Chatham Islands Council

BOARD PACK

for

Council Meeting

Thursday, 19 June 2025

9:00 am (+1245)

Held at:

Chatham Islands Council

13 Tuku Road, Chatham Islands

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AGENDA

COUNCIL MEETING

Name:	Chatham Islands Council
Date:	Thursday, 19 June 2025
Time:	9:00 am to 11:00 am (+1245)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands https://teams.microsoft.com/l/meetup-join/19%3ameeting_ODk4OWVlMzItOTk2Yi00ZTQ3LWI5Y2MtYjllMWMwOTljZTky%40thread.v2/0?context=%7b%22Tid%22%3a%2297fe9e71-ae23-445e-8c38-f2ad55476cec%22%2c%22Oid%22%3a%2238923941-e481-4887-903d-9c4f924faac0%22%7d
Board Members:	Cr Amanda Seymour, Cr Celine Gregory-Hunt, Cr Graeme Hoare, Cr Greg Horler, Cr Judy Kamo, Cr Keri Day, Mayor Monique Croon, Cr Nigel Ryan, Cr Steve Joyce
Attendees:	Ms Colette Peni, Ms Jo Guise, Paul Eagle

1. Opening Meeting

1.1 Meeting Opening

9:00 am (5 min)

Mayor Monique Croon

Kia hora te marino
Kia whakapapa pounamu te moana
Hei huarahi mā tātou i te rangi nei
Aroha atu, Aroha mai
Tātou i a tatou katoa
Hui e! Tāiki e!

1.2 Apologies

9:05 am (2 min)

1.3 Interests Register

9:07 am (2 min)

For Information

Review and update the interests register of board members and key executives.

Supporting Documents:

1.3.a	Interests Register	8

1.4 Action List

9:09 am (5 min)

For Noting

Review the progress of action items from previous meetings and discuss any pending tasks.

Supporting Documents:

1.4.a	Action List	9

1.5 Amendment to Meeting Schedule

9:14 am (5 min)

Paul Eagle

For Decision

Supporting Documents:

1.5.a	1.5 Amendment to Meeting Schedule.pdf	10

2. Confirmation of Minutes

2.1 Ordinary Meeting Minutes 8 May 2025

9:19 am (3 min)

For Decision

Review and confirm the minutes of the previous meeting.

Supporting Documents:

2.1.a	2.1 Minutes 8 May 2025.pdf	12
2.1.b	Public 8 May 2025 Minutes in Review .pdf	13

2.2 Canterbury Mayoral Forum Minutes 30 May 2025

9:22 am (5 min)

Mayor Monique Croon

For Information

Supporting Documents:

2.2.a	2.2 Canterbury Mayoral Forum Minutes 30 May 2025.pdf	23
2.2.b	30 May 2025 Minutes in Review Canterbury Mayoral Forum.pdf	24

3. Finance

3.1 Financial Report

9:27 am (10 min)

For Information

Supporting Documents:

3.1.a	3.1 Financial Report.pdf	37
3.1.b	Council May 2025.pdf	38

3.2 Annual Plan 2025/26

9:37 am (10 min)

Paul Eagle

For Decision

For the Council to approve the draft 2025/26 Annual Plan for adoption.

Supporting Documents:

3.2.a	3.2 Council 202526 Annual Plan June.pdf	41
3.2.b	CIC Annual Plan 202526.pdf	44

3.3 2025/26 Rates Setting

9:47 am (5 min)

For Decision

To enable Chatham Islands Council to set the rates for the 2025/26 financial year, following the adoption of the 2025/26 Annual Plan. The Council now needs to formally adopt the rates resolution setting the rates for the period 1 July 2025 to 30 June 2026.

Supporting Documents:

3.3.a	3.3 2025-26 Rates Setting.pdf	80

4. Works & Services

4.1 Stantec Report

9:52 am (5 min)

For Information

Information to be received.

Supporting Documents:

4.1.a	4.1 Stantec Report1.pdf	83
4.1.b	103_may25_claim.pdf	84

4.2 Fulton Hogan Road Maintenance Report

9:57 am (5 min)

For Information

Information to be received.

Supporting Documents:

4.2.a	4.2 Fulton Hogan Road Maintenance Report .pdf	95
4.2.b	April 2025 SP1.pdf	96
4.2.c	May 2025 SP1.pdf	111

4.3 Fulton Hogan Water & Wastewater Report

10:02 am (5 min)

For Information

Information to be received.

Supporting Documents:

4.3.a	4.3 Fulton Hogan Water & Wastewater Contract .pdf	124
4.3.b	April 2025 SP2.pdf	125
4.3.c	May 2025 SP2.pdf	130

5. Community

6. Regulatory

6.1 ECan Q3 Report

10:07 am (10 min)

Paul Eagle

For Decision

Supporting Documents:

6.1.a	6.1 CIC ECAN Q3 Report_09Jun25.pdf	135
6.1.b	CIC ECAN Q3 Report_SUMMARY_19Jun25.pdf	138

7. Emergency Management

8. Governmennt

9. Chatham Islands

10. Bylaws & Policies

11. Move to Public Excluded

11.1 Move to Public Excluded

Supporting Documents:

11.1.a	PE Cover Page 19 June 2025.pdf	156

12. Public Excluded

12.1 Public Excluded Minutes 8 May 2025 10:17 am (2 min)

For Decision

For Approval

Supporting Documents:

12.1.a	PE.1 PE Minutes 8 May 2025.pdf	157
12.1.b	PE Minutes 8 May 2025 in Review .pdf	158

12.2 CIC Judicial Review Update 10:19 am (10 min)

Paul Eagle

For Decision

To inform elected members of the outcome of the judicial review proceedings brought by Andrew Dunlop.

Supporting Documents:

12.2.a	PE.2 CIC Judicial Review - Update 9Jun25 FINAL.pdf	160

12.3 Close the meeting 10:29 am

Next meeting: Council Meeting - 31 Jul 2025, 9:00 am

Summarize the key decisions made and officially close the board meeting.

Interests Register

Chatham Islands Council

As of: 19 Jun 2025

Person	Organisation	Active Interests	Notice Date
Cr Amanda Seymour	CIC	6.8 - Whanau member of applicant	27 Sept 2024
Cr Celine Gregory-Hunt	CIC	6.4 Applicant	27 Sept 2024
Cr Greg Horler	CIC	6.8 Whanau member of applicant	27 Sept 2024
Cr Judy Kamo	CIC Councillor	5.1 Surf Boat Report - Project Lead	13 Feb 2025
Cr Keri Day	Chatham Islands Council	Interested party - Item 7.1 Water Tank Project Update	1 Feb 2024
Cr Steve Joyce	Chatham Islands Council	Director, Chatham islands Electricity Ltd - 6.1 Wind Turbines	14 Mar 2024
Mayor Monique Croon	Chatham Islands Council	Applicant in Item 6.2 - M Croon Subdivision	1 Feb 2024

Action List

Chatham Islands Council

As of: 13 Jun 2025

Water Leaks

In Progress

1. Write a letter to properties with ongoing leaks

2. Have a workshop re: water services, plan, operating and meters.

Due Date: 6 Feb 2025
Owner: Paul Eagle
Meeting: 19 Dec 2024 Council Meeting, 4.3 Fulton Hogan Water & Wastewater Report

Latest Update:

Colette Peni to provide update at 19 June meeting

Ms Jo Guise | 10 Jun 2025

Visiting Yachts

In Progress

Amend the Biosecurity bylaw to ensure all visiting vessels, including yachts, notify prior to arrival.

Due Date: 30 Jun 2025
Owner: Paul Eagle
Meeting: 27 Mar 2025 Council Meeting, 1.4 Action List

Latest Update:

Feedback on the process for amending the Biosecurity Bylaw will be provided prior to the 19 June meeting.

Ms Jo Guise | 13 Jun 2025

CIHPT - Report to CiHPT on behalf of Council

In Progress

Chief Executive to report to the CIHPT on the feelings of elected members. It would include options including exiting the trust.

Consideration should also be given at the best role of council for housing on the island.

Due Date: 31 Jul 2025
Owner: Paul Eagle
Meeting: 31 Oct 2024 Council Meeting, 10.4 CIHPT Update

Latest Update:

An assessment of roles for Council to play will be provided prior to the 19 June meeting.

Ms Jo Guise | 13 Jun 2025

1. Staff / Elected Members

1.5 Amendment to Meeting Schedule

Date of meeting	19 June 2025
Agenda item number	1.5
Author	Paul Eagle, Chief Executive

Purpose:

To update elected members of changes to the dates for council meetings in 2025, and provisions for an Acting Chief Executive.

Recommendations:

That the Chatham Island Council:

1. **Note** the changes to the scheduled meeting dates for 2025; and,
2. **Note** the Operations Manager will be Acting Chief Executive from Monday 7 July to Friday 11 July (2025).

Background:

Circumstances have meant a change to the following scheduled meeting dates in 2025. Chatham Islands Council adheres to both national legislation and its own Standing Orders to manage changes to meeting times. Key requirements include:

- Providing 14 days' notice for ordinary meetings.
- Allowing three working days' notice for extraordinary meetings.
- Ensuring public notifications are made through specified local channels.

These measures promote transparency and ensure that both elected members and the public are adequately informed of meeting schedules and any changes thereto.

Council
Meeting date
Formal notice is being given as additional meetings may be necessary to ensure timely consideration of these matters.
Reason: Planned amendments to the Long-Term Plan in Year 3, along with the potential adoption of initiatives arising from the Local Public Service Reform programme, may require additional Council meetings. While specific dates are yet to be confirmed, any such meetings will be scheduled in accordance with the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, and the Council's Standing Orders, including applicable notice and public notification requirements.

Civil Defence and Emergency Management Committee
Meeting date
Thursday 19 June – cancelled
Reason: The scheduled meeting of the Coordinating Executive Group (CEG) was unable to proceed due to key information not being available in time to finalise the agenda. As a result, the agenda for the Civil Defence Emergency Management (CDEM) Joint Committee meeting planned for the same date could not be completed, and the meeting has been cancelled.

Information sharing sessions
Meeting date
Wednesday 16 July – cancelled
Reason: The annual Local Government New Zealand Conference is being held in Christchurch from Tuesday 15 to Thursday 17 July.

Chief Executive Leave

The Chief Executive will take leave off-Island for an unveiling (sister) from Monday 7 July to Friday 11 July (2025) and resume duties the week beginning Monday 14 July. The Operations Manager will be Acting Chief Executive and be on-Island during this time.

2. Democracy

2.1 Minutes of Ordinary Meeting 8 May 2025

Date of meeting	8 May 2025
Agenda item number	2.1
Author/s	Jo Guise, Executive Assistant

Purpose

For the Council to receive and confirm the minutes of the Ordinary Meeting held on 8 May 2025.

Recommendations

1. **THAT the minutes from the Ordinary meeting held on 8 May 2025 be a true and accurate record.**

MINUTES (in Review)

COUNCIL MEETING

Name:	Chatham Islands Council
Date:	Thursday, 8 May 2025
Time:	9:00 am to 11:03 am (+1245)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands
Board Members:	Cr Amanda Seymour, Cr Celine Gregory-Hunt, Cr Graeme Hoare, Cr Greg Horler, Cr Judy Kamo, Cr Keri Day, Mayor Monique Croon, Cr Nigel Ryan
Attendees:	Ms Colette Peni, Ms Jo Guise, Paul Eagle, Mr Nigel Lister, Mr Jack Boyd, Ms Tanya Clifford, Ms Rebecca Tinga
Apologies:	Cr Steve Joyce
Guests/Notes:	Denise Thomas (Finance), Bryan Peters (Stantec) Public: Eileen Cameron, Brenda Chisholm, Jack Daymond, Kotuku Daymond, Pam Seymour, Richard Seymour,

1. Opening Meeting

1.1 Meeting Opening

It was noted that Colette Peni is incorrectly listed as author of the following reports -

4.6 Owenga Loading Bay – should be Bryan Peters/Nigel Lister

4.7 Physical Works Procurement – should be Nigel Lister

4.8 Taumata Arowai – should be Rachel Tutty

Members of the public attended the meeting and the Mayor opened the meeting up to Public Forum.

A letter from Brenda Chisholm was tabled and read.

Mayor Croon read from Standing Orders the rules around Public Forum.

Brenda Chisholm spoke to her letter and was advised the Waitangi Hall would be discussed as an agenda item later in the meeting.

Brenda noted that people from the NZ Lotteries Commission would be on-island later in the month and before a decision on the future of the Waitangi Hall was made, they would like the opportunity to speak to them.

Jack Daymond spoke on the same matter and tabled a letter which advised they intended to challenge the council on the process to demolish the Waitangi Hall.

1.2 Apologies

Apologies

THAT the apologies be accepted.

Decision Date:	8 May 2025
Mover:	Cr Judy Kamo
Seconder:	Cr Nigel Ryan
Outcome:	Approved

Cr Greg Horler and Cr Celine Gregory-Hunt joined the meeting via video link.

1.3 Interests Register

1.4 Action List

Due Date	Action Title	Owner(s)
26 Sept 2024	Waitangi Hall **Status:** Completed on 8 May 2025	Paul Eagle
31 Oct 2024	Petrol Resolution **Status:** In Progress	Paul Eagle
6 Feb 2025	Water Leaks **Status:** In Progress	Paul Eagle
27 Mar 2025	Investment Account **Status:** In Progress	Paul Eagle
27 Mar 2025	Rules for Visiting Yachts **Status:** Completed on 27 Mar 2025	Paul Eagle
19 Jun 2025	Payment for Local Service Reform work **Status:** In Progress	Paul Eagle
30 Jun 2025	Visiting Yachts **Status:** Not Started	Paul Eagle
31 Jul 2025	CIHPT - Report to CiHPT on behalf of Council **Status:** In Progress	Paul Eagle

2. Confirmation of Minutes

2.1 Minutes 27 March 2025

Council Meeting 27 Mar 2025, the minutes were confirmed as presented.

Minutes 27 March 2025

THAT the Chatham Islands Council receives the minutes of the meeting dated 17 March 2025 as a true and accurate record, with amendments noted.

Decision Date: 8 May 2025

Mover:	Cr Nigel Ryan
Seconder:	Cr Keri Day
Outcome:	Approved

3. Finance

3.1 Financial Report

Financial Report

THAT the Financial Report be received.

Decision Date:	8 May 2025
Mover:	Cr Amanda Seymour
Seconder:	Cr Keri Day
Outcome:	Approved

Tanya Clifford joined the meeting and gave an update to the financial report.

The Council's financial position remained challenging and broadly aligned with earlier expectations. Expenditure had increased in the third quarter, with some areas over budget—particularly corporate services (insurance, audit fees) and community consultation. Delays in the ECAN contract had impacted spending in areas like pest management, which may affect performance targets. The forecast showed a planned cash loss exceeding income, with limited prospects for additional government funding this year. A full picture would emerge at year-end.

DIA had directed councils to prioritise core services and ensure spending was prudent and transparent. As a 95% Crown-funded council, scrutiny was high. Meetings with DIA and the Minister had clarified expectations, and a new reporting format was being developed with independent oversight. There would be no new funding over the next 12 months, and Council must operate within a fixed income until 30 June 2027. Future budgets would reflect a tighter focus on core services only, with reduced scope for discretionary projects.

3.2 Annual Plan 2025/26 – draft budget

Annual Plan 2025-26 Draft Budget

THAT the Chatham Islands Council:
1. considers the appropriateness of the underlying assumptions applied to the 2025/26 Annual Plan.
2. endorses the proposed capital expenditure (noting further capital expenditure may occur if grant funding is secured).
3. considers whether the changes to the draft 2025/26 budget are significantly or materially different to that estimated in the 2024-34 Long-Term Plan for that year.

4. Agrees that an engagement document to outline Council's funding situation would be beneficial.

Decision Date:	8 May 2025
Mover:	Cr Keri Day
Seconder:	Cr Judy Kamo
Outcome:	Approved

`Tanya Clifford explained points within the report.

- The Annual Plan for FY 2025/26 must be completed by the end of June 2025.
- Due to significant funding limitations, the scope of Council activities will be constrained.
- Key assumptions underpinning the Annual Plan were discussed, and the Council endorsed proposed capital expenditure—responding to past audit recommendations for clarity.

- Any substantial deviations from the Long-Term Plan (LTP) may require community consultation, particularly if service levels or asset ownership change.
- If changes were not considered significant, an engagement document would be prepared instead of formal consultation.

Clarification was provided that rising property values did not automatically mean higher rates, addressing public concerns.

The “Local Water Done Well” (LWDW) initiative was referenced in relation to asset management and ownership implications.

The Chief Executive confirmed a comprehensive report on Council travel costs was pending, but noted challenges included extracting costs embedded in some contracts.

The DIA had requested detailed budgetary scrutiny; full financial sustainability review was underway. The Department had confirmed a capped operational budget of $4.2 million, with no inflation adjustment.

4. Works & Services

4.1 Stantec Report

Stantec Report

THAT the Chatham Islands Council receive the report.

Decision Date:	8 May 2025
Mover:	Cr Nigel Ryan
Seconder:	Cr Amanda Seymour
Outcome:	Approved

Nigel Lister gave an update to the report.

- Approximately 73% of the annual road maintenance budget had been spent. This suggested the Council was on track to fully utilise its NZTA allocation and complete the year’s planned works.
- Noted concern: Cliff erosion at Owenga, caused by boats parking and digging into the cliff. Follow-up and reporting to be completed.
- Ongoing dialogue around Pitt Island rapid numbers.
- Mapito Bridge is scheduled for significant maintenance:
    - Beam and deck replacement planned for summer 2025–26.
    - Timeline and budget depend on final Pitt Island cost reconciliation.

Jack Boyd gave an update on water services.

- Issues persist at Kaingaroa:
    - High water use traced to the raw water feed line; may be caused by stop-water increases.
    - Breakages reported: Resulted in temporary outages, but repairs had been completed, and the system was currently operational.

Kaingaroa Water Use

- Reports of increased water use believed to be from washing cray pots.

- Two rainwater collection tanks were full and suitable for non-potable uses like cleaning equipment.
- Council to promote use of these tanks among fishers to reduce pressure on treated water supply.
- Online communications suggested to remind users of alternative water sources for non-drinking needs

4.2 Fulton Hogan Road Maintenance Report

Fulton Hogan Road Maintenance Report

THAT the Chatham Islands Council receive the report.

Decision Date: 8 May 2025
Mover: Cr Keri Day
Seconder: Cr Judy Kamo
Outcome: Approved

4.3 Fulton Hogan Water & Wastewater Report

Fulton Hogan Water & Wastewater Contract Report

THAT the Chatham Islands Council receive the report.

Decision Date: 8 May 2025
Mover: Cr Nigel Ryan
Seconder: Mayor Monique Croon
Outcome: Approved

4.4 Fulton Hogan Waste Management Report

Fulton Hogan Waste Management Report

THAT the Chatham Islands Council receive the report.

Decision Date: 8 May 2025
Mover: Cr Keri Day
Seconder: Cr Judy Kamo
Outcome: Approved

4.5 Summer Roughness Survey

Roughness Survey

THAT the Chatham Islands Council receive the report.

Decision Date: 8 May 2025
Mover: Mayor Monique Croon
Seconder: Cr Keri Day
Outcome: Approved

4.6 Owenga Barge Landing Facility Operations Memo

Owenga Loading Barge Facility Operations Memo

THAT the Chatham Islands Council receive the report.

Decision Date: 8 May 2025
Mover: Cr Nigel Ryan

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Seconder:	Cr Keri Day
Outcome:	Approved

Bryan Peters was in attendance and gave an update to the report.

The purpose of the memo was to outline ideas for trials and future directions. The process was new, and the team was on a learning curve, aiming to make informed, cost-effective decisions.

4.7 Physical Works Maintenance Contract Procurement

Physical Works Maintenance Contract Procurement

THAT the Chatham Islands Council -

1. receives the report.
2. confirms the development of a Procurement Plan based on a multi-stage Contract Procurement approach and the proposed timeline;
3. approve that Stantec proceed to negotiate with Fulton Hogan over a 3-month contract extension to the current CIC 15/01 Contract.

Decision Date:	8 May 2025
Mover:	Cr Nigel Ryan
Seconder:	Cr Graeme Hoare
Outcome:	Approved

Nigel Lister explained the current Roading, Water and Wastewater Physical Works Maintenance Contract (CIC 15/01) comes to the end of the ten year contract period on Monday the 5th January 2026 and will need to be re-tendered. The New Zealand Transport Agency had confirmed that CIC were able to extend the existing works agreement by 3 months without requiring any special permissions to be granted. The effective end date will be Sunday 29th March 2026.

The memo gave a summary of the proposed timelines and covered some details to be agreed with Council during this period.

- Council approved:
    - The development and procurement plan using a multi-stage contract approach.
    - A three-month extension of the current contract with Fulton Hogan (CIC 15/01 CONT).

4.8 Chatham Islands Submission - Taumata Arowai Wastewater Standards

Submission - Taumata Arowai Wastewater Standards

THAT the Chatham Islands Council receives the report.

Decision Date:	8 May 2025
Mover:	Cr Judy Kamo
Seconder:	Cr Amanda Seymour
Outcome:	Approved

- The council submitted feedback on new government wastewater standards.
- Current discharge consents are valid until 2040, so no immediate impact is expected. However, the Council acknowledges limited enforcement capacity and focuses on monitoring compliance.
- Increased scrutiny from the newly established Water Services Authority is anticipated, driven by past public health failures (e.g., Havelock North incident).

5. Community

5.1 Waitangi Hall

The purpose of the report was to confirm Council's decision regarding the hall's future ownership and upgrade path, in light of legal liabilities, unaffordable upgrade costs, and the financial constraints of the 2025/26 Annual Plan and cost reduction program.

The Chief Executive provided a summary of the issue:

- The Council previously (March 2024) resolved to explore transferring the ownership of the hall building (not the land), subject to favourable legal advice and a viable upgrade plan.
- Legal advice received since that resolution was not favourable, highlighting risks if the hall was transferred in its current, non-compliant condition.
- Despite the legal position, community support and the historical value of the hall were acknowledged.
- The Council must act based on best practice risk advice, given the liabilities involved.

After discussion it was agreed -

- The Chief Executive is to provide all relevant hall-related information to the interested party.
- The legal liability would remain with the elected members, as confirmed by the CE, reinforcing the legal risk of transfer without compliance.

The interested party must submit the following by Friday, 6 June 2025:

- Proposed legal structure for transferring ownership of the building (not land).
- Business plan and upgrade plan to bring the hall to full compliance.
- Financial plan to fund the upgrade.
- Plan for ongoing operations, maintenance, and depreciation.
- Timeline for implementation.

For clarification - Legal advice indicated that liability could not be transferred in the hall's current condition without formal protections or substantial risk exposure.Await submission of required documentation by 6 June 2025. The date was extended until Monday 9 June because 6 June was a public holiday.

Council would revisit the decision once full information and viable proposal from interested party had been received.

Waitangi Hall

THAT the Chatham Islands Council agrees to the following:

1. **THAT** the Chief Executive will provide all information it holds on the hall to the interested party;
2. **THAT** the CE will confirm that the legal liability will sit with elected members.

3. **THAT** further to the 14 March 2024 Council meeting, the interested party will supply the following by Monday 9 June 2025, noting the unfavourable legal advice:

- Legal structure for transferring the ownership of the Hall (building, not land)
- Business Plan
- Plan to upgrade the Hall to a fully compliant standard
- Financial plan to enable the upgrade, one off set-up costs, day to day management, and maintenance (including depreciation)
- Timeline for implementation

Decision Date: 8 May 2025
Mover: Cr Nigel Ryan
Seconder: Cr Judy Kamo

6. Regulatory

6.1 Biosecurity Activities Update

Biosecurity Update

THAT the Chatham Islands Council receives the report.

Decision Date: 8 May 2025
Mover: Cr Nigel Ryan
Seconder: Cr Amanda Seymour
Outcome: Approved

Alex Miekle has departed and recruitment is underway for a new casual staff member to support Jase Seymour and assist with pest plant control.

7. Emergency Management

8. Governmennt

8.1 Changes to the RMA - Correspondence from Hon Chris Bishop

Replacement of the RMA - Correspondence from Hon Chris Bishop

THAT the Chatham Islands Council receives the report.

Decision Date: 8 May 2025
Mover: Cr Judy Kamo
Seconder: Cr Graeme Hoare
Outcome: Approved

Hon Chris Bishop provided an update on the government's intention to replace the Resource Management Act (RMA) with two new pieces of legislation: the Planning Act and the Natural Environment Act. The focus of the new legislation is primarily on the use and protection of the natural environment.

9. Chatham Islands

10. Bylaws & Policies

11. Move to Public Excluded

11.1 Move to Public Excluded

Move to Public Excluded

THAT the public be excluded from the following part of the proceedings of the meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
PE.1	PE Minutes 27 March 2025	Good reason to withhold exists under Section 7	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by holding the whole or relevant part of the proceedings of the meeting in public, are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON	PLAIN ENGLISH REASON	WHEN CAN REPORTS BE RELEASED
PE.1.	PE Minutes 27 March 2025	7(2)(b)(ii) 7(2)(h) 7(2)(i)	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information To maintain legal professional privilege. To enable the Council holding		

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			the information to carry out, without prejudice or disadvantage, commercial activities.		

and that appropriate officers remain to provide advice to the Committee.

Decision Date: 8 May 2025
Mover: Cr Keri Day
Seconder: Cr Amanda Seymour

12.2 Close the meeting

Next meeting: Council Meeting - 19 Jun 2025, 10:00 am

Signature:_____ **Date:**_____

2. Democracy

2.2 Canterbury Mayoral Forum Minutes 30 May 2025

Date of meeting	19 June 2025
Agenda item number	2.2
Author/s	Paul Eagle, Chief Executive

Purpose

The minutes attached to this report is for information for Council.

Recommendations

1. **THAT the minutes from the Canterbury Mayoral Forum held on 30 May 2025 be received.**

MINUTES (in Review)

CANTERBURY MAYORAL FORUM

Name:	Canterbury Mayoral Forum
Date:	Friday, 30 May 2025
Time:	8:30 am to 12:37 pm (NZST)
Location:	Sudima Hotel, 114 Esplanade, Kaikōura
Board Members:	Craig Pauling, Nigel Bowen (Chair), Gary Kircher, Craig Mackle, Dan Gordon, Neil Brown, Sam Broughton, Karen Morgan
Attendees:	Mayor Monique Croon, Angela Oosthuizen, Hamish Riach, Hamish Dobbie, Jeff Millward, Sharon Mason, Stefanie Rixecker, Will Doughty, Paul Eagle, Maree McNeilly, Ann Fitzgerald, Amelia Wilkins
Apologies:	Marie Black, Craig Rowley, Phil Mauger, Stuart Duncan, Nigel Trainor, Mary Richardson, Alex Parmley
Guests/Notes:	Jesse Burgess (ECan) (Items 2.1, 2.2, 2.3, 2.4); Vania Llewell (Regional Public Service Commission) (Item 2.3); Cameron Smith (ECan) (Items 4.1, 4.3); John Sutcliffe (ECan councilor). Sharon Mason online; Alex Parmley online from 9.25am - 10.00am

1. Open Meeting

1.1 Welcome, karakia and apologies

The Chair welcomed everyone to the meeting and led members in the opening karakia.

Apologies from Mayors Marie Black, Craig Rowley and Phil Mauger and Chief Executives Stuart Duncan, Nigel Trainor and Mary Richardson were noted, along with an apology from Gary Kircher for lateness (joined meeting at 9.25am).

1.2 Confirmation of agenda

The agenda was confirmed as presented.

The following items were tabled for general business discussion:

i. Mayors Taskforce for Jobs (Mayor Brown)
ii. Update on local government metrics to be released from DIA (Mayor Broughton)
iii. CMF meetings open to the public/livestreaming
iv. Genetic Engineering national conversation

1.3 Minutes from the previous meeting

Canterbury Mayoral Forum 14 Feb 2025, the minutes were confirmed as presented.

Decision

The minutes of the meeting held on 14 February 2025 were confirmed as presented.

Decision Date:	30 May 2025
Mover:	Sam Broughton
Seconder:	Dan Gordon
Outcome:	Approved

1.4 Action List

Due Date	Action Title	Owner(s)
22 Aug 2025	Action **Status:** In Progress	Hamish Riach, Maree McNeilly

Options for a Canterbury Building Consent Authority
The Chair updated members on his discussion with Minister Penk, the key message being the Ministers desire to see councils working together. The recent announcement of a private Building Consent Authority based initially in Selwyn was noted.

Wilde and Winder report – review of functions – discussed at item 4.6

Regional Deal – discussed at item 2.1.

2. For discussion and decision

2.1 Canterbury Regional Deal

The Chair introduced this item and invited Jesse Burgess, Regional Deal working group member, to provide an update on the approach taken to date on the development of a future regional deal for Canterbury, noting the work and associated funding that would be required.

The Chair conveyed Waimate District Council's concern regarding any extra funding requirements this would place on member councils.

While the Government has advised (informally) that they are not expecting additional regional deal proposals at this time, there is still a need to consider what information will be provided to the Minister later this year, as set out in the CMF letter to the Minister in February – this could be a high-level overview of the components of a regional deal as set out in paragraph 31 of this paper, and should also include potential funding tools, regulation and legislative changes being sought (if appropriate).

Regarding discussions with Papatipu Rūnanga, the Chair advised that at this stage four Papatipu Rūnanga have expressed an interest in working with the Canterbury Mayoral Forum on a regional deal, and also for wider conversations on whole of Canterbury priorities such as housing and transport.
To date the Chair has met with Tania Wati (Te Rūnanga o Ngāi Tūāhuriri) and spoken with Dardanelle McLean-Smith (Waihao Rūnanga) and intends to meet individually with the remaining Rūnanga in the next few weeks.

Discussion on the merits of progressing a pathway to a regional deal to meet the August/September 2025 timeline that the CMF has signaled to central government, and the budget implications of this versus a full regional deal included:

- while the Government has advised (informally) that they are not expecting additional regional deal proposals at this time, the Minister has indicated an expectation for a regional deal proposal from Canterbury at some point
- the CMF letter to the Minister in February signaled an intention to submit further development of a regional deal proposal in late 2025
- option to submit a pathway to a regional deal - with a focus on transport (including funding tools and prioritised initiatives that will unlock regional growth initially), and signal other key areas of energy, spatial planning and housing, infrastructure, tourism

- budget to support development of a regional deal will need to be considered by each council. With 2025/26 Annual Plans already adopted, any additional funding and in-kind support will need to be considered in the following financial year
- a primary focus on what is good for Canterbury, and taking a long term approach
- transport needs across the district and the case for additional government funding to meet these are well advanced. This could form the basis of an initial pathway to a regional deal, whilst signaling other areas including energy, tourism, spatial planning and housing. The work required in the additional areas would then be subject to individual planning and budget processes in the next financial year
- acknowledgement of the changes to come in the Resource Management Act reform, and the likely requirement to develop regional spatial plans
- consensus that is important to signal Canterbury's presence at this early stage
- aspects of the approach used by Chatham Islands "Island deal" were shared, including utilising the DIA template, alignment with infrastructure needs, with a focus on keeping the proposal simple
- noting that in-kind resource has served us thus far, but this next stage will require support from the Economic Development Forum members and in particular the region's Economic Development Agencies. There was acknowledgement that the volume of work required in the discovery stage may need some outsourcing. This will need to well scoped, and budget identified.
- discussion regarding budget for this work was deferred until item 4.5.

ACTION

Mayor Monique Croon to forward the Chathams Island Deal information to Secretariat.

Due Date:	30 Jun 2025
Owner:	Mayor Monique Croon

Decision

The Canterbury Mayoral Forum:

1. noted the work to date on developing a regional deal proposal and provide feedback on the approach taken
2. endorsed the development of a pathway to a regional deal to come back to the August 2025 Canterbury Mayoral Forum meeting for approval
3. notes that this will require in-kind resource support from individual councils.

Decision Date:	30 May 2025
Mover:	Dan Gordon
Seconder:	Sam Broughton
Outcome:	Approved

2.2 Waitaha Canterbury Regional Housing Strategic Plan

Introducing the paper Sharon Mason, Chair of the Economic Development Forum acknowledged in particular the contribution from Simon Hart in the Housing workstream and Jesse Burgess across multiple workstreams.

The key regional housing priorities were noted. Feedback included:

- land affordability is a significant barrier, options for mitigating this to be highlighted, such as leasing, zoning, covenants, National Policy Statement - Urban Development, funding for new infrastructure

- highlight priority tools for central government to address land affordability and availability such as GST on new builds
- part of a regional deal could include seeking government contribution such as through restructuring council debt to enable councils to support housing growth
- consider inclusionary zoning, noting that individual councils may or may not wish to utilize this tool
- include managed retreat and tools to assist affected communities
- prioritizing the top 3-5 in the list of tools and levers so there is a clear ask from the report
- acknowledging some of the levers are already within council remit – policy settings around density and land availability.

Decision

The Canterbury Mayoral Forum:

1. provided feedback on the draft Waitaha Canterbury Regional Housing Strategic Plan, with particular focus on the proposed actions for the Canterbury Mayoral Forum
2. endorsed the draft Waitaha Canterbury Regional Housing Strategic Plan for its completion and approval at the Canterbury Mayoral Forum meeting in August 2025.

Decision Date:	30 May 2025
Mover:	Neil Brown
Seconder:	Gary Kircher
Outcome:	Approved

2.3 Canterbury Energy Workstream

In introducing the paper Sharon Mason, Chair of the Economic Development Forum acknowledged the in-kind contribution for member councils, in particular from Environment Canterbury (Jesse Burgess and Tammy Philips) and the Regional Public Service Commission (Vania Llewell).

Development of the inventory included a stakeholder workshop and there was significant buy-in from the sector in this work. There is a strong desire from the sector that this work continue with the development of a future energy strategy for the region. The sector has indicated their willingness to contribute resources to continue to support this work.

Due to the strong in-kind work from the Regional Public Service Commission and Environment Canterbury there is still budget remaining from the original $50,000 committed for this work to support the first part of phase two - developing a regional approach to energy with key sector stakeholders.

It was confirmed that ongoing central government in-kind support through the Regional Public Service Commission is available over the next six months and this, along with the remaining budget, will provide the ability to progress the work to the next stage.

Budget requirements outside of what is currently committed will be developed to be considered through future Council Annual Plan processes.

Discussion included:

- no reference to nuclear energy, noting that in the next phase all energy sources will be explored, and noting New Zealand’s current policy on nuclear energy
- energy workstream to be a key component of the draft regional deal proposal (see item 2.1) and needs to take into consideration spatial planning and housing strategy work
- raising the opportunity for central government to provide incentives for alternative energy generation such as household solar energy on new builds

- amend reference to hydro dams to reflect that these are shared across territorial authority boundaries, and maps to show whole of Waitaki district
- acknowledging the importance of an energy strategy in giving long-term confidence to the sector with its large-scale capital investments.

Decision

The Canterbury Mayoral Forum:

1. approved the draft Canterbury Regional Energy Inventory, subject to any minor modifications
2. delegated approval of minor modifications to the Chairs of the Regional Energy Inventory Steering Group and Canterbury Economic Development Forum
3. noted that the Canterbury Regional Energy Inventory will be circulated to stakeholders and published on the Canterbury Mayoral Forum website in June 2025
4. noted that an accompanying summary infographic has been drafted for publication alongside the Canterbury Regional Energy Inventory
5. endorsed the recommended approach to the next phase of the regional energy work for the Canterbury region, including the multi-stage process and approved the use of the remaining $40,000 budget for this work, noting the in-kind resourcing requirements
6. noted that a Scope of Work for the next phase of the regional energy work would be developed by the Canterbury Economic Development Forum in mid-2025.

Decision Date:	30 May 2025
Mover:	Dan Gordon
Seconder:	Craig Mackle
Outcome:	Approved

2.4 Canterbury Climate Partnership Plan

Dan Gordon, Chair of the Canterbury Climate Champions Reference Group introduced the paper, acknowledging the progress made to date on implementation of key actions and summarised the background to the recommendations, including the repurposed role of the Canterbury Climate Action Planning Reference Group as the Canterbury Climate Champions Reference Group.

Discussion included:

- action 6 – include the discussions the Chair is currently having with individual Rūnanga, and reference to all Mayoral Forum members engaging with their local rūnanga
- the infeasibility of the CMF developing or administering a Canterbury Climate Commitment Scheme to spur local business into climate action, noting the multitude of existing similar initiatives
- noting Environment Canterbury is currently reviewing the Tuia agreement, to be finalised at the end of this term. Recent strategic position statements were agreed by council on a range of matters, including relations with mana whenua and these can be shared with the Forum.

Action

Secretariat to prepare key speaking points from the CCPP for councils to utilise when having discussions with local rūnanga

Due Date:	30 Jun 2025
Owner:	Amelia Wilkins

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Action

Environment Canterbury to share the Tuia agreement review with member councils and strategic position statements with CMF.

Due Date: 30 Jun 2025
Owner: Craig Pauling

Decision

The Canterbury Mayoral Forum:

1. received the quarterly Canterbury Climate Change Partnership Plan progress report
2. approved the implementation overviews for key actions 2 (emission reduction) and 3 (adaptation planning) and action 6 (supporting councils to work with papatipu rūnanga)
3. approved the recommendation with respect to action 8.2, it is not feasible for the Canterbury Mayoral Forum to develop or administer a Canterbury Climate Commitment scheme
4. approved the proposal to repurpose the Canterbury Climate Action Planning Reference Group as the Canterbury Climate Champions Reference Group and the updated terms of reference.

Decision Date: 30 May 2025
Mover: Nigel Bowen
Seconder: Karen Morgan
Outcome: Approved

3. KAI - Morning tea

3.1 Kai - morning tea

4. For discussion and decision

4.1 Canterbury Water Management Strategy - Zone Review

Cameron Smith, Senior Strategy Manager Environment Canterbury, joined the meeting for the Water Management Strategy items.

Craig Pauling introduced the paper noting that the review has been a large piece of work, and there has been a wide range of feedback from individual councils and rūnanga. The aim has been to put forward a model for CMF consideration that provides the flexibility that has been requested and is able to be tailored as required across the region as required.

It was noted that the use of Freshwater Management Units is a new approach, currently set out in the draft Regional Policy Statement – the FMUs are developed based on catchments or sub-catchments and can be logically combined.

Discussion included:

- Neil Brown reiterated the Ashburton district view that rather than a three leg stool, Ashburton consider a fourth leg of community representation be added from the outset, and that the water zone is based on the local authority boundary
- noting that while the three statutory partners are listed initially – territorial authority, rūnanga, regional council, if the local water zone committee wishes to have community representation, or any other representation, they are able to include these as an equal partner

- consideration of how to effectively include major rivers, such as the Rangitata, if Zone Committees are based on local authority boundaries, and support for the alpine rivers to be addressed more effectively in the refreshed model
- a view that a catchment basis makes sense, noting that there may be cross over with councils and rūnanga, who may be involved in more than one Water Zone Committee
- timing of the new structure, noting that as it is late in the Annual Plan process, it could be likely that the current structure is retained, with local community consultation undertaken in the next Annual Plan
- noting that going forward eight rather than ten Water Management Zone Committees are proposed
- the aim is to have discussions with councils concluded by the end of the year, and an undertaking was given that liaison with Ashburton District Council would be scheduled early in this process.

Decision

The Canterbury Mayoral Forum:

1. received the progress update for the Canterbury Water Management Strategy Zone Committee Review and identified next steps to be undertaken to early 2026
2. endorsed the Working Group's recommendations for the design of the proposed local leadership groups.

Neil Brown requested that his dissenting vote be recorded, along with acknowledging the undertaking from the Environment Canterbury Chair that individual Water Zone Committees have the power to have community representation on their committee.

Decision Date:	30 May 2025
Mover:	Craig Pauling
Seconder:	Nigel Bowen
Outcome:	Approved

4.2 Canterbury Water Management Strategy update

Craig Pauling introduced the paper, noting the progress towards implementing the Canterbury Water Management Strategy over the last quarter.

Action

Cameron Smith to provide an update to Mackenzie District Council on the resourcing for the Te Mōkihi programme.

Due Date:	30 Jun 2025
Owner:	Regional Forums Secretariat

Decision

The Canterbury Mayoral Forum:

1. received the update for January to March 2025 on the region-wide work underway to implement the Canterbury Water Management Strategy.

Decision Date:	30 May 2025
Mover:	Nigel Bowen
Seconder:	Sam Broughton
Outcome:	Approved

4.3 Canterbury Water Management Strategy - targets progress report

In the absence of Gerard Cleary (Canterbury Operations Forum - Waimakariri) Cameron Smith presented the paper outlining the final draft Targets progress report 2025.

Discussion included:

- context around how the initial targets were established
- while noting number of targets are showing as “not met”, there will be opportunities going forward for Water Zone Committees to be more closely involved in progressing targets
- caution is needed regarding changing targets to ensure comparison with 2021 targets is not compromised
- there is an opportunity to focus on this work, particularly in light of the central government changes to freshwater management.

Action

Confirm if 2021 CWMS targets results will remain visible and will be archived once the 2025 updates are made, noting this information is available on the Environment Canterbury website.

Due Date: 30 Jun 2025
Owner: Maree McNeilly

Decision

The Canterbury Mayoral Forum

1. provided feedback on the Canterbury Water Management Strategy’s final draft online Targets Progress report 2025
2. endorsed the Canterbury Water Management Strategy’s final Targets Progress report 2025 for release mid-June, subject to feedback, supported by a communications plan developed by Environment Canterbury
3. noted the future work needed to be undertaken to improve reporting for 2030.

Decision Date: 30 May 2025
Mover: Sam Broughton
Seconder: Craig Mackle
Outcome: Approved

4.4 2026-2028 Triennium preparation

Discussion on the 2026 – 2028 triennial agreement included:

- the work being undertaken on a Canterbury regional deal and the associated workstreams will be the main focus of the next triennium and may effectively form the Plan for Canterbury going forward
- discussion will be needed on future structure of local and regional governance going forward
- opportunities for greater integration with the Greater Christchurch Partnership could be explored, including a standing agenda item for GCP members to update on GCP activity. It was also noted all agendas and minutes can be found on the GCP website and all meetings are now livestreamed
- opportunities for greater engagement with rūnagna, noting that an annual meeting with all 10 rūnanga representatives would be welcomed as a starting point, and that moving to some form of formal agreement may be possible in the future

- an opportunity for members to take the draft 2026-2028 triennial agreement to their councils in July 2025 to provide any feedback prior to the final draft agreement going back to the Mayoral Forum in August.

Action

Add a standing item on Canterbury Mayoral Forum agenda – Greater Christchurch Partnership.

Due Date: 30 Jun 2025
Owner: Regional Forums Secretariat

Action

Forward members links to the Greater Christchurch Partnership meeting agendas and minutes.

Due Date: 30 Jun 2025
Owner: Maree McNeilly

Action

Draft a council paper to support seeking early feedback on the draft 2026-2028 triennial agreement from individual councils.

Due Date: 30 Jun 2025
Owner: Maree McNeilly

Action

Provide information on the Canterbury Mayoral Forum and Triennial Agreement for Council induction processes post election (included in briefing packs for new members).

Due Date: 30 Jun 2025
Owner: Maree McNeilly

Action

Engagement with Rūnanga – members to send views to Secretariat on options to for more effective engagement with Rūnanga.

Due Date: 30 Jun 2025
Owner: Regional Forums Secretariat

Decision

The Canterbury Mayoral Forum:

1. discussed and provided feedback on the draft Canterbury Local Authorities' Triennial Agreement 2026-2028 and strategy options for the upcoming term.

Decision Date: 30 May 2025
Mover: Nigel Bowen
Seconder: Craig Mackle
Outcome: Approved

4.5 Regional forums budget July 2025 - June 2027

Members were alerted to an error in the budget format where values in tables 1 and 2 should be summed. Table 1 only refers to councils' commitments to the Canterbury Climate Partnership Plan, Table 2 only refers to funds for the additional items as discussed in the paper.

Given discussions on the content and timing of a number of workstreams it was agreed that this item be deferred until the August 2025 CMF meeting.

4.6 Future regional and local government for Canterbury

Hamish Riach summarised progress on the opportunities the Canterbury Mayoral Forum identified at the February meeting with respect to opportunities for future local government arrangements for Canterbury:

Building Consent Authority
A sub-group of Chief Executives has progressed work on a regional building consent authority, initially undertaking a stock take of councils' current building consent activity.
A budget, or in-kind support is required to undertake the analysis of the information provided by councils and the policy and regulatory framework related to a BCA.

Chief Executives have reviewed the functions outlined in the Wilde and Winder Report and consider that rather than reviewing individual functions at this time, efforts may be better concentrated on understanding the impact of the Government's reform programme on local government while continuing to work through opportunities to work collaboratively as they arise.

Discussion included:

- as the Canterbury Mayoral Forum continues to look for efficiencies for ratepayers, the Building Consent Authority work and a wider review of potential functions that could be considered for regional or sub regional delivery should continue
- a "coalition of the willing" approach is more likely to produce results
- with regard to the future of local government in Canterbury the opportunity for a facilitated workshop to progress this discussion was raised
- Chair Pauling noted that Environment Canterbury is already doing work in this space. There are conversations happening at Te Uru Kahika – Regional and Unitary Councils Aotearoa and with other South Island regional and unitary authorities. He noted that he is very happy to share these with members
- noting that central government ministers have commented on the number of local government elected members and there is talk about reducing the number going forward
- being proactive may mean the region has more of a say about the form of local government going forward
- central government is proposing amendments to the Local Government Act
- Forum members can continue to discuss options going forward.

Action

The Chief Executive sub-group to report back to the Chief Executive Forum in July 2025 and the August 2025 Mayoral Forum meeting on options with regard to a regional building consent authority.

Due Date: 30 Jun 2025
Owner: Maree McNeilly

Decision

The Canterbury Mayoral Forum:

1. noted the update on the Building Consent Authority Project
2. endorsed the initial budget of $20,000 to progress the Building Consent Authority project

3. agreed to continue to look at opportunities to work collaboratively as they arise.

Decision Date: 30 May 2025
Mover: Nigel Bowen
Seconder: Sam Broughton
Outcome: Approved

Action

Future regional and local government for Canterbury

Secretariat to arrange for a facilitated workshop to be held for Forum members to further explore options for local government futures for Canterbury.

Due Date: 30 Jun 2025
Owner: Maree McNeilly

5. For information

5.1 Chief Executives Forum report

This paper was taken as read.

Decision

The Canterbury Mayoral Forum:

1. received the quarterly report from the Chief Executives Forum
2. noted updates on work underway or completed on key actions in the Canterbury Mayoral Forum's Plan for Canterbury 2023-2025.

Decision Date: 30 May 2025
Mover: Nigel Bowen
Seconder: Sam Broughton
Outcome: Approved

5.2 Mayoral Forum Activities and Engagements

This paper was taken as read.

Decision

The Canterbury Mayoral Forum:

1. received the update on Canterbury Mayoral Forum activities, engagement s and correspondence since the Forum's last meeting on 14 February 2025.

Decision Date: 30 May 2025
Mover: Nigel Bowen
Seconder: Sam Broughton
Outcome: Approved

6. General business

6.1 General business

Mayors Taskforce for Jobs (Mayor Brown)

The flow on effect of central government's changes to the eligibility for access to the Mayors Taskforce for Jobs (MTFJ) was discussed. Central Government policy dictates that recipients are

80 percent from jobseeker beneficiaries and only 20 percent 16-17 year olds (NEETS) (who are unable to receive jobseeker benefit) and members are concerned that this is setting up the scheme for failure.

The MTFJ has been very successful in supporting 16-17 year olds (NEETS) into jobs.

There is a concern that referrals from MSD will be those already difficult to place into employment. It was agreed that this is likely to reduce the effectiveness of the scheme and reduce funding for councils.

There is a real the concern from members around the table that these teens, who have a real chance to succeed with early interventions and support, are likely to slip through the cracks. It's not just about the funding.

It was noted that Selwyn have already pulled out of the scheme and others are considering their continued support as a result of this policy change.

Local Government Metrics - DIA data (Mayor Broughton)

Mayor Sam Broughton provided an update on conversations between LGNZ and DIA on the release of Local Government metrics.

LGNZ has received some concessions from DIA -in particular providing links to respective councils' websites. There are concerns around the timing of the release of data and that there does not appear to be any appetite to add context for the data.

Conversations are continuing between LGNZ, DIA and the Minister for Local Government.

CMF meetings open to the public/livestreaming

Prompted by a recent enquiry members discussed the matter of CMF meetings being open to the public and/or live streaming. No conclusion was reached at this time, noting it may be something to be considered in the new triennium.

Genetic Engineering national conversation

The Chair asked if there any support from the CMF to support the current national discussion on genetic engineering, noting this could be an opportunity for a Canterbury view to be articulated. The Chair will circulate further information to CMF members.

Action

Mayors Taskforce for Jobs

Draft a CMF letter to Minister of Social Development outlining the concerns with the new policy direction of the Mayors Taskforce for Jobs scheme - for signature by all members.

Due Date: 30 Jun 2025
Owner: Regional Forums Secretariat

Action

Genetic Engineering national conversation

Chair to circulate summary information from William Rolleston to CMF members.

Due Date: 30 Jun 2025
Owner: Nigel Bowen

6.2 Meeting review

6.3 Closing karakia

7. Kai - lunch

7.1 Lunch

8. Close Meeting

8.1 Close the meeting

Next meeting: Canterbury Mayoral Forum - 22 Aug 2025, 8:30 am

Signature:_____ **Date:**_____

3. Finance

3.1 Financial Report

Date of meeting	19 June 2025
Agenda item number	3.1
Author/s	Paul Eagle, Chief Executive / Tanya Clifford, ECan

Purpose

To present to the Performance, Audit & Risk Committee the financial report as at 31 May 2025.

Recommendations

That the Chatham Islands Council receives the report.

Chatham Islands Council - Council cash financial report year-to-date transactions

Report to 31 May 2025

Year to date 'cash' transactions for twelve months	Revenue	Expenditure	Net surplus/ (loss)	Capital	Cash surplus/ (loss)
Leadership & community partnerships	-	106,343	(106,343)	-	(106,343)
Transportation, roading & coastal networks	3,795,940	2,066,465	1,729,475	2,704,911	(975,436)
Roading	3,774,863	2,007,708	1,767,156	2,704,911	(937,756)
Coasts	21,076	58,757	(37,681)	-	(37,681)
Three waters supply & treatment - potable water	524,999	198,823	326,177	-	326,177
Three waters supply & treatment - wastewater	105,312	173,194	(67,882)	-	(67,882)
Waste management & minimisation	103,185	726,987	(623,801)	-	(623,801)
Community development & emergency response	1,027,769	1,214,238	(186,469)	-	(186,469)
Community services	603,504	615,269	(11,765)	-	(11,765)
Petrol	424,265	432,447	(8,182)	-	(8,182)
Emergency services	-	166,522	(166,522)	-	(166,522)
Environmental protection, compliance & planning	119,687	426,632	(306,946)	-	(306,946)
Biosecurity and animal control	15,465	360,052	(344,587)	-	(344,587)
Resource management and regulatory	104,222	66,581	37,642	-	37,642
Corporate services and other overheads	4,887,991	1,309,019	3,578,972	24,087	3,554,885
Corporate services	684,991	1,309,019	(624,028)	24,087	(648,115)
Annual appropriation	4,203,000	-	4,203,000	-	4,203,000
Totals	**10,564,883**	**6,221,701**	**4,343,182**	**2,728,998**	**1,614,184**

All figures are 'cash' based and exclude year-to-date depreciation budgeted at $2,100,000 for the year.

Notes:

Leadership & community partnerships	Includes Councillor honorarium. No issues of note.
Transportation, roading & coastal networks	Roading projects on track. NZTA subsidy rate remains at 88%.
Three waters supply & treatment - potable water	Three waters - better off funding grants have been received. Revenue relates to retrospective payment from 2024 expenditure. Water expenditure appears seriously below budgeted levels, which could have potential ramifications on the asset condition and Council's ability to supply safe drinking water to the community.
Three waters supply & treatment - wastewater	Expenditure on wastewater works, appears slightly below budget; perhaps reflective of Council's funding restrictions. Delayed expenditure will further impact on the levels of service Council is able to provide and increases the risk of asset failure, due to lack of investment in critical asset maintenance.
Waste management & minimisation	Waste management expenditure tracking slightly above budget. Waste management includes new activities and is therefore difficult to estimate ongoing costs.
Community development & emergency response	Primarily Council office rental expenditure. The water tank project remains ongoing, these costs were not incorporated into the budget for 2024/25. Noting petrol stock on hand, petrol transactions are positive for the year, logistical challenges have impacted on petrol expenditure costs; return on investment approximately 6%.
Environmental protection, compliance & planning	No issues of note to report, works primarily performed by ECan, with delays finalising the service contract, some levels of service have been impacted or delayed.
Corporate services and other overheads	Annual budget is $1.9 million, some overhead expenses have increased significantly, such as consultant fees, legal fees, audit fees and insurance costs. Consultation fees includes consultation works related to 30-year plan/regional deal and CIET consultation process, which are unlikely to continue into the future, other costs are likely remain at a higher level.

Chatham Islands Council - Council cash financial report year-end forecast (continued)

Report to 31 May 2025

Remaining 'cash' difference to budget for nine months	Revenue	Expenditure	Net Surplus/ (loss)	Capital	Cash surplus/ (loss)
Leadership & community partnerships	-	174,686	(174,686)	-	(174,686)
Transportation, roading & coastal networks	778,935	306,126	472,809	543,089	(70,280)
Roading	740,936	271,126	469,809	543,089	(73,279)
Coasts	38,000	35,000	3,000	-	3,000
Three waters supply & treatment - potable water	-	19,671	(19,671)	-	(19,671)
Three waters supply & treatment - wastewater	3,368	24,282	(20,914)	-	(20,914)
Waste management & minimisation	1,364	26,668	(25,304)	-	(25,304)
Community development & emergency response	19,599	537,770	(518,171)	-	(518,171)
Community services	-	321,949	(321,949)	-	(321,949)
Petrol	-	-	-	-	-
Emergency services	19,599	215,822	(196,223)	-	(196,223)
Environmental protection, compliance & planning	106,086	658,679	(552,592)	-	(552,592)
Biosecurity and animal control	106,086	347,082	(240,996)	-	(240,996)
Resource management and regulatory	-	311,597	(311,597)	-	(311,597)
Corporate services and other overheads	50,405	680,640	(630,235)	-	(630,235)
Corporate services	50,405	680,640	(630,235)	-	(630,235)
Annual appropriation	-	-	-	-	-
Totals	**959,757**	**2,428,522**	**(1,468,764)**	**543,089**	**(2,011,853)**
Expected annual transactions	**11,524,640**	**8,650,223**	**2,874,418**	**3,272,087**	**(397,669)**
Annual Plan/Budget	**10,755,756**	**7,392,776**	**3,362,980**	**3,748,000**	**(385,020)**

Highlighted orange cells indicate instances where the actual transactions exceed budget; roading works have transferred expenditure allocation between capital and operational spend.

Highlighted purple colours reforecast for timing adjustments - NKMR grant held in Trust, EM water tank insulation project.

All other transactions assumed to be in line with budget. Where actual expenditure exceeds budget, this will have a detrimental impact on the cash balance.

Chatham Islands Council - Council financial report benchmarks (continued)

Report to 31 May 2025

Ratio or measure of sustainability	Achieved?	Target	May	March	December
Cash management:					
Available cash (overdraft)	Yes	> -$150k	637,180	432,528	1,538,808
Total cash (overdraft)	Yes	> $200k	1,025,416	853,220	1,959,500
Working capital ratio (ability to pay our bills)	Yes	> 1	1	2	4
Operating cash performance:					
Net cash movement for period (2024/25)	Yes	> $0	1,136,660	964,464	2,070,744
Operating performance (cash flow) ratio	Yes	> 5%	10%	8%	22%
Adjusted balanced budget (cash) ratio	Yes	> 100%	118%	124%	148%
Asset replacement:					
Asset sustainability ratio	Yes	> 85%	142%	173%	202%

Notes:

Note, for the May report, due to timing of data extraction, payments for May have not been run, so the cash position appears to be more favourable than Council's actual cash position.

In the initial part of the year, the Council experienced high cash liquidity and positive reporting targets. This is a reflection of the Council receiving the full annual appropriation in July for the 2024/25 financial year. The trend of these sustainability targets shows a general decline in most targets, although currently all are above targeted levels, with the creditor balance currently at $710k, noting some larger transactions for May are still to be processed.

Future 'committed' projects - such as the water tank project and some better off funded projects (where cash has already been received), may pull further on Council's resources.

Both the budget (highlighted yellow) and the revised cash estimate (highlighted red) show expected cash outflows to exceed cash inflows by almost $400k for the year ended 30 June 2025, assuming expenditure does not exceed budgeted levels.

This situation requires Council's urgent attention, with a areas of cost reduction to be identified and implemented without delay to ensure Council can sustainably operate.

Formulas:

Working capital ratio (ability to pay our bills)	*=(SUM(cash and debtor assets, excluding JV)/(SUM(creditors, excluding loan balances*
Net cash movement for period (2023/24)	*=(Total current bank balance)-(Total bank balance 2022/23)*
Operating performance (cash flow) ratio	*=(Total current bank balance)/(Total operating revenue for the period)*
Adjusted balanced budget (cash) ratio	*=(Total operating revenue for the period)/(Total operating expenditure & capital for*
Asset sustainability ratio	*=(Total capital expenditure for the period)/(Total depreciation for the period)*

Highlighting rules:

Ratio within benchmarked expectation	Yes	Ratio not within benchmarked expectation	No
Ratio within +/- 2% of benchmarked expectation	Acceptable		

3. Finance

3.2 Annual Plan 2025/26

Date of meeting	19 June 2025
Agenda item number	3.2
Author/s	Paul Eagle, CIC Tanya Clifford, ECan

Purpose

Having regard to the decision-making provisions within the Local Government Act 2002, for the Council to approve the draft 2025/26 Annual Plan for adoption. Noting, Council's disclosed financial situation and recommended proposed response. For clarity:

- The current budget estimates Council will exceed the cash overdraft limit by 30 June 2026. It is proposed to not adjust the budget, as areas and amounts for reduction have not been identified. Rather, cost reductions will need to be achieved during the year (or alternative revenues secured) for Council to be financially sustainable. Actual amounts for reduction will depend on the opening cash balance as at 1 July 2025 along with consideration of the June 2025 debtor and creditor balances.
- The 2025/26 budget was prepared based on the assumptions detailed in the 2025/26 Annual Plan document.
- The proposed capital expenditure for 2025/26, is limited to roading works as agreed in the roading plan.
- The impact of the three water reforms on the Chatham Islands Council is unclear, but asset ownership and management responsibility is assumed to sit with Chatham Islands Council for the 2025/26 financial year.

Recommendations

That the Council:

1. **Receives the draft 2025/26 Annual Plan.**
2. **Approves the disclosed budget approach, including the implications on the balanced budget disclosure.**
3. **Approves the underlying assumptions applied in the 2025/26 Annual Plan**
4. **Approves the proposed capital expenditure detailed in the 2025/26 Annual Plan, while noting that further capital expenditure may occur if grant funding is secured.**
5. **Notes a financial surplus is expected and therefore confirms the balanced budget assumption is met, in accordance with section 100 (2) of the Local Government Act 2002. Noting from a cash perspective, further savings are required to not exceed Council's overdraft by 30 June 2026.**
6. **Approves the 2025/26 budget and Annual Plan, subject to further cost saving initiatives being implemented. Noting a work programme to address ongoing financial deficits will be a regular item for the Performance Audit and Risk Committee.**
7. **Delegates authority to the Chief Executive to approve and action minor editorial corrections to the approved 2025/26 Annual Plan.**

Background information

The Long-Term Plan (LTP) is a planning document required under the Local Government Act 2002 that sets out a Council's priorities in the medium to long term. Whilst the plan is for a 10-year period, the document is revised every three years. The purpose of the Long-Term Plan is to –

- Describe the council's activities and the community outcomes it aims to achieve.
- Provide integrated decision-making and coordination of the resources.
- Provide a long-term focus.
- Show accountability to the community.
- Provide an opportunity for participation by the public in council decision-making processes.

An Annual Plan is completed between Long-Term Plan cycles focusing on an annual budget. Councils prepare an Annual Plan in each of the two years between LTP reviews and sets out in them what the council plans to do in the next 12 months to move towards achieving its goals set in the LTP. These plans are adopted before the start of the financial year in July.

Information communicated previously

Council initially received and reviewed the draft budget for the 2025/26 Annual Plan in April 2025 and were asked to consider whether the changes to the draft 2025/26 budget were significantly or materially different to that estimated in the 2024-34 Long-Term Plan for that year. It was considered there was no significant difference, and therefore formal community consultation on the difference between year two of the Long-Term Plan and the 2025/26 Annual Plan was considered unnecessary.

It was noted that the level of support from the Department of Internal Affairs' annual appropriation would not be confirmed until May 2025. In May 2025, the annual crown contribution was confirmed at $4.2 million.

As part of the 2024-34 Long-Term Plan, to assist with Council's financial viability, the following adjustments to the 10-year budget were agreed:

- To assist with ongoing financial sustainability and to closer align with rates charged by comparative Councils over the 10-year period; Council approved a rating increase approach of an inflation adjustment plus a 3.5% increase.
- The 2024-34 budget identified an estimated annual cash shortfall of approximately $500k per annum. The approach at the time was to reduce expenditure within the budget, with areas and amounts of cost reduction to be determined later. Due to the lack of certainty related to expenditure cost saving reductions, this approach was not supported by Audit New Zealand and was a point of emphasis in their audit opinion. Consequently, amending the budget to reflect unconfirmed cost savings is not recommended for the 2025/26 Annual Plan.
- Similar to the situation with the 2025/26 Annual Plan, the Long-Term Plan achieved an expected surplus every year, meaning the 'balanced budget' assumption was met. However, because a portion of grant funds were used for capital works, there was an unfavourable impact on cash. The balance budget assumption disclosure was amended to reflect this, with the 2025/26 Annual Plan disclosure updated to reflect a similar position.

The 2025/26 Annual Plan has incorporated all feedback previously provided from Council. In addition, the Local Government Act 2002, Local Government (Rating) Act 2002 and financial reporting standards have been reviewed to confirm the 2025/26 Annual Plan complies with these requirements.

Balanced budget

In accordance with Section 100(1) of the Local Government Act (LGA) 2002, Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

However, Section 100(2) of the LGA allows Council to resolve that it is financially prudent to set projected operating revenues at levels less than what would be required to meet projected operating costs, having regard to the following:

a. The estimated expenses of achieving and maintaining the predicted levels of service provision set out in this LTP, including the estimated expenses of maintaining the service capacity and integrity of assets throughout their useful life;
b. The projected revenue available to fund those expenses;
c. The equitable allocation of responsibility for funding the provision of and maintenance of assets throughout their useful life; and
d. The funding and financial policies adopted under Section 102 of the LGA.

Deteriorating financial position

For the 2025/26 Annual Plan, a surplus of **$1.4 million** is expected, along with a negative cash movement of **$0.6 million** and a decrease in reserves of **$0.5 million**. While the balanced budget assumption is met, the ongoing situation of reserve funding capital works and the impact on the bank balance is now starting to be experienced. Further review to identify additional cash savings or alternative revenue avenues are advised to be investigated for the 2025/26 financial year to ensure the Council can continue to operate in a financially sustainable manner.

It is noted in preparing the budget, the annual appropriation from the Department of Internal Affairs has impacted on the Council's deteriorating cash position, with committed costs exceeding the level of support provided.

The Council's ongoing financial viability is currently uncertain, due to the ongoing impact of historical cash losses and lack of cash efficiency savings made in the 2024/25 financial year. For Council to continue to operate, actual reductions in cash expenditure (or alternative revenue sources) will need to be secured, as was forecast in the 2024-34 Long-Term Plan and highlighted throughout the 2024/25 year as part of Council's financial reporting packs.

As mentioned above, the expected cash loss for the 2025/26 financial year, is **$0.6 million.** The Council's overdraft facility is currently $0.5 million. Depending on the opening cash balance along with debtor and creditor balances, combined with the level of overdraft Council is willing to go into, will depend on the level of cash savings needing to occur in the 2025/26 financial year. It is noted, in reducing expenditure, it is likely this will impact on the levels of service Council can provide to the community and potentially have other legislative compliance ramifications.

A comprehensive programme is being developed to address and work through these issues noted above. This information will be reported as part of future Performance, Audit and Risk agendas.

It is considered Council is no longer in the position where it can sustainably fund a cash loss, as it has previously and therefore in addition to reducing expenditure, Council will need to work with central government agencies to ensure sufficient funding is secured to cover all operational (and legislative) requirements, including capital works required for the community's health and safety – particularly given the three water reforms on the horizon. This will help to ensure intergenerational equity for the community.

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Chatham Islands Council

Annual Plan 2025/26

Our people, our Islands, our future

About the Chatham Islands

The Chatham Islands are an archipelago located 800km east of New Zealand's South Island. They consist of two main inhabited islands, and several smaller islands within a radius of approximately 50km.

The Chatham Islands are home to several of the world's most threatened bird and plant species. Mangere and Rangatira Islands are nature reserves managed by the Department of Conservation, with access authorised by permit only. They are managed to protect threatened endemic fauna and flora and to restore the indigenous habitats for those animals and plants. Other distinctive environmental elements are also present on the Islands, presenting potential economic benefits to the community from tourism.

Chatham Islands Council is New Zealand's smallest council by population and size. It is also the country's most isolated region. The Council is a unitary authority, having the functions, responsibilities and powers of both a territorial authority and a regional council.

The Chatham Islands face a number of challenges in relation to sustaining their economy, providing an acceptable level of business and population services, and empowering the community to grasp opportunities and determine their future. New Zealand's commercial fishing industry benefits substantially from the thousands of kilometres the Islands add to its exclusive economic zone, but Chatham Islanders themselves share in just a small fraction of this wealth. The Islands rely heavily on the Government to supply essential infrastructure and services, much of which is provided at a minimum level, yet at a high cost per capita. The cost of living and doing business on the Islands is high, constraining the development of local industries and contributing to a declining population.

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Welcome from the Mayor and Chief Executive

Kioranga, kia ora, hello,

It is our pleasure to present our Annual Plan for the 2025/26 year.

This document provides our plan and budget for the upcoming financial year including key projects, finance, and rating information and builds on our vision, goals, and strategies outlined in our 2024-34 Long-Term Plan. Our goal is to create a resilient and sustainable community—one that celebrates diversity and fosters growth for our people and our islands.

In recent years, we've achieved significant milestones together as a community, but we've also faced unexpected challenges like shipping disruptions. Our dedicated staff and contractors have persevered, ensuring essential services continue to reach our community.

Over the next decade, Council will need more funding than ever before to meet your expectations and Central Government legislated requirements. However, our rating base is too small to cover all the work that is required to meet legislative requirements. As such, Council relies significantly on the funding provided by Central Government to operate sustainably. Such reliance is full of uncertainties and requires us to operate within externally determined funding parameters rather than providing services that reflect what you want. We have no certainty of future support, which also limits our ability to invest in our infrastructural assets.

We understand that particularly with a cost-of-living crisis and high levels of inflation, any rates rise will be tough on our ratepayers who are already feeling the stretch. Like many other councils in New Zealand, we're facing challenging times. However, we will strive to make our rates affordable and consider the impact on the community.

Last year, as part of the Long-Term Plan process, Council determined rates increases limited to inflationary movements would be insufficient to cover our rising costs and approved an additional 3.5% annual increase above inflationary adjustments of 3.75% to assist with financial sustainability and to be more in line with what other councils are charging over time. Consequently, the expected rate increase for the 2025/26 financial year is expected to be on average 7.25%.

Council has completed a rating valuation during the year, which will be used to calculate rating charges for the 2025/26 year. Since the district's last revaluation in 2021, the value of residential housing has increased by an average of 34%. The average house value is now at $439,000, while the corresponding average land value has increased by 50% to a new average of $114,000. The updated rating valuations have been incorporated into our rating calculations. On average a ratepayers rate contribution will increase by 7.25% between years. However, if there have been improvements to the land or a significant increase in market value compared with other properties in the area, it is likely those ratepayers will pay a slightly higher contribution. Alternatively for those properties with no significant improvements made over the last three year period or no significant market value increase compared with other properties, it is likely these ratepayers will pay slightly less than the 7.25% average rate increase between years.

From 1 July 2025, Council will initiate a Long-Term Plan Amendment process, aiming for completion by 30 June 2026. This amendment will enable Council to recalibrate its financial and service delivery settings.

- The amendment process will be used as a platform to:
- Introduce a zero-based budgeting approach, ensuring all expenditure is justified from the ground up.
- Clearly define and prioritise Council's core statutory functions, sharpening the focus on essential services.
- Review non-core services to determine their value, affordability, and alignment with community expectations with the view to exiting them as a priority.
- Introduce new fees and charges where appropriate to ensure fair cost recovery and sustainability.
- Resolve historic areas of non-compliance, particularly where regulatory risk has accumulated over time.
- Tackle our legal and infrastructure obligations related to water services, in line with current and emerging regulatory requirements.
- Engage with iwi, imi, the community and central government to co-design future service delivery models and secure appropriate funding pathways.

We will continue to ask Central Government for additional funding, which will allow us to invest in our core infrastructure for the Islands. We have identified several critical asset renewals, which will not be fixed unless additional funding is provided. This means these assets are likely to deteriorate faster over time and the risk of these assets failing is high. If assets like our water or wastewater infrastructure fail,

we will also face negative health outcomes – both for our people and for the environment.

We will face these challenges head on together, like we always do.

Me rongo, ngā mihi mahana, and warm regards,

Monique Croon, Mayor
Paul Eagle, Chief Executive

Our current operating environment

Our reliance on external support

There are strong links between the Chatham Islands and New Zealand. The Chatham Islands have some strategic and economic advantages to New Zealand, in terms of expanding the coastal waterways, improving fishery income and therefore tax.

However, the Chatham Islands are small and are unable to fund Council's activities without support from the New Zealand Government. The Government has agreed to provide ongoing operational support to the Chatham Islands Council, though there is no agreement on what this covers, and currently the level of funding is below levels to meet current legislative requirements.

The options for Council are to either advocate for additional funds from Government (which is not guaranteed) to achieve levels of service comparable to that of mainland New Zealand, or advocate for limitations in scope for the work performed by Chatham Islands Council, as part of the Chatham Islands Council Act 1995. This would mean levels of service may deteriorate over time compared to mainland New Zealand. The latter approach may also relate to unintended consequences.

Will Council be able to meet its statutory obligations?

Chatham Islands Council are not currently compliant with a number of key areas of legislation, and the current level of funding is unlikely to change this position. However, if there are any new standards of legislation, Chatham Islands Council will be unable to meet them without additional funding to do so.

Our non-compliance with legislation

Local Water Done Well

We have a number of assumptions in this space including:

- Chatham Islands Council will own all three water assets and be responsible for all aspects of three water service delivery, including compliance and running costs.
- Another organisation is expected to assist with drafting of a water services delivery plan, by September 2025. However, any future assistance remains unclear. The ownership of assets and management responsibility could stay with Chatham Islands Council. To comply with the Local Government (Water Services Preliminary arrangements) Act 2024, Councils must be able to effectively deliver financially sustainable water services that meets current and future regulations. This may require Council to transfer their water assets or management responsibility to another entity or Council organisation.
- If this is an option, Council will meet its consultation requirements under the Local Government Act 2002 and discuss this situation along with the various options available with the community for their consideration and feedback.
- Future service delivery arrangements, regulations and associate costs are unclear. Current estimates are that operational costs will treble, and further capital investment is needed, which is currently unfunded. Funding for such projects has not been agreed. Previously, support has been provided from central government as part of the annual appropriation or as one-off grant. Future funding has not been confirmed, and therefore the budget has not included these areas, due to its uncertain nature.

There is a significant risk that funding will not be secured for this additional work and ongoing operational costs and therefore the 'workable' options for Council are to either not complete this work and therefore not comply with the new Water Services Act 2021, or advocate for limitations in scope for the work performed by Chatham Islands Council as part of the Chatham Islands Council Act 1995. This would mean levels of service may further deteriorate over time compared to mainland New Zealand. Such an approach may also create unintended consequences, including the likely risk of asset failure/contaminated water supply.

Freshwater

Current practices on the Chatham Islands in relation to farm and freshwater management are behind practices on current mainland New Zealand.

To meet current best practice standards, Council will need to run a large community engagement project to educate and connect residents with the idea of joining Council in the 'freshwater journey' and applying better farm management practices.

Chatham Islands Council does not have sufficient funds or staff to prioritise this work. Therefore, Council is unlikely to be able to achieve compliance with the freshwater policy within the required timeframes. The workable options for Council are to identify areas of the freshwater policy Council believes they are unable to comply with and seek approval from the Government to limit the application of the freshwater policy or not comply with the freshwater policy.

Our non-investment in critical infrastructure

Historically, capital expenditure has only occurred where Central Government support has been provided (either fully or substantially). Consequently, Council has invested in critical infrastructure based on what is affordable, rather than based on good practices.

A significant portion of our three waters assets are approaching the later years of their life and are in very poor condition, which poses a high risk of asset failure and an increased likelihood of adverse public health and environmental outcomes. Furthermore, expected levels of compliance in relation to the current levels provided by our infrastructure will likely increase, meaning the cost to replace our assets will be higher.

Recently, we have been unsuccessful in securing funding for necessary upgrades to our infrastructure. This means our assets have deteriorated further.

We have identified the following critical investments required, which have been excluded from our 2025/26 financial forecast as we have been unable to secure funding to support the work (further details are disclosed in our 2024-34 Long-Term Plan).

- **Waitangi and Te One wastewater upgrade:** The current system is at the end of its useful life and the land application system (where we put the treated wastewater) requires extension. Without adequate treatment, there is a high risk of adverse public health and environmental outcomes.
- **Sludge receival and disposal facility:** This will create a facility for the community that collects, treats, and disposes of septic waste. Removing the current practice of burial in pits and providing an engineered, environmentally sustainable process. This is urgently required.
- **Kaingaroa water renewals (network and treatment plant):** The reticulation network at Kaingaroa is now at the end of its useful life, resulting in frequent pipe breakages and leakages. Council plans to replace the reticulation to minimise the risk of leaks and ingress of

contaminants and conserve the freshwater resource. Upgrades and repairs are also planned to enable compliance with current legislation and best practice.

- **Waitangi and Te One water upgrade:** Waitangi water supply reservoirs have been drained to low levels due to leaks and high demand in summer, which have required water conservation notices to be issued. Therefore, it is critical that issues of supply are addressed for Waitangi. This project will see a new water source, new treatment plant, and additional storage. It will also include an extension of the network to Te One, which includes the Islands' main school and other key community facilities, who are currently not connected to a water scheme.
- **Alternative water source investigation, design and planning for Waitangi, Kaingaroa and Te One:** There is increased demand on freshwater resources, arising from increased tourism and transient workers. In addition, Council desires increased resilience in the face of climate change and drought. Some of our current water sources are not replenishing at sufficient levels to meet future demand and therefore, we need to understand our alternative drinking water sources options available to Council, to increase resilience for our schemes and water resources for the wider island.
- **Works Yard new facility:** Our current works yard is not considered fit for purpose, located in a low-lying coastal area it is more susceptible to weather events and sea level rise. The Council propose to construct a new purpose-built facility at a more suitable location in Waitangi.
- **New landfill space:** Landfills are built in a series of stages. It is anticipated that another stage will be required in 2030/31.
- **Kaingaroa wharf:** The structure has fallen into a state of disrepair, Council has secured some funding to make urgent safety repairs to the wharf, but the structure remains formally closed and is at risk of complete structural failure at any time. Council intends to approach the Government and wharf users for additional support to assist with stabilising the wharf.

Climate change

Our climate is changing, and together with rising temperatures and sea level, we can expect more frequent events including droughts and floods, possible wildfires, threats to biodiversity and biosecurity, alongside a range of social, cultural and economic impacts. We recognise the need to act with urgency to plan for and adapt to climate change and drought risks whilst continuing to undertake mitigation actions, as well as harness opportunities that our changing climate may bring. To some extent, our actions to address the impacts of climate change and drought are incorporated throughout this budget and integrated throughout our work programmes. As always, we need to balance what is affordable and the work we want to do in this space.

Due to cost constraints, Council has elected to self-insure infrastructure assets. In the event of a natural disaster, it is assumed that the New Zealand Transport Agency Waka Kotahi will contribute to any remedial work required on our roading assets. Council further assumes that Central Government will fully contribute towards the rebuild or repair of our other infrastructure assets (drainage, reticulation systems for potable water and wastewater and waste management assets). Council does not have cash set aside to cover any initial outlays required in an emergency event but does have an ability to utilise an overdraft facility, if available. Any cash outlays related to an emergency event would expect to be recovered from Central Government

Cost pressures on the organisation

Cost pressures for the Council from inflationary pressures, changing legislative requirements and expectations from Central Government and the need to invest to address climate change, drought and other environmental challenges continue to put pressure on Council. After hearing from our community, as part of the Long-Term Plan consultation process, Council considered the best method to address these cost pressures was both increasing our income and decreasing our expenditure.

Council has increased rates by an additional 3.5% above expected inflationary adjustments for the island, which has been the historic approach to rate increases. The rates increase for 2025/26 of 7.25% is one of the lowest increases nationally and allows Council to ensure rate consistency with other New Zealand councils over time.

Current levels of expenditure are forecast to exceed levels of revenue, where if expected levels of expenditure were spent, the Council would likely exceed their bank overdraft by 30 June 2026. Consequently, Council has also elected to reduce proposed expenditure on areas yet to be determined. If these savings are not achieved, it may have a detrimental impact on Council's cash position and ongoing financial viability.

Our key capital projects

Roading infrastructure

A programme of capital work for the three-year period ending 2027 has been agreed with the New Zealand Transport Agency Waka Kotahi, with Council receiving a subsidy rate of 88% expenditure. Due to funding constraints, these roading projects, including strengthening works on Maipito Bridge are the only capital works planned for the 2025/26 financial year.

Key changes from our 2024-34 Long-Term Plan

There have not been any significant changes made between Year 2 of the Long-Term Plan 2024-34 and the 2025/26 budget, with most movements related to inflationary movements or increased costs.

Cost pressures placed on Council have resulted in further reductions required to expenditure, given expected levels of financial support. Our budget for 2025/26 currently estimates the cost of meeting basic operational costs on the island. If Council followed this proposed level of expenditure, it would likely result in Council exceeding the bank overdraft limits by 30 June 2026. Consequently, Council has made the difficult decision to direct the Chief Executive to reduce expenditure further during the 2025/26 year, below baseline requirements, to maintain prudent cash management practices. These areas of reduction have not yet been identified. However, such changes are likely to have a significant reduction on the levels of service we can offer to our community.

Our values

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

Community outcomes and council priorities

The following community outcomes summarise what Council believes we need to prioritise to grow and succeed:

Social: resilient community

- Ensure everyone has a sense of belonging and can access information to participate in decision making to help shape the future of the Chatham Islands
- We will build and maintain relationships to strengthen active participation in the best interests of the community
- Communities are prepared and can recover from the changes in the environment, including natural disasters.

Cultural: embracing diversity

- We celebrate our unique identity through arts, culture, heritage, sport and recreation. We will work with imi and iwi to ensure that appropriate regard is made to miheke/taonga and culturally significant matters
- We recognise and value the voices of all cultures and ages within the communities we serve.

Environmental: sustainable action

- Unique ecosystems, landscapes and indigenous biodiversity are valued and stewardship/t'chiekitanga/kaitiakitanga exercised to safeguard our environment for future generations
- The quality of freshwater and coastal water is protected and improved for community wellbeing and ecosystem health
- Living and working environments are sustainable, contribute to healthy communities and minimise waste.

Economic: building growth

- People and goods can move safely and efficiently while reducing impact on the environment
- The economy is supported by appropriate infrastructure that protects people and assets
- We will support growth of a skilled workforce, increased employment, and opportunities for everyone to contribute to and benefit from a vibrant and prosperous economy.

Our financial information

The forecast financial statements of this Annual Plan provide information on the budgets for all of Council and are comprised of:

Our significant forecasting assumptions

The key assumptions made in compiling our financial information are detailed here, including price level adjusters and assumptions with high volatility and an assessment of how the instability will impact on the financial information.

Accounting policies

Accounting policies are compliant with International Public Sector Accounting Standards for Public Benefit Entities (PBE IPSAS) and provide details on how Council applies the standards to the Prospective Financial Statements.

Reserve funds

Reserve Funds detail the funds the Council holds for specific purposes and how the balances of the funds are expected to move between years one and ten of this Plan.

Our prospective financial statements

These statements include the Prospective Statement of Comprehensive Revenue and Expense, Prospective Statement of Financial Position, Prospective Statement of Changes in Equity and Prospective Statement of Cash Flows for Council, which are in all annual plans and reports.

The purpose of these prospective Financial Statements is:

- To provide integrated decision-making and coordination of the resources of the local authority
- Contribute to the accountability of the local authority to the community and to provide a long-term focus for the activities of the Council. The information in these statements may not be appropriate for purposes other than those described.

Actual financial results are likely to vary from that forecast within this Plan. These Prospective Financial Statements are a forecast for one year, based on the latest information and knowledge at hand, and in conjunction with assumptions considered appropriate at that time.

Annual Plan disclosure statement

A disclosure statement is required that identifies Council's planned financial performance in relation to various benchmarks, enabling an assessment of whether Council is prudently managing its revenues, expenses, assets and liabilities.

The 2024-2034 Long-Term Plan financial strategy limits general rate increases to 15%. This limit is intentionally high, to allow for Council to change annual rating increases to align with amounts charged by other comparable councils, where it considers necessary.

All estimates within the 2025/26 Annual Plan comply with these financial limits.

Statement concerning balancing the budget

For the 2025/26 financial year, revenue is forecast to exceed recognised operational expenditure, meaning an after-tax surplus will be recognised and a balanced budget achieved.

Unfortunately, proposed capital expenditure exceeds depreciation, resulting in an overall cash loss for the period. To ensure Council manages funds in a financially prudent manner, Council has resolved to seek additional savings, yet to be identified to reduce expenditure, which is aimed to result in a more prudent cash balance by year end.

Assuming Council can both reduce expenditure through cost savings and increase income through rating increases, Council considers the balanced budget assumption to be met.

Responsibility for financial statements

Councillors and management of Chatham Islands Council accept responsibility for the preparation of the prospective financial statements, the statement of service performance and the judgements and assumptions used in this Annual Plan.

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 data.

In the opinion of the Councillors and management of Chatham Islands Council, appropriate assumptions have been used to produce these prospective financial and service statements, and all disclosure requirements have been met.

Significant forecasting assumptions

In creating our budget, the following significant assumptions have been made:

Annual Crown Contribution

The Council in recent years has received an annual appropriation of $4.2 million as a contribution to the cost of Council's statutory responsibilities. The Crown has agreed to provide ongoing operational support to the Chatham Islands Council as part of a Deed of Funding. The annual Crown contribution confirmed in May and is subject to a high level of uncertainty.

The Chatham Islands Council has indicated to Central Government that the annual appropriation is insufficient to meet our current statutory obligations. The Council's approach to prudently managing finances is for expenditure to match expected funding allocations, meaning some areas will not comply with legislative requirements, as Council cannot afford to meet the additional costs of compliance.

The annual appropriation for the 2025/26 financial year is assumed to be $4.2 million, which is consistent with previous financial years. The annual appropriation excludes inflationary adjustments, increased funding to meet new legislative compliance requirements and asset replacement works. The result of such a funding approach is service levels may drop, or Council may be non-compliant with legislation until sufficient funding is received to improve the service level offered to our community.

NZ Transport Agency Waka Kotahi subsidy rates

The current Funding Assistance Rate provided by Waka Kotahi is 88% of total roading expenditure. It is assumed the financial subsidy will continue over the period of the Annual Plan. The difference between roading expenditure and the Waka Kotahi grant is expected to be funded from targeted rates and allocated general funds (which includes the annual Crown contribution).

Capital and operational expenditure for the period is expected to match the approved Waka Kotahi programme of work for the three-year period ending 2027, noting there may be work deferred or other variations between the three-year period which may require Council to review and amend its roading programme. Any work not completed at the end of the year, will be incorporated into a new funding bid.

Our roading works have been contracted to be performed by other organisations to meet our statutory responsibilities relating to infrastructural engineering services, and road, water, and wastewater maintenance. During the 2025/26 financial year, some of these contracts will be up for renewal. It is assumed when the contracts are tendered, there will be no significant change in the cost of these services or the financial support for them, except as adjusted for inflation and the cost of meeting any revised compliance requirements.

Growth and other price changes

It has been assumed that the population base will remain stable for the foreseeable future. It has been further assumed that the number of rateable properties will not change significantly over the period. Council assumes any ratepayer financial hardships will be managed through the rates remission and postponement policy.

Future price level adjustments, including inflation and interest adjustments are based on those recommended to Local Government by Business and Economic Research (BERL).

The Chatham Islands' isolation and small population result in a higher cost of living overall compared with the rest of New Zealand. Freight and Council dues inflate the cost of all goods imported from the mainland, and the small, remote consumer base drives up the cost of utilities and other services like air transport. To incorporate the higher costs of living and transportation impacts into Council's budgetary assumptions, an additional adjustment of 0.75% to price movements has been made.

Legislative change

Government legislation, regulations and Council documents such as the Resource Management Document shape the Council's operational and capital expenditure. Council's approach to providing services on-island is to maintain existing levels of service. No provision has been made for the impact of legislative or other changes in the Annual Plan, including the increased cost of compliance.

Council does not have the ability to fund higher levels of expenditure driven by legislative change, unless additional funding support is provided from Central Government. If such funding is not provided, the Council will be unable to comply with the legislation.

Economic uncertainty for the community and cost pressures on the organisation

The Council has faced rising financial costs, particularly arising from inflationary pressures, changing legislative requirements and expectations from Central Government and the need to invest to address climate change, drought and other environmental challenges.

Initial financial forecasts involving Council's committed and estimated transactions, will result in an overall cash decrease of $620,000 for the 2025/26 financial year. For Council to take a financially prudent approach to managing cash, further cash reductions will need to be made, or additional cash injections received. The Council has elected to leave the budget calculations as initially estimated, reflecting current operational costs. But has made the difficult decision to direct the Chief Executive to reduce expenditure further during the year, below baseline requirements, to maintain prudent cash management practices. These areas of reduction have not yet been identified. However, such changes are likely to have a significant reduction on the levels of service we can offer to our community.

The aim of making these savings, is that a cash balance that does not exceed its overdraft limits at year end will be achieved. Council has an overdraft limit of $500,000; and it is critical that this limit is not breeched. Given the Council's precarious financial position, savings may not be achieved. Furthermore, Council acknowledges an overdraft facility will be required on a temporary basis to cover any cash shortfall, including timing differences between receipts and payments.

Climate change

No significant impacts related to climate change impacts has been included in the financial forecast. However, it is acknowledged that planning is required.

Temperature and level of rainfall are expected to rise over time, resulting in the following potential impacts for our Islands:

- **Flooding**: More heavy rainfall will increase the risk of flooding on the islands. For instance, higher water levels in Te Whanga lagoon after heavy rainfall could increase the risk of surface flooding of nearby roads.
- **Coastal hazards:** Coastal roads and infrastructure may face increased risk from coastal erosion and inundation, increased storminess and sea-level rise.
- **Biosecurity:** Warmer, wetter conditions could increase the spread of pests and weeds.
- **Drought:** Higher temperatures heighten evaporation, which reduces surface water, increasing the risk of water restrictions or other water related hazards

As a group of islands, we are increasingly vulnerable to the impacts of climate change. Any change to the land or water level pose a threat to our way of life for current and future generations. Council is committed to taking a collaborative approach to addressing any identified local causes and impacts of climate change, which includes strategically varying our core Council infrastructure and internal policies to reduce or mitigate any greenhouse gas emissions.

We are also working to protect and enhance our natural environment to ensure we meet our obligations. We take these steps to enable our community to remain buoyant in response to any climate changes. Such costs of meeting our climate change obligations are expected to be absorbed into our current financial projections.

Resilience of infrastructure related to natural hazards

Financial estimates exclude the financial implications of a natural disaster as it is not possible to quantify any impact on Council. Although Council is insured, not all costs would be covered.

As is common for remote islands, most of the important infrastructure is located very near to the coastline, leaving it susceptible to natural disasters caused by the ocean.

The natural disasters the Chatham Islands are most likely to be exposed to include cyclones, tsunamis, and localised flooding. Given the roading structure radiates outward to the various townships, it is possible that some areas may be cut-off due to such events as the roads being impassable. It is therefore essential that our residents are suitably provisioned for such events, which is promoted through our community development and emergency response activities.

Key infrastructural assets may be potentially damaged from such events where the infrastructure is located on the coast such as wharves, bridges, seawalls, roads, pipelines, and pump stations. If infrastructure is damaged, roading repair work will fall under the NZ Transport Agency programme, and water and wastewater repairs will fall under the operations and maintenance contract, with any additional repair cost being funded through the Chatham Islands Mayoral Relief Fund. The council also has additional funds set aside to respond to an emergency event. However, any repairs would require substantial support from the Central Government.

Privately owned assets, such as wharves, will be repaired at the owner's expense

The Local Water Done Well plan

Changes giving effect to the Government's reform of New Zealand's drinking water, wastewater and stormwater services are underway. Significant uncertainties exist in relation to the final application of legislation on Councils.

The Council has assumed ownership and management of the Council's three water assets will sit with the Council. Furthermore, Council has assumed additional funding will be provided through the annual appropriation to meet increased compliance costs in the future. However, the expected additional estimated compliance costs and grant have not been estimated in the financial forecasts for 2025/26, due to the uncertain nature of the funding.

Accounting policies

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 prospective financial statements of Chatham Islands Council are for the period 1 July 2025 to 30 June 2026. They were authorised for issue by Chatham Islands Council on 19 June 2025. The prospective financial information will next be reviewed as part of the 2026/27 Annual Plan process.

The accounting policies have been applied consistently in these prospective financial statements. Chatham Islands Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Basis of preparation

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

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

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

Changes in accounting policies

Council has identified no substantive differences between new standards and those currently applied by Council. New standards may become effective during the year ending 30 June 2026, which may have a minor impact to information reported in the current Annual Plan and prior Annual Reports.

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

These prospective financial statements have been prepared in compliance with PBE IPSAS, specifically PBE FRS 42 Prospective Financial Statements.

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.

The prospective financial statements have been prepared in accordance with Council's accounting policies.

Details on Council's specific accounting policies can be found in the Long-Term Plan or the Annual Report.

Reserve fund disclosure

Public equity and capital management

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 by-product of managing our other general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets 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.

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.

	Opening 1 July 2025 $000	Movements $000	Closing 30 June 2026 $000
General Funds Income appropriation account to fund future development	21,419	1,434	22,853
Emergency Services Reserve Funds are set aside for emergency events such as natural disasters	250	0	250
Mayoral Relief Reserve Funds are set aside for emergency relief	25	0	25
Asset Revaluation Reserve Reserves generated by revaluations in property, plant and equipment and other assets	78,529	0	78,529
Total Equity	**100,223**	**1,434**	**101,657**

Financial statements

Statement of comprehensive revenue and expense

	Long-Term Plan 2024/25	Annual Plan 2025/26
Revenue		
General rates	381	409
Targeted rates	436	464
Grants & subsidies	9,214	9,673
Council dues	309	291
User pays, fees and other income	374	871
Interest	42	47
Total revenue	**10,756**	**11,755**
Expenditure		
Depreciation and amortisation	2,210	2,317
Employment benefits	1,060	969
Financial costs	1	-
Other expenditure	6,333	7,171
Total expenditure	**9,604**	**10,457**
Total surplus/deficit	**1,152**	**1,298**
Comprehensive Income		
Increase/decrease in Revaluation Reserve	-	-
Share of surplus of associate	109	136
Total other comprehensive income	**109**	**136**
Total comprehensive income	**1,261**	**1,434**

Statement of changes in net assets

	Long-Term Plan 2024/25	Annual Plan 2025/26
Equity at the start of the year	**100,941**	**100,223**
Total comprehensive income	1,261	1,434
Equity at the end of the year	**102,202**	**101,657**

Statement of financial position

	Long-Term Plan 2024/25	Annual Plan 2025/26
Current assets		
Cash & cash equivalents	-	-
Cash investments	187	-
Current trade and other receivables	731	764
Total current assets	**919**	**764**
Non-current assets		
Investment in associate	351	487
Property, Plant & Equipment	102,509	102,605
Total non-current assets	**102,860**	**103,092**
Total assets	**103,779**	**103,856**
Current liabilities		
Bank overdraft	189	510
Payables and other financial liabilities	1,297	1,599
Total current liabilities	**1,487**	**2,109**
Non-current liabilities		
Term liabilities	90	90
Total non-current liabilities	**90**	90
Total liabilities	**1,577**	**2,199**
Net assets	**102,202**	**101,657**
Public equity		
Accumulated funds & reserves	102,202	101,657
Total public equity	**102,202**	**101,657**

Statement of cash flows

	Long-Term Plan 2024/25	Annual Plan 2025/26
Cash flow from operating activities		
Receipts from rates revenue	816	834
Receipts from grants and subsidies	9,204	9,553
Receipts from Council Dues	309	312
Interest received	42	47
Receipts from other revenue	372	838
Cash provided from operating activities	**10,742**	**11,585**
Payments made to employees	(1,060)	(949)
Interest paid	(1)	-
Other payments to suppliers	(5,944)	(6,973)
Cash required for operating activities	**(7,005)**	**(7,922)**
Net cash flow from operating activities	**3,737**	**3,663**
Cash flow from investing activities		
Purchase of Fixed assets	(3,748)	(4,261)
Sale / (purchase) of other assets	-	-
Net cash flow from investing activities	**(3,748)**	**(4,261)**
Cash flow from financial activities		
Loans raised	-	-
Repayment of loans	(22)	(22)
Net cash flow from financial activities	**(22)**	**(22)**
Increase/(decrease) in cash held	**(33)**	**(620)**
Opening cash balance	31	110
Closing cash balance	**(2)**	**(510)**

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 for the Council.

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. The timing of the recognition of income and expenditure in the funding impact statements is consistent with the forecast financial statements. However, transactions with no funding impact, such as depreciation, have been removed.

Details on how activities are funded and the rationale for each funding source selected are given in the revenue and financing policy of our 2024-34 Long-Term Plan. Examples of the impact of the rating proposals on the rates assessed on each different rateable land category are included on page 28.

	Long-Term Plan 2023/24	Long-Term Plan 2024/25	Annual Plan 2025/26
Source of Operating Funding			
General rates and rates penalties	381	406	409
Targeted rates	436	463	464
Subsidies and grants for operating purposes	5,916	6,175	6,087
Interest from investments	42	44	47
Local Authorities fines, infringement fees, and other receipts	683	706	1,162
Total operating funding	**7,458**	**7,794**	**8,169**
Applications of operating funding			
Payments to staff and suppliers	7,393	7,491	8,140
Finance costs	1	-	-
Total application of operating funding	**7,394**	**7,491**	**8,140**
Surplus/(deficit) of operating funding	**64**	**303**	**29**

	Long-Term Plan 2023/24	Long-Term Plan 2024/25	Annual Plan 2025/26
Source of capital funding			
Subsidies and grants for capital expenditure	3,298	3,586	3,586
Increase/(decrease) in debt	(22)	(5)	-
Total source of capital funding	**3,276**	**3,581**	**3,586**
Application of capital funding			
Capital expenditure			
-- to improve the level of service	1,045	350	-
-- to replace existing assets	2,703	3,725	4,075
Increase/(decrease) in reserves	(408)	(191)	(460)
Total applications of capital funding	3,340	3,884	3,615
Surplus/(deficit) of capital funding	(64)	(303)	(29)
Funding balance	**-**	**-**	**-**

Reconciliation of operating funding to statement of comprehensive revenue and expense

	Long-Term Plan 2023/24	Long-Term Plan 2024/25	Annual Plan 2025/26
Surplus/(deficit) of operating funding	64	303	29
Subsidies and grants for capital expenditure	3,298	3,586	3,586
Depreciation	(2,210)	(2,317)	(2,317)
Share of surplus of associate	-	-	136
Surplus/(deficit) per statement of comprehensive revenue and expense	**1,152**	**1,572**	**1,434**

Annual Plan disclosure statement

Annual Plan disclosure statement for the year ending 30 June 2026

What is the purpose of this statement?

The purpose of this statement is to disclose the Council's planned 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 Plan 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.

	Benchmark	Planned
Rates affordability benchmark - Increase	15%	7.3%
Debt affordability benchmark	-	-
Debt servicing benchmark	10%	-
Balanced budget benchmark	100%	112.4%
Essential services benchmark	100%	175.9%

Rates (increases) affordability

For this benchmark, a comparison is made between the Council's planned rates increases for the year are compared with a quantified limit/quantified limits on rates increases for the year contained in the financial strategy included in the Council's Long-Term Plan.

The Council meets this benchmark if its planned rates increases for the year equal or are less than each quantified limit on rates increases. An annual rate increase limit of 15% has been set by Council, to be used at Council's discretion in cases where an adjustment is necessary to reflect movements with other comparable councils.

Debt affordability benchmark

For this benchmark, the Council's planned borrowing is compared with a quantified limit/quantified limits on borrowing contained in the financial strategy included in the Council's Long-Term Plan.

The Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing. The Council's long-term borrowing limits are set at 0%, unless there is a funding arrangement in place to support the repayment. Council's cash balance may fluctuate between a positive and overdraft balance during a year; particularly at the end of the financial year where payments to suppliers may be delayed and interest charges incurred on the overdraft facility, the graph below includes the year end cash overdraft. As the nature of the overdraft is temporary and Council expects an influx of cash in July, Council considers the borrowing limit is complied with.

Debt servicing benchmark

For this benchmark, the Council's planned borrowing costs are presented as a proportion of planned 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 equals or are less than 10% of its revenue defined as above. Council does not enter into debt, unless a funding arrangement is in place to enable Council to make repayments. However, interest on the Council's bank overdraft may occur.

Balanced budget benchmark

For this benchmark, the Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential services benchmark

For this benchmark, the Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

The Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Council funding impact statement and rating information

The funding impact statement consists of two parts:
- Rating information for 2025/26,
- Rating samples for 2025/26

The funding impact statement should be read in conjunction with our revenue and financing policy, rating policy and rates remission and postponement policies all detailed in our 2024-34 Long-Term Plan.

Rating information for 2025/26

Council sets and assess the following rates under the Local Government (Rating) Act 2002:
- General rates
- Targeted rates, including:
    - » Service use – roading
    - » Service use – drinking water
    - » Service use – wastewater
    - » Service use – solid waste

General rates

A general rate is set and assessed on the capital value of all rateable land on the islands.

General rates are set on a differential basis on the category of land identified in the following table. The differential basis is driven by the primary use of the land.

The objective of including differentials in the general rate is to achieve a fair distribution of the general rate, ensuring our rates are affordable among other considerations by Council.
This funding mechanism is used to fund all the services we provide.

The general rate is set and assessed on a differential basis as follows:

Differential categories	Percentage of total general rates	Rate in the dollar of capital value	Rates revenue
Infrastructure	5.0%	$0.00371710	$23,522
Industrial	14.5%	$0.00586780	$68,213
Commercial	11.0%	$0.00254840	$51,748
Rural Residential	69.5%	$0.00149630	$326,952
Total revenue sought			**$470,435**

All quoted figures include GST

For the purposes of classification, the differential categories are defined in the rating policy of our 2024-34 Long-Term Plan.

Council does not require a uniform annual general charge (UAGC) to be set on any property, due to the minimal number of rateable units in the area and therefore no revenue is sought from this funding category.

Targeted rates

Targeted rates are applied to the properties which use the service provided. Council applies the waste management targeted rate on a differential basis, separating between rural and residential ratepayers and other ratepayers. With this exception, no other targeted rates are set on a differential basis.

Targeted rates are set based on a rating unit basis for funding roading and waste management (including fish waste discharge) activities and connections for drinking water supply activities and pans for wastewater activities will be used.

Lump sum contributions in respect of targeted rates will not be sought.

Activity for setting a targeted rate	Category for setting targeted rate	Calculation factor	Factor used		Revenue sought 2025/26
Roading	The provision or availability of a roading service.	A per rating unit charge for roading activities.	$305.65	Fixed amount per unit	$166,580
Potable water supply	The provision or availability of a public water supply service.	The number of connections for water supply activities – for both Kaingaroa and Waitangi connections.	$991.96	Fixed amount per connection	$113,083
Wastewater	The provision or availability of a sewage disposal service.	A per pan rate for sewage disposal activities.	$1,031.10	Fixed amount per pan	$129,918
Waste management	The provision or availability of a waste management service.	A per rating unit charge for waste management activities.	$319.29	Fixed amount per rural or residential unit	$100,256
			$401.97	Fixed amount per Infrastructure, Industrial or Commercial unit	$23,314
					$533,152

All quoted figures include GST

Rates instalment and penalty dates

The following instalment and penalty dates apply for the 2025/26 set rates:

Instalment	Due date	Penalty date
1	14 September 2025	15 September 2025
2	14 November 2025	15 November 2025
3	14 February 2026	15 February 2026
4	14 May 2026	15 May 2026

A penalty of 10% is added to each instalment or part thereof that is unpaid after the last date for payment. Previous year's rates that remain unpaid will have a further 10% penalty added on 10 July.

Inspection of the rating information database

In accordance with the Local Government (Rating) Act 2002, the District Valuation Roll and Rates Records are available for public inspection at the Council Offices, 13 Tuku Road, Waitangi, Chatham Islands, between the hours of 8:30am and 4:30pm on all business days of the week.

Rating base

At the end of the 2024/25 financial year, it is projected Council will have 680 rating units within the region. Council assumes minimal growth and expects the number of rating units to remain stable over the year.

The total capital value at the end of the 2024/25 financial year is estimated at $218,205,100 and total land value estimated at $99,282,250.

Projections are based on the latest QV for valuation data valued in 2025 for the 2025/26 financial year.

Rate changes for sample rates properties

Sample property	District Capital Value of Property	2025/26 general rate	2025/26 targeted rate	2025/26 total rate	Movement in total rates from 2025/26 compared with 2024/25
Infrastructure	$1,540,000	$5,724	$306	$6,030	$626
Industrial	$255,000	$1,496	$1,700	$3,196	$27
Commercial*	$335,000	$854	$2,731	$3,584	$228
Rural Residential	$500,000	$748	$2,648	$3,396	$172

Sample property	District Capital Value of Property	2024/25 general rate	2024/25 targeted rate	2024/25 total rate
Infrastructure	$1,470,000	$5,119	$285	$5,404
Industrial	$220,000	$1,584	$1,585	$3,168
Commercial*	$276,000	$811	$2,546	$3,357
Rural Residential	$385,000	$755	$2,469	$3,224

***Increase in capital value of sample properties may be outside the norm of capital value increases and may reflect additional improvements being added to the sample rating property between valuation cycles.*

Why are the rating samples not increasing at the same percentage rate?

Council has recently completed a revaluation on all capital values of property on the island. A capital value assessment considers the market value of land, plus the improvements as per the valuation roll of all properties on the island.

The new values have been incorporated into the proposed rates calculation for 2025/26. This means that while the 'total' general rate revenue levied by the Council will increase by the rates driver, the actual increases experienced by individual ratepayers between 2024/25 and 2025/26 fiscal years may vary.

Statement of fees and charges 2025/26

Fees and charges are used by Council to recover reasonable and actual costs from the beneficiary of the service to fund the operation and maintenance of a variety of services provided to the community.

Fees and charges will predominantly increase by the rate of inflation. However, some fees will change due to a legislative or bylaw change or a revision in the rates provided by our contractors.

Fees and charges for Council's services are based on a cost recovery basis and are subject to change. These may be updated at any time during the year to meet changing market conditions.

Council dues

No change to Council dues. The current Special Order for the adoption of rates for Council dues was ratified by the Council to take effect from 25 November 1991.

Current Council dues charges for sea and air are disclosed on the following table.

Carriage by sea	Quantity	2025/26 Fee GST Exclusive
Rock Lobster, Paua, Scallops and Oysters	Tonne	$200
Other fish meat and fish bait	Tonne	$18
Cooler goods (fruit, vege, etc.)	m^3	$5
General Cargo	m^3/Tonne*	$18
Diesel, Oil in bulk	1,000 litres	$24
Petrol/Avgas in bulk tanks	1,000 litres	$25
Petrol/Avgas in 200 litre drums	Drum	$5
Hazardous Goods	m^3/Tonne*	$18
Small vehicles (including small trailers, motorbikes, etc.)	m^3	$5
Large vehicles (including cars, boats, trailers, etc.)	m^3	$50
Timber	m^3	$12
Dry Bulk (cement, fertiliser, coal, animal feed)	m^3/Tonne*	$12
Wool and Moss	Bale	$12
Animals, large (cattle/horses)	Each	$5
Animals, small (sheep, pigs, dogs, fowls, goats)	Each	$1
Minimum freight		$24.30

**m3/Tonne - whichever is the greatest*

Carriage by air	Quantity	2025/26 Fee GST Exclusive
Rock Lobster, Paua, Scallops and Oysters	Tonne	$200
Other fish meat and fish bait	Tonne	$18
General Cargo	kg	$3.04
Minimum Freight		$17.50

Council fees and charges for 2025/26

Activity	Fee Type	Description	2024/25	2025/26
Building Consents*	Building Consents Fees	External service provider, a deposit is required based on the estimated Building Consent application charges.	Costs outlined on https://wellington.govt.nz/property-rates-and-building/building-and-resource-consents/building-consents/building-consent-fees/all-building-consent-fees Further fees may be required based on actual Inspection costs incurred.	
Resource Consents*	Land Information Memorandums (LIM's)		$275	$285
	Urgent LIM's		$396	$411
	Project Information Memorandum (PIM's)	Single residential	$473	$491
		All other buildings	$567	$588
Land Use Consents*	Notified Consent		$2,000 deposit	$2,000 deposit
	Charge out rates	Recovery of actual planner costs charged to Council	An administration fee charged at cost	
	Non Notified Consents		$565	$586
	Controlled Activity Consents		$848	$880
Subdivision Consents*	Non Notified – Boundary Adjustments		$723	$750
	Non Notified – 2 lots or less		$818	$849
	Non Notified – 3 to 5 lots		$1,886	$1,957
	S 223 Certificate		$377	$391
	S 224 Certificate		$377	$391
	S 226 Certificate		$503	$522
	S 139 Certificate of Compliance		$596	$618

***** *Further costs may be charged in recovery of actual consultancy costs incurred.*

Activity	Fee Type	Description	2024/25	2025/26
Liquor Licensing*	Club License	Liquor Licensing	To comply with the Sale and Supply of Alcohol Act 2012	https://www.justice.govt.nz/justice-sector-policy/key-initiatives/key-initiatives-archive/sale-and-supply-of-alcohol/licensing/fee-system-for-alcohol-licensing
	On Licence			
	Off Licence			
	Managers Certificate			
	Annual Fees			
	Special Licence			
Food licencing fees*	New Registration		https://wellington.govt.nz/services/consents-and-licences/selling-food/food-safety-fees	
	Inspection Fee			
	Food control plan registration fee (annually)			
	National programme registration fee (biennial)			
Animal Control	Dog registration		$75	$78
	Dog registration – Early		$48	$50
	Replacement dog tag	To replace lost dog tag or as an administration fee for dog transfer from other Councils	$5	$5
	Fines under Dog Control Act 1996	Vary per offence, (Per Sch. 1 of the Dog Control Act)	From $100 up to $750	
	Impounding Fees		$127	$132
Cemetery	Burial plot purchase		$669	$694
	Cremation plot purchase		$362	$376
Community Housing	Rentals – 3 Bedroom	Per week (effective from 1 January)	$156	$162
	Rentals – 2 Bedroom	Per week (effective from 1 January)	$125	$130
Staff Housing	Rental – 3 bedrooms	Per week (effective from 1 January)	$195	$202

***** *Further costs may be charged in recovery of actual consultancy costs incurred.*

Activity	Fee Type	Description	2024/25	2025/26
Coasts, Harbours & Navigation	Swing Mooring Fees – Registration and Transfer	Per year	$92	$95
	Waitangi	per rural or residential unit, which will collect	$3,770	$3,911
	Owenga	per Infrastructure, Industrial or Commercial unit, which will collect	$3,141	$3,259
	Kaingaroa	Per year	$2,511	$2,605
	Port Hutt	Per year	$2,511	$2,605
	Flower Pot	Per year	$630	$654
	Permission of Harbourmaster – Oil Tanker		$127	$132
	Application for Exemption		$76	$79
	Application for Suspension		$315	$327
	Application for Reservation		$315	$327
	Cruise ship fee	Per visit	$41 per passenger	$41 per passenger

Activity	Fee Type	Description	2024/25	2025/26
Administration Requests	Information Requests	Staff time	$46 per half hour or part thereof	$48 per half hour or part thereof
	Printed Council agenda		$5 per copy	
	Photocopying	With own paper	10 cents per copy	
		With CIC paper	20 cents per copy	
		With CIC coloured paper	50 cents per copy	
		With CIC card	50 cents per copy	
		Colour printing (with CIC paper)	From $2.50 per copy	
		Double sided photocopies	30 cents per copy	
	Laminating	Per page	$3	$3
	Stationery	A4 paper per ream (white)	$18	$19
		A4 paper per ream (coloured)	$21	$22
		Envelopes – plain	65 cents per envelope	
		Envelopes – plain with postage	$1.40 per envelope	
		Large envelopes	$1.70 per envelope	
Library	Book rentals	Per book	Free	

3. Finance

3.3 2025/26 Rate setting

Date of meeting	19 June 2025
Agenda item number	3.3
Author/s	Paul Eagle, CIC Tanya Clifford, ECan

Purpose

To enable Chatham Islands Council to set the rates for the 2025/26 financial year, following the adoption of the 2025/26 Annual Plan. The Council now needs to formally adopt the rates resolution setting the rates for the period 1 July 2025 to 30 June 2026.

Recommendations

That the Council, delegates authority pursuant to the Local Government (Rating) Act 2002 to the Chief Executive to:

1. **Resolves the setting of the rates for the 2025/26 financial year and sets the following rates (including GST), pursuant to the Local Government (Rating) Act 2002 and**
2. **states due dates for payment in accordance with Section 24, and**
3. **applies penalties on unpaid rates in accordance with Sections 57 and 58, on rating units for the financial year commencing on 1 July 2025 and ending on 30 June 2026 and**
4. **approve applications for rates postponement and rates remissions in accordance with Council's policy, and**
5. **carry out all other functions permissible under the Act that are not required to be a Council responsibility.**

These rates are set in accordance with Chatham Islands Council's 2025/26 Annual Plan and the Funding Impact Statement, which forms part of the 2025/26 Annual Plan as follows:

a. General rates

Council will set a general rate based on the capital value of all rateable land on the islands. The general rate will be set on a differential basis based on land use. The categories and apportionment are included in the table below.

This will result in the following rates based on the assessed per $1 capital value of each rating unit:

Land Use	Differential	Rate (GST Inclusive)	Total collected
Infrastructure	5.0% of the General Rate	0.00371710	$23,522
Industrial	14.5% of the General Rate	0.00586780	$68,213
Commercial	11.0% of the General Rate	0.00254840	$51,748
Rural & Residential	69.5% of the General Rate	0.00149630	$326,952
Total general rates collected			**$470,435**

b. Targeted rates

Targeted rates are applied to the properties which benefit from the service provided. Targeted rates cannot be applied to purposes other than for which they were raised.

Council uses the number of connections for funding the water supply activities, a per pan rate for funding sewerage activities, and a rating unit basis for funding waste management activities and the roading activities.

Council will set targeted rates based on a variety of rating bases as follows:

Activity for setting a targeted rate	Category for setting targeted rate	Calculation factor	Factor used		Revenue sought $ 2025/26 (including GST)
Roading	The provision of a roading service.	A per rating unit charge for roading activities.	$305.65	Fixed amount per unit	$166,580
Potable water supply	The provision of a public water supply service.	The number of connections for potable water supply activities – for both Kaingaroa and Waitangi connections.	$991.96	Fixed amount per connection	$113,083
Wastewater	The provision of a wastewater service.	A per pan rate for wastewater activities.	$1,031.10	Fixed amount per pan	$129,918
Waste management	The provision or availability of a waste management service.	All rating units on Chatham Islands with improvements are charged for waste management activities.	$319.29	Fixed amount per rural or residential unit	$100,256
			$401.97	Fixed amount per Infrastructure, Industrial or Commercial unit	$23,314
Total targeted rates collected					**$533,152**

The rating basis for each rate type has been defined and approved in the Revenue and Financing Policy adopted as part of Chatham Islands Council's Long-Term Plan 2024-34.

c. Rates by instalments

Council proposes to collect the rates in four instalments, issued on: 14 September 2025, 14 November 2025, 14 February 2026 and 14 May 2026.

d. Penalties

A penalty of 10% is added to each instalment or part thereof that is unpaid after the last date for payment. The penalty dates are 15 September 2025, 15 November 2025, 15 February 2026 and 15 May 2026. Previous year's rates that remain unpaid will have a further 10% penalty added on 10 July 2026.

These rates and penalties to be set on rating units in the region for the financial year which commences on 1 July 2025 and ends on the 30th day of June 2026.

This information is extracted from the Chatham Islands Council's 2025/26 Annual Plan complies with the revenue and financing policy.

4. Works & Services

4.1 Stantec Report – May 2025

Date of meeting	19 June 2025
Agenda item number	4.1
Author/s	Stantec New Zealand

Purpose

To update and inform Council about its Engineering Services contract.

Recommendations

THAT the reports be received.

Background

Members from the Stantec team will teleconference in to the meeting to give a verbal report on monthly activities.

Attachments

1. Stantec Monthly Report May 2025

CIC Engineering Services Contract: Monthly Report

Financial update – May 2024

Financial Position: Roading

The total roading budget allocated for the 2024/25 financial year is $5.8M. The approved budget for the subsidised Continuous Maintenance Programme is $4.7M.

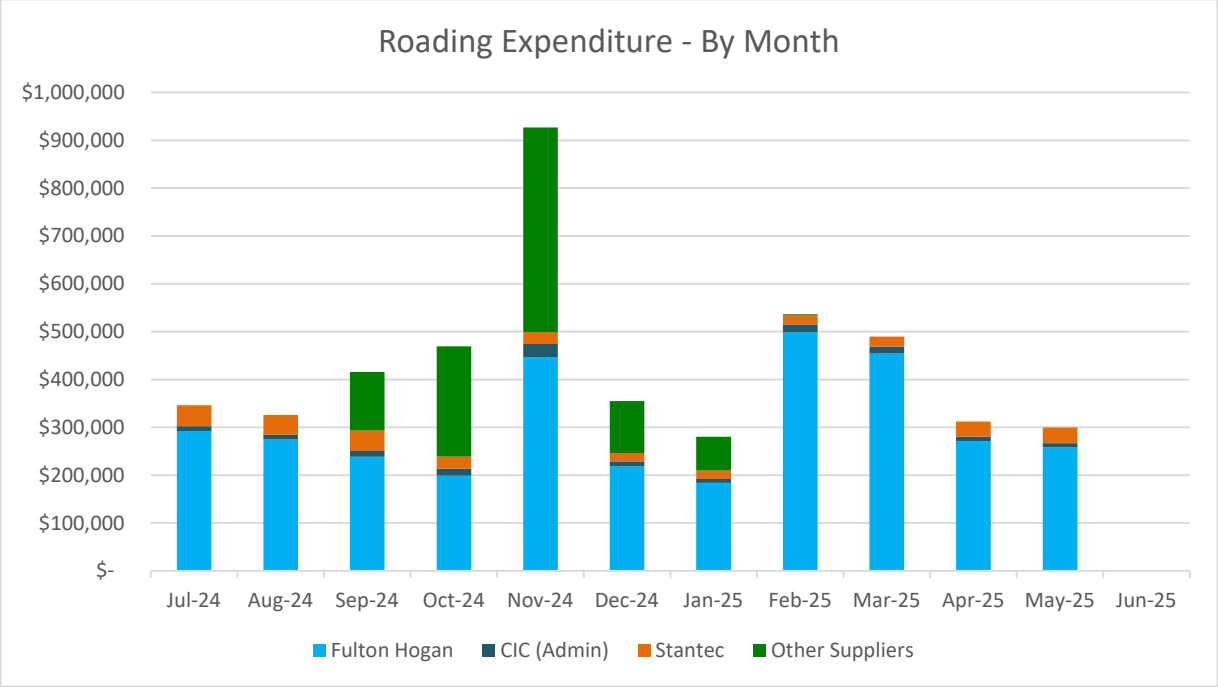
The May claim totalled $299.7k.

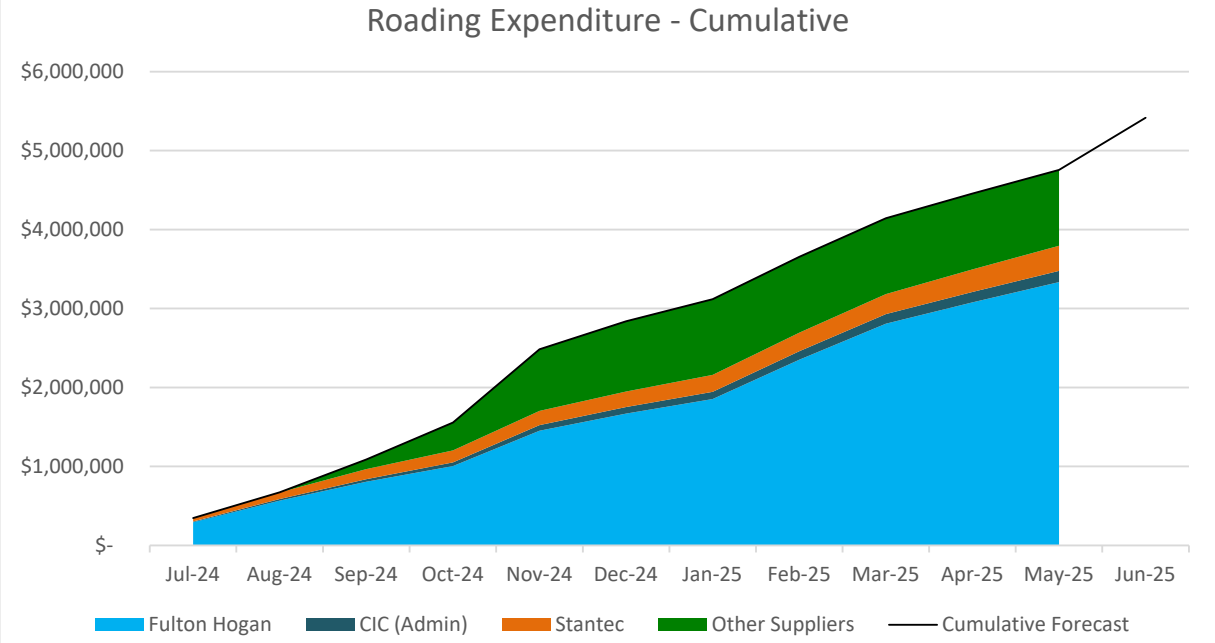
Expenditure of the Continuous Programme has used 87% of the funding allocated for 24/25 and we are 92% of the way through the 2024/25 financial year.

The largest construction cost in May was for the final Pitt Island maintenance work. The largest engineering cost was for the preparation of documentation for the Request for Information advertisement that will inform the Maintenance Contract tender process.

Expenditure Tracking of Waka Kotahi Funding

Tracking graphs for roading expenditure are presented below.





The claims from "Other Suppliers" include:
- Hunter Civil for the Owenga Barge Landing
- CIET for the electricity for the street lighting, and
- GoldSeal for the replacement of the Lower Nairn Bridge protective coating.

Financial Position: Water and Wastewater

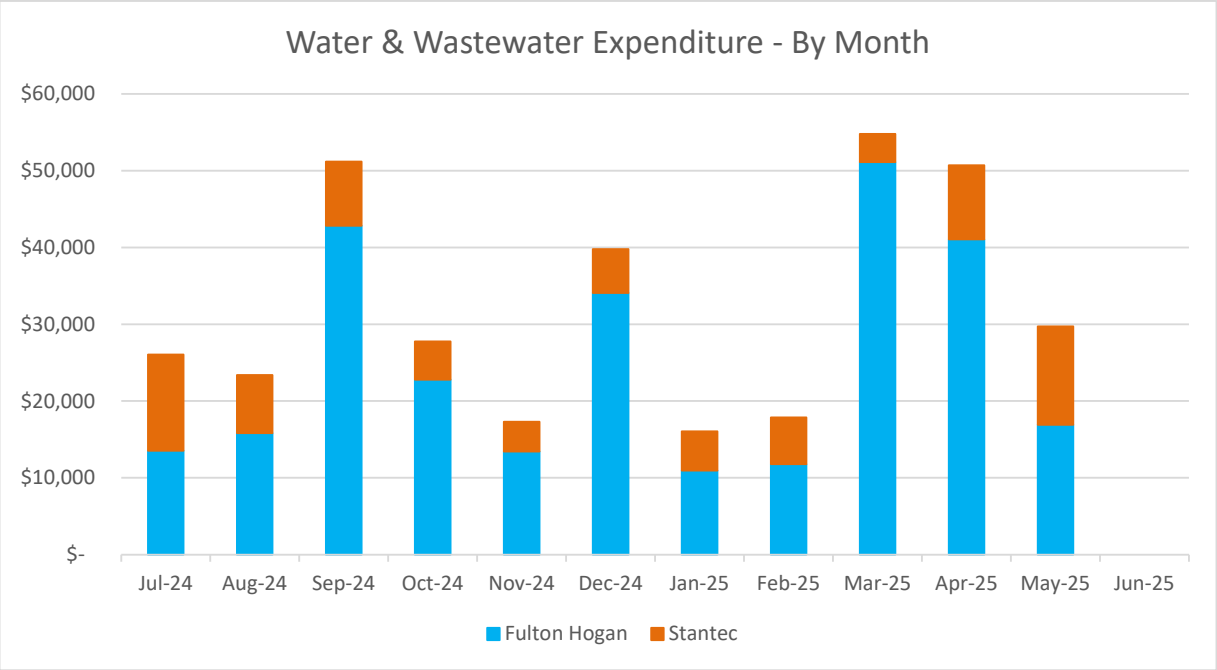
The operational expenditure for W+WW allocated in the 2024-34 LTP for 2024/25 is $391,000.

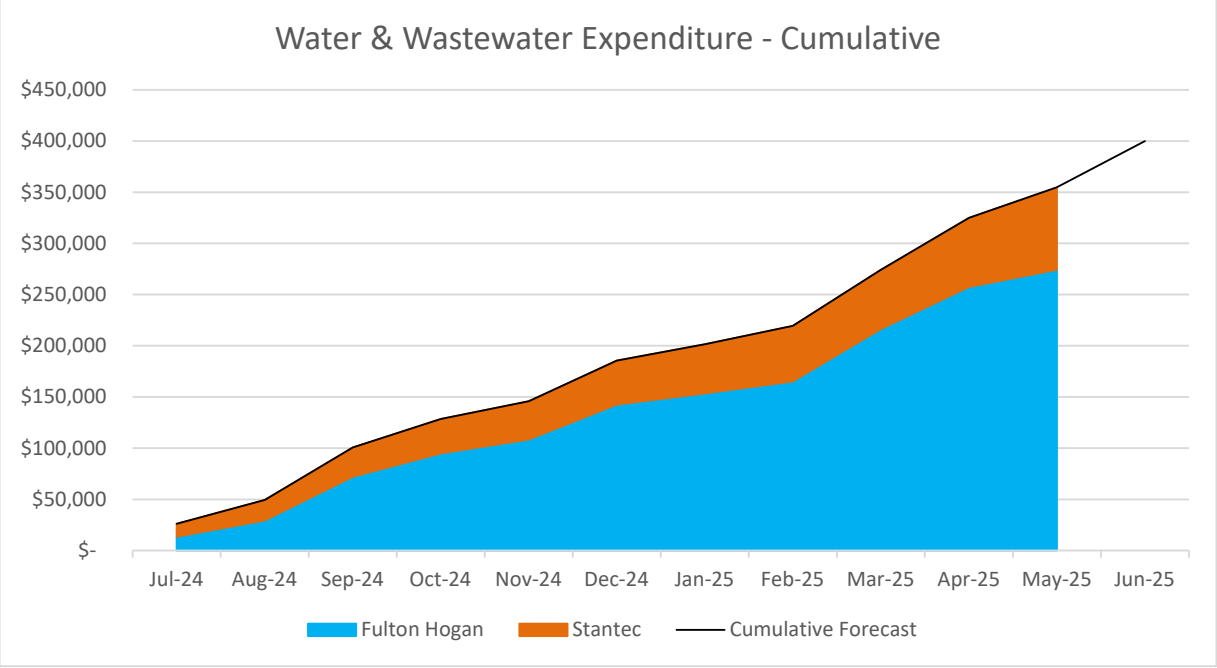
The May claim totalled $29.7k

The main construction cost for May was for water main repairs in Waitangi and repairs to the raw water intake at Kaingaroa, and the main engineering cost was for updates to the Water Safety and Water Source Management Plans.

Expenditure Tracking of Water & Wastewater Funding

Tracking graphs for the W+WW expenditure are presented below.





Stantec

Roading Update – May 2024

Short- & Medium-Term Roading Forward Work Programme	
Pavement Maintenance	• FH to begin planning for plant & crews and procurement of bitumen for next summer's round of sealed pavement maintenance
Bridges and Structures	• Begin major component procurement for Maipito deck replacement
Network & Asset management	• Begin procurement process for the next Maintenance term contract • Discuss Procurement Strategy endorsement with NZTA
Long Term Roading Forward Work Programme	
Bridges & Structures	• Replacement of the deck and beams on the Maipito Bridge in 2025/26

Pavement Maintenance	
Previous Status: • Remaining unsealed pavement rehabilitation lengths for FY24/25 to be calculated when final Pitt Island maintenance costs are known (including freight invoices)	***Updates:*** • Although still waiting for Pitt Island barge invoices, an indication has been given to FH for the final lengths of unsealed pavement rehabilitation that can be undertaken in June • Final sealed rehab and resealing sites identified and issued to FH for programming. 1km of rehab and 3.6km of reseals to be completed in 25/26.

Drainage Maintenance	
Previous Status: • Blocked culvert on WW-O road near CIET has been removed and replaced	***Updates:*** • Swale, high shoulder, and culvert, clearance carrying on to ensure pavements drain effectively coming into wetter months

Bridge & Structures Maintenance	
Previous Status: • The issue on the North Head bridge were less severe than anticipated and has been repaired	***Updates:*** • FH have been given the go-ahead to begin the procurement of the major timber beams and decking components for Maipito Bridge • The work is planned to start later in 2025 or early 2026 when the weather is more predictable

Owenga Barge Landing	
Previous Status: • A tech memo has been presented for Council's consideration and discussion of options for modifications to the landing structure and the processes for loading heavy freight	***Updates:*** • A proposal for rubber buffers to be attached to the front edge of the landing has been sent to FH for pricing • The remaining NZTA subsidy has been carried forward into FY 25/26, and NZTA have indicated that some

	additional funding may be available to assist if there is a shortfall.

Network & Asset Management	
Previous Status: • A draft of the updated Procurement Strategy will be presented to CIC/ NZTA for comment shortly. • The new procurement lead at NZTA is confident the endorsement process will be efficient	***Updates:*** • A Request for Information (RFI) is being prepared to approach the market regarding the upcoming Council Maintenance Contract, • The RFI is intended to understand the market's willingness and capability to supply the maintenance, operations, and renewals services for Council's Roading, Water & Waste, and Solid Waste services and assets, • A draft of the Procurement Strategy has been sent to NZTA for review. The strategy needs to be endorsed before the maintenance contract can be tendered. • The Biennial network safety inspection was undertaken during the last Stantec site visit, and the findings will be issued in a report shortly

Kaingaroa & Owenga Wharves	
Previous Status: • Waiting on a price for the reinstatement of the lighting on the Owenga Wharf	***Updates:*** • A condition report has been passed to Stantec regarding some bolts at Owenga Wharf • FH will undertake an inspection

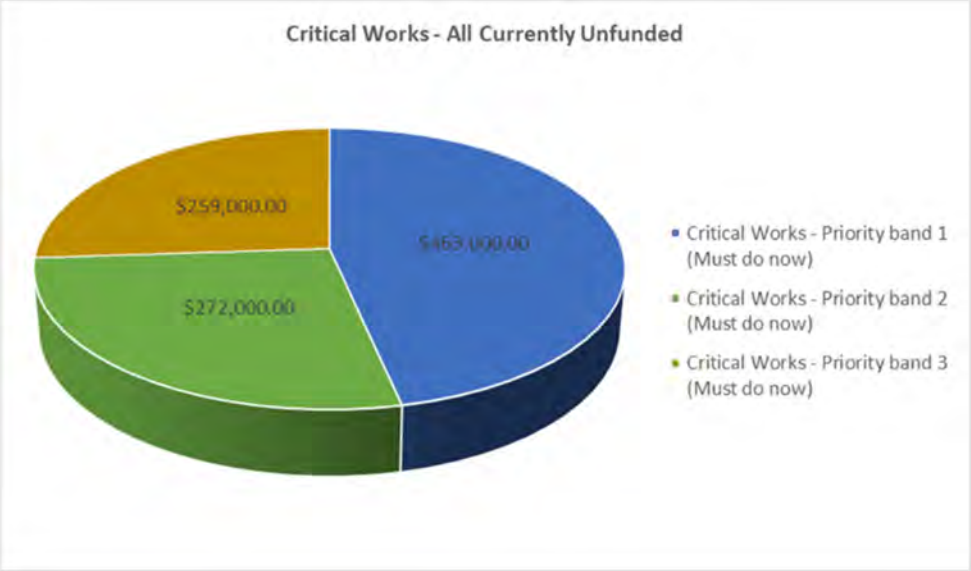
Stantec Site Visits	
Previous Status: • Rebecca and Nigel visiting with a Road Safety colleague 13th – 16th May	***Updates:*** • The next Roading Visit will be late August or early September

CIC catch-ups in Christchurch	
Previous Status: • Rebecca & Nigel caught up with Paul and Jenna in Chch on the 13th of May	***Updates:*** • No updates

NZTA Waka Kotahi Updates	
Previous Status: • Stantec returned comments to the NZTA on the Draft Audit report. • The first quarter reporting submission was made. No feedback has been received so far.	***Updates:*** • The NZTA audit has been finalised

Stantec

CIC Water and Wastewater O& M meeting – May 2025

Three Waters Funding		
Item	***Current Status:***	***Action***
General	• An operational expenditure of $391,000 was allocated in the 2024-34 Long Term Plan for 2024/25. • The ship continues to operate as usual. The shipping company has approval to operate for approx. 6 months. No long-term plan in place. Continue to monitor. • FH are setting up a planned maintenance schedule on water outlook. FH will draft plans for upload to water outlook. Estimating about two-three months to finalise and upload. • PH has reviewed and updated the critical works register and critical spares register. Summary chart showing the current critical works list (all currently unfunded) provided below. • Claim updates: o Added 4.16.4 – removal of solids from the irrigation tanks 	PG

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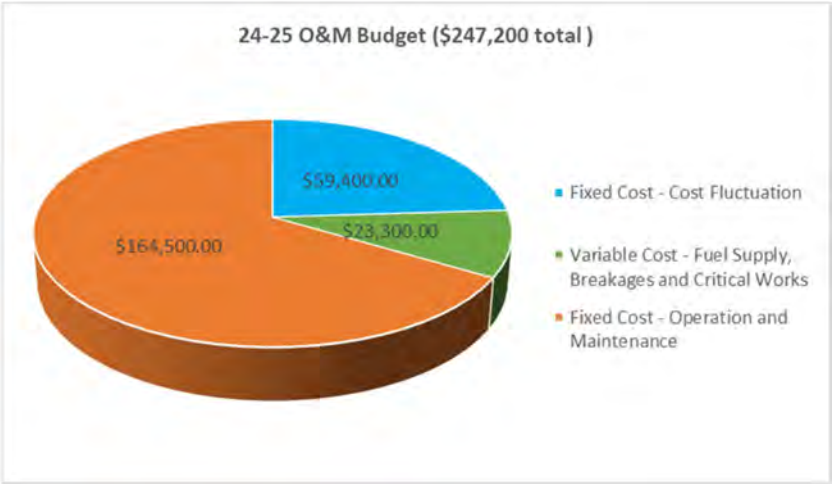
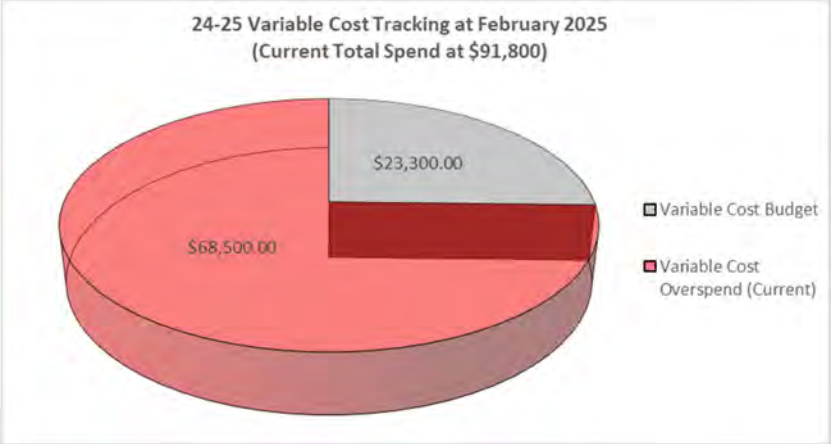
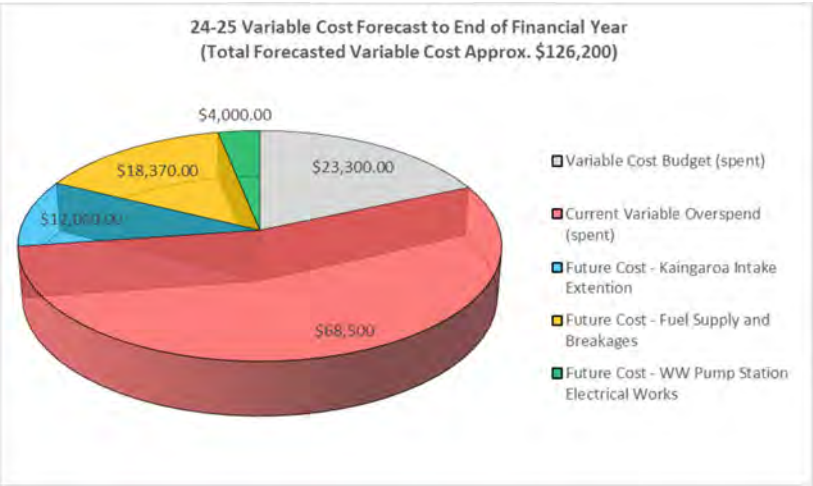
	Budget tracking update:   	
Opportunities	*Opportunities:* • Work with Franz, refining treatment process. Seems to be working no re-filter on sample required. JB to check whether AW has any further comments on Franz's report. • Conference paper? Challenges, operating remotely, shipping, small population, reforms. Awaiting feedback early May and offers to co-present.	JB

Water Supply		
Project:	***Current Status:***	
Kaingaroa Water Supply Scheme	• **New Issues:** o Ongoing chlorate monitoring required as part of default sampling: ▪ January sampling recorded elevated chlorine (0.97 mg/L ± 0.32) ▪ February sampling recorded 0.37 mg/L ± 0.13 mg/L, below the 0.8 mg/L MAV. ▪ March sampling recorded 0.25 mg/L, below the 0.8 mg/L MAV. ▪ April sampling recorded 0.34 mg/L, below the 0.8 mg/L MAV. o The next lot of samples taken on Tuesday 20 May 2025. o FAC probe fixed. JB to ask Chad whether the probe is pH compensated. o Turbidity meters aren't reading, FH to reach out to Chad. o Fresh chlorine stock has just arrived on Island. Previous samples were taken with old chlorine stock (used for about 2 weeks). Monitor sample results.	JB PH
	• **Work in Progress:** o Lake Rangitai intake extension (not invoiced). This will be installed when lake levels allow. This would involve installing about 100m of 90mm pipe with compression fittings and concrete mooring blocks, new strainer and float and is estimated to cost around 10-12k. FH has the materials in their yard. JB to discuss with PE at the next governance meeting. Lake has dropped about half a meter even though it has been wet. o Ongoing operations and maintenance	JB
	• **Completed:** o Annual WTP service completed in March o Ongoing operations and maintenance	
	• **Critical Works Updates** o As above – FH have updated the list.	
Waitangi Water Supply Scheme	• **New Issues:** o Chlorine pump failure which has been fixed. JB find out (ask Kirsten) about alternative options for the media which was added around one year ago to reduce chlorine sludge. This media doesn't seem to have significantly reduced sludge volumes. FH confirmed sludge is a milky white colour and forms in the chlorine tanks. o Make up filters have been in there a while (2023/24), Filtec installed maybe 14 months ago. JB to confirm media type. o The Port will not be connected as the new 'emergency only' connection was going to be used for other purposes. o Leaky private water assets (pipes, fittings, valves, header tanks) are increasing water demand. CIC have issued a letter to residents. Steady water demands this month with no major new leaks found. The last leak was split in the red line PE pipe, along the colour strip (installed 2004). Maybe manufactured for stockwater/ irrigation rather than potable water. Continue to monitor going forward. o Awaiting plumber to fix the Council house leak. o FH have turned off the water supply at Nairn house to reduce water loss. Awaiting fix. o CIC drafting letters to send to houses with high uses. CIC issued may have issues a letter to high users (JB to ask governance meeting) o PH to ask Filtec for a copy of the annual WTP service reports. o JB to chase Filtec for the updated P & IDs	JB JB PH

		JB
	• **Work in Progress:** o Ongoing operations and maintenance	
	• **Completed:** o Annual WTP service completed for March o FH replaced leaky values and tobys on Wilson Place o Leaks in network fixed o All actions from the FH audit have been completed.	
	• **Critical Works Updates** o As above – FH have updated the list.	
Compliance Monitoring **April 2025**	***April 2025 Monthly Water Quality Compliance:*** • *Waitangi* o No E. coli or Total Coliforms detected in raw, treated, or network samples. o Treated water turbidity (0.06 NTU) was below the operational target (0.3 NTU). o The UVT for treated water was satisfactory at 98.3%. ▪ Protozoa compliance is being met. • *Kaingaroa* o Chlorate measured at 0.34 mg/L, below the 0.8 mg/L MAV. o No E. coli or Total Coliforms detected in the treated and network samples. o Moderate level of Total Coliforms and E.coli were detected in the raw sample, but as expected with a lake water source. o Treated water turbidity (0.16 NTU) was below the operational target (0.3 NTU). o The UVT for treated water was satisfactory on the day of sampling at 73.3%. ▪ Protozoa compliance is being met. • *Recycling Center Supply* o No E. coli or Total Coliforms detected in treated sample • *Council Office Supply (not a CIC supply)* o No E. coli or Total Coliforms detected in treated sample. o The UVT was good at 97.1%.	
Wastewater		
Project:	***Current Status:***	
Waitangi Wastewater Scheme	• **New Issues:** o Council have issued a letter requesting residents disconnect stormwater connections to the wastewater system. Properties with high infiltration are along Met Lane line and hospital. The hospital needs to raise gulley traps. o Solids are not settling in the sludge return tank. This means that solids are being carried around the system without properly settling out (a soupier solid layer is forming which is difficult to remove and dispose of). Franz has investigated and recommended actions. FH have implemented cheap fixed from Franzs report including more frequent pump operation (increase frequency). Might also include increasing the frequency of the pump station desludging? FH to confirm. Improvements seem to be helping. Will continue to monitor.	PH
	• **Work in Progress:** o FH have cleaned out sludge return tank and the irrigations tank.	

	o Solids tank to be cleaned shortly o Discharge consent review on-going (Stantec progressing). JB to provide an update on this next meeting. o Ongoing operations and maintenance	JB
	• **Completed:** o Circuit cut out and breaks and alarm installed and operational. Standby pump now operational. Estimated to cost around 3-4k. o Ongoing operations and maintenance	
	• **Critical Works Update** o As above	
Compliance Monitoring April 2025	***April 2025 Monthly* Compliance Monitoring** • All parameters were below the annual median except for total nitrogen (20 mg/L higher), and E. coli (0.9- log higher). The land application system will further reduce nitrogen and micro-organisms prior to reaching groundwater. RP explained that FH have been adding pool chlorine tablets to the irrigation fed tank – about two tablets per week. This may have improved the E. coli and Total Coliform results. However, Hills Labs have needed to do an extra filtration to allow them to test recent WW samples. This may have been caused by the chlorine tablets. Fulton Hogan have stopped dosing chlorine tablets to see if the filtration test is still required. Stopping the chlorine dosing has caused irrigation water to change colour (back to green). Test samples still needed additional filtration. Franz to investigate and summarise issue and options. SD to follow up with Franz. Last lot of samples didn't need to be filtered.	SD
AOB	JB to confirm island visit dates	JB

Stantec

Solid Waste Update – May 2025

Landfill Operation	
Current Status. • Fulton Hogan are working on a proposal to upgrade the 14T excavator with a 20T one, with compactor attachment. An alternative may be to use a subcontractor from the Chathams. FH to follow up. • FH staff are to make changes to the treated leachate application pipe, as identified in the monthly meeting. • It has been suggested that the abandoned cray pots at Owenga be used to construct a wind litter fence. CIC to correspond with owners giving them a last chance to remove them and to visit Owenga to check on the status of the cray pots. • FH are looking at getting the staff resources for the solid waste work to the appropriate level.	***Actions – Stantec*** • None noted. ***Actions - Council*** • CIC to action recommendations from the Annual Report and Treatment Plant Memo. ***Actions – Fulton Hogan*** • FH to action recommendations from the Annual Report and Treatment Plant Memo. • FH to provide firm price proposal for compacting refuse and to follow up on using a subcontractor from the Chathams. • FH to regrade pipe from pilot plant to application area and change application subsoil pipe to a flexible solid wall pipe.
Te One Operations	
Current Status. • FH staff are looking at the layout of the MRF building to determine if it can be optimised for baling and other operations. The intention is for baling of waste to become the "norm". • Confirmation of acceptance of recycling by EnvironNZ at Redruth is needed. • FH staff are to provide Chemwaste with an accurate assessment of the quantities of waste oil and batteries that have been collected, and which need to be disposed of. • FH are to provide a drip tray for the waste oil handling facility. • CIC has registered with Tyrewise as a collector. Next steps to be decided on with Tyrewise. • FH are to get a quotation for signs that provide messaging to the community about what is acceptable for disposal at the TS.	***Actions - Stantec*** • Work with Council and Fulton Hogan staff to identify a solution for the waste scrap metal. ***Actions - Council*** • To work with Tyrewise to determine what needs to happen next. ***Actions – Fulton Hogan*** • Provide a quotation for transporting and handling recyclables to Timaru. • Provide Chemwaste with information on quantities of waste oil and batteries, so they can quote to remove it. • Contact EnviroNZ about confirmation of acceptance of recyclables at Redruth. • Provide a proposal for amending staff hours at Te One.
Other Waste Management Matters	
Current Status: • Monthly solid waste matters meetings have been re-scheduled for 1st Wednesday of each month. • FH staff to continue documenting issues at Kaingaroa TS. • CIC is still to consider solid waste charges, which are most important for bulk users. Stantec has provided some brief advice on the process for formally implementing the charges.	***Actions - Stantec*** • With CIC budget approval Stantec (expected in July) to prepare an "Audit Report" based on the March visit. • Stantec to prepare agendas for directing monthly Solid Waste meetings. ***Actions - Council*** • Council to approve PCN for additional SW budget. • Council to determine further action regarding Solid Waste Charging. ***Actions – Fulton Hogan*** • To work through Memo on MfE reporting requirements and identify how recording waste and diverted materials can be done. • To continue to identify waste sources in OWLS returns.

4. Works & Services

4.2 Fulton Hogan Road Maintenance Report

Date of meeting	19 June 2025
Agenda item number	4.2
Author/s	Fulton Hogan Contract Manager

Purpose

To inform and update the Council on the Chatham Islands Road Maintenance programme. Attached is the April and May 2025 monthly reports from Fulton Hogan.

Recommendation

THAT the reports be received.

chatham islands council

Fulton Hogan

Flower Pot-Glory Road Pitt Island

CHATHAM ISLANDS ROAD MAINTENANCE CONTRACT MONTHLY REPORT APRIL 2025

Work Summary
Outline of work carried out during month
Routine Maintenance and Operations
Pavement Renewals
Sealed Road Resurfacing
Drainage Renewals
Bridge and Structure Renewals
Traffic Services
Minor Improvements
Vegetation Control
Dayworks
Programmed Work for following month
Schedule of Work by Road Name

1. Maintenance Grading
2. Unsealed Maintenance Metaling

Next Month's Target
Crash Damage Report Summary
Monthly Safety Report and Statistics

1. Safety Engagements

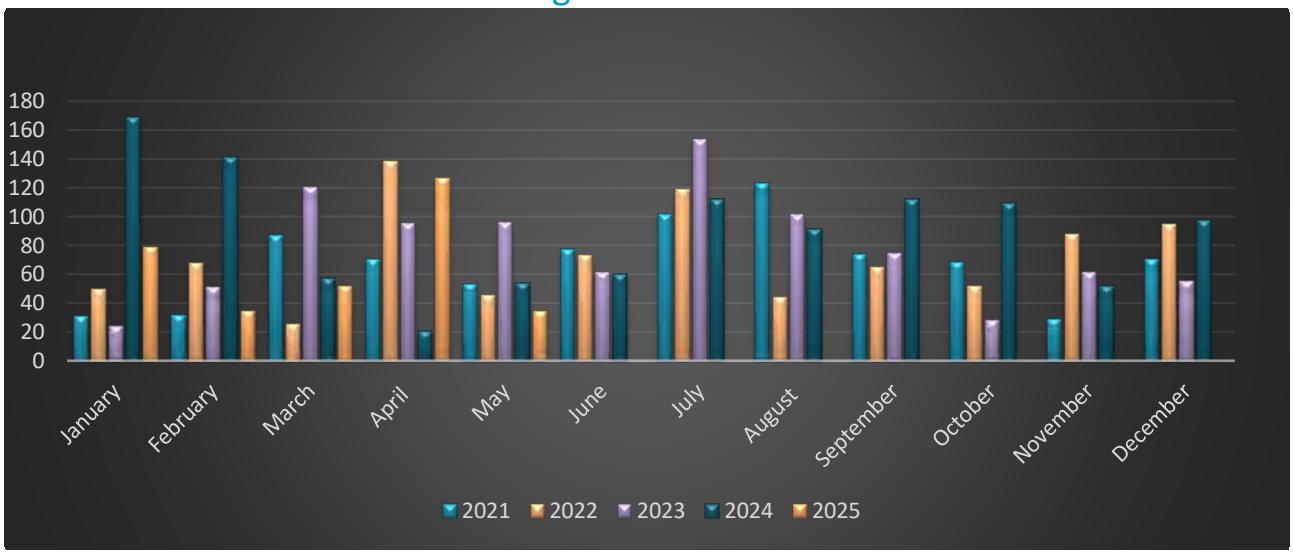
Metal Stockpiles
CIC Owned Materials
Signs
Culvert Pipes
Environmental Compliance & Feedback
Environmental Compliance
Stakeholder Complaints Register
Public Relations & Community Involvement
Innovation
When conditions allow we will continue with the blended maintenance material and continue to monitor areas already done to gauge how they perform in the wet/dry conditions.
Summary of Monthly Progress Claim by Work Category

1. Miscellaneous
2. Traffic Counting
3. Pitt Island
4. Wind Damage

Photos

Work Summary

Outline of work carried out during the month.



126.5mm rainfall recorded for 1st – 30st April in the Waitangi yard.

Routine Maintenance and Operations:

Dry start to the month but certainly made up for it in the latter part.
Graded and put a heavy layer of maintenance metal on where required to get roads ready for the winter months.
EMP replacements.
Mowing verges where required but grass growth has slowed down.

Pavement Renewals:

Some sections of the network got an extra thick layer of maintenance metal where clay and sand were showing once the wetter weather arrived so it would bed into the base.

Sealed Road Resurfacing:

Drainage Renewals:

Culvert replacements on WW-O and Port Hutt roads where old culvert pipes had collapsed.

Bridge and Structure Renewals:

Waterblasting and painting bridges and sight rails around the network.

Traffic Services:

EMP's installed to replace missing/broken ones.

Minor Improvements:

Vegetation Control:

Roadside verge mowing where and as required.

Dayworks:

Programmed Work for following month:

Finish off Pitt Island works so we can get our gear back.
Heavy metaling on some sections of road where the pavement is a bit thin to help during the wetter months.

Schedule of Work by Road Name

1. Maintenance Grading

- Carried out as required during the month on the following roads:

Road ID	Dispatch	Road ID	Start RP	End RP	Quantity M
WAITANGI WEST ROAD	5783	61	0	11570	13440
PORT HUTT ROAD	5786	51	0	16600	15680
MAIPITO ROAD	5791	101	450	2046	1596
RAPANUI ROAD	5792	81	0	1290	1290
TIKI TIKI ROAD	5793	96	0	666	666
NORTH ROAD	5796	21	4590	35500	25040
WW-O ROAD	5808	11	4440	20395	12490
				Total	**70202m**
					70.202km

2. Unsealed Maintenance Metaling

Road	Dispatch	Road ID	Start RP	End RP	Quantity m3	
WAITANGI WEST ROAD	5776	61	0	11570	272	
NORTH ROAD	5780	21	4590	35500	696	
PORT HUTT ROAD	5782	51	0	16600	112	
WW-O ROAD	5790	11	4440	20395	392	
RAPANUI ROAD	5794	81	0	1290	32	
		Totals		**This Month**	**1504**	**m3**
				Revised Target	**57000**	**m3**
				Contract TD	**56662**	**m3**

Next Month's Target

338m3 behind at this stage. This will be used for heavy metaling of sites that have a thin pavement layer prior to the wet season.

Crash Damage Report Summary

Date	Event	Action	Repaired Y/N
28/07/23	A vehicle went through both sets of railings on Nairn bridge and landed on the beach.	Damage not found till the next morning and made safe.	Y New post & railings installed.
12/08/23	Vehicle v's beast on North Road just past Murphy's causing extensive damage to the front end of the vehicle. Beast got up and ran away!	Vehicle moved off to the side to be recovered later.	N
17/09/24	Vehicle left at the shop with no hand brake applied = ran across the road and into the rail fence around the playground.	Vehicle removed and rails repaired.	Y
26/10/24	Vehicle hit concrete plinth during the night at D&G and shot across the road and through the fence into the trees.	Vehicle was removed and fence repaired.	Fence repaired by others. No damage to the pavement.
29/10/24	Vehicle ran off the road sometime during the night and through the fence by Wassa's pump shed on North Road.	Vehicle removed and fence to be repaired by others.	N

Network Inspections

Month	Inspection Type	Faults Identified	Inspected By
May 2024	Day	Drive around the network, including roadroid survey. Normal wet condition damage which will be addressed with grading and maintenance metal.	Tomby.
July 2024	Day	Drive around and check the network condition to program any maintenance works required.	Phil
August 2024	Day	Network checked during the Roadroid survey. No urgent faults found.	Tomby
October 2024	Day	Full network check during the Roadroid survey. No urgent faults found.	Tomby
December 2024	Day	Full network check to make sure all was good for the holiday period.	FH Crew
March 2025	Day	Full network check during the Roadroid survey. No urgent faults found.	Tomby

Monthly Safety Report and Statistics

Nothing to report.

1. Safety Engagements

Date	Near Miss	Incident	Lost Time Injury	Plant Damage	Depot/Worksite Inspections
12/05/23	N	N	N	N	Te Awainanga Bridge cleat replacements.
17/05/23	N	N	N	N	Whangamoe Bridge Replacement
16/08/23	N	N	N	N	Audit done on the workshop by Andy Allen.
19/10/23	N	N	N	N	New workshop washdown area checked while slab being poured to make sure everyone observing FH SOP's
20/12/23	N	N	N	N	Workshop inspected to see the changes made by the new mechanic = all good so far.
25 – 27 March 25	N	N	N	N	Visits to most FH sites with ECaNZ auditors to run through consents etc.

Metal Stockpiles

30/04/2025							
Site	***AP40 Schist***	***AP65***	***AP32 Basalt***	***AP100 Schist***	***AP20***	***G3 Chip***	***G5 Chip***
Waitaha Schist	1,779	0	0	0	0		
Waitaha Basalt	0	2,164	0	0	128	315	271
Paritu	1,805	0	0	481	0		
Stoney Crossing	0	584	5,280	0	2,496	311	111
Yard	0	0	0	0	0		
Ohinemama	0	0	0	0	0		
Muirsons Schist	3,168	0	0	848	0		
MPA Yard	0	0	0	0	0	51	230
	6,752	2,748	5,280	1,329	2,624	677	612

CIC Owned Materials

Signs

Item Description	Unit	Purchased	Used April 2025	End Measure	Comments
Signs					
CS85 North Rd	ea.			1	
CS85 Port Hutt Rd	ea.			1	
RG1	ea.			0	
RG2	ea.			0	
RM6 White	ea.			6	
RM6 Yellow	ea.			5	
RM7	ea.			16	
P66X242	ea.			7	
PW11	ea.			1	
PW11.1L	ea.			1	
PW11.1R	ea.			1	
PW12L	ea.			1	900
PW12R	ea.			1	
PW24	ea.			2	
PW25 65KM	ea.			1	
PW28	ea.			1	
PW34.1	ea.			1	900 Y
PW34.2	ea.			2	
PW37	ea.			1	900
PW49 FIRE ENGINE	ea.			2	
PWSX1	ea.			2	
RH-4	ea.			2	
PW54	ea.			2	
Marker pegs					
EMP	ea.		123	297	
CULVERT MARKERS	ea.			4	
WHITE RAPID MARKERS	ea.			60	
Misc. Items					
ACROW PROPS	ea.			6	
ROAD COUNTER	ea.			1	
ROUGHOMETER	ea.			1	

Item Description	Unit	Purchased	Used April 2025	End Measure	Comments

Culvert Pipes

ALUFLOW

Item Description	Unit	Used	Purchased	End Measure
375mm	m			5
450mm	m			0
600mm	m			0
750mm	m			6
Civilboss				
225mm	m			24
300mm	m	18		30
375mm	m	18		0
450mm	m	18		24
525mm	m			15
600mm	m			30
700mm	m			30
800mm	m			23.2
1000mm	m			12
Builders Mix				
CEMENT	T			0
GEOGRID Triax 160 3.8 x 75	Rolls			13
BIDIM CLOTH 3.9m x 100m	Rolls			13
BIDIM CLOTH 3.9m x 50m	Rolls			0

Environmental Compliance

Date	Site Inspected	Compliant Y/N	Abatement Order Issued	Corrective Action Required	Completed By
26/08/22	North Road Strengthening works	Y	N	N	Phil
13/10/22	Target Hill Rehab Site	Y	N	N	Phil
1/12/22	Kaingaroa Rehab Site	Y	N	N	Tomby
21/02/23	Whangamoe Bridge Replacement	Y	N	N	Tomby
18/05/23	Whangamoe Bridge Replacement	Y	N	N	Tomby

27/06/23	FH Workshop Wash Down Pad	Y	N	N	Phil
26/03/25	Biannual environmental and consent audit by ECaNZ.	Y	N	N	ECaNZ Phil

Stakeholder Complaints Register

Month	Council/ Public Complaint	Complaint	Repair Undertaken	Response Time
July 24	Public	Numerous potholes throughout the unsealed network.	Very wet conditions graders doing the best they can.	Ongoing.
October 24	Public	Road recently graded = rough with large rocks on road.	Nothing uncommon with a freshly graded road with a firm base.	Same Day = Nothing Done
December 24	Public	Soft areas appearing in the road pavement on Kaingaroa Road.	Holes filled, metal put on and graded.	2 Days
January 25	Public	Hugh pothole just past driveway on Tuku Road.	Filled and road graded = plant etc already on way there when call came in.	Same Day
March 25	Public	Hugh lip at property entrance off road.	Illegal entrance = not CIC or FH concern/problem.	30mins

Public Relations & Community Involvement

Innovation

Summary of Monthly Progress Claim by Work Category

	April 25	Separable Portion One - Roading			
Item	Work Category	Value for Month	Value YTD	Annual Budget	% of Annual Budget
1	P&G Other	$135,716.22	$1,481,490.81	$1,500,000.00	98.76%
2	Routine Maintenance and Ops	$57,734.33	$613,212.76	$810,000.00	75.70%
3	Pavement Renewals	$24,741.20	$707,800.84	$662,000.00	106.92%
4	Sealed Road Resurfacing	$0	$0	$9,000.00	0%
5	Drainage Renewals	$43,719.29	$126,818.19	$405,000.00	31.31%
6	Bridge Renewals	$0	$1,129.08	$50,000.00	2.26%
7	Traffic Services	$1,997.20	$46,023.27	$86,000.00	53.52%
8	Minor Improvements	$0	$16,320.57	$50,000.00	32.64%

9	Vegetation Control	$5,408.41	$62,179.95	$55,000.00	113.05%
11	Dayworks	$1,769.78	$7,569.98	$150,000.00	5.05%
	Total	**$271,086.43**	**$3,062,543.50**	**$3,770,000.00**	81.23%

1. Miscellaneous

2. Traffic Counting

4 more roads to complete the survey but counter not working = waiting for a replacement to arrive.

3. Pitt Island

Finished watertabling the roads and installing cutouts to keep water off the pavement.
2760m3 of metal put on Pitt Island roads in April.

4. Wind Damage

Mild winds this month with no reported or visible signs of damage.

Metal On Pitt Island Roads

Culvert Replacement On WW-O Road

chatham islands council

Fulton Hogan

Flower Pot-Glory Road Pitt Island

CHATHAM ISLANDS ROAD MAINTENANCE CONTRACT MONTHLY REPORT MAY 2025

Work Summary
Outline of work carried out during month
Routine Maintenance and Operations
Pavement Renewals
Sealed Road Resurfacing
Drainage Renewals
Bridge and Structure Renewals
Traffic Services
Minor Improvements
Vegetation Control
Dayworks
Programmed Work for following month
Schedule of Work by Road Name

1. Maintenance Grading
2. Unsealed Maintenance Metaling

Next Month's Target
Crash Damage Report Summary
Monthly Safety Report and Statistics

1. Safety Engagements

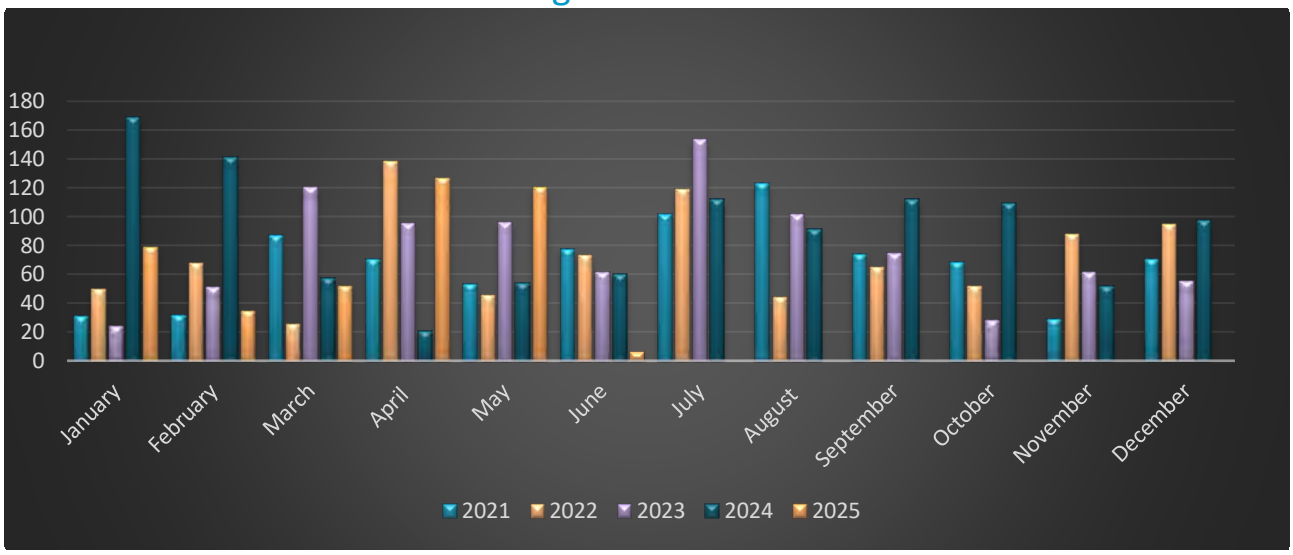
Metal Stockpiles
CIC Owned Materials
Signs
Culvert Pipes
Environmental Compliance & Feedback
Environmental Compliance
Stakeholder Complaints Register
Public Relations & Community Involvement
Innovation
When conditions allow we will continue with the blended maintenance material and continue to monitor areas already done to gauge how they perform in the wet/dry conditions.
Summary of Monthly Progress Claim by Work Category

1. Miscellaneous
2. Traffic Counting
3. Pitt Island
4. Wind Damage

Photos

Work Summary

Outline of work carried out during the month.



120.5mm rainfall recorded for 1st – 31st May in the Waitangi yard.

Routine Maintenance and Operations:

Very wet month which limited us on some of the routine work.
Graded where required to get roads ready for the winter months.
EMP replacements.
This month we carried out a lot of drainage work getting the network ready for winter, this included clearing culvert pipes, water cut outs and water tables.

Pavement Renewals:

Put on the last of the metal on Pitt Island roads.

Sealed Road Resurfacing:

Drainage Renewals:

Some new water tables installed on Wharekauri road.

Bridge and Structure Renewals:

Finished the cleaning and painting of all the network bridges.

Traffic Services:

EMP's installed to replace missing/broken ones.

Minor Improvements:

Vegetation Control:

Removed broken branches and over hanging branches on WW-O road and Port hutt road.

Dayworks:

Programmed Work for following month:

Finished off Pitt Island works so we can get our gear back when weather permits.
Water tables and a section of road strengthening.

Schedule of Work by Road Name

1. Maintenance Grading

- Carried out as required during the month on the following roads:

Road ID	Dispatch	Road ID	Start RP	End RP	Quantity M
WW-O ROAD	5816	11	4440	20395	20700
NORTH ROAD	5819	21	4590	48500	33438
KAINGAROA ROAD	5833	126	0	5950	5950
KAIWHATA ROAD	5835	31	0	1048	1048
TAIA-HAPUPU ROAD	5836	41	0	5325	5325
HOSPITAL ROAD NORTH	5845	90	0	330	330
TUKU ROAD	5850	111	700	16139	15439
				Total	**82230m**
					82.23km

2. Unsealed Maintenance Metaling

Road	Dispatch	Road ID	Start RP	End RP	Quantity m3	
NORTH ROAD	5814	21	4590	30000	216	
PORT HUTT ROAD	5815	51	0	2000	16	
TUKU ROAD	5820	111	700	16000	376	
WHAREKAURI ROAD	5821	121	0	4724	160	
WW-O ROAD	5846	11	4440	20395	48	
HOSPITAL ROAD NORTH	5847	90	0	330	8	
AIR BASE ROAD	5854	71	0	5870	96	
		Totals		**This Month**	**920**	**m3**
				Revised Target	**57500**	**m3**
				Contract TD	**57582**	**m3**

Next Month's Target

82m3 ahead at this stage.

Crash Damage Report Summary

Date	Event	Action	Repaired Y/N
28/07/23	A vehicle went through both sets of railings on Nairn bridge and landed on the beach.	Damage not found till the next morning and made safe.	Y New post & railings installed.
12/08/23	Vehicle v's beast on North Road just past Murphy's causing extensive damage to the front end of the vehicle. Beast got up and ran away!	Vehicle moved off to the side to be recovered later.	N
17/09/24	Vehicle left at the shop with no hand brake applied = ran across the road and into the rail fence around the playground.	Vehicle removed and rails repaired.	Y
26/10/24	Vehicle hit concrete plinth during the night at D&G and shot across the road and through the fence into the trees.	Vehicle was removed and fence repaired.	Fence repaired by others. No damage to the pavement.
29/10/24	Vehicle ran off the road sometime during the night and through the fence by Wassa's pump shed on North Road.	Vehicle removed and fence to be repaired by others.	N

Network Inspections

Month	Inspection Type	Faults Identified	Inspected By
July 2024	Day	Drive around and check the network condition to program any maintenance works required.	Phil
August 2024	Day	Network checked during the Roadroid survey. No urgent faults found.	Tomby
October 2024	Day	Full network check during the Roadroid survey. No urgent faults found.	Tomby
December 2024	Day	Full network check to make sure all was good for the holiday period.	FH Crew
March 2025	Day	Full network check during the Roadroid survey. No urgent faults found.	Tomby
May 2025	Day	Full network check during the Roadroid survey.	Tomby
May 2025	Day/night	Network safety audit.	FH/Stantec

Monthly Safety Report and Statistics

Nothing to report.

1. Safety Engagements

Date	Near Miss	Incident	Lost Time Injury	Plant Damage	Depot/Worksite Inspections
12/05/23	N	N	N	N	Te Awainanga Bridge cleat replacements.
17/05/23	N	N	N	N	Whangamoe Bridge Replacement
16/08/23	N	N	N	N	Audit done on the workshop by Andy Allen.
19/10/23	N	N	N	N	New workshop washdown area checked while slab being poured to make sure everyone observing FH SOP's
20/12/23	N	N	N	N	Workshop inspected to see the changes made by the new mechanic = all good so far.
25 – 27 March 25	N	N	N	N	Visits to most FH sites with ECaNZ auditors to run through consents etc.

Metal Stockpiles

31/05/2025							
Site	***AP40 Schist***	***AP65***	***AP32 Basalt***	***AP100 Schist***	***AP20***	***G3 Chip***	***G5 Chip***
Waitaha Schist	1,779	0	0	0	0		
Waitaha Basalt	0	2,164	0	0	128	315	271
Paritu	1,805	0	0	481	0		
Stoney Crossing	0	432	4,512	0	2,480	311	111
Yard	0	0	0	0	0		
Ohinemama	0	0	0	0	0		
Muirsons Schist	3,168	0	0	848	0		
MPA Yard	0	0	0	0	0	51	230
	6,752	2,596	4,512	1,329	2,608	677	612

CIC Owned Materials

Signs

Item Description	Unit	Purchased	Used May 2025	End Measure	Comments
Signs					
CS85 North Rd	ea.			1	
CS85 Port Hutt Rd	ea.			1	
RG1	ea.			0	
RG2	ea.			0	
RM6 White	ea.			6	
RM6 Yellow	ea.			5	
RM7	ea.			16	
P66X242	ea.			7	
PW11	ea.			1	
PW11.1L	ea.			1	
PW11.1R	ea.			1	
PW12L	ea.			1	900
PW12R	ea.			1	
PW24	ea.			2	
PW25 65KM	ea.			1	
PW28	ea.			1	
PW34.1	ea.			1	900 Y
PW34.2	ea.			2	
PW37	ea.			1	900
PW49 FIRE ENGINE	ea.			2	
PWSX1	ea.			2	
RH-4	ea.			2	
PW54	ea.			2	
Marker pegs					
EMP	ea.		100	197	
CULVERT MARKERS	ea.			4	
WHITE RAPID MARKERS	ea.			60	
Misc. Items					
ACROW PROPS	ea.			6	
ROAD COUNTER	ea.			1	
ROUGHOMETER	ea.			1	

Item Description	Unit	Purchased	Used May 2025	End Measure	Comments

Culvert Pipes

ALUFLOW

Item Description	Unit	Used	Purchased	End Measure
375mm	m			5
450mm	m			0
600mm	m			0
750mm	m			6
Civilboss				
225mm	m			24
300mm	m			30
375mm	m	18	36	18
450mm	m			24
525mm	m			15
600mm	m			30
700mm	m			30
800mm	m			24
1000mm	m	12		
Builders Mix				
CEMENT	T			0
GEOGRID Triax 160 3.8 x 75	Rolls			13
BIDIM CLOTH 3.9m x 100m	Rolls			0
BIDIM CLOTH 3.9m x 50m	Rolls			11.5

Environmental Compliance

Date	Site Inspected	Compliant Y/N	Abatement Order Issued	Corrective Action Required	Completed By
26/08/22	North Road Strengthening works	Y	N	N	Phil
13/10/22	Target Hill Rehab Site	Y	N	N	Phil
1/12/22	Kaingaroa Rehab Site	Y	N	N	Tomby
21/02/23	Whangamoe Bridge Replacement	Y	N	N	Tomby
18/05/23	Whangamoe Bridge Replacement	Y	N	N	Tomby

27/06/23	FH Workshop Wash Down Pad	Y	N	N	Phil
26/03/25	Biannual environmental and consent audit by ECaNZ.	Y	N	N	ECaNZ Phil

Stakeholder Complaints Register

Month	Council/ Public Complaint	Complaint	Repair Undertaken	Response Time
July 24	Public	Numerous potholes throughout the unsealed network.	Very wet conditions graders doing the best they can.	Ongoing.
October 24	Public	Road recently graded = rough with large rocks on road.	Nothing uncommon with a freshly graded road with a firm base.	Same Day = Nothing Done
December 24	Public	Soft areas appearing in the road pavement on Kaingaroa Road.	Holes filled, metal put on and graded.	2 Days
January 25	Public	Hugh pothole just past driveway on Tuku Road.	Filled and road graded = plant etc already on way there when call came in.	Same Day
March 25	Public	Hugh lip at property entrance off road.	Illegal entrance = not CIC or FH concern/problem.	30mins

Public Relations & Community Involvement

Innovation

Summary of Monthly Progress Claim by Work Category

	May 25	Separable Portion One - Roading			
Item	Work Category	Value for Month	Value YTD	Annual Budget	% of Annual Budget
1	P&G Other	$132,275.89	$1,613,766.70	$1,500,000.00	107.58%
2	Routine Maintenance and Ops	$60,240.33	$673,453.09	$810,000.00	83.14%
3	Pavement Renewals	$21,641.72	$729,442.56	$662,000.00	110.18%
4	Sealed Road Resurfacing	$0	$0	$9,000.00	0%
5	Drainage Renewals	$8,169.00	$134,987.19	$405,000.00	33.33%
6	Bridge Renewals	$0	$1,129.08	$50,000.00	2.26%
7	Traffic Services	$1,878.08	$47,901.35	$86,000.00	55.69%
8	Minor Improvements	$3354.38	$19,674.95	$50,000.00	39.34%
9	Vegetation Control	$5,408.41	$67,588.36	$55,000.00	122.88%
11	Dayworks	$10,572.20	$18,142.18	$150,000.00	12.09%

	Total	**$243,567.01**	**$3,306,110.51**	**$3,770,000.00**	87.69%

1. Miscellaneous

2. Traffic Counting

4 more roads to complete the survey but counter not working = waiting for a replacement to arrive.

3. Pitt Island

Finished metaling, grading and track rolling roads.
3200m3 placed on roads. Waiting for machines to come back on barge.

4. Wind Damage

Mild winds this month with no reported or visible signs of damage.

Fulton Hogan

4. Works & Services

4.3 Fulton Hogan Water and Wastewater Operation Contract Report

Date of meeting	19 June 2025
Agenda item number	4.3
Author/s	Fulton Hogan Contracts Manager

Purpose

To inform and update the Council on the Chatham Islands Water and Wastewater Operation programme.

Recommendations

THAT the reports be received.

Background

Attached is the April and May 2025 Water & Wastewater reports from Fulton Hogan.

chatham islands council

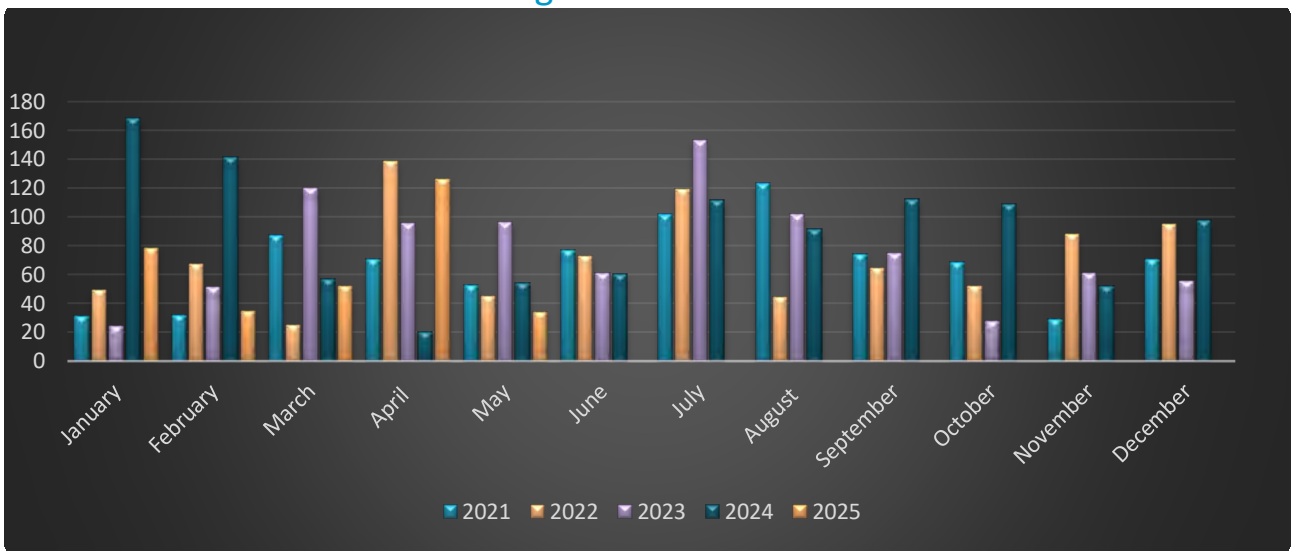
Fulton Hogan

Waitangi Waste Water Plant Filters Prior To UV Treatment

CHATHAM ISLANDS WATER AND WASTEWATER OPERATION CONTRACT MONTHLY REPORT APRIL 2025

Work Summary

Outline of work carried out during the month:



126.5mm rainfall recorded for 1st – 30st April in the Waitangi yard.

Water Supply Operation & Maintenance:

Still a lot of tourists around for this time of the year so water usage still above average. No problems with the network operations this month.
With the dry start to the month there was still a number of the public coming into the yard to fill water tanks. Hard to police this usage as to what it is actually being used for ie: human consumption or stock.

Water Treatment:

Tiki Tiki plant = The bore level is low but plant still coping although sucking air towards the end of the day which causes the raw water turbidity to fluctuate.
Kaingaroa plant = No problems with the plant last month although they are using twice as much water as usual.
They had a major leak early in the month and plant took quite a while to catch up.

Wastewater Treatment Plant at Waitangi:

Plant had no issues during the month. Have been working through the system with FH engineers to fine tune the process and get a more compliant effluent discharge.
Have made a couple of simple adjustments and will monitor to see if there have been improvements in the process.

Dayworks – Water:

Kaingaroa water plant service account through this month.

Dayworks – Wastewater:

Water and Wastewater Reticulation Network:

Network all good the past month with no issues.

Water and Wastewater Treatment Plant: Monitoring:

No issues this past month.

Kaingaroa Lake Monitoring Post = lake level is still very high preventing us from installing the new intake filter. Looking at options to install new intake while level is high.

Summary of Monthly Progress Claim by Work Category:

	April 25	Separable Portion Two - Water and Wastewater			
Item	**Work Category**	**Value for Month**	**Value YTD**	**Annual Budget**	**% of Annual Budget**
13	Preliminary and General	$6,570.62	$87,460.97	0	0%
14	Water Supply Ops and Maint	$922.32	$9,223.20	0	0%
15	Water Treatment	$2,947.89	$33,906.08	0	0%
16	WWTP Waitangi	$922.32	$17,150.53	0	0%
17	Dayworks - Water	$27,530.17	$58,376.38	0	0%
18	Dayworks - Wastewater	$0	$33,432.80	0	0%
19	Water and Wastewater Reticulation	$0	$461.16		
20	Treatment Plant Monitoring	$1,188.52	$11,879.20	0	0%
	Total	$40,081.84	$251,896.32	$140,000.00	179.93%

Provisional Budget

Programmed Work for the Following Month:

Keep the plants and network operating as best we can.

Water Meter Report:

Next readings are due June 25.

Irrigation Dosing:

Evaporation has been good with no runoff evident.

Quality Assurance:

Site Safety Report:

Date	Near Miss	Incident	Lost Time Injury	Plant Damage	Depot/Worksite Inspections
23/08/23	N	N	N	N	WWWT Plant check once service had been completed.
19/03/24	N	N	N	N	Water & WWWT plant checks after services.

Environmental Non-Compliance:

Monthly Stocktake of Supplies:

General Supplies Stockpile – Month Ending April 2025

	Stock Purchased	Stock End of Previous Month	Stock Used	Stock Remaining End of Month
Salt		143 Bags	10	133bags
Chlorine		80lts	40L	40lts

PHOTOS

Wastewater Irrigation Pump

chatham islands council

Fulton Hogan

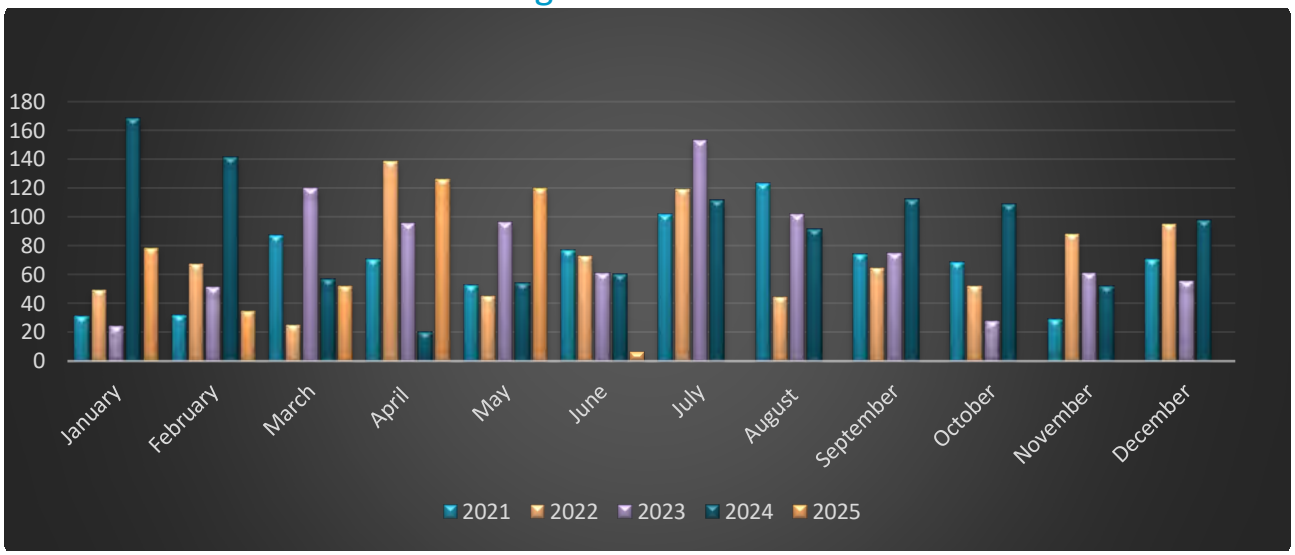
Waitangi Waste Water Plant Filters Prior To UV Treatment

CHATHAM ISLANDS WATER AND WASTEWATER OPERATION CONTRACT MONTHLY REPORT

May 2025

Work Summary

Outline of work carried out during the month:



120.5mm rainfall recorded for 1st – 31st May in the Waitangi yard.

Water Supply Operation & Maintenance:

No problems with the network operations this month.
Hard to police this usage as to what it is actually being used for ie: human consumption or stock.
We currently have four people sitting their level 4 drinking water standard.

Water Treatment:

Tiki Tiki plant = nothing to report just normal maintenance.
Kaingaroa plant = nothing to report just normal maintenance.

Wastewater Treatment Plant at Waitangi:

Ongoing work with FH engineers to fine tune the process and get a more compliant effluent discharge.
Monitoring adjustments made last month.

Dayworks – Water:

Repaired water leak down Maipito Road in the main line on the colored strip. This is the third time the water main has failed on the colored strip in the last three months.

Dayworks – Wastewater:

Water and Wastewater Reticulation Network:

Network all good the past month with no issues.

Water and Wastewater Treatment Plant: Monitoring:

No issues this past month.

Kaingaroa Lake Monitoring Post = lake level is still very high preventing us from installing the new intake filter. Looking at options to install new intake while level is high.

Summary of Monthly Progress Claim by Work Category:

	May 25	Separable Portion Two - Water and Wastewater			
Item	**Work Category**	**Value for Month**	**Value YTD**	**Annual Budget**	**% of Annual Budget**
13	Preliminary and General	$5,554.76	$93,015.73	0	0%
14	Water Supply Ops and Maint	$922.32	$10,145.52	0	0%
15	Water Treatment	$4421.34	$38,327.42	0	0%
16	WWTP Waitangi	$922.32	$18,072.85	0	0%
17	Dayworks - Water	$2257.70	$60,634.08	0	0%
18	Dayworks - Wastewater	$0	$33,432.80	0	0%
19	Water and Wastewater Reticulation	$0	$461.16		
20	Treatment Plant Monitoring	$2369.16	$14,248.36	0	0%
	Total	$16,447.60	$268,343.92	$140,000.00	191.67%

Provisional Budget

Programmed Work for the Following Month:

Keep the plants and network operating as best we can.

Water Meter Report:

Next readings are due June 25.

Irrigation Dosing:

Evaporation has been good with no runoff evident.

Quality Assurance:

Site Safety Report:

Date	Near Miss	Incident	Lost Time Injury	Plant Damage	Depot/Worksite Inspections
23/08/23	N	N	N	N	WWWT Plant check once service had been completed.
19/03/24	N	N	N	N	Water & WWWT plant checks after services.

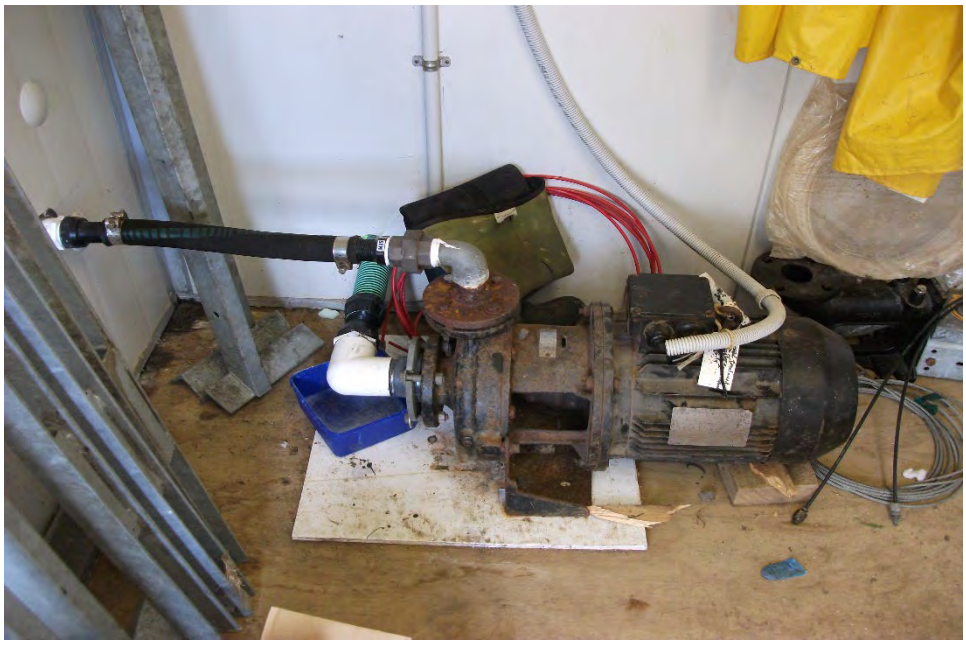
Environmental Non-Compliance:

Monthly Stocktake of Supplies:

General Supplies Stockpile – Month Ending May 2025

	Stock Purchased	Stock End of Previous Month	Stock Used	Stock Remaining End of Month
Salt		133 Bags	20	113bags
Chlorine	40	40lts	20L	60lts

PHOTOS



Wastewater Irrigation Pump

6. Regulatory

6.1 Activity report from Canterbury Regional Council (ECAN)

Date of meeting	19 June 2025
Agenda item number	6.1
Author	Paul Eagle, Chief Executive

Purpose

Update elected members on the services being performed by contractor, Canterbury Regional Council (ECAN), for the Chatham Islands Council from January to March 2025 – Quarter 3 of the approved 2024/25 work programme.

Recommendations

1. **Receive** the report.

2. **Thank** Canterbury Regional Council officers for their continued delivery.

Background:

This report summarises the work undertaken by ECAN for the Chatham Islands Council in Quarter 3 (January to March 2025). Key focus areas included navigation safety, biosecurity, civil defence, marine oil spill readiness, environmental data, compliance monitoring, resource management planning, communications, payroll and financial services. Two major audits occurred during this period: the Port and Harbour Marine Safety Code Panel visit, and the biennial compliance audit. A permanent stop-work notice was issued on diving, impacting marine biosecurity activities. Priority moving forward is on completing existing work due to health and safety restraints imposed by ECAN due to it's mainland operations.

Navigation Safety

- Risk assessment reviewed during Port and Harbour Marine Safety Code (PHMSC) panel visit.
- Risk assessment completed for large vessel Robert C Seamans.
- All Navigation Safety Bylaws, Harbourmaster Directions and supporting documents are up to date and maintained.
- Safety Management System documents reviewed in December 2024; improvements identified and made.
- ECAN participated in PHMSC panel review in February 2025; awaiting final report.
- Concerns raised over long-term code consistency due to port infrastructure.
- Ongoing advice provided to support the Replacement Shipping Solution project.

Biosecurity

- Border control activities continued, including inspection and cleaning of contaminated vehicles and machinery.
- Pest plant control undertaken on African club moss, broom and Chilean Guava.
- Firearms remain under a stop-work notice, impacting pest management operations.

- All diving activity permanently ceased on 27 March 2025 due to health and safety risks; impacts marine biosecurity.
- Biosecurity awareness raised through Council's newsletter and community engagement initiatives.
- No significant regulatory reviews undertaken; one LGOIMA request responded to.

Civil Defence and Emergency Management
- No training or emergency exercises delivered in Q3.
- No progress on Group Plan implementation during Q3; support primarily from NEMA.
- Remote support provided during island fuel shortage.
- Attendance at CEG and Joint Committee meetings occurred in observer capacity.

Marine Oil Spill Readiness
- Tier 1 Oil Transfer Sites gained compliance during recent audit visit.
- Administrative tasks to finalise compliance still pending.
- Support provided to on-island Regional On-Scene Commander (ROSC).
- Discussions commenced around regional Tier 2 contingency planning (review due 2026).

Environmental Data Collection
- Discussion underway on refining monitoring protocols at Owenga landfill.
- Groundwater monitoring approach scoped; staff trip planned for Q4.
- Monitoring regime not yet adjusted; existing sites still operational.
- Plans in place to upskill island-based staff during Q4 fieldwork.

Compliance Monitoring
- Biennial compliance site assessments conducted in March 2025; report in preparation.
- Ad hoc consent monitoring advice provided.
- No progress on compliance warrant training due to budget constraints.

Resource Management Planning
- Submissions made on the Local Government (Water Services) Bill and the RM (Consenting and System Changes) Bill.

Communications
- Facebook posts and monthly e-newsletters published as requested.
- Website upgrade continued in line with ECAN's system refresh; expected completion Q4.
- Communications support planned for Annual Plan engagement in Q4.

Payroll
- Payroll services continued on a fortnightly basis.

Financial Services
- Annual Report completed and submitted within statutory timeframes.
- Work begun on 2025/26 Annual Plan budget; to be presented in June.
- Weekly meetings with Council's Chief Executive and Operations Manager to support budget, audit and compliance planning.
- Financial support provided to Operations and Finance leads including coordination on audit response, Crown funding plan, Island Deal and capital funding obligations.

- System refinements and policy advice ongoing in consultation with Operations Manager.

Environment Canterbury | Chatham Islands Council
Quarterly Reporting Q3 2024-25

SUMMARY – Two significant visits to the island occurred during Q3; Port and Harbour Marine Safety Code (PHMSC) Panel visit, the biennial Compliance Audit and the Marine Oil Spill Tier 1 Oil Transfer Sites Compliance Audit.

A permanent stop-work notice has been issued in relation to diving activity by Environment Canterbury kaimahi on the island. This will impact the work associated with Marine Biosecurity. Environment Canterbury has provided Chatham Islands Council with its critical risk documentation to support CIC directly engaging diving contractors to complete the marine biosecurity work. Firearm use remains under a stop-work notice.

Support was provided to the Chatham Islands Council during the recent fuel shortage from Civil Defence Emergency Management and Environment Canterbury's communications teams.

Due to the current financial constraints the Chatham Islands Council are experiencing, work undertaken during the remainder of 2024/25 will focus on completing work already underway. New work will only be commenced if deemed critical.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

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NAVIGATION SAFETY

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities:

- Ensure ongoing safety and compliance advice is provided.
  [This would be a continuation of 2023-24 programme]
- Support the development of short term and long-term shipping solutions to the Island by participating in relevant CIC-led project.
  [Environment Canterbury is already providing advice]

Navigation Safety - 2024-25 Schedule of Services work programme

		Status	Commentary
Risk Assessment and management	Support the CIC Harbourmaster by assessing and reviewing risks and maintaining a risk register. Providing advice on implementing and reviewing appropriate controls.		Risk assessment reviewed in PHSMC. Risk assessment for Robert C Seamans large vessel requesting permission to visit
Navigation Safety Bylaws, HM Directions, and supporting documents	Support the CIC Harbourmaster to create, review and maintain appropriate Navigation Safety Bylaws and Harbourmaster's Direction by providing advice, technical input and drafting of bylaws and Directions for consideration and approval.		All fit for purpose and maintained
Port and Harbour Marine Safety Code (PHMSC)	Support the CIC Harbourmaster to remain consistent with the code and to implement the requirements of the code. To cooperate and provide feedback with the code. To participate in panels and reviews where possible. Yearly meeting with PHMSC wider group, weekly comms, yearly self-assessment, panel visit every 4 years. Participation in a panel visit during February 2025.		PHMSC panel review conducted in February, still awaiting the report. Some concerns that there will not be code consistency due to the unique set up in the Port.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

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SMS maintenance and administration	Support the Harbourmaster to create, review and maintain a Safety Management System appropriate to Navigation Safety and being consistent with the PHMSC. Environment Canterbury holds & maintains the system documentation for CIC currently.		All documents reviewed in person during online review in Dec. Improvements identified and changes made - fit for purpose.
General navigation safety support and advice	Provide the Harbourmaster and CIC Chief Executive with navigation safety support and advice. This will include input into the Replacement Shipping Solution project.		Shipping solution project still in early stages, unknown on the level of involvement from ECan. Support and advice provided on other Navigation Safety matters.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

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BIOSECURITY

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities:

- Border control activities and risk pathway management
- Effective implementation of the CI PMP
- Marine biosecurity management
- Ensuring we have an effective Biosecurity policy and regulatory framework, and operational plan that serves the islands into the future
- Working in partnership with iwi/imi
- Community awareness and engagement that promotes our biosecurity risks and services

Biosecurity 2024-25 Schedule of Services work programme

		Status	Commentary
Border Control	Risk pathways via Borders are appropriately managed, with the intent that no new pests arrive and establish on the Chatham Islands If new pests are found to have arrived, to work with CIC, in the first instance, to inform MPI in accordance with accepted best practice of both central government and regional sector. Building awareness of border staff and contractors on specific Chatham Island biosecurity risks.		Q3 has seen ongoing work continue at the border. Checks at the border include vehicles, machinery, equipment etc. There are still some vehicles coming across that are contaminated with soil and seeds. Staff have undertaken cleaning of vehicles before being released. In circumstances where there is substantial work to be done to clean a vehicle, the customer will be notified and advised that they must either clean it themselves or organise for it to be cleaned.
Implementation of the CI PMP	On-going work relating to Pest Management, Marine Biosecurity and Regulatory Reviews will continue to be approved quarterly, in		Staff have been active in the field undertaking control of eradication & progressive containment pest plants incl African club moss, broom,

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Contact: Giles Southwell

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	advance, by Environment Canterbury Director and Chatham Islands Chief Executive prior to work being undertaken. *Refer to Appendix 1 of the agreed work programme*.		Chilean Guava. Community members have been proactive in contacting staff with potential new pest plant sites. Firearms use remains under a stop-work notice.
Marine Biosecurity	On-going work relating to Pest Management, Marine Biosecurity and Regulatory Reviews will continue to be approved quarterly, in advance, by Environment Canterbury Director and Chatham Islands Chief Executive prior to work being undertaken. *Refer to Appendix 1 of the agreed work programme*.	N/A	Diving work was under a stop work notice for all of Q3 which impacted maritime biosecurity activities. **All Diving activity was permanently stopped on the island on 27MAR25 due to H&S risks associated with carrying out diving.**
Regulatory Reviews	On-going work relating to Pest Management, Marine Biosecurity and Regulatory Reviews will continue to be approved quarterly, in advance, by Environment Canterbury Director and Chatham Islands Chief Executive prior to work being undertaken. *Refer to Appendix 1 of the agreed work programme*.	N/A	Information supplied for LGOIMA request, otherwise no further work has been undertaken in this area.
Community awareness and engagement	Support the CIC to communicate information about biosecurity risks and services to Chatham's communities through established Chatham Islands channels. Support community events (e.g. the pig hunt) that promote biosecurity outcomes.		Regular biosecurity articles continue to be published in the CIC e-newsletter. Recently a competition was held to raise community engagement in the biosecurity space. Some good leads came from this. Articles also appear on the CIC Facebook page when appropriate.

*Note: Priority of pest management species and agreed levels of pest control is required from Chatham Island Council to help direct the work to be undertaken.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

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CIVIL DEFENCE & EMERGENCY MANAGEMENT

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities:

- Support implementation of the Chatham Island CDEM Group Plan
- Support and delivery of CDEM training to council staff, partner agencies, and volunteers on and off the Chatham Islands.
- Ensure effective capability exists on island to deliver resilience programs, and work with the community to improve preparedness.
- Re-focus on Island EM approach

Civil Defence & Emergency Management 2024-25 Schedule of Services work programme

		Status	Commentary
Work Programme development	Assist CIC in partnership with NEMA and other government agencies, to develop, maintain and implement the Chatham Islands CDEM Group Plan	N/A	No work undertaken during Q3. Group Plan has come out however support has come from NEMA in relation to this work.
Training and Exercises	Support and deliver CDEM training and exercising to the Chatham Islands in accordance with the Group Plan, including 1 on-island exercise this financial year. Support CIC to prepare for and assist its community in an emergency event. Work with CIC and NEMA to determine the best mix of support, including preparation and training in advance of an event.	N/A	No training undertaken during Q3. Work is in progress to deliver training on-island and for CIC staff to come off-island to attend training during Q4.
Welfare and Civil Defence Centre	Assisting CIC to provide welfare services to the community during an emergency.	N/A	No work undertaken during Q3.
Community Resilience	Provide advice on Community Resilience Initiatives		Remote support provided during fuel shortage.

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Contact: Giles Southwell

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			Intention to support on-island community initiatives while conducting on-island training during Q4
Policy and Planning Support	Provide advice and support for CDEM and CEG meetings, Legislative changes, and to re-focus the CDEM on-Island activity		Attended CEG and Joint Committee meetings as observers

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

IN-CONFIDENCE

MARINE OIL SPILL RESPONSE & READINESS

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities:

- To be compliant with Marine Protection regulatory requirements

Marine Oil Spill Response & Readiness 2024-25 Schedule of Services work programme

		Status	Commentary
Compliance	Support Tier 1 Oil Transfer Sites to gain and maintain compliance with the Marine Protection Rule 130B Support CIC to maintain and improve marine oil spill response and readiness capabilities including compliance with the Maritime Transport Act 1994.		Tier 1 sites have gained compliance during recent trip to the island. Administrative work yet to be completed.
Readiness	Build and maintain strong and enduring relationships with the Regional On-Scene Commander. Providing support and guidance while influencing the understanding of the importance of readiness and risks related to oil spills. This includes providing advice and guidance to the on-island ROSC during readiness exercises. Assist with Tier 2 contingency planning.		Support provided as requested. Discussions underway around regional contingency plan triennial review (due 2026.)

*Note: Agreed budget will allow remote assistance of oil transfer sites to gain compliance, however this budget will not allow for on-site audits. There may be opportunities to tie in with Consents Compliance/Monitoring work within the next 12 months to achieve this. If not, additional costs would be incurred for on-site audits. These will be identified and approved in advance by the Environment Canterbury Director and the Chatham Islands Council Chief Executive.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

IN-CONFIDENCE

ENVIRONMENTAL DATA COLLECTION

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities:

- Right-sizing the environmental data monitoring program to align with CIC's budget expectations, and the needs of the Chatham Islands based on risk.
- Developing greater knowledge on the use of groundwater on the island, risks arising to public health and future groundwater saltwater intrusion, legal v illegal use, connection to shallow ground water and onsite wastewater disposal.
- CIC must protect the catchment of the drink water supply on the island. This is critical.

Environmental Data Collection 2024-25 Schedule of Services work programme

		Status	Commentary
Air quality, soil quality, contaminated sites and hazardous substances	Support CIC by identifying and assessing the risks associated with the current lack of air quality, soil quality and contaminated sites and hazardous substances monitoring on the Islands.		Discussion on refining the monitoring protocols for the Owenga landfill site.
Water quality/ quantity monitoring, Groundwater resource evaluation and monitoring	Implement the monitoring regime reductions *[as set out in Appendix 2]* for water quality/quantity, and provide additional monitoring of dune lakes and groundwater, to ensure the risk of seawater intrusion and public health is avoided, and to provide an early warning systems for CIC to act if either of those issues arises. Prepare a plan for CIC agreement including to define the sites to be monitored and implement the new regime. A new timeframe will need to be agreed by both parties.		Current monitoring sites not decommissioned as most still operating and no urgency to decommission. Commissioned staff to scope out a groundwater monitoring approach and trip to the island (in Q4). New timeline will arise out of the scope and trip highlighted above.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

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Training	Seek to upskill local CIC employees to minimize or reduce the number of fieldtrips to the Island for monitoring purposes where possible.		Discussing Owenga landfill monitoring to upskill island and CIC staff. Ensuring island and CIC staff will be upskilled on groundwater monitoring trip in Q4.

*Note: There is concern about what is possible to achieve this financial year given it is already approximately six months into the year. There will be significant costs and time associated with decommissioning some current monitoring infrastructure before affording to implement new programmes/infrastructure.

Priority will need to be provided by Chatham Islands Council taking account of priorities, time and budget.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

IN-CONFIDENCE

COMPLIANCE MONITORING

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities:

- Assessment of Island wide Compliance with the RMA and the CIRMD.
- Enforcement actions necessary to be undertaken (by a warranted officer).
- Implementation of a specific compliance monitoring programme to right size program according to CIC needs.

Compliance Monitoring 2024-25 Schedule of Services work programme

		Status	Commentary
Biennial compliance audit	Biennial (every two years) assessment of Island wide Compliance with the RMA and the CIRMD. • Biennial sites visit to undertake assessment of private and civic activities, with a focus on civic activities if budget constraints exist. • Provide a biennial report that presents the results of the audit. *Previous assessment was Q3 2022/23 (Feb 2023), therefore the next Compliance assessment is due in Q3 2024/25 (Feb 2025).*		Site visits undertaken during the March 2025 biennial compliance assessment. Report is being drafted.
Consent monitoring	Ongoing compliance monitoring and advice as required.		Responding to adhoc requests for advice as required.
Training	Provide an options report on the specifics of resourcing warrant training for additional for CIC staff working to ensure compliance and enforcement can occur.	N/A	Budget for this has not been agreed. Training not undertaken during Q3. Suggest moving as a deliverable under 2025-26 FY.

*Note: A revised approach to the on-island compliance assessment was agreed by Chatham Islands Council Chief Executive on 13 December 2024.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

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RESOURCE MANAGEMENT PLANNING

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities:

- Advice on impact of national legislation reforms on the CIRMD
- Data, and other inputs to the 30-year strategy held by ECAN.
- Delivering on the Community Strategy, input into the City/Regional Deal, 30-year plan and review of CIC/CIET).

Compliance Monitoring 2024-25 Schedule of Services work programme

		Status	Commentary
National legislation reforms	Be prepared to provide advice to CIC relating to any Government changes in the Freshwater Farm Plan requirements, noting that these are on hold. Notify and inform CIC on specific and relevant consultation processes with Government so CIC can determine whether submissions need to be made or not. When required, prepare a submission for CIC consideration and approval		Submissions were prepared on behalf of CIC in relation to the Local Government (Water Services) Bill and the Resource Management (Consenting and Other System Changes) Bill.
Responding to national direction and regulations	Support CIC to ensure that the Chatham Islands Resource Management Document is amended as required to give effect to national direction	N/A	No changes were required in this quarter
Long term Climate planning	Support CIC in the development of its 30-year plan and Climate Change Strategy.	N/A	This work has not yet progressed

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

IN-CONFIDENCE

COMMUNICATIONS

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities:

- Supporting other CIC functions with communications and engagement activities as required.
- Website maintained as the go-to source for CIC information.
- Communications and engagement support for Island Deal project, Council and Trust review and reform process, and water and wastewater improvements required.
- Produce interesting and appealing stories for web and social that generate engagement and increase profile of the Chatham Islands, including on mainland New Zealand.
- Support the Chief Executive with additional internal comms to staff, contractors and others (including Environment Canterbury) as the CIC seeks to step up its operational effectiveness and performance.

Communications 2024-25 Schedule of Services work programme

		Status	Commentary
Communications BAU	Support CIC with social media key updates when appropriate, including those which celebrate the Chatham Islands through storytelling and imagery in digital/social media.		A small number of Facebook posts were published as required/requested by CIC.
E-newsletter	Publishing a monthly e-newsletter to share key council business with residents and interested stakeholders.		Monthly e-newsletters were produced and published.
Website maintenance	Keep the website up to date and relevant to be a go-to source for council information.		The website is currently being upgraded in conjunction with the Environment Canterbury website upgrade. The project is expected to be completed in Q4.
Annual Report/ Annual Plan	Comms and design to support preparation and publication of the Annual Plan. Supporting CIC to deliver the annual plan and report		Work on the 2025/26 Annual Plan is expected to increase during Q4.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

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Note: Much of the pro-active work planned for Q1 & Q2 was paused while the Contract for Services was finalised. Only necessary and pre-approved work was completed.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

IN-CONFIDENCE

CORPORATE SERVICES (PAYROLL)

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities

- Supporting the transition of CIC to a new payroll provider, including all current leave balances, TOIL balances, benefits, remuneration and other aspects of payroll at the agreed transition date.

Payroll 2024-25 Schedule of Services work programme and costs:

		Status	Commentary
Payroll	Provide Payroll Services on fortnightly basis so that CIC Councillors and staff are paid on time, accurately, with clear reporting of leave balances, liabilities, and other benefits. Support CIC in making a smooth transition to an alternative payroll provider – decision TBC. This will likely be in Q3.		Continue to provide payroll services as required. No indication from CIC as to engagement of an alternative payroll provider.

*Note: Other Corporate functions have now ceased and been removed from the schedule.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

IN-CONFIDENCE

FINANCIAL SERVICES

2024-25 Environment Canterbury – Agreed Work Programme

CIC has identified the following 2024-25 priorities:

- Achieving a 'back-to-basics' budget approach which delivers on the Annual Plan / Long-term Plan aspirations – achieving all levels of service and ensures the right policies and processes are in place
- Provide financial support to the CIC CEO, focusing on improving CIC's overall financial position to sustainable levels. Support will include focussing on addressing the PWC Review, CIC's plan for additional Crown funding, CIC restructure, the CIC/Chatham Islands Enterprise Trust review, the 30- year plan, 'Island Deal' and Government legislative directives such as the water services delivery plan.
- Identifying the operational and capital cost requirements for new and existing council assets and providing critical advice on any gaps in funding to enable a better long term audit outcome.
- Provide monthly financial reports for CIC, including meeting weekly and agenda run-throughs of accounts, emerging or current issues, and any risks to support reporting to elected members and the Department of Internal Affairs.
- Address all areas of non-compliance, including to achieve a non-qualified audit through improved financial position with Government.
- Ensure Local Government Act compliance.
- Deliver an audited Annual Report/Annual Plan/LTP with no qualification.

Financial Services 2024-25 Schedule of Services work programme and costs:

		Status	Commentary
Annual Plan/Long-Term Plan and Annual Report	Co-ordinate the delivery of the financial components of the Annual Plan/Long Term Plan and Annual Report, ensuring approval in line with Audit New Zealand, CIC and legislative timelines. Co-ordinate all responses required by Audit New Zealand for sign-off by CIC CEO, PARC and Council.		Drafting of the 2025/26 budget for inclusion within the Annual Plan has commenced. Draft budget expected to be presented to PARC and Council for consideration in April, post management review. Annual Report completed within statutory timeframes.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

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Financial Reporting	Prepare and present financial reports for CIC, ensuring they meet the CIC deadlines (every six weeks) for Council, PARC and other appropriate meetings as needed. Liaise with ECAN and any other appropriate stakeholders to prepare a quarterly financial report for Council and for the Department of Internal Affairs. Support the reporting on contract costs, including CIC's key suppliers - advice, asset management and maintenance.		Reporting documents were prepared for PARC and Council agendas with meetings attended. Previously recommended quarterly PARC and Council financial reports be provided to DIA as part of the DIA reporting pack. Noting, it is CIC's responsibility to provide accountability reporting to DIA.
Financial Management support to Chief Executive	Support the CIC CEO, CIC Operations Manager and CIC Financial Technical Lead with financial advice as needed. Support the co-ordination of any finance related requests directed by the CIC CEO, including recommendations from Audit New Zealand and other CIC contractors and stakeholders. Support the CIC CEO with the co-ordination for CIC's cost reduction programme. Support the addressing of the PWC Review, CIC's plan for additional Crown funding, CIC restructure, the CIC/Chatham Islands Enterprise Trust review, the 30- year plan, 'Island Deal' and Government legislative directives such as the water services delivery plan. Meet weekly with the CIC CEO and attend agenda run-throughs for all Council and PARC meetings Support identifying future requirements for asset management, including the ongoing OPEX requirements for any new capital funding CIC receives to ensure ongoing financial position relating to new assets.		Weekly meetings with CIC are now attended, along with additional ad hoc meetings (for example with Audit NZ). A meeting was held with the PARC Chair and Chief Executive to align on reformatting expectations for the financial reporting. This was prioritised along with initial budget workings and assumptions. Based on request, financial support has been provided to the operations manager and finance lead.
Finance Business Partnership	Support the delivery of any CIC finance related policies, processes and systems to ensure full compliance.		Minor system review and tidy up changes have occurred in period in consultation with the operations manager.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

IN-CONFIDENCE

*Notes: The best sources of information at a granular level are CIC staff, particularly the financial lead and the Operations Manager. They are observing day to day operations, viewing individual receipts, payments and the impact these have directly on Council's cash balance.

Financial support and advice is primarily provided by the Corporate Reporting Accountant. If significant strategic financial advice is required, this, and the associated cost, will be agreed by the Environment Canterbury Director and CIC Chief Executive.

Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

IN-CONFIDENCE

Public Excluded Agenda

19 June 2025

Mayor to Move

THAT the public be excluded from the following part of the proceedings of the meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
PE.1	PE Minutes 8 May 2025	Good reason to withhold exists under Section 7	Section 48(1)(a)
PE 2	CIC Judicial Review Update	Good reason to withhold exists under Section 7	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by holding the whole or relevant part of the proceedings of the meeting in public, are as follows:

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON	WHEN CAN REPORTS BE RELEASED
PE.1.	PE Minutes 8 May 2025	7(2)(b)(ii) 7(2)(h) 7(2)(i)	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information To maintain legal professional privilege. To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities.	
PE 2	CIC Judicial Review Update	7(2)(b)(ii) 7(2)(h) 7(2)(i)	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information To maintain legal professional privilege. To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities.	Not to be released

and that appropriate officers remain to provide advice to the Committee.