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	283	306	313
Financial Costs	-	-	-
Internal Charges and Overheads Applied	644	466	486
<b>Total Application of Operating Funding</b>	<b>927</b>	<b>772</b>	<b>799</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>246</b>	<b>322</b>	<b>48</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Operating Purposes for Capital Expenditure	-	-	1,378
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>-</b>	<b>1,378</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	-	-
-- to replace existing assets	32	-	1,426
Increase (Decrease) in Reserves	213	322	-
<b>Total Applications of Capital Funding</b>	<b>246</b>	<b>322</b>	<b>1,426</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(246)</b>	<b>(322)</b>	<b>(48)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	<i>14</i>	<i>7</i>	<i>14</i>

INFRASTRUCTURE SERVICES – ROADING	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	54	54	56
Subsidies and Grants for Operating Purposes	1,240	1,196	2,031
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	10	-	6
<b>Total Operating Funding</b>	<b>1,305</b>	<b>1,250</b>	<b>2,093</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	1,397	1,504	1,819
Financial Costs	-	-	-
Internal Charges and Overheads Applied	-	-	-
<b>Total Application of Operating Funding</b>	<b>1,397</b>	<b>1,504</b>	<b>1,819</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>(93)</b>	<b>(254)</b>	<b>274</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Capital Expenditure	2,246	3,076	2,285
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>2,246</b>	<b>3,076</b>	<b>2,285</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	1,287	127
-- to replace existing assets	2,552	2,209	2,413
Increase (Decrease) in Reserves	(399)	(673)	19
<b>Total Applications of Capital Funding</b>	<b>2,153</b>	<b>2,822</b>	<b>2,559</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>93</b>	<b>254</b>	<b>(274)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	<i>1,196</i>	<i>1,853</i>	<i>2,297</i>

INFRASTRUCTURE SERVICES – SEWERAGE	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	64	67	68
Subsidies and Grants for Operating Purposes	78	78	80
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	14	8	37
<b>Total Operating Funding</b>	<b>156</b>	<b>153</b>	<b>185</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	115	94	143
Financial Costs	-	-	-
Internal Charges and Overheads Applied	51	37	38
<b>Total Application of Operating Funding</b>	<b>166</b>	<b>131</b>	<b>181</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>(10)</b>	<b>22</b>	<b>4</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	3	-	-
Increase (Decrease) in Reserves	(13)	22	4
<b>Total Applications of Capital Funding</b>	<b>(10)</b>	<b>22</b>	<b>4</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>10</b>	<b>(22)</b>	<b>(4)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	<i>62</i>	<i>39</i>	<i>87</i>

INFRASTRUCTURE SERVICES – SOLID WASTE	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	65	66	66
Subsidies and Grants for Operating Purposes	821	371	332
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	23	14	11
<b>Total Operating Funding</b>	<b>909</b>	<b>451</b>	<b>409</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	396	356	368
Financial Costs	-	-	-
Internal Charges and Overheads Applied	34	24	25
<b>Total Application of Operating Funding</b>	<b>430</b>	<b>380</b>	<b>393</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>480</b>	<b>71</b>	<b>16</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Capital Expenditure	-	339	-
Increase (Decrease) in Debt	-	-	-
<b>Total Source of Capital Funding</b>	<b>-</b>	<b>339</b>	<b>-</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	216	710	-
-- to replace existing assets	2	-	-
Increase (Decrease) in Reserves	262	(300)	16
<b>Total Applications of Capital Funding</b>	<b>480</b>	<b>410</b>	<b>16</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(480)</b>	<b>(71)</b>	<b>(16)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	<i>117</i>	<i>83</i>	<i>126</i>

## Appendix 1 – Funding impact statements

INFRASTRUCTURE SERVICES – WATER	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	72	72	174
Fees, Charges	68	69	67
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	13	18	9
<b>Total Operating Funding</b>	<b>153</b>	<b>159</b>	<b>250</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	185	248	207
Financial Costs	-	-	-
Internal Charges and Overheads Applied	47	34	35
<b>Total Application of Operating Funding</b>	<b>231</b>	<b>282</b>	<b>242</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>(78)</b>	<b>(123)</b>	<b>8</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	2	-	-
Increase (Decrease) in Reserves	(81)	(123)	8
<b>Total Applications of Capital Funding</b>	<b>(78)</b>	<b>(123)</b>	<b>8</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>78</b>	<b>123</b>	<b>(8)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	<i>50</i>	<i>46</i>	<i>71</i>

INFRASTRUCTURE SERVICES – STORMWATER	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	14	14	5
Fees, Charges	-	-	-
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	3	1	2
<b>Total Operating Funding</b>	<b>17</b>	<b>15</b>	<b>7</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	-	-	-
Financial Costs	-	-	-
Internal Charges and Overheads Applied	9	7	7
<b>Total Application of Operating Funding</b>	<b>9</b>	<b>7</b>	<b>7</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>8</b>	<b>8</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	8	8	-
<b>Total Applications of Capital Funding</b>	<b>8</b>	<b>8</b>	<b>-</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(8)</b>	<b>(8)</b>	<b>-</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	<i>1</i>	<i>-</i>	<i>6</i>

COMMUNITY AND REGULATORY SERVICES	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual Charge, Rates Penalties	320	292	290
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	985	996	356
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	392	293	318
<b>Total Operating Funding</b>	<b>1,698</b>	<b>1,581</b>	<b>964</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	463	477	352
Financial Costs	14	19	13
Internal Charges and Overheads Applied	634	460	478
<b>Total Application of Operating Funding</b>	<b>1,111</b>	<b>956</b>	<b>843</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>587</b>	<b>625</b>	<b>121</b>
<b>Source of Capital Funding</b>			
Subsidies and Grants for Capital Expenditure	-	-	4,735
Increase (Decrease) in Debt	(60)	138	-
<b>Total Source of Capital Funding</b>	<b>(60)</b>	<b>138</b>	<b>4,735</b>
<b>Application of Capital Funding</b>			
Capital Expenditure			
-- to improve the level of service	-	-	4,735
-- to replace existing assets	32	200	34
Increase (Decrease) in Reserves	495	563	87
<b>Total Applications of Capital Funding</b>	<b>526</b>	<b>763</b>	<b>4,856</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(587)</b>	<b>(625)</b>	<b>(121)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	53	43	75

ENVIRONMENTAL SERVICES	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	222	222	896
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	40	24	74
<b>Total Operating Funding</b>	<b>262</b>	<b>246</b>	<b>970</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	836	956	846
Financial Costs	-	-	-
Internal Charges and Overheads Applied	144	104	109
<b>Total Application of Operating Funding</b>	<b>980</b>	<b>1,060</b>	<b>955</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>(717)</b>	<b>(814)</b>	<b>15</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	7	-	-
Increase (Decrease) in Reserves	(725)	(814)	15
<b>Total Applications of Capital Funding</b>	<b>(717)</b>	<b>(814)</b>	<b>15</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>717</b>	<b>814</b>	<b>(15)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	3	1	3

## Appendix 1 – Funding impact statements

EMERGENCY MANAGEMENT	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	228	304	328
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	47	21	29
<b>Total Operating Funding</b>	<b>275</b>	<b>325</b>	<b>357</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	248	168	244
Financial Costs	-	-	-
Internal Charges and Overheads Applied	140	102	106
<b>Total Application of Operating Funding</b>	<b>389</b>	<b>270</b>	<b>350</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>(114)</b>	<b>55</b>	<b>7</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	16	-	-
-- to replace existing assets	7	-	-
Increase (Decrease) in Reserves	(137)	55	7
<b>Total Applications of Capital Funding</b>	<b>(114)</b>	<b>55</b>	<b>7</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>114</b>	<b>(55)</b>	<b>(7)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	7	7	16

COASTS, HARBOURS AND NAVIGATION	Actual 2018/19 \$000	Long-Term Plan 2018/19 \$000	Long-Term Plan 2017/18 \$000
<b>Source of Operating Funding</b>			
General Rates, Uniform Annual General Charge, Rates Penalties	-	-	-
Targeted Rates	-	-	-
Subsidies and Grants for Operating Purposes	260	260	123
Local Authorities Fuel Tax, Fines, Infringement Fees, and Other Receipts	67	34	59
<b>Total Operating Funding</b>	<b>327</b>	<b>294</b>	<b>182</b>
<b>Applications of Operating Funding</b>			
Payments to Staff and Suppliers	56	50	51
Financial Costs	-	-	-
Internal Charges and Overheads Applied	168	122	127
<b>Total Application of Operating Funding</b>	<b>224</b>	<b>172</b>	<b>178</b>
<b>Surplus (Deficit) of Operating Funding</b>	<b>103</b>	<b>122</b>	<b>4</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	8	-	-
Increase (Decrease) in Reserves	94	122	4
<b>Total Applications of Capital Funding</b>	<b>103</b>	<b>122</b>	<b>4</b>
<b>Surplus (Deficit) of Capital Funding</b>	<b>(103)</b>	<b>(122)</b>	<b>(4)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Excludes depreciation</i>	40	7	56



## Appendix 2 – Glossary of terms

**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 Long-Term Plans. 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 if the Annual Plan indicates significant or material differences from the content of the Long-Term-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 and amortisation**

Depreciation and amortisation are accounting concepts that recognise the consumption or loss of economic benefits embodied in items of property, plant and equipment or intangible assets. Depreciation and amortisation spread the cost property, plant and equipment and software +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, storm water and roading. They also include associated assets such as water pump outlets, sewage 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.



### **Operating expenditure**

Expenditure through the Council's activities on such items as salaries, materials and electricity.

### **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 wellbeing.

### **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. 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.

### **Wellbeing**

In this document, wellbeing includes the social, economic, cultural and environmental aspects of a community. The community outcomes are factors of wellbeing.

# The organisation

## Council

*Elected as at 14 October 2019*

Mayor  
Monique Croon  
Deputy Mayor  
Greg Horler

## Councillors

Keri Lea Day  
Celine Gregory-Hunt  
Graeme Hoare  
Amanda Horler  
Steve Joyce  
Oscar Nilsson  
Jason Seymour

## Council Staff

Chief Executive  
Owen Pickles  
owen@cic.govt.nz

Operations Manager  
Cindy Butt  
cindy@cic.govt.nz

Emergency Manager/Controller  
Rana Solomon  
rana@cic.govt.nz

## Engineers

Stantec Ltd (Christchurch)  
Nigel Lister, Shaun Boshier, Ali Siddiqui  
Bryan Peters – Roads and bridges  
Richard Bennett, Kristen Norquay –  
Water and wastewater  
Phil Landmark –  
Waste management and minimisation

## 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)

*Elections were held in October 2019, which saw the appointment of a new Mayor and Council.*

*We would like to thank the out-going Mayor, Alfred Preece along with fellow Council members: Jeffrey Clarke, Nigel Ryan, Eion Chisholm and Eva Tuck for their service during the previous triennium.*





**chatham islands council**

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