



chatham islands council

Chatham Islands Council

BOARD PACK

for

Council Meeting

Thursday, 31 July 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, 31 July 2025
Time:	9:00 am to 11:00 am (+1245)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands https://teams.microsoft.com/join/19%3ameeting_ZGU4YWM4MTMtMmJjOS00MmNjLWFjZDQtOWY4ZjJlZTRkMTcz%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 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
Apologies:	Cr Amanda Seymour

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

10

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.

2. Confirmation of Minutes

2.1 Ordinary Meeting Minutes 19 June 2025

9:14 am (3 min)

For Decision

Review and confirm the minutes of the previous meeting.

Supporting Documents:

2.1.a	2.1 Minutes 19 June 2025.pdf	11
2.1.b	Public 19 Jun 2025 Minutes Council Meeting.pdf	12

3. Finance

3.1 Financial Report

9:17 am (10 min)

For Information

Supporting Documents:

3.1.a	3.1 Financial Report.pdf	20
3.1.b	Summary revenue and expense for the month ended 30 June 2025 vCIC.docx	21

3.2 Fair Value Assessment

At a meeting held 22/7/2025 which was attended by Yvonne Yang, Po Hsu (Audit NZ) and Paul Eagle, Colette Peni, Denise Thomas, Audit New Zealand indicated that no revaluation will be required for 2025 Financial Year. Audit New Zealand will update the FVA at year end with actual closing PPE value and indices for June 2025.

Supporting Documents:

3.2.a	3.2 Fair Value Assessment.docx	24
3.2.b	FV assesement roading 2025.pdf	28
3.2.c	FV assessment assets 2025.pdf	30

4. Works & Services

4.1 Stantec Report

9:27 am (5 min)

For Information

Information to be received.

Supporting Documents:

4.1.a	4.1 Stantec Report1.pdf	32
4.1.b	104_june25_claim.pdf	33

4.2 Fulton Hogan Road Maintenance Report

9:32 am (5 min)

For Information

Information to be received.

Supporting Documents:

4.2.a	4.2 Fulton Hogan Road Maintenance Report .pdf	44
4.2.b	June 2025 SP1.pdf	45

4.3 Fulton Hogan Water & Wastewater Report

9:37 am (5 min)

For Information

Information to be received.

Supporting Documents:

4.3.a	4.3 Fulton Hogan Water & Wastewater Contract .pdf	58
4.3.b	June 2025 SP2.pdf	59

4.4 Fulton Hogan Waste Management Report

9:42 am (5 min)

For Information

An update for Council on Waste Management activities for June 2025.

Supporting Documents:

4.4.a	4.4 FH Waste Management Report.pdf	65
4.4.b	CIC Waste Management June 2025.pdf	66
4.4.c	Te One Waste Record - Master.xlsx	
4.4.d	Owenga Landfill Waste Record - Master 24.xlsx	
4.4.e	Summary of Te One and Owenga 2024-2025.xlsx	

4.5 Water Services Delivery Plan

9:47 am (30 min)

Paul Eagle

For Decision

This report outlines the development of a Water Services Delivery Plan (WSDP) for the Chatham Islands in accordance with the Local Government (Water Services) Bill, and seeks Council approval on the preferred option for public consultation.

The water services delivery plan will be submitted as part of the 27 August meeting agenda. The Options Assessment Report attached is simply the options assessment for public consultation.

Please Note:

- Approval was delayed by DIA due to a death of their most senior Local Government manager
- Nexus Advisory, on behalf of Watercare, will be presenting – Carl Tucker and Scott Pearson
- Councillors will be taken through the work and will have plenty of time to ask questions

Supporting Documents:

4.5.a	4.5 CIC Water Services Delivery Plan_31Jul25.docx	70
4.5.b	CIC LETTER_Mayor W Brown_WSDP_30Oct24.pdf	74
4.5.c	CIC LETTER_Minister S Brown_WSDP_30Oct24.pdf	75

Supporting Documents:

4.5.d	Council webinar presentation - Local Government (Water Services) Bill - 18 Dec 2024.pdf	77
4.5.e	Letter from Hon Watts to Chatham Islands Council.pdf	90
4.5.f	Letter from Paul James to Chatham Islands council CE - WSDP review and acceptance process.pdf	93
4.5.g	CIC WSDP_LWDW Options Assessment Report vFINAL.pdf	95

4.6 New Zealand Transport Agency: Investment Audit Report 2024

10:17 am (10 min)

Supporting Documents:

4.6.a	4.6 CIC NZTA Audit Report_31Jul25.docx	104
4.6.b	Chatham Islands Council (T-P) FINAL Audit Report 2024.pdf	109

5. Community

5.1 Heartlands Annual Report 2025

10:27 am (3 min)

For Information

An update for Council on the Heartlands contract.

Supporting Documents:

5.1.a	5.1 Heartlands Annual Report.pdf	131
5.1.b	Heartlands Annual Report 2025.pdf	132

5.2 Approval to build gym on Council land

10:30 am (5 min)

For Decision

Supporting Documents:

5.2.a	CIC Approval to build gym on Council land_31Jul25.docx	135
5.2.b	Location of Building.pdf	137
5.2.c	556439_Consent RFI File - Architectural Plans - Revised Signed Plans With PA Door Final - R3.pdf	138
5.2.d	556439_Consent RFI File - Architectural Plans for Council.pdf	148
5.2.e	Whanau_Fit_Constitution (1) (002).docx	151

6. Regulatory

6.1 Dog Control Report 30 June 2025

10:35 am (2 min)

For Noting

Annual Dog Control Report as mandated by Section 10A of the Dog Control Act 1996.

Supporting Documents:

6.1.a	6.1 Dog Control Report 30 June 2025.pdf	167
6.1.b	Dog Control Report 30 June 2025.pdf	168

6.2 CIC_2025_001 Combined GRS CI Airport

10:37 am (5 min)

For Decision

Lockhead Martin and Land Information New Zealand (LINZ) have applied for resource consent to establish a Ground Reference Station (GRS) at Inia William Tuuta Memorial Airport (or Chatham Islands Airport).

Supporting Documents:

6.2.a	6.2 CIC_2025_001 Combined GRS CI Airport.docx	172
6.2.b	Combined GRS CI Airport CIC-2025-001.pdf	174

6.3 CIC ECAN Q4 Report

10:42 am (5 min)

Paul Eagle

For Information

Supporting Documents:

6.3.a	6.3 CIC ECAN Q4 Report_31Jul25.docx	184
6.3.b	CIC ECAN Q4 Report_SUMMARY_31Jul25.pdf	186

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 31 July 2025.docx	205
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12. Public Excluded

12.1 Public Excluded Minutes 19 June 2025

10:47 am (2 min)

For Decision

For Approval

Supporting Documents:

12.1.a	PE.1 PE Minutes 19 June 2025.pdf	206
12.1.b	PE Minutes 19 Jun 2025 Council Meeting.pdf	207

12.2 Work Programme 2025/26 – Canterbury Regional Council (ECAN)

10:49 am (10 min)

For Decision

Update elected members on the work programme to be delivered by Canterbury Regional Council (ECAN) for the Chatham Islands Council, from 1 July 2025 to 30 June 2026.

Supporting Documents:

12.2.a	PE. 12.2 CIC ECAN Work Programme 2025_26 Report_31Jul25.docx	211
12.2.b	CIC ECAN Work Programme 2025_26 FINAL_31Jul25.pdf	212

12.3 Close the meeting

10:59 am

Next meeting: Council Meeting - 11 Sept 2025, 10:00 am

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

Interests Register

Chatham Islands Council



As of: 31 Jul 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



2. Democracy

2.1 Minutes of Ordinary Meeting 19 June 2025

Date of meeting	31 July 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 19 June 2025.

Recommendations

1. **THAT the minutes from the Ordinary meeting held on 19 June 2025 be a true and accurate record.**

MINUTES (in Review)

COUNCIL MEETING



Name:	Chatham Islands Council
Date:	Thursday, 19 June 2025
Time:	9:00 am to 11:28 am (+1245)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands
Board Members:	Cr Celine Gregory-Hunt, Cr Graeme Hoare, Cr Greg Horler, Cr Judy Kamo, Cr Keri Day, Cr Nigel Ryan, Cr Steve Joyce
Attendees:	Ms Colette Peni, Ms Jo Guise, Paul Eagle, Ms Tanya Clifford, Mr Nigel Lister, Ms Rebecca Tinga, Mr Jack Boyd
Apologies:	Cr Amanda Seymour, Mayor Monique Croon
Guests/Notes:	Andrew Dunlop, Sally Gepp, Imogen Edwards (WW), Dave Foster (DIA)

1. Opening Meeting

1.1 Meeting Opening

In the absence of Mayor Croon, chairing duties were undertaken by the Deputy Chair, Cr Keri Day, pursuant to clause 13.10 of Standing Orders.

Deputy Chair Day opened the meeting and acknowledged the passing Mike Pohio, Val Gregory-Hunt and James Anderson.

Public Forum

Andrew Dunlop attended the meeting and introduced his legal representative Sally Gepp.

Andrew advised that the government was planning changes to forestry regulations which would affect local councils' powers under the RMA. This could reduce protections for significant sites, allowing forestry development without proper regard for their importance.

Sally Gepp noted it was evident that a significant portion of Chatham Island—potentially up to one-eighth—was planned for afforestation with exotic trees, raising concerns about risks to cultural sites, ecology, and water. The current national regulations were not well suited to the island's needs, though the review clarified that the Council had broader powers under the existing framework than previously understood. However, if national erosion mapping was completed, afforestation could proceed with no local oversight. Sally urged the Council to consider updating the Chatham Islands Resource Management Document to better manage these risks, and actively engage in the government's current regulatory consultation to retain local control.

1.2 Apologies



Apologies

THAT the apologies be received.

Decision Date:	19 Jun 2025
Mover:	Cr Celine Gregory-Hunt
Seconder:	Cr Judy Kamo
Outcome:	Approved

1.3 Interests Register

1.4 Action List



Actions List

THAT updates to the Actions List be noted.

Decision Date: 19 Jun 2025
Mover: Cr Graeme Hoare
Seconders: Cr Celine Gregory-Hunt
Outcome: Approved

1.5 Amendment to Meeting Schedule



Amendment to Meeting Schedule

THAT the Chatham Islands 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.

Decision Date: 19 Jun 2025
Mover: Cr Nigel Ryan
Seconders: Cr Graeme Hoare
Outcome: Approved

The Chief Executive provided updates on formal meeting processes and advised he would be on leave from 7 - 11 July 2025. The Operations Manager would be the Acting Chief Executive in his absence.

2. Confirmation of Minutes

2.1 Ordinary Meeting Minutes 8 May 2025



Minutes of Ordinary Meeting 8 May 2025

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

Decision Date: 19 Jun 2025
Mover: Cr Nigel Ryan
Seconders: Cr Celine Gregory-Hunt
Outcome: Approved

2.2 Canterbury Mayoral Forum Minutes 30 May 2025



Canterbury Mayoral Forum Minutes 30 May 2025

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

Decision Date: 19 Jun 2025
Mover: Cr Judy Kamo
Seconders: Cr Steve Joyce
Outcome: Approved

The Chief Executive advised he and the Mayor had attended the Canterbury Mayoral Forum on 30 May 2025. He updated Council on some of the topics covered.

3. Finance

3.1 Financial Report



Financial Report

THAT the Chatham Islands Council receives the report.

Decision Date: 19 Jun 2025
Mover: Cr Celine Gregory-Hunt
Seconded: Cr Nigel Ryan
Outcome: Approved

Tanya Clifford reported an overspend of approximately \$400,000 against income. Roading maintenance costs had increased by 25–30% compared to previous contracts, placing pressure on resources. Council remained dependent on grants, fees, and charges, though concerns were raised about the long-term reliability of these revenue streams. Emphasis was placed on refocusing efforts toward core services, in line with government expectations.

Initiatives to reduce the operating deficit and demonstrate prudent financial management were underway to help attract Crown support. Finalisation of tenancy and lease agreements for the Council building was progressing, and the cash position at 30 June may be slightly better than currently indicated.

3.2 Annual Plan 2025/26



Annual Plan 2025/26

THAT the Chatham Islands Council:

1. Receives the draft 2025/26 Annual Plan.
2. Approves the disclosed budget approach for Council ratification, 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 approves for Council ratification that the balanced budget assumption is met, in accordance with section 100 (2) of the Local Government Act 2002. Noting that 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 & risk Committee.
7. Delegates authority to the Chief Executive to approve and action minor editorial corrections to the approved 2025/26 Annual Plan.

Decision Date: 19 Jun 2025
Mover: Cr Keri Day
Seconded: Cr Greg Horler
Outcome: Approved

Dave Foster from Department of Internal Affairs was welcomed.

Council approved the 2025/26 budget and annual plan, with further cost-saving measures to be pursued. A work programme to address financial deficits would go to the Performance, Audit and Risk Committee. Authority was delegated to the CE for minor editorial changes.

3.3 2025/26 Rates Setting



2025/26 Rates Setting

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					\$!

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.

Decision Date: 19 Jun 2025
Mover: Cr Steve Joyce
Seconder: Cr Celine Gregory-Hunt
Outcome: Approved

Rates for 2025/26 were set, including a 7.25% increase (inflation + 3.5%), slightly higher than last year's 6.6%, to boost cash flow. The rates resolution, penalties, and related delegations under the Local Government Acts were formally passed.

4. Works & Services

4.1 Stantec Report



Stantec Report

THAT the report be received.

Decision Date: 19 Jun 2025
Mover: Cr Nigel Ryan
Seconder: Cr Steve Joyce
Outcome: Approved

4.2 Fulton Hogan Road Maintenance Report



Fulton Hogan Road Maintenance Report

THAT the reports be received.

Decision Date: 19 Jun 2025
Mover: Cr Graeme Hoare
Seconder: Cr Judy Kamo
Outcome: Approved

4.3 Fulton Hogan Water & Wastewater Report



Fulton Hogan Water & Wastewater Report

THAT the Water & Wastewater reports be received.

Decision Date: 19 Jun 2025
Mover: Cr Judy Kamo
Seconder: Cr Graeme Hoare
Outcome: Approved

5. Community

6. Regulatory

6.1 ECan Q3 Report



Activity Report from Canterbury Regional Council (ECan)

THAT the Chatham Islands Council:

1. Receive the report; and
2. Thank Canterbury Regional Council officers for their continued delivery.

Decision Date: 19 Jun 2025
Mover: Cr Celine Gregory-Hunt
Second: Cr Nigel Ryan
Outcome: Approved

7. Emergency Management

8. Government

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 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.

Decision Date: 19 Jun 2025
Mover: Cr Nigel Ryan
Seconder: Cr Judy Kamo
Outcome: Approved

12.3 Close the meeting

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

Signature: _____

Date: _____



3. Finance

3.1 Financial Report

Date of meeting	31 July 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 30 June 2025.

Recommendations

That the Chatham Islands Council receives the report.

Summary revenue and expense for the month ended 30 June 2025

	Budget to June \$000	Actual to June \$000	Forecast \$000	Year end Forecast \$000	Year end Budget \$000
Revenue					
General rates	381	385	<i>All rates</i>	385	381
Targeted rates	436	429	<i>levied</i>	429	436
Rate penalties	-	29	-	29	-
Total rates	817	843	-	843	817
Operating subsidies and grants	5,916	7,070	-	7,070	5,916
Capital subsidies and grants	3,298	2,711	-	2,711	3,298
Total subsidies and grants	9,214	9,781	-	9,781	9,214
Fees and charges	65	124	-	124	65
Council dues	309	281	-	281	309
Petrol income	-	459	-	459	-
Interest on investments	42	7	-	7	42
Other income	309	502	-	502	309
Total revenue	10,756	11,998	-	11,998	10,756
Expenditure					
Employment benefits (including elected members)	1,292	1,258	-	1,258	1,292
Contractors, roading (FH, Stantec)	1,765	1,773	-	1,773	1,765
Contractors, water & wastewater (FH, Stantec)	480	398	-	398	480
Contractors, waste management (FH, Stantec)	660	765	-	765	660
Other key contractor, ECan	1,240	472	-	472	1,240
Other contractors	64	522	-	522	64
Petrol expense	-	531	-	531	-
Audit fees	105	118	-	118	105
Legal fees	15	250	-	250	15
Finance costs	1	3	-	3	1
Depreciation and amortisation	2,210	2,374	-	2,374	2,210
Other expenditure	1,772	1,523	-	1,523	1,772
Total expenditure	9,604	9,986	-	9,986	9,604
Total surplus/deficit	1,152	2,012	-	2,012	1,152
Capital expenditure	3,748	3,217	-	3,217	3,748
Loan repayments	22	22	-	22	22

Please note, not all year end process checks have been completed. Therefore, the reported year-end result may differ from this initial result presented in the PARC report.

Rates revenue: All rates have been levied for the year and instalment dates passed. Rates are invoiced based on the Council approved rates strike. Minor variances are due to small changes in the rating database. Progress is slowly being achieved in relation to collecting rate arrears.

Grants: Roothing subsidy is up to date and based on 88% of actual expenditure. Higher level of grants than budgeted recognised, due to better off funding received in current year, but budgeted in prior year. New grant received in June to assist with Local Water Done Well requirements.

Other revenue: petrol receipts are an unbudgeted item, raising revenue recognised. No other issues.

Infrastructure projects: *Includes:* roading, water, wastewater and waste management contracts. All works on track and in line with contracted deliverables. Three waters work has been limited with funding restrictions, impacting levels of service Council is able to provide; lack of investment in critical asset maintenance increases the risk of asset failure.

Contractor, ECan: Recognised expenditure low, work programme for 2024/25 was \$1m.

Contractor, Others: Includes consultation works for Crown funded projects eg. 30-year plan, City and Regional Deal; and Local Public Service Reform project (CIC contribution totalling \$75k), resource management and minor works related to licencing fees.

Other expenditure: petrol payments are an unbudgeted item, insurance and legal fees are higher than expected; this has impacted on the level of expenditure recognised.

Council has received two grants in advance, previously reported to PARC, where funding has not yet been fully allocated (NKMR and water tank installation). NKMR funds not allocated and therefore money remain held in 'trust'. All water tanks (except six) have been delivered and installed.

Overall comment: The overall result appears better than anticipated due to up-front grant payments received in June. (e.g. three water grants).

See below for historic 1st July opening Bank Funds

Summary statement of cash flows for the month ended 30 June 2025

	Budget to June \$000	Actual to June \$000	Forecast \$000	Year end Forecast \$000	Year end Budget \$000
Cash inflow from operating activities					
Receipts from rates revenue	816	826	-	826	816
Receipts from grants and subsidies	9,204	10,281	-	10,281	9,204
Receipts from fees & charges	65	78	-	78	65
Receipts from Council Dues	309	279	-	279	309
Interest received	42	7	-	7	42
Receipts from other revenue	306	1,642	-	1,642	306
Cash inflow from operating activities	10,742	13,113	-	13,113	10,742
Cash outflow from operating activities					
Payments made to employees (including elected members)	(1,292)	(1,342)	-	(1,342)	(1,292)
Payments made to key contractors, FH & Stantec	(3,804)	(4,199)	-	(4,199)	(3,804)
Payments made to key contractors, ECan	(1,240)	(612)	-	(612)	(1,240)
Interest paid	(1)	(3)	-	(3)	(1)
Other payments made to suppliers	(668)	(2,645)	-	(2,645)	(668)
Cash outflow from operating activities	(7,005)	(8,800)	-	(8,800)	(7,005)
Net cash flow from operating activities	3,737	4,313	-	4,313	3,737
Cash flow from investing activities					
Purchase of fixed assets	(3,748)	(3,681)	-	(3,681)	(3,748)
Sale/(purchase) of other assets	-	106	-	106	-
Net cash flow from investing activities	(3,748)	(3,575)	-	(3,575)	(3,748)
Cash flow from financial activities					
Loans raised	-	-	-	-	-
Repayment of loans	(22)	(22)	-	(22)	(22)
Net cash flow from financial activities	(22)	(22)	-	(22)	(22)
Increase/(decrease) in cash held	(33)	716	-	716	(33)
Opening cash balance	31	(111)	605	(111)	31
Closing cash balance	(2)	605	605	605	(2)

0

Rates receipts: No issues to highlight.

Grant receipts: additional \$170k received related to Local Water Done Well for the development of a Water Service Delivery plan by September 2025.

Other receipts: high balance reflective of high (\$1m) debtor closing balance in 2024, from expenditure exceeding income. Petrol is also an unbudgeted item. Debtor balance around \$414K

Contractor expenditure: No issues to highlight.

Other expenditure: excludes a provision for \$300k payment to NKMR. All Creditor invoices settled for YE 2025 except for \$15K to CIET as awaiting their contractor cost sharing contribution.

Cashflow reconciliation to net surplus/deficit for the month ended 30 June 2025

	Budget to June \$000	Actual to June \$000	Forecast \$000	Year end Forecast \$000	Year end Budget \$000
Total surplus/deficit	1,152	2,012	-	2,012	1,152
<i>Adjust for:</i>					
remove depreciation	2,210	2,374	-	2,374	2,210
capital expenditure adjustments	(3,748)	(3,575)	-	(3,575)	(3,748)
financial expenditure adjustments	(22)	(22)	-	(22)	(22)
timing adjustments (debtors and creditors)	344	(73)	-	(73)	375
Calculated total	(64)	716	-	716	(33)
Cash increase/(decrease) for the period	(33)	716	-	716	(33)
	-	(0)	-	(0)	-

Grants summary for the month ended 30 June 2025

	Budget to June \$000	Actual to June \$000	Forecast \$000	Year end Forecast \$000	Year end Budget \$000
Grants received					
Department of internal affairs (annual appropriation)	4,203	4,203	-	4,203	4,203
NZ Transport Agency Waka Kotahi	4,852	4,419	-	4,419	4,852
Better off funding	-	655	-	655	-
Other	159	504	-	504	159
Total grants	9,214	9,781	-	9,781	9,214
	-	0	-	0	-

ANZ Bank Funds on 1st July:

(not including NKMR \$300,000)

2025 - \$292,335 owing \$15K to CIET;

2024 - \$152,988OD owing creditors \$2,132,682 (including April & May FH);

2023 - \$95,638OD owing \$1,298,843 (including May FH);

2022 - \$12,354;

2021 - \$281,800OD;

2020 - \$436,486OD;

2019 - \$203,417OD;

2018 - \$352,534OD;

2017 - \$357,379OD.



3. Finance

3.2 Annual Report – Fair Value Assessment of Property, Plant and Equipment

Date of meeting	31 July 2025
Agenda item number	3.2
Author	Paul Eagle – Chief Executive Tanya Clifford, ECan accountant

Purpose

To present to Council with an initial assessment of the increase in asset values, to provide direction on whether a revaluation should occur to Council's infrastructural assets.

This report was presented to the Performance, Audit & Risk Committee on 21 July 2025.

Recommendations

That the Chatham Islands Council:

- a. Receives the initial fair value assessments for Council's infrastructural assets;
 - b. Notes that the assessed increase in the value of Council's roading assets, based on NZTA indexes, is approximately 6.37% or \$6.26 million;
 - c. Notes that the assessed increase in Council's other infrastructural assets, based on generic Producer Price Indexes, is approximately 19.68% (or \$0.7 million) for three waters assets and 12.90% (or \$0.3 million) for waste management assets;
 - d. Assesses, based on the estimated fair value dollar movements, that the overall increase in the value of Council's infrastructural assets is not significant;
 - e. Confirms that, based on this assessment, a revaluation of Council's infrastructural assets is not required for the 2024/25 financial year;
 - f. Notes that Audit New Zealand may take a different view regarding the approach to not revalue Council's infrastructure assets, which could result in commentary in the audit opinion or management letter.
1. *Note subsequent to this resolution, a minor formula error was noted in the roading fair value movement calculation, which increased the dollar and percentage change assessment. The calculation remains below the Auditor materiality level and historic Council percentage assessment threshold. Audit New Zealand have also completed an assessment and concluded there is no material Fair Value movement. Consequently, it is considered there would be no change to the PARC resolution if the updated assessment was provided to PARC.*

Background

Audit New Zealand has identified the Council's fair value assessment of property, plant and equipment as a key area of audit focus in its Audit Plan.

As noted in the Audit Plan:

The Council periodically revalue its property, plant and equipment on a five-year basis. PBE IPSAS 17: Property, Plant and Equipment requires that valuations be performed with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

The Council last completed a formal revaluation of its infrastructure assets as at 30 June 2022.

For asset classes not scheduled for revaluation, Council is required to perform a fair value movement assessment to determine whether a material difference exists between fair value and carrying value. Where a significant variance is identified, a revaluation may be necessary.

In preparing this assessment, Council should:

- *Incorporate local cost data;*
- *Apply relevant and reliable price movement indicators; and*
- *Engage with valuers where appropriate.*

As part of the Annual Report process, a standard fair value assessment has been completed (attached). Historically, this has involved index-based analysis, whereby if the total movement is less than 10%, a revaluation was not considered necessary. Audit New Zealand has advised that their 2025 audit will focus more on the dollar value of movements rather than percentage thresholds. Accordingly, the supporting workpapers will be updated to reflect this shift in emphasis, including consideration of using unit-based rather than generic index adjustments where appropriate.

The purpose of this paper is to seek direction from PARC on whether a formal revaluation should be commissioned, should the updated assessment indicate a material change in asset values. It is noted that, should a revaluation be required, lead-in time will be necessary to engage a valuer and complete the process.

Recommendation

Any revaluation of property, plant and equipment would incur a notable cost to Council, with the last revaluation in 2022 costing approximately \$35,000.

As any revaluation would primarily only impact on the balance sheet (changing the value of the assets and the equity balance, and a minor impact on depreciation), the benefits from obtaining more accurate valuation information is considered limited.

Committing to a revaluation in 2025, could require subsequent revaluations in future years, due to the current uncertain economic environment. Council's existing policy is to undertake revaluations on a five-year cycle.

Historically, the Council has used Producer Price Indexes to estimate movements between the value of the Council's infrastructure assets recognised in the financial statements (book value) and the value of the infrastructural assets if they were valued 'today' (fair value). If the movement is less than 10%, no revaluation was deemed necessary. However, post-COVID-19 volatility has significantly impacted construction-related indexes, particularly those affecting water infrastructure.

An assessment based on this historic methodology was completed across all revalued asset classes. All exceeded the 10% threshold. However, for three waters and waste management infrastructure, as relatively small asset classes - the total movement in dollar terms was under \$700,000. For context, Audit New Zealand's materiality threshold for property, plant, and equipment is \$8.6 million (based on the prior year's balance), subject to final year-end figures.

In the 2024 financial year, due to the value of roading assets and index volatility, the generic approach was replaced with a detailed analysis using NZTA indexes - the same indexes applied by valuers in formal revaluations. Adjustments were made for annual additions since the last revaluation in 2022. This resulted in an estimated fair value increase of 6.4% (approximately \$6.3 million). The modest increase is attributable to substantial index movements occurring prior to the June 2022 revaluation, with average increases in the indexes of 4.62%.

Based on this analysis, the fair value movement across all infrastructure assets remains below Audit New Zealand's materiality threshold and is therefore is not considered significant.

This assessment was based on index data available as at 31 March 2025. A final assessment will be completed closer to year-end, and any material changes will be presented to PARC for further consideration.

Accordingly, it is recommended that no formal revaluation be undertaken for the 2025 financial year. Should year-end indexes indicate a material shift, this recommendation may be re-evaluated.

Audit New Zealand will review this assessment as part of their audit procedures. Differences in their conclusions may result in an audit management report point or, if considered material, an emphasis of matter in the audit opinion.

Revised assessment of the movement in the fair value of roading assets:

We have been requested by Audit to perform a fair value assessment up to 30 June 2025. This has previously been provided, with the roading asset inflation movement assessment considered close to assessed levels of materiality.

Consequently, a revised assessment has been completed considering a financial valuation movement (in terms of dollars) as opposed to an index movement for roading assets only.

Water, wastewater and waste management asset index movements are high. However, the financial dollar value impact is not considered to be material, and therefore no further assessment has been made on these classes of assets.

The assessment has been reviewed by Stantec roading engineers, and they have confirmed the indexes used are correct and consistent with the methodology used in the 2022 roading valuation.

Below is a summary of the revised roading assessment, considering:

factor in local cost information;

utilise relevant and reliable price movement indicators; and

involve consulting with valuers/engineers, if necessary.

Summary of roading asset valuation as at 30 June 2022:

Asset class	Replacement Cost	Depreciated RC	Annual depreciation	Annual depreciation %	Bridge	Construction	Bridge	Construction	Bridge	Construction
					-4.2%	-0.6%	5.8%	4.9%	0.4%	0.38%
					DRC 2023	Index adj DRC 2023	DRC 2024	Index adj DRC 2024	DRC 2025	Index adj DRC 2025
Road formation	40,617,796	40,617,796	0	0%	40,617,796	40,372,000	40,372,000	42,338,368	40,372,000	42,497,177
Road sealed pavement surface	1,548,064	1,017,889	113,122	11%	904,767	899,292	799,350	838,283	710,515	841,428
Road sealed pavement layers: first coat seals	2,239,178	1,801,835	37,320	2%	1,764,515	1,753,837	1,717,511	1,801,165	1,681,938	1,807,921
Road sealed pavement layers: basecourse	3,770,890	3,027,915	62,848	2%	2,965,067	2,947,124	2,885,953	3,026,517	2,826,052	3,037,869
Road sealed pavement layers: subbase	4,170,496	4,170,496	0	0%	4,170,496	4,145,259	4,145,259	4,347,158	4,145,259	4,363,464
Road unsealed pavement layers: wearing course	8,913,091	4,456,546	1,114,136	25%	3,342,410	3,322,184	2,491,638	2,612,996	1,868,729	2,622,798
Road unsealed pavement layers: subbase	14,641,696	14,641,696	0	0%	14,641,696	14,553,093	14,553,093	15,261,919	14,553,093	15,319,166
Road drainage	14,703,301	10,053,133	199,104	2%	9,854,029	9,794,398	9,600,418	10,068,019	9,410,280	10,105,783
Road footpaths	1,405,471	986,679	45,886	5%	940,793	935,100	891,613	935,040	850,148	938,547
Road signs	450,832	208,012	56,081	27%	151,931	151,012	110,298	115,670	80,561	116,104
Road traffic facilities	161,989	332,589	23,411	7%	309,178	307,307	285,676	299,590	265,567	300,714
Road minor structure	391,253	271,084	8,139	3%	262,945	261,354	253,507	265,854	245,896	266,852
Road retaining walls and protection structures	1,550,942	578,238	21,907	4%	556,331	552,964	532,015	557,927	511,859	560,020
Road bridges, bridge culverts and wharf	15,469,790	7,902,068	255,064	3%	7,647,004	7,323,663	7,087,269	7,499,259	6,858,505	7,527,516
	110,034,789	90,065,976	1,937,018		88,128,958	87,318,586	85,725,599	89,967,767	84,380,401	90,305,357

Summary of roading additions as at 30 June 2023:

				DRC 2023	Index adj DRC 2023	DRC 2024	Index adj DRC 2024	DRC 2025	Index adj DRC 2025
Road sealed pavement surface		244,721	11.11%	231,123	231,123	205,437	242,380	182,606	243,289
Road sealed pavement layers: first coat seals		1,140,283	2.07%	1,128,474	1,128,474	1,105,101	1,183,438	1,082,212	1,187,877
Road unsealed pavement layers: subbase		682,410	0.00%	682,410	682,410	682,410	715,648	682,410	718,332
Road drainage		197,944	1.98%	195,983	195,983	192,102	205,529	188,297	206,300
Road signs		76,739	26.96%	66,394	66,394	48,494	69,628	35,420	69,889
Road traffic facilities		26,946	7.04%	25,997	25,997	24,167	27,263	22,466	27,366
Road minor structure		286,868	3.00%	282,562	282,562	274,078	296,324	265,849	297,436
		2,655,910		2,612,943	2,612,943	2,531,789	2,740,210	2,459,260	2,750,488

Summary of roading additions as at 30 June 2024:			DRC 2024	Index adj DRC 2024	DRC 2025	Index adj DRC 2025
Road sealing pavement surface	8,284	11.11%	7,824	7,824	6,954	7,853
Road sealing pavement layers: first coat seals	19,955	2.07%	19,748	19,748	19,339	19,822
Road sealing pavement layers: subbase	1,759,933	0.00%	1,759,933	1,759,933	1,759,933	1,766,534
Road drainage	156,676	1.98%	155,124	155,124	152,052	155,706
Road signs	72,314	26.96%	62,566	62,566	45,698	62,800
Road traffic facilities	65,735	7.04%	63,421	63,421	58,957	63,659
Road minor structure	136,255	3.00%	134,210	134,210	130,180	134,713
Road bridges, bridge culverts and wharf	94,250	3.23%	92,729	92,729	89,736	93,078
	2,313,401		2,295,555	2,295,555	2,262,849	2,304,167

Summary of roading additions as at 30 April 2025:			DRC 2025	Index adj DRC 2025
Road sealing pavement surface	6,529	11.11%	6,166	6,166
Road sealing pavement layers: first coat seals	20,252	2.07%	20,043	20,043
Road sealing pavement layers: subbase	1,486,925	0.00%	1,486,925	1,486,925
Road drainage	229,727	1.98%	227,452	227,452
Road signs	-	26.96%	-	-
Road traffic facilities	57,285	7.04%	55,269	55,269
Road minor structure	955,920	3.00%	941,569	941,569
Road bridges, bridge culverts and wharf	108,559	3.23%	106,807	106,807
	2,865,198		2,844,232	2,844,232

Conclusion

Estimated total fair value movement in roading assets	98,204,244	
Estimated net book value of roading assets 30 June 2025	91,946,742	
<i>Difference</i>	<i>6,257,502</i>	<i>6.37% % impact to roading assets</i>
<i>Estimated net book value of all assets 30 June 2025</i>	<i>102,152,383.77</i>	<i>6.1% % impact to total assets</i>

The calculated dollar value movement based on the NZTA indexes, including estimated depreciation movements is less than \$6.5 million. The percentage impact is assessed as 6.3%, which is less than the 10% materially assessment factor.

Council therefore considers the current value of CIC's transportation assets to be materially correct and reflective of their fair value (based on both dollar and percentage assessment) and therefore does not consider a revaluation to be necessary for the 2025 financial year.

Assessment of the Movement in the Fair Value of Infrastructural Assets:**Extraction of recommendation to the Performance, Audit & Risk Committee :**

- a Receives the initial fair value assessments for Council's infrastructural assets (for the general and roading asset movements);
- b Notes that the assessed increase in the value of Council's roading assets, based on NZTA indexes, is approximately 2.27% or \$2.1 million;
Notes that the assessed increase in Council's other infrastructural assets, based on generic Producer Price Indexes, is approximately 19.68% (or \$0.7 million) for three waters assets and 12.90% (or \$0.3 million) for waste management assets;
- c Assesses, based on the estimated fair value dollar movements, that the overall increase in the value of Council's infrastructural assets is not significant;
- d Confirms that, based on this assessment, a revaluation of Council's infrastructural assets is not required for the 2024/25 financial year;
Notes that Audit New Zealand may take a different view regarding the approach to not revalue Council's infrastructure assets, which could result in commentary in the audit opinion or management letter.

The following infrastructural assets are subject to periodic valuations:

	Classification	Value 30/06/2024 \$000	Last revalued	Next due for revaluation	Entity completing last valuation
1	Transportation assets (roading & harbour)	91,188	30-Jun-22	30-Jun-27	Stantec
2	Potable water assets	2,077	30-Jun-22	30-Jun-27	Stantec
2	Waste water assets	1,259	30-Jun-22	30-Jun-27	Stantec
3	Waste management assets	2,393	30-Jun-22	30-Jun-27	Stantec

A revaluation will be considered to be necessary if the carrying amount differs materially from that determined using fair value.

A movement is initially evaluated based on the indexed movement from the date of the last valuation to balance date (30 June 2022). This indexed movement percentage is assessed against the value of the asset class to assess the dollar value movement. A movement is considered material, if the dollar value increase for the asset class exceeds \$8 million.

1 Transportation assets (roading & harbour)

Historic calculations included for reference, superseded by class based approach using NZTA indexes, information included for reference.

Links to in	Index	Weighting	Index 1/07/22	Index 31/03/25	Movement	Percentage Change	Weighted Movement	
Labour costs	Labour Cost Index – Salary and Wage Rates	0.4	1,328	1,450	122	9.19%	3.67%	
Business prices	Non-metallic Mineral Product – PPI	0.2	1,268	1,453	185	14.59%	2.92%	
	Heavy and civil engineering construction – PPI	0.3	1,458	1,589	131	8.98%	2.70%	
	Transport and Storage – PPI	0.1	1,284	1,389	105	8.18%	0.82%	
	Total weighted movement						10.11%	\$ 9.22 Million

Accounting assessment:

The calculated movement of the various indexes impacting on roading work, based on data available as at March 2025, does exceed 10%. Consequently, a separate FV calculation using NZTA indexes has been performed – reflective of actual rates used as part of the 2022 revaluation model. It is observed within roading index movements, there is a general economic trend, which indicates a decline in inflationary movements driven by global trends, slow growth and monetary policy all having a dampening effect on aggregate demand, explaining an expected lower inflation rate for roading, when compared with general indexed movements.

Based on a detailed assessment, using the NZTA roading indexes, Council considers the current value of CIC's transportation assets to be materially correct and reflective of their fair value and therefore does not consider a revaluation to be necessary for the 2025 financial year.

Based on this assessed calculation, no revaluation is considered necessary. Roading and harbour assets are considered to appropriately represent their fair value.

Engineers assessment (reliance on Stantec as experts):

There have been no significant changes made to the RAMM database since the 2022/23 financial year, with the exception of changes/updates to reflect maintenance activities and replacements that have occurred.

There have been no significant engineering design changes, to applied works methodologies, that would change the asset valuation calculation from the date of the last valuation.

There have been no significant changes to the assessed value of materials or other input costs that would significantly impact on the asset valuation from the date of the last valuation.

Nigel Lister, Stantec roading engineer

2 Potable water & waste water assets

Methodology similar to that detailed previously.

Index	Weighting	Index 1/07/22	Index 31/03/25	Movement	Percentage Change	Weighted Movement
Water, sewer, drainage, and waste services - PPI	0.8	1,547	1,896	349	22.56%	18.05%
Transport and Storage - PPI	0.2	1,284	1,389	105	8.18%	1.64%
Total Movement						19.68%

\$ 0.66 Million

Accounting assessment:

The calculated total movement of the various indexes impacting on water and waste water assets, does exceed 10%. However, given the value of these assets is not considered significant and the Council's approach of deferring maintenance, it is assessed the inflationary movement is not reflected in the value of the existing assets and therefore no revaluation is considered necessary. The value of water, wastewater and stormwater assets are a reasonable estimate of their fair value.

Based on the value and condition of the water and wastewater assets, no revaluation is considered necessary. Potable water and waste water assets are considered to appropriately represent their fair value.

The 2024 Long-Term Plan identified several 'critical' repairs required to CIC's water and waste water assets. Most of these repairs have not occurred, with further capital investment required to comply with revised drinking water guidelines. The 2022 valuation considered both current condition and future requirements of the assets and therefore any 'impairment' adjustment in the annual report reflecting reduced service capability is considered unnecessary.

Engineers assessment (reliance on Stantec as experts), information provided from previous year:

Urgent upgrades are required on both the water and wastewater schemes. This is partly due to typical asset life for key components and critical repairs/renewals that have not occurred due to funding constraints. However, is also due to climatic and legislative changes over the past few years which will necessitate additional expenditure to ensure compliance. Costs for these upgrades have not been allowed for in the Council's LTP as potential funding mechanisms are uncertain. The upgrade costs are primarily associated with the water and wastewater treatment plant assets that are almost at the end of their asset life used (short life expectancy was included in the 2022 valuation estimates) rather than the reticulation network assets, which have a longer asset life and are in fair condition. Until funding is secured for asset upgrades, the Council continues to incur higher maintenance costs to ensure the water and wastewater treatment plant assets continue to operate as well as possible.

Aside from the (unbudgeted) upgrades identified in the Council's LTP, I am unaware of any foreseeable events or changes on the horizon that would change the asset valuation. The engineers were aware key assets were almost at the end of their asset life when the valuation was completed and the condition of the water and wastewater assets, with these factors considered/included within the 2022 valuation (including the estimated cost and the estimated depreciation amount). There have been no significant changes to estimated material or other input costs or notable changes in valuation methodology since the last valuation. Overall, the current valuation reflects their fair value and therefore no impairment is considered necessary [and the valuation remains valid].

Kirsten Norquay, Stantec roading engineer

3 Waste management assets:

Methodology similar to that detailed previously.

Index	Weighting	Index 1/07/22	Index 31/03/25	Movement	Percentage Change	Weighted Movement
Heavy and civil engineering construction - PPI	0.5	1,458	1,589	131	8.98%	4.49%
Water, sewer, drainage, and waste services - PPI	0.3	1,547	1,896	349	22.56%	6.77%
Transport and Storage - PPI	0.2	1,284	1,389	105	8.18%	1.64%
Total Movement						12.90%

\$ 0.31 Million

Accounting assessment:

The calculated movement of the various indexes impacting on waste management assets, does exceed 10%. However, given the total value of the waste management assets is not significant and the relatively recent construction, it is considered the inflationary movements does not have a significant impact on the overall value of the assets.

Council therefore considers the current value of CIC's waste management assets to be materially correct and reflective of their fair value and therefore does not consider a revaluation to be necessary for the 2025 financial year.

Based on this assessed calculation, no revaluation is considered necessary. Waste management assets are considered to appropriately represent their fair value.

Engineers assessment (reliance on Stantec as experts), information provided from previous year:

Waste management assets are relatively new and not considered subject to significant deterioration impacts warranting further impairment or comments from engineers.



4. Works & Services

4.1 Stantec Report – June 2025

Date of meeting	31 July 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 June 2025

CIC Engineering Services Contract: Monthly Report

Financial update – June 2024

Financial Position: Roothing

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.

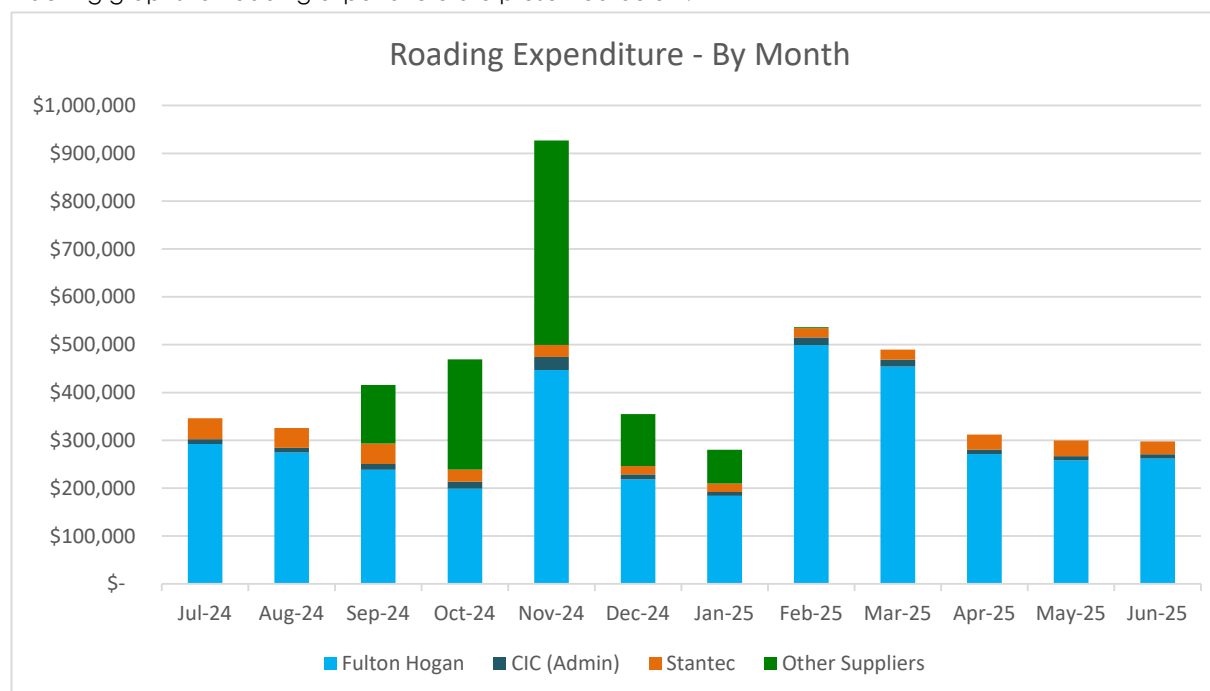
The June claim totalled \$298k.

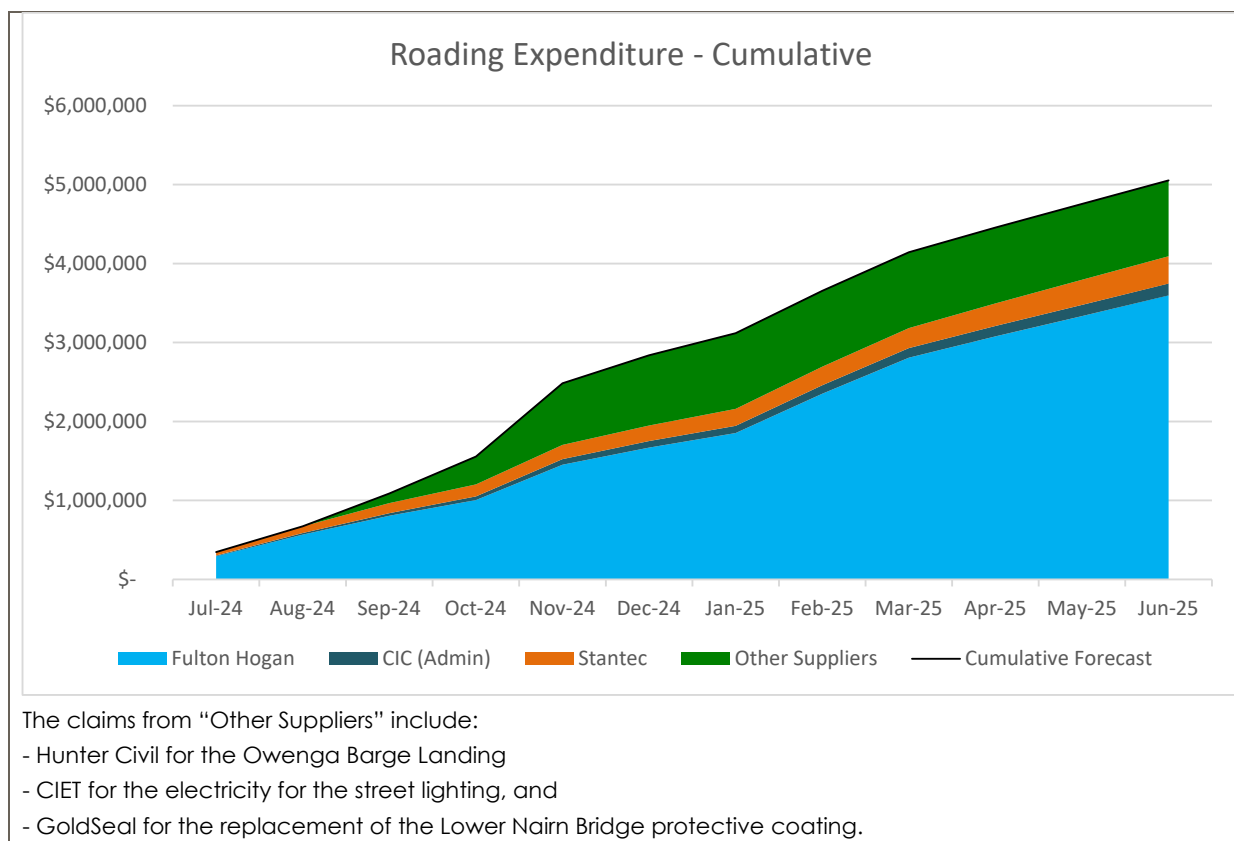
Expenditure of the Continuous Programme has used 94% of the funding allocated for 24/25 and we are 100% of the way through the 2024/25 financial year. The remaining budget unspent will be taken forward into the 25/26 financial year.

The largest construction cost in June was for reshaping roadside drains and swales. The largest engineering cost was for the Network Road Safety Inspection analysis and reporting.

Expenditure Tracking of Waka Kotahi Funding

Tracking graphs for roading expenditure are presented below.







Financial Position: Water and Wastewater

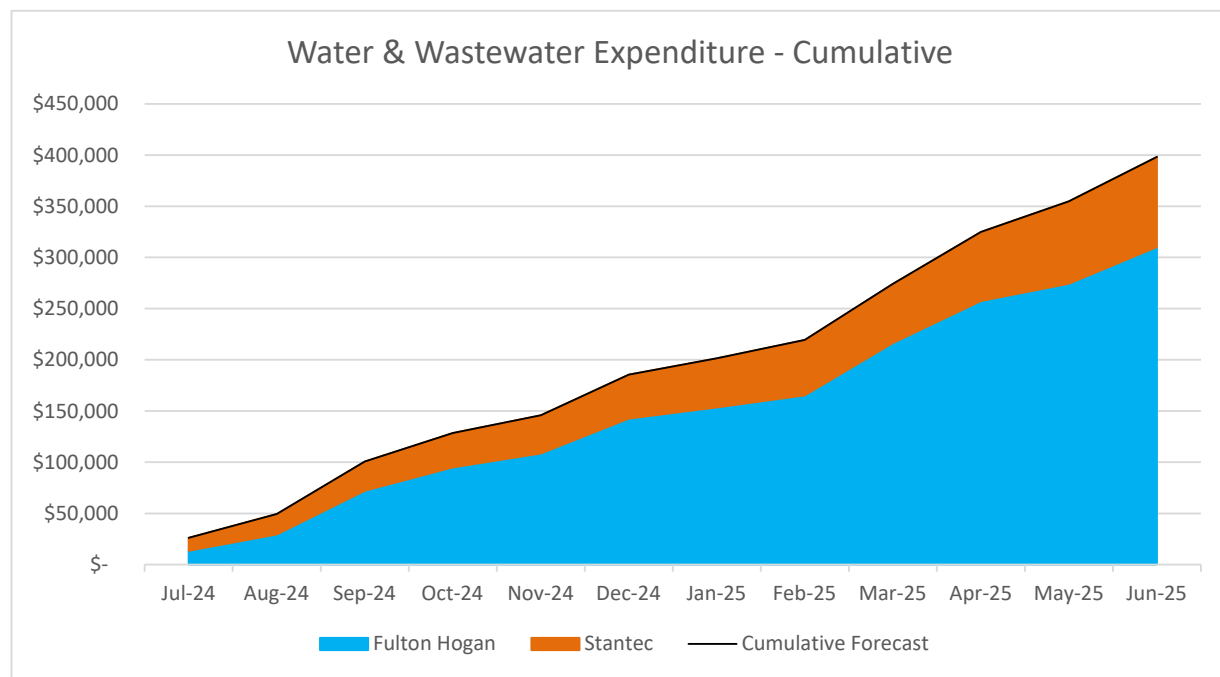
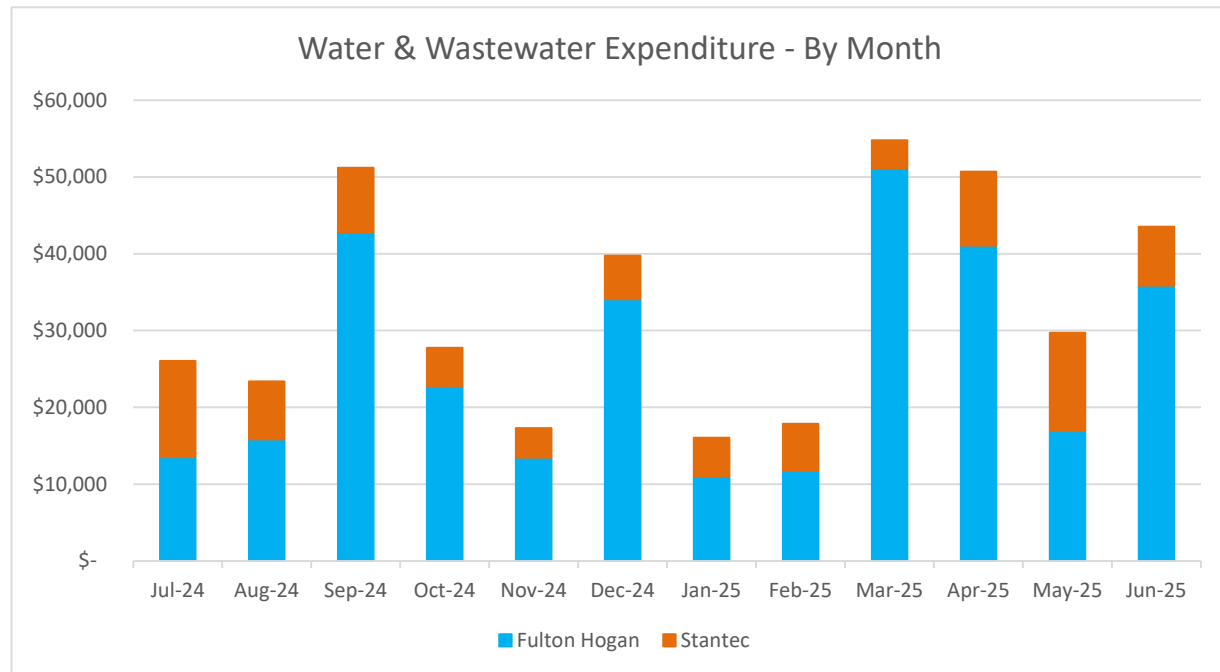
The operational expenditure for W+WW allocated in the 2024-34 LTP for 2024/25 is \$391,000.

The June claim totalled \$43.5k

The main construction cost for June was for the re-ordering of spare parts for the water treatment plants, and the main engineering cost was for the Regional growth Fund application support.

Expenditure Tracking of Water & Wastewater Funding

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





Roading Update – June 2024

Short- & Medium-Term Roothing 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 (Reseals and rehabilitations)
Bridges and Structures	Begin major component procurement for Maipito deck and beam replacement
Network & Asset management	- Discuss Procurement Strategy endorsement with NZTA - Decide on procurement model for next Maintenance term contract based on RFI feedback
Long Term Roothing Forward Work Programme	
Bridges & Structures	Replacement of the deck and beams on the Maipito Bridge in 2025/26
Network & Asset management	Begin updating contract and tender documents ahead of the start of the next maintenance contract start

Pavement Maintenance	
Previous Status: - 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.	Updates: Slip and debris clearing has been required following large rain events, but no significant pavement failures have occurred

Drainage Maintenance	
Previous Status: Swale, high shoulder, and culvert, clearance carrying on ensuring pavements drain effectively coming into wetter months	Updates: On-going swale and drain clearance has kept the roads operating during heavy rains and prevented pavement blow-outs or failures.

Bridge & Structures Maintenance	
Previous Status: - 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	Updates: None

Owenga Barge Landing	
Previous Status: - 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.	Updates: Awaiting confirmation from Barge Society representatives that the proposal for the rubber buffers will be adequate to address some concerns

Network & Asset Management

Previous Status:

- 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

Updates:

- The RFI has been advertised to begin the market research stage of the procurement for the Maintenance term supply agreement.
- The RFI is intended to better understand the supplier market on and off Island.
- The responses to the RFI will confirm the exact procurement approach

Kaingaroa & Owenga Wharves

Previous Status:

- A condition report has been passed to Stantec regarding some bolts at Owenga Wharf.
- FH will undertake an inspection

Updates:

- None

Stantec Site Visits

Previous Status:

- Rebecca and Nigel visiting with a Road Safety colleague 13th – 16th May

Updates:

- The next Roading Visit will be in August.

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:

- The NZTA combined audit has been finalised

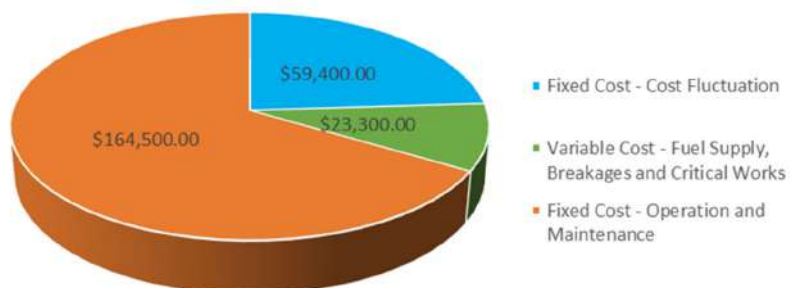
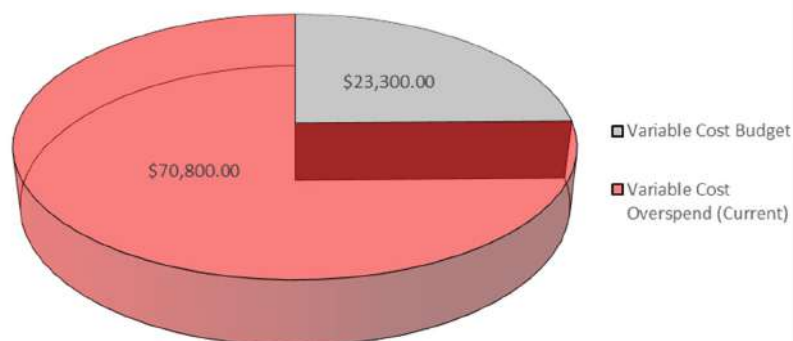
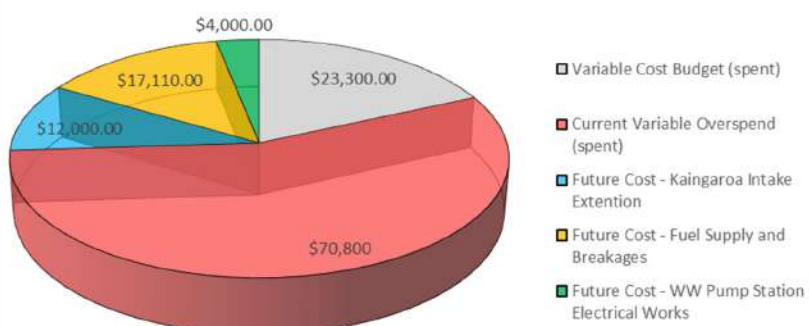
Updates:

- Initial feedback on the CIC Activity Management plan has been received. The AMP has been rated Fit For Purpose, and a number of light touch suggestions for improvement have been offered, which will be taken forward for the next update.
- The Transport Agency have been in touch about the 2025 Procurement Strategy, and have requested some extra information which will be available when the market RFI responses are evaluated.



CIC Water and Wastewater O& M meeting – June 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. The ship has been delayed with recent bad weather. Salt and chlorine deliveries are on the next shipment but not urgently required. Ship should arrive before they are needed. 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. - This month's claim will have an invoice for critical spares including o rings, UV tubes, floodor valves for dosing pump. Critical Works - All Currently Unfunded <table><thead><tr><th>Priority Band</th><th>Amount (\$)</th></tr></thead><tbody><tr><td>Critical Works - Priority band 1 (Must do now)</td><td>\$463,000.00</td></tr><tr><td>Critical Works - Priority band 2 (Must do now)</td><td>\$272,000.00</td></tr><tr><td>Critical Works - Priority band 3 (Must do now)</td><td>\$259,000.00</td></tr></tbody></table>	Priority Band	Amount (\$)	Critical Works - Priority band 1 (Must do now)	\$463,000.00	Critical Works - Priority band 2 (Must do now)	\$272,000.00	Critical Works - Priority band 3 (Must do now)	\$259,000.00	PG
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Budget tracking update:
24-25 O&M Budget (\$247,200 total)

**24-25 Variable Cost Tracking at June 2025
(Current Total Spend at \$94,100)**

**24-25 Variable Cost Forecast to End of Financial Year
(Total Forecasted Variable Cost Approx. \$127,200)**


Opportunities	<i>Opportunities:</i> • Work with Franz, refining treatment process. Seems to be working no re-filter on sample required. No further comments from Stantec team. • Conference paper? Challenges, operating remotely, shipping, small population, reforms. Awaiting feedback early May and offers to co-present.	
Water Supply		
Project:	Current Status:	
Kaingaroa Water Supply Scheme	• New Issues: ○ Ongoing chlorate monitoring required as part of default sampling: ▪ January sampling recorded elevated chlorine (0.97 mg/L $\pm$ 0.32) ▪ February sampling recorded 0.37 mg/L $\pm$ 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. ▪ Chlorate measured at 0.67 mg/L, below the 0.8 mg/L MAV. ○ The next lot of samples taken on Tuesday 16 June 2025. ○ FAC probe fixed. JB has asked Chad whether the probe is pH compensated. ○ Turbidity meters aren't connecting to software. FH to reach out to Danny Ainsley from 2Connect	PH
	• Work in Progress: ○ 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. ○ Lake Rangitai intake extension - Danny is checking pressure relief values and pump start up, these might need adjusting. ○ Ongoing operations and maintenance	JB
	• Completed: ○ FH have cleaned Lake Rangitai inlet screen ○ Ongoing operations and maintenance	
	• Critical Works Updates ○ As above – FH have updated the list.	
Waitangi Water Supply Scheme	• New Issues: ○ No records of the media which was installed on the chlorine makeup water supply to reduce chlorine sludge. JB has reached out to Filtec to confirm media type and filter details. ○ FH confirmed sludge formation in the chlorine make up tanks is a milky white colour. We suspect this is crystallised hypo and some form of sodium salt. Generally once crystals or sludge forms, it leads to more crystal formation which continues to snowball. First suggestion is to clean out all wetted components of the filter and tank really well. Then assuming no issues with the treated water that is used to dilute the hypo, next step could be to increase the dilution of the hypo in the tank and increase the dosing pump rate accordingly. ○ PH explained that the makeup water filters have been in there a while (maybe installed 2023/24) by Filtec. JB to reach out to Chad (Filtec) to confirm filter type and media type.	JB JB

	○ The Port will not be connected as the new 'emergency only' connection was going to be used for other purposes. ○ 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. ○ Currently fixing the leak at the Council houses, water usage had increased from 2 m³/day to 3 m³/day. ○ FH have turned off the water supply at Nairn house to reduce water loss. Awaiting fix. ○ CIC drafting letters to send to houses with high uses. CIC issued may have issues a letter to high users JB to ask at next governance meeting. ○ PH to ask Filtec for a copy of the annual WTP service reports. ○ JB to chase Filtec for the updated P & IDs	JB PH JB
	• Work in Progress: ○ Ongoing operations and maintenance	
	• Completed: ○ Leaks in network fixed	
	• Critical Works Updates ○ As above – FH have updated the list.	
Compliance Monitoring May 2025	May 2025 Monthly Water Quality Compliance: • <i>Waitangi</i> ○ No E. coli or Total Coliforms detected in raw, treated, or network samples. ○ Treated water turbidity (0.05 NTU) was below the operational target (0.3 NTU). ○ The UVT for treated water was satisfactory at 98.2%. ▪ Protozoa compliance is being met. • <i>Kaingaroa</i> ○ Chlorate measured at 0.67 mg/L, below the 0.8 mg/L MAV. ○ No E. coli or Total Coliforms detected in the treated and network samples. ○ Low level of Total Coliforms and E.coli were detected in the raw sample, but as expected with a lake water source. ○ Treated water turbidity (0.12 NTU) was below the operational target (0.3 NTU). ○ The UVT for treated water was not satisfactory on the day of sampling at 64.5%. ▪ Protozoa compliance is being met. • <i>Recycling Center Supply</i> ○ No E. coli or Total Coliforms detected in treated sample • <i>Council Office Supply (not a CIC supply)</i> ○ No E. coli or Total Coliforms detected in treated sample. ○ The UVT was good at 97.5%.	
Wastewater		
Project:	Current Status:	
Waitangi Wastewater Scheme	• New Issues: ○ 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 gully traps.	



	○ Solids are settling better in the sludge return tank following Franz's report recommendations. FH to monitor.	
	• Work in Progress: ○ FH have cleaned out sludge return tank and the irrigations tank. ○ FH have cleaned out Solids tank ○ Discharge consent review on-going (Stantec progressing). ○ Ongoing operations and maintenance	
	• Completed: ○ Circuit cut out and breaks and high-level alarm installed and operational. Standby pump now operational. ○ Ongoing operations and maintenance	
	• Critical Works Update ○ As above	
Compliance Monitoring May 2025	May 2025 Monthly Compliance Monitoring • All parameters were below the annual median except for total nitrogen (17 mg/L higher), and E. coli (0.1- log higher). The land application system will further reduce nitrogen and micro-organisms prior to reaching groundwater. • Next months results should be lower as UV tubes have been cleaned • FH have stopped dosing pool chlorine – doesn't seem to be an issue with cooler weather.	
AOB	Stantec (Jack and Kirsten) planning to visit the island end of July (28th July to 1st August) and attend the next Council meeting (Thursday 31 July) in person. JB to add Tomby to meeting minutes and monthly meeting invites	JB

Solid Waste Update – June 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 determine a course of action for dealing with the cray pots because of the sensitivity of the matter. - FH are looking at getting the staff resources for the solid waste work to the appropriate level. - The wet weather has made operations at the landfill slightly more challenging. - FH did a drone survey of the landfill, which will be used to check on the compaction.	Actions – Stantec - To assess the compaction of the landfill using drone survey results and annual tonnages. Actions – Council - CIC to action recommendations from the Annual Report and Treatment Plant Memo. Actions – Fulton Hogan - FH to provide Stantec with drone survey results. - 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.
Other Waste Management Matters	
Current Status: - Monthly solid waste matters meetings have been re-scheduled for 1st Wednesday of each month. - There have been less 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	31 July 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 June 2025 monthly reports from Fulton Hogan.

Recommendation

THAT the report be received.



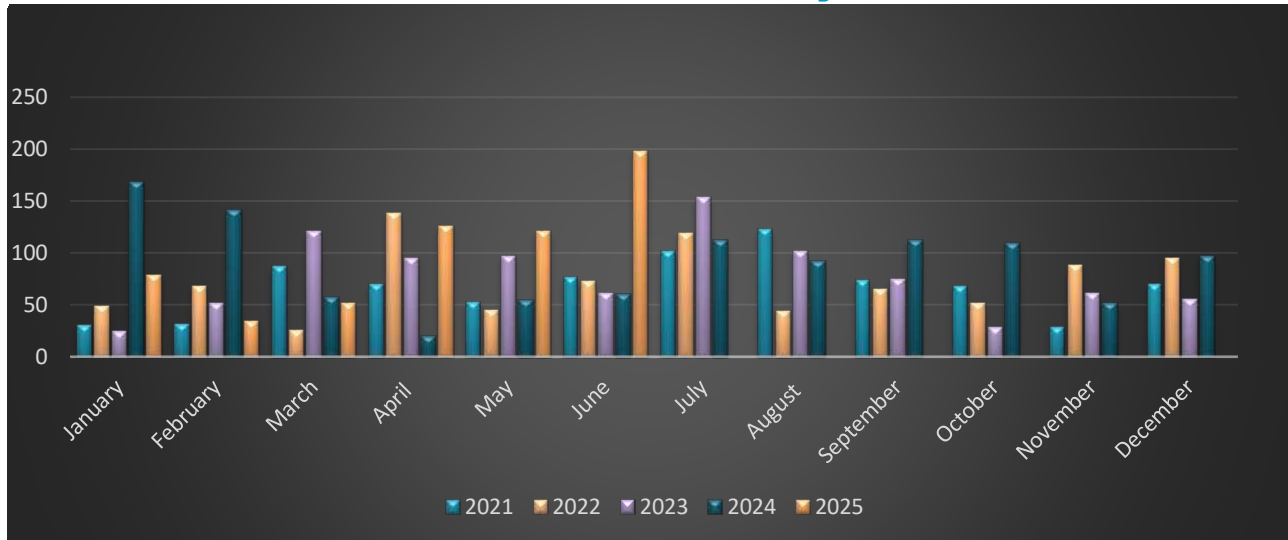
Slip Removal After Heavy Rain Events.

CHATHAM ISLANDS ROAD MAINTENANCE CONTRACT MONTHLY REPORT JUNE 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.



198mm rainfall recorded for 1st – 30th June in the Waitangi yard.

Routine Maintenance and Operations:

Very wet month which limited us on some of the programmed and routine works.

We had a couple of problems with our two graders and sourcing the parts and getting them to the Island has been very frustrating. EMP replacements have been carried out around the network.

We have cleared a lot of slip material from down by the main wharf and TikiTiki Road after the prolonged rain events earlier in the month.

Pavement Renewals:

Sealed Road Resurfacing:

Drainage Renewals:

Some watertabling works done on WW-O road out by the Solomon statue after flash flooding event.

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:

Flaxes trimmed back from footpaths in Te-One.

Dayworks:

Programmed Work for following month:

Still trying to get the last of our gear back from Pitt Island. We will be carrying out a lot of metaling and grading to get the roads back up to shape after the wettest month on record since Fulton Hogan have had the contract.

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	5911	11	4440	20395	7310
NORTH ROAD	5906	21	4590	12500	7910
AIR BASE ROAD	5905	71	0	5871	5871
				Total	21091m
					21.09km

2. Unsealed Maintenance Metaling

Road	Dispatch	Road ID	Start RP	End RP	Quantity m3	
NORTH ROAD	5894	21	4590	30000	8	
PORT HUTT ROAD	5870	51	0	16615	88	
WAITANGI WEST ROAD	5869	61	1000	7500	24	
TE MATARAE ROAD	5881	81	0	800	16	
WW-O ROAD	5883	11	4440	24300	248	
TIKI TIKI ROAD	5882	96	40	150	40	
		Totals		This Month	424	m3
				Revised Target	58000	m3
				Contract TD	58006	m3

Next Month's Target

6m3 over budget.

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

30/06/2025							
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	424	3,952	0	2,480	311	111
FH Yard	0	80	200	0	16		
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	2,668	4,152	1,329	2,624	677	612

CIC Owned Materials

Signs

Item Description	Unit	Purchased	Used June 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.	1000	75	1112	
CULVERT MARKERS	ea.			4	
WHITE RAPID MARKERS	ea.			60	
Misc. Items					
ACROW PROPS	ea.			6	
ROAD COUNTER	ea.			1	
ROUGHOMETER	ea.			1	

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
450mm	m			24
525mm	m			15
600mm	m			30
700mm	m			30
800mm	m			24
1000mm	m			

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			10.5

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
June 25	Public	Flooding on Tuku Road @ RP8875.	Spoke to Council about history of this site.	30mins
June 25	Public	Potholes on Airbase Road.	E-mailed Council = Graders waiting on parts.	30mins

Public Relations & Community Involvement Innovation

Summary of Monthly Progress Claim by Work Category

	June 25	Separable Portion One - Roading			
Item	Work Category	Value for Month	Value YTD	Annual Budget	% of Annual Budget
1	P&G Other	\$131,518.99	\$1,745,285.69	\$1,500,000.00	116.35%
2	Routine Maintenance and Ops	\$64,142.73	\$734,595.82	\$810,000.00	90.69%
3	Pavement Renewals	\$16,639.54	\$746,082.10	\$662,000.00	112.70%
4	Sealed Road Resurfacing	\$0	\$0	\$9,000.00	0%
5	Drainage Renewals	\$22,821.20	\$157,808.39	\$405,000.00	38.96%
6	Bridge Renewals	\$0	\$1,129.08	\$50,000.00	2.26%
7	Traffic Services	\$12,670.02	\$47,901.35	\$86,000.00	70.43%
8	Minor Improvements	\$0	\$19,674.95	\$50,000.00	39.34%
9	Vegetation Control	\$5,408.41	\$72,996.77	\$55,000.00	132.72%

11	Dayworks	\$8,786.00	\$18,142.18	\$150,000.00	17.95%
	Total	\$261,986.89	\$3,568,097.40	\$3,770,000.00	94.64%

1. Miscellaneous

2. Traffic Counting

Completed.

3. Pitt Island

Still waiting for machines to come back on barge.

4. Wind Damage

After a wild and wet month no reported or visible signs of damage.



Clearing Watertables WW-O Road



Fresh coat of paint on all the bridges.



4. Works & Services

4.3 Fulton Hogan Water and Wastewater Operation Contract Report

Date of meeting	31 July 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 June 2025 Water & Wastewater reports from Fulton Hogan.

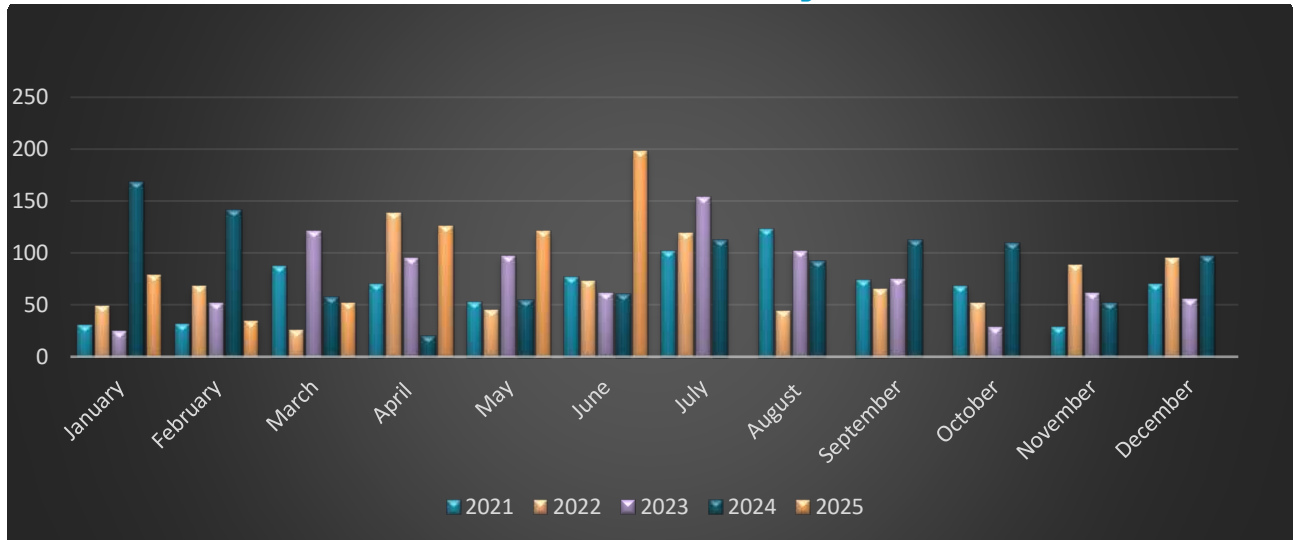


Solids Tank Before Cleaning.

CHATHAM ISLANDS
WATER AND WASTEWATER
OPERATION CONTRACT
MONTHLY REPORT
June 2025

Work Summary

Outline of work carried out during the month:



198mm rainfall recorded for 1st – 30th June in the Waitangi yard.

Water Supply Operation & Maintenance:

No problems with the network operations this month.

We currently have four people sitting their level 4 drinking water standard.

We have been fitting water meters to the farm water tanks at Kaingaroa to help isolate leaks.

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 that were made last month.

This month we cleaned out the solids waste tank.

Dayworks – Water:

Fitted meters to the Kaingaroa farm water tanks to help with trouble shooting leaks.

Dayworks – Wastewater:

Water and Wastewater Reticulation Network:

Network all good the past month with no issues.

Water and Wastewater Treatment Plant: Monitoring:

Chatham Islands Monthly Report

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:

	June 25	Separable Portion Two - Water and Wastewater			
Item	Work Category	Value for Month	Value YTD	Annual Budget	% of Annual Budget
13	Preliminary and General	\$16,697.89	\$109,713.62	0	0%
14	Water Supply Ops and Maint	\$922.32	\$11,067.84	0	0%
15	Water Treatment	\$5,343.67	\$43,671.09	0	0%
16	WWTP Waitangi	\$4,885.98	\$22,958.83	0	0%
17	Dayworks - Water	\$5,059.93	\$65,694.01	0	0%
18	Dayworks - Wastewater	\$572.93	\$34,005.73	0	0%
19	Water and Wastewater Reticulation	\$0	\$461.16		
20	Treatment Plant Monitoring	\$2369.16	\$16,617.52	0	0%
	Total	\$35,851.89	\$304,189.80	\$140,000.00	217.28%

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 in September.

Irrigation Dosing:

Ground is waterlogged after the high level of rain this month but no excessive runoff evident.

Quality Assurance:

Chatham Islands Monthly Report

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 June 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



Water Leak At The Council Flats.



Installing new meters at Kaingaroa farm tanks.



4. Works & Services

4.4 Fulton Hogan Waste Management Operation Contract Report

Date of meeting	31 July 2025
Agenda item number	4.4
Author/s	Asheesh Chand – Fulton Hogan Divisional Manager, Maintenance

Purpose

To inform and update the Council on the Chatham Islands Waste Management Operation programme.

Recommendations

THAT the reports be received.

Background

Attached to this report is the March 2025 Waste Management report from Fulton Hogan.



Mitre 12 - Revamped

CHATHAM ISLANDS WASTE MANAGEMENT CONTRACT MONTHLY REPORT JUNE 2025

Introduction
 Te One Transfer Station
 Owenga Landfill
 Appendix 1

Introduction

This report provides a summary of waste management activities through the month of March 2025.

Staff

April - we farewell Johnny Kamo, as he returns to his farm full time. Johnny will continue to support our team on the odd occasion until we meet staffing capacity. Johnny has been with us for 2 and a bit years and we appreciate Johnny and wish him well.

April – May, Welcome Waimarino Wairua to our team. Wai will assist with the daily operations of Te One with a focus on Our Mitre 12 Resource Recovery facility on our open days.

May - June – Damion K and Justine D – Fulton Hogan Team support from New Zealand. Assisted with Hiab driving and transporting of skip bins from Kaingaroa and Owenga- Landfill works.

June – We farewell our Maintenance Department Manager Phil Holt. He has opted to retire and moving back to Whangarei. We will miss his expertise and “get on with it” attitude. We wish Phil well in his future endeavours. Erin Von Elders (Tomby) will be taking over from Phil in the new financial year.

Te One Transfer Station

We continue to provide service to our community as normal. Autumn/Winter weather has swept in with no mercy, having to close our gates more than usual on bad days. The community are well seasoned to these changes and work well with the team on our open days. Intake has been steady and manageable. We have however, had to process a lot of wet cardboard as general baled wastes as public struggle to keep it dry. Waste have been collected and held mainly in the skip bins, as it has been challenging to get the “squishy” truck onto the landfill cell safely without getting stuck. Also, wet bags and loose waste increase the possibility of contamination and becomes difficult for staff to handle manually.

Our main commercial intake has come from the Tuuta Airport Project, Leath Wetzel Building crew, and is nearing completion. Through discussions with Leath and his team we have seen a positive change from excessive bulk dumping of mixed building material to well sorted loads on arrival where a good portion of re-useable resources timber offcut, tech screws etc have been salvaged and re used to build shelving in our Mitre 12 rooms and collected by the public.

Te One site Maintenance and upgrade:

Our Maintenance team have been working the roadside with the installation of the new safety pull off area at what will become the new entrance gate into Te One RRC. Public will soon enter from the weigh bridge side of the MRF building. On entry we will have displayed on the main wall new signage, Public will enter the main external forecourt allowing more space for vehicles to safely park, so not to congest between the Big MRF building and M12. Once public have deposited there waste, they can visit M12 as there is room to continue through the site and

exit safely out the old entrance gate. This also reduces foot traffic between the buildings and better visibility for all users.



Main forecourt:

Arlette has been working at re-levelling the main forecourt area on our closed days. Re-shaping the ground so that during a heavy rain, water can run off to the far wall behind the skip bins. The runoff is directed to flow along the wall behind the weighbridge, past the ramp leading up to the top area, then out to the roadside storm water drain. This will require another good spread of metal to seal the ground in time.

Shipping containers and external sheds:

We will move the second recycling shipping container closer to the MRF building for filling with the recycling bales for shipping. These are currently stored inside the open bay that we want to set up for salvaged building resources.

MRF Big Grey Shed:

We continue to offer access out of the elements to the public, to enter the MRF building to deposit there recycling items. This space has had a small upgrade, using repurposed pallet slip sheets as wall cladding, we have used these to cover the old recycling hatches and painted white. Hand painted signage has been done indicating the main recycling items and which wool pack rack the items go into. We will also utilise this wall as a mini notice board for information relating to Waste Minimisation and affirming what we do and don't accept. We have added x2 yellow bins for soda stream canisters and heavy-duty tool and gas canisters as these end up mixed amongst

the lighter domestic Aerosol cans. We do know that soda stream canisters can be refilled so we hope to investigate this further in the future.

Aerosol cans are considered general waste under New Zealand Waste management criteria; however, we want to minimise the risk of putting any flammable wastes into the landfill and process them more responsibly. These can be processed through our ERL bale machine. The bales then can be used onsite for bunding or retainer walls. The second yellow bin is for collecting small household batteries, tool and vaping device batteries, again anything to keep these highly hazardous items out of our landfill.

Kaingaroa Transfer Station:

Weekly pickup of waste has been consistent over the last couple of months with good compliance with depositing into the bins that we supply or at least ensuring the wastes are going into the bins and not on the ground. They also continue to do a great job at recycling. Because the weather has been terribly wet, we have made use of the hiab to pick up the skips to minimise manual handling of the wastes, and heavy bags.

Owenga Landfill

Planned works, in and around the leachate treatment plant has been slow. Weather conditions being the main barrier affecting safe accessibility, and on days that didn't conflict with our open public days at Te One, staff availability.

Our maintenance crew were able to assist mid-May where they cleared built up and blown waste around and under the service bridge leading to the leachate outlet chamber. They also pumped out what water they could from the chamber to scrub the mesh guard and pipes of the outlet pipe as this builds up with sludge.

We have focused this month on moving as much cover material from the dugout onto the cell so not to track roll backwards and forwards through the waste, mud, and to not dig up the track leading to the leachate treatment area. This has also ensured that any wastes tipped off can be covered immediately.

The rain and mud have made it difficult to back the Squishy truck onto the pad to tip off safely without getting stuck. We have been collecting wastes at Te One in the skip bins and making use of the Hiab. It is safer to track roll to the Hiab and unload the bins from the drive on entry point, then take out to the cell and tip off directly where it needs to go. Being able to tip off directly helps to not have to drag wastes across already worked spaces on the cell.

Works are continuing.

Appendix 1

Te One Waste Record

Owenga Waste Record

Summary Waste Record

4. Works & Services

4.5 Water Services Delivery Plan – Chatham Islands

Date of meeting	31 July 2025
Agenda item number	4.5
Author	Paul Eagle, Chief Executive

Purpose

This report outlines the development of a Water Services Delivery Plan (WSDP) for the Chatham Islands in accordance with the Local Government (Water Services) Bill, and seeks Council approval on the preferred option for public consultation.

Recommendations

1. **Receive** the report.
2. **Approve** the preferred option, option one, for public consultation from 1 to 21 August 2025.
3. **Approve** an additional (extraordinary) Council meeting to take place on Wednesday 27 August 2025 to specifically adopt the Water Services Delivery Plan for submission to the Department of Internal Affairs prior to 3 September 2025.
4. **Thank** the Department of Internal Affairs, Auckland Council, Watercare Services, Nexus Advisory, Fulton Hogan and Stantec for developing the Water Services Delivery Plan.

Background

Recent reforms under the Local Government (Water Services) Bill require all territorial authorities to prepare a WSDP and submit it to the Department of Internal Affairs (DIA) by 3 September 2025. The WSDP will outline how water services will be delivered locally, in a financially sustainable, cost-effective and compliant manner.

The Bill introduces a planning and accountability framework for water services, economic regulation (via the Commerce Commission), new environmental performance standards for wastewater and stormwater, and National Engineering Design Standards (NEDS) for infrastructure.

Chatham Islands context

The Chatham Islands face unique challenges in delivering water services, including:

- Geographic isolation and reliance on reactive maintenance for aging assets
- Small population and rating base, with a dependency on Crown funding
- Water infrastructure reaching capacity, restricting housing and economic growth
- Regulatory compliance pressures (eg. boil water notices, overflow incidents)

In October 2024, Mayor Croon formally wrote to the Minister for Local Government, the Department of Internal Affairs and Auckland Mayor Wayne Brown requesting support to develop the WSDP and explore funding and delivery options.

Strategic engagement and partnership

- **Auckland Council / Watercare:** Discussions have taken place to explore a partnership model. A joint approach is under consideration that may involve Watercare in technical planning and delivery, under Auckland Council's leadership.
- **Minister for Local Government:** The Minister has provided funding for the development of the WSDP via the Department of Internal Affairs. Any option for a financially sustainable model for delivering water services will need Crown funding.

Delivery model options under the Bill

Under the Bill, Council has discretion to select the most appropriate delivery arrangement. Options include:

1. **Internal business unit or division (Stand Alone Business Unit):** Direct in-house provision by Council.
2. **Single council-owned water organisation:** Establishment of, and transfer of assets to a Council Controlled Organisation (CCO) 100% owned by Council.
3. **Multi-council owned water organisation:** Establishment of a CCO as above but with multi-council ownership (eg. Auckland Council).
4. **Mixed council/consumer trust owned water organisation:** Consumer trust established to part-own a water organisation.
5. **Consumer trust owned water organisation:** One or more territorial authorities establish a consumer trust to wholly own a water organisation, and transfer all water assets and responsibilities.

However, all models must comply with statutory objectives, including:

- Long-term financial sustainability
- Cost-effectiveness
- Compliance with regulatory standards

Preferred option

Given our limited internal capacity, funding constraints, the cost of forming a new entity and the duplication of functions, options 2 through 5 are not practical or beneficial for Council.

Option one retaining three waters in house as a Stand Alone Business Unit (SABU) is involving Auckland Council and Watercare is the most viable option for exploration.

Funding pressures and future investment needs

A summary of current funding pressures was included in the letter to the Minister and highlights the need for:

- Immediate remedial works to keep systems operating
- Upgrades to meet compliance and service levels
- Expansion to enable housing developments

The WSDP process provides an opportunity to quantify these investment needs and develop a case for sustainable funding – potentially through:

- Crown grant or co-investment
- Higher borrowing limits via the Local Government Funding Agency funding (LGFA) (if structured as a CCO)
- Cost-sharing with partners

Legislative milestones and timelines

Milestone	Date
Bill enacted	Mid-2025 (expected)
Submission of WSDP	3 September 2025
Infrastructure design standards (NEDS) finalised	Mid-2026

Consultation requirements

Under the Local Government (Water Services) Bill, territorial councils must carry out consultation on their WSDP before submitting it to the Department of Internal Affairs by 3 September 2025. Based on the legislation, DIA guidance, and council best practice, the core consultation requirements for the WSDP will include:

a) The proposed delivery model

‘Chatham Islanders must have a say in whether the proposed model meets local needs and values.’

Council must consult on the preferred option for how water services will be delivered. This includes:

- Who will deliver the services
- Governance structure
- Any service or asset transfers proposed

b) Financial strategy and funding options

‘This ensures the community understands the financial implications and supports them.’

The consultation will outline how the delivery model will be funded and priced, such as:

- The level and structure of water charges
- Use of debt and access to LGFA (if forming a CCO)
- Any projected cost increases to ratepayers

c) Impact on Service Levels and resilience

‘For Chatham Islands, this includes capacity to support housing, boil water notices, etc.’

Council will explain and seek feedback on:

- Changes to service levels, reliability or access
- Infrastructure upgrades or investments included in the plan
- How future growth and resilience will be managed

d) Regulatory compliance and performance goals

‘Community feedback helps balance performance priorities and affordability.’

The consultation will outline:

- How the proposal ensures compliance with drinking water, wastewater and stormwater regulations
- Targets for safety, quality, and environmental performance

e) Alignment with Long-term Plan (LTP) and community outcomes

‘Stakeholders can assess whether the WSDP supports broader community goals.’

Demonstrate how the WSDP:

- Aligns with the existing LTP (eg. infrastructure strategies)
- Supports local economic development, housing and wellbeing

Appendices

- Appendix A: Letter to Mayor Wayne Brown (30 Oct 2024)
- Appendix B: Letter to Minister Simeon Brown (30 Oct 2024)
- Appendix C: DIA Webinar Summary (18 Dec 2024) – Key Requirements for WSDP
- Appendix D: Letter from Paul James to Chatham Islands Council – WSDP Review and Acceptance Process (29 May 2025)
- Appendix E: Letter from Hon Simon Watts to Chatham Islands Council – Financial Sustainability Requirements (June 2025)

*** An additional report and the plan will be sent on Monday 28 (or Tuesday 29) July at the latest.**

30 October 2024

Wayne Brown
His Worship the Mayor of Auckland
Private Bag 92300
Victoria Street West
AUCKLAND 1142

By e-mail:

mayor.wayne.brown@aucklandcouncil.govt.nz



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Waitangi
CHATHAM ISLANDS 8942

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Kia ora, Kioranga Mayor Brown,

Water Services Delivery: Proposed arrangements for the Chatham Islands

Thank you for making the time on 12 August 2024 to meet and discuss the unique challenges and opportunities facing the Chatham Islands. We really appreciated your thoughts and feedback on how to address issues as a remote and isolated community.

With the recent changes to the Water Services Act, we are required to develop a Water Services Delivery Plan (WSDP) for the Chatham Islands. This is required to be submitted to the Department of Internal Affairs prior to September 2025, following a streamlined consultation and decision-making process.

We appreciate your support to jointly develop the WSDP which will help identify an appropriate model for delivering water services on the Chatham Islands. We envisage that this plan will be the basis for conversations with Government and other potential partners including Watercare about the funding and financing options for delivering this plan.

I have also written to the Minister of Local Government seeking his support for this work.

Thank you again for giving us your time, allowing us to share our story and getting your assistance to positively navigate change.

Ngā mihi, Me Rongo,

Monique Croon
Her Worship the Mayor of the Chatham Islands
Mobile 027 262 9989

cc: Phil Wilson, Chief Executive, Auckland Council
Paul Eagle, Chief Executive, Chatham Islands Council
Marlon Bridge, Chief Technical Advisor, Department of Internal Affairs

30 October 2024

Hon Simeon Brown
Minister for Local Government
Parliament Buildings
WELLINGTON

By e-mail: s.brown@ministers.govt.nz
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Kia ora, Kioranga Minister,

Water Services Delivery Plan: Proposed arrangements for the Chatham Islands

Thank you for making the time to meet earlier this year with Chief Executive Paul Eagle to discuss the challenges and opportunities facing our isolated community.

I am writing to outline our proposed approach to deliver Local Water Done Well and to request specialist support – that may include the need for funding – to develop a Water Services Delivery Plan (WSDP) for the Chatham Islands. As you're aware, the Chatham Islands has a very small rating base and Council is reliant on Crown funding to provide the basics while meeting our regulatory responsibilities.

With the recent changes to the Water Services Act, we are preparing for the delivery of the WSDP. As you're aware, this is required to be submitted to the Department of Internal Affairs no later than 3 September 2025, following a streamlined consultation and decision-making process.

Council have formally approached Auckland Council to jointly develop the WSDP which together with Watercare Services, could provide a model for delivering water services on the Chatham Islands.

We expect that this work will identify the investment needed to provide fit for purpose and cost-effective water infrastructure for the Islands. This infrastructure is critical to many of the Islands future aspirations including housing and economic growth. We would like to use the Water Services Delivery Plan as the basis for discussions with you and your Ministerial colleagues on funding and financing options to secure such investment.

Under the previous Government, the Chatham Islands were left outside of any of the water entity models and reliant on a direct relationship with central Government. As a small remote island community with very limited financial resources, we look forward to working with you to consider how we can implement Local Water Done Well in our community.

A summary of our current water services funding pressures is attached to this letter.

Also, I warmly extend an offer for you to visit the Chatham Islands next year and would be happy to develop an itinerary with you.

Ngā mihi, Me Rongo,

Monique Croon
Her Worship the Mayor of the Chatham Islands
Mobile 027 262 9989

cc: Paul Eagle, Chief Executive, Chatham Islands Council
Phil Wilson, Chief Executive, Auckland Council
Marlon Bridge, Chief Technical Advisor, Department of Internal Affairs

Current water funding pressures

Chatham Island Council faces unique challenges in respect to three waters delivery, due to having a small resident community and being geographically isolated from mainland New Zealand. These factors, combined with aging three waters assets, mean that there is a long list of critical works which are required to keep three waters systems operating.

Currently, the Council does not have funding to resolve these critical issues:

- Remedial works to keep the ageing systems operating
- Infrastructure upgrades to meet required levels of service and ensure compliance with current legislation
- Infrastructure upgrades to improve system capacity and facilitate much needed housing developments and consequential additional operational expenditure.

We rely on reactive maintenance works to fix infrastructure when it fails. As the water assets age, we have seen that the frequency of these failure has increased. This is highlighted by recent dry and wet weather wastewater overflows to the Waitangi beach, and prolonged boil water and 'do not drink' notices issued to the Kaingoroa community located in the northern part of the Island.

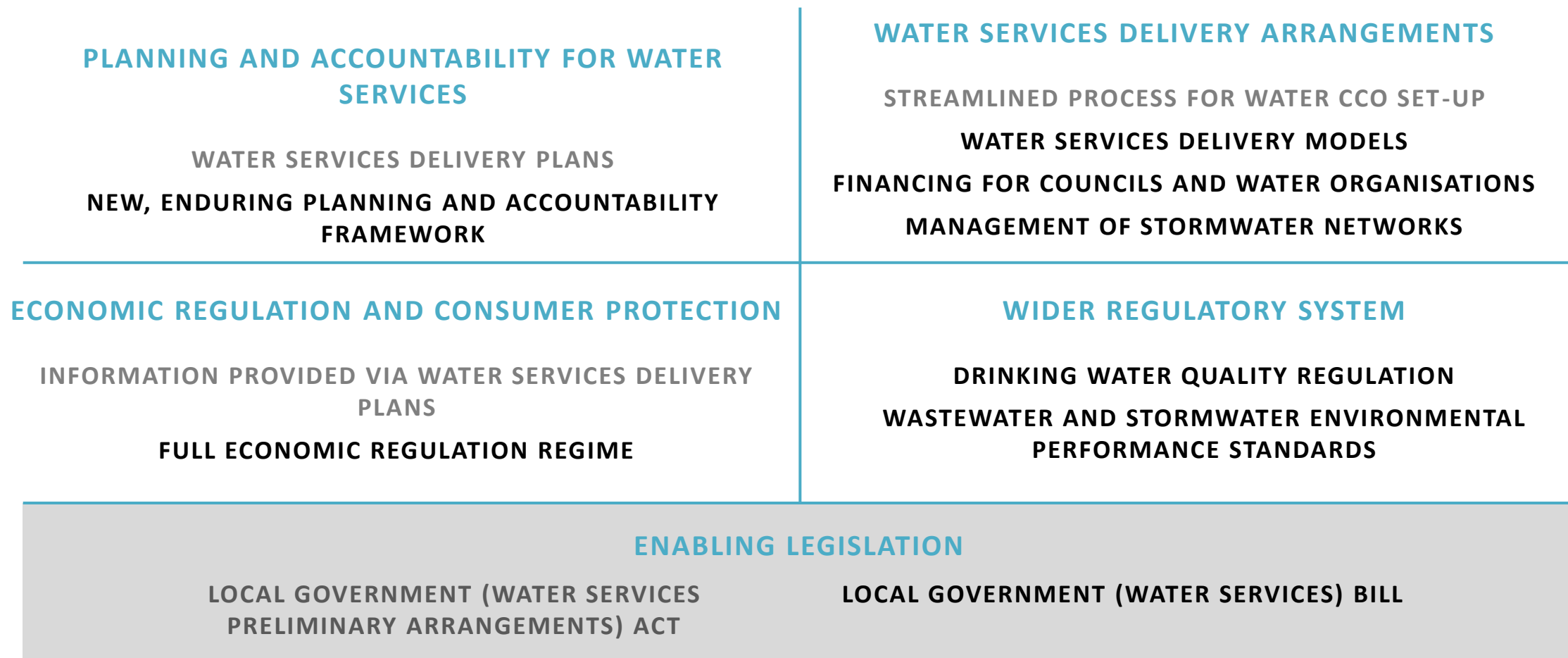
Our water infrastructure is essential to enable local development, but with limited resources and a system which is at capacity, our ability to support growth and meet community needs is increasingly compromised. This has been highlighted by the recent decision to turn down a subdivision consent application, which would have provided essential housing for the main community at Waitangi, due to inadequate capacity in the three waters systems.

Local Government (Water Services) Bill

LOCAL WATER DONE WELL

Council webinars
18 December 2024

A new approach to water services delivery



Local Government (Water Services) Bill

The Bill gives effect to the policy decisions announced in August.

It provides for:

- Arrangements for the new water services delivery system
- A new economic regulation and consumer protection regime for water services
- Changes to the water quality regulatory framework and the water services regulator.

The Bill contains standalone provisions and amendments to a number of other Acts.

No changes to the information that was shared in August – but the Bill sets out detailed information about the new water services delivery system that will help inform future water services delivery arrangements.



Overview of the Bill

Factsheet: Local Government (Water Services) Bill overview

1	Preliminary provisions	- Purpose of the Act. - Interpretation clause, containing definitions of all the key terms used in the Bill (e.g. ‘water service provider’ and ‘water services’).
2	Structural arrangements for water services provision	- Provides for territorial authorities’ responsibility for the provision of water services in their districts and the different methods by which they can structure service provision arrangements (subpart 1). - Provides for the different ways a regional council may provide water services, for those regions in which the regional council also provides water services (subpart 2). - Provides for the establishment, ownership, and governance of water organisations (subpart 3).
3	Provision of water services – operational matters	- Covers a range of operational matters that relate to the provision of water services. - Gives water organisations powers that already apply to local authorities through other legislation, including charging powers. - Contains new requirements relating to managing water networks that will apply to all water service providers.
4	Planning, reporting, and financial management	- Provides for a cycle of planning, performance, and reporting that promotes accountability to consumers of water services and to shareholders in water organisations (subparts 1 and 2). - Provides for additional planning, reporting, and performance requirements for water service providers that are water organisations (subpart 3). - Sets out financial matters that apply to water organisations, including provisions relating to borrowing in foreign currency, and income tax (subpart 4).
5	Amendments to other Acts	Includes the substantive amendments to other Acts, to give effect to the decisions the Government made in June and July 2024 – including the new economic regulatory regime for water services.
6	Miscellaneous provisions	- Contains a new framework for water services bylaws, including new functions and graduated enforcement tools (subparts 1 to 3). - Requires the Minister of Local Government to commission a review of the water services system, no sooner than 54 months after the commencement of the Act (subpart 4).

Water service delivery arrangements

Each territorial authority must ensure water services are provided in its district but will have discretion to determine the optimal structure and delivery method for its local circumstances.

Water services may be provided by a territorial authority in any one or more of the following ways:

- 'In-house' provision by the territorial authority
- By transferring responsibility to a water organisation (through a transfer agreement), established by the territorial authority or in which it is a shareholder
- A contract with a third party (including a water organisation) to provide water services on behalf of the territorial authority
- A joint arrangement with other water services providers, or
- Another type of arrangement that is consistent with the Act.

A territorial authority may use different means for providing different water services or different aspects of a water service.

Water service providers

“Water service provider” covers territorial authorities, and water organisations (if responsibilities have been transferred).

Most of the requirements and obligations in the Bill apply to all water service providers, including:

- Statutory objectives – including the objectives to provide water services in a cost effective and financially sustainable manner, and meet all applicable regulatory standards and requirements
- Financial principles – including that the provider must spend the revenue it receives from providing water services on providing water services; and ensure the revenue it applies to the provision of water services is sufficient to sustain the long-term investment in the provision of water services
- Planning and reporting requirements
- Being subject to restrictions against privatisation.

There are additional requirements for water organisations and consumer trusts.

Factsheet: Water services delivery arrangements

Economic regulation regime

The Bill amends the Commerce Act 1986 to provide for regulation of water services by the Commerce Commission.

It sets out a new regime for water services, based on the existing economic regulation regime in Part 4 of the Commerce Act (which currently applies to electricity lines services, gas pipeline services, and airport services).

The economic regulation regime will be flexible and proportionate, in line with providers' different needs and situations. The Commerce Commission will be able to set individual requirements for certain providers, and common regulations where appropriate.

The regime will apply to water supply and wastewater services, and will provide flexibility to include stormwater services at a later date, if necessary.

Information disclosure will be the key regulatory tool, and will apply to all regulated providers. The Commerce Commission will be able to implement other regulatory tools as needed, on a case-by-case basis.

REGULATORY TOOLS

1. Information disclosure
2. Revenue thresholds
3. Financial ringfence
4. Quality regulation
5. Performance requirement regulation
6. Price-quality regulation

Factsheet: Economic regulation and consumer protection

Changes to the water quality regulatory framework and water services regulator

The Bill makes changes to the water quality regulatory framework and to how the Water Services Authority – Taumata Arowai (the Authority) regulates drinking water suppliers.

It includes changes to the Water Services Act 2021 that amends the Authority's operating principles to:

- Ensure that the regulatory frameworks are proportionate to the scale, complexity and risk profile of relevant water services and consider the costs to consumers
- Consider the costs of regulatory compliance for drinking water suppliers, in particular mixed-use rural water suppliers.

The Authority will also be required to proactively engage with suppliers and network operators to ensure there is a path to compliance that takes into account the risk profile and capacity of each supply.

In addition, the Bill amends the Water Services Act to require the Authority to include specific information on mixed-use rural water suppliers in its annual drinking water regulation report and its drinking water compliance, monitoring, and enforcement strategy.

Factsheet: Drinking water quality regulation



Single standard for wastewater and stormwater environmental performance

The Bill amends the legislation to provide for a single standard approach for wastewater and stormwater environmental performance standards.

A single standard approach means that consent authority will be unable to set consent conditions that are either higher or lower than the standard.

The Authority is currently developing the initial set of national wastewater environmental performance standards (wastewater standards) and will release a discussion document early in the new year.

To ensure that network operators can apply for new consents using the wastewater standards, the Bill extends the expiry date of consents by two years for wastewater treatment facilities that would have otherwise expired during that two-year period.

Implications for councils' Water Services Delivery Plans

Councils should rely on the costs estimates in their long-term plans in the first instance. If councils are reviewing those costs estimates as they consider new delivery models, the standards are expected to have an impact on costs of consenting, design and commissioning of wastewater treatment plants.

Factsheet: Wastewater and stormwater environmental performance standards – includes case studies outlining potential cost savings for consenting of wastewater treatment plants.



Infrastructure design solutions

The Bill provides a new regulatory tool, 'infrastructure design solutions' that will be created under the Water Services Act 2021.

Infrastructure design solutions can specify all the consent requirements for standardised modular wastewater treatment plants or components of wastewater treatment plants.

They are focused on wastewater and stormwater infrastructure and can consider technical performance, treatment process, design and operating requirements.

They will help reduce the costs of design and consenting by enabling standardised treatment plants or components of treatment plants to be commissioned and delivered faster.

The Authority is anticipating development of infrastructure design solutions by mid -2026 following the introduction of the wastewater environmental performance standards.

Factsheet: Infrastructure design solutions

National Engineering Design Standards

The Bill provides the Authority with new powers to develop a mandatory set of National Engineering Design Standards (NEDS) for water services network (reticulation) infrastructure.

This supports greater consistency and standardisation, to help lower the cost of providing infrastructure for land use development.

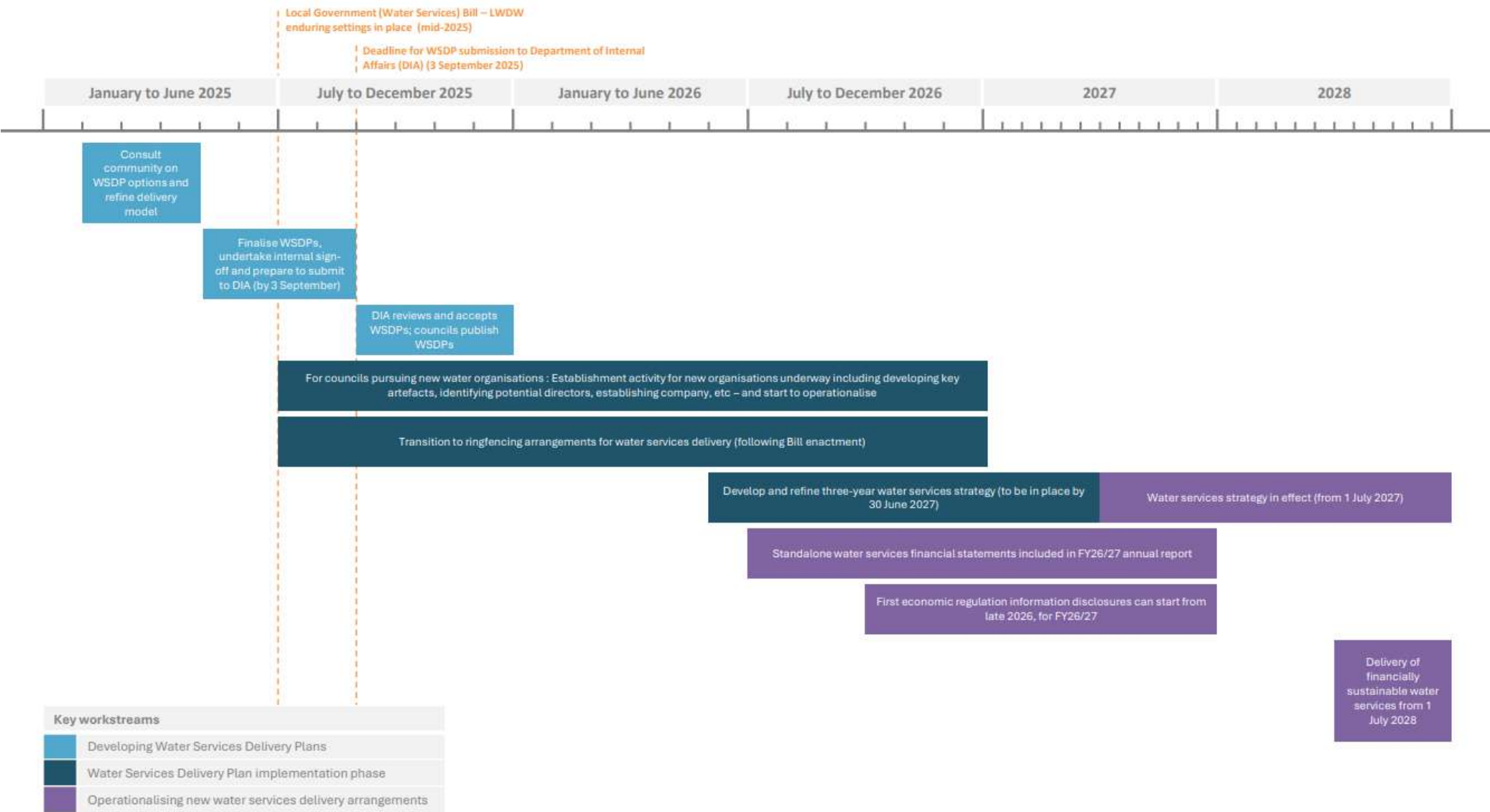
Following transitional period, the NEDS will replace the existing standards relating to water networks in councils' Codes of Practice for Land Development. They will:

- Provide national standards for the design and construction of drinking water, wastewater and stormwater network or reticulation infrastructure
- Include a mixture of process, engineering design standards, construction requirements
- Be performance-based standards and will include commentary and guidance on how to implement the standards and/or requirements.

The Authority will be responsible for the development of NEDS, and they will be based on the standards already commonly used by councils and will include regional variations where those are appropriate.

Factsheet: National Engineering Design Standards

Planning for future water services delivery 2025-2028



Bill factsheets

Available at: www.dia.govt.nz/Water-Services-Policy-Future-Delivery-System

TOPICS	AREAS COVERED
1. Overview of the Local Government (Water Services) Bill	Part by part overview of key aspects of the Local Government (Water Services) Bill.
2. Water services delivery arrangements	Overview of the provisions in the Bill that relate to water service delivery arrangements, including responsibility for providing water services and how delivery arrangements can be structured, requirements for water service providers, additional requirements for water organisations and consumer trusts, role of regional councils, and what happens to existing CCOs.
3. Water service delivery models	Requirements for water services providers and for specific delivery models, service delivery models, governance and accountability arrangements, charging, borrowing and related matters (applicable to water organisations).
4. Planning and accountability for water services providers	Overview of the new planning and reporting framework for water services under the Bill, and what this means for water service providers (councils and water organisations, including existing council-controlled organisations (CCOs)). Describes the financial principles that are included in the Bill.
5. Economic regulation and consumer protection	Overview of the new economic regulation and consumer protection regime for water service providers under Local Water Done Well. It covers the new tools available to the Commerce Commission for carrying out this new regulatory role.
6. Future arrangements for stormwater	Overview of future arrangements for urban stormwater, and mechanisms to improve the management of overland flow paths and watercourses in urban areas.
7. Drinking water quality regulation	Overview of changes to the drinking water quality regulatory framework. Covers changes affecting very small drinking water suppliers, other drinking water suppliers, and mixed-use rural water schemes. It also covers changes affecting the approach to applying Te Mana o te Wai.
8. Wastewater and stormwater environmental performance standards	Overview of the changes to wastewater and stormwater environmental performance standards. Provides information about work underway to develop national wastewater environmental performance standards under the Water Services Act 2021, and guidance for councils about the implications of the new standards for their Water Services Delivery Plans.
9. Infrastructure design solutions	Overview of the proposals relating to infrastructure design solutions.
10. National Engineering Design Standards	Overview of National Engineering Design Standards (NEDS).

Information and guidance for Water Services Delivery Plans

Water services delivery model considerations

1. Water services delivery models
2. Templates and guidance for establishing new water organisations – including model templates:
 - Multi-council commitment agreement
 - Shareholder agreements
 - Constitution
 - Transfer agreements
 - Council/CCO interface agreements
 - Other standardised artefacts relating to CCO or consumer trust establishment

Financial considerations

1. Financing water services delivery through establishing new water CCOs
 - Criteria for accessing higher borrowing from LGFA and the benefits of this for financially sustainable water services delivery
 - Worked examples showing the impact of utilising the additional debt headroom made available to CCOs by LGFA
2. Pricing and debt considerations for multi-council owned water CCOs
 - Worked examples of pricing and debt structuring options for councils
3. Ensuring compliance with financial principles for water services providers

Planning

1. Planning for future water services delivery (2025-2028), including key milestones and indicative key workstreams for councils
2. Local Water Done Well implementation roadmap

Crown Facilitator support

For councils that may be considering a Crown Facilitator to support development of a Water Services Delivery Plan. Covers:

- The role of a Crown Facilitator
- Steps involved in requesting a Crown Facilitator

Find out more: www.dia.govt.nz/Water-Services-Information-and-guidance-for-councils/Crown-Facilitator-guidance

Key milestones

December 2024	Local Government (Water Services) Bill introduction and first reading Select committee submissions open (18 December)
23 February 2025	Select committee submissions due
Ongoing	Technical support for councils to prepare Water Services Delivery Plans (through to September 2025)
Mid-2025	Local Government (Water Services) Bill expected to be enacted – guidance material to be shared to support implementation (following Bill enactment)
3 September 2025	Water Services Delivery Plans due for submission to the Department

Further information

www.dia.govt.nz/Water-Services-Policy-and-Legislation

Contact us

waterservices@dia.govt.nz



MIN042

Mayor Monique Croon, Chatham Islands Council

monique.croon@chathamislands.govt.nz

Dear Monique

Financial sustainability of water services

I am writing to underline the importance of financial sustainability requirements and the new economic regulation regime under Local Water Done Well. While I appreciate there are aspects of Local Water Done Well that apply differently to Chatham Islands given your unique situation, I wanted to share the same information with you as I am sharing with other councils, at this stage.

I also want to take this opportunity to acknowledge the work you are doing to implement Local Water Done Well in your local area, and to set out our next steps in the months ahead.

I understand your council has not yet indicated a preferred model for delivering water services for your community, and you're working with Watercare to develop your Water Services Delivery Plan (Plan). I encourage you to continue to work with the Department of Internal Affairs to ensure you have the support you need.

Delivery of financially sustainable water services sits at the core of Local Water Done Well, and it will form the basis for how the Department will assess Plans.

As the economic regulator, the Commerce Commission will also play a key role in ensuring water services providers collect sufficient revenue and invest sufficiently in quality water infrastructure and services on an ongoing basis.

With the Local Water Done Well framework, tools and guidance largely in place, it is now up to you to consider your options, work with other councils, and make the decisions required to ensure clean, safe, reliable, and financially sustainable water services for your community.

I recognise these are challenging conversations, and I support your continued efforts to get water services right for your community now and for future generations.

Assessing financial sustainability

Water Services Delivery Plans provide a framework for councils to assess the financial sustainability of their water services and chart a course for improvement.

The Local Government (Water Services Preliminary Arrangements) Act 2024 sets out the Plan requirements, including that Plans must explain what a council proposes to do to ensure that the delivery of water services will be financially sustainable from 1 June 2028.

While the Department will be providing further guidance to councils about the Plan assessment process later this month, there are a couple of key areas I wanted to emphasise in relation to financial sustainability at this stage in your Plan development and decision-making on future water services delivery arrangements:

- **Meeting financial sustainability requirements.** The Act defines financial sustainability as ensuring revenues are sufficient to fund long-term investment in water services and meet all regulatory requirements. For councils adopting in-house business units, this also means that water related activity is appropriately ringfenced from councils' other revenue, functions and activities.
- **Long-term thinking and solutions.** While Plans must cover a 10-year period, they can also include information that covers a further 20 years if the information identifies investment requirements for water services infrastructure or to support future housing growth and urban development. I expect all councils to be planning and making decisions with an enduring focus on financial sustainability, with these outcomes in mind.
- **Efficiency of water use and demand management through usage-based charging.** The Local Government (Water Services) Bill provides a five-year timeframe to transition away from using property values as a factor in setting water charges, to new charging mechanisms such as water metering and volumetric charging.

Water metering and volumetric charging can help reduce water consumption, assist in quick identification of leaks and help manage water losses, which supports the ongoing efficiency and effectiveness of water infrastructure. My expectation is that councils are considering these tools (where they are not already in place) as part of their future arrangements.

Under the economic regulation regime, over time the Commerce Commission will also be able to consider whether prices are efficient. Including, for example, whether prices reflect the cost of providing services and whether providers are using water resources efficiently.

- **Working together to address financial sustainability challenges.** Given there is no requirement for price harmonisation under Local Water Done Well, I expect all councils to be actively considering working with and supporting their neighbouring councils, especially smaller and rural councils.

Collaboration enables resource sharing, efficiency gains, better access to financing, and lower costs for ratepayers. Having a pipeline of future work across a region also provides greater investment certainty, and the potential to build a strong future workforce.

- **Related to the above, I expect all councils to be considering the full suite of approaches and tools** available under Local Water Done Well to enable financial sustainability, including enhanced access to higher levels of borrowing for water council-controlled organisations (CCOs) for both single council and multi-council owned CCOs. Better use of financing can help manage future price paths for services, and keep costs down for ratepayers, while maintaining or growing investment.

Economic regulation regime for water services

I note that the Bill excludes Chatham Islands Council from the economic regulation regime, given the existing Crown funding arrangements and the size of population currently receiving drinking water and wastewater services from the Council. The Council could be subject to the economic regulation regime at a later stage (via a designation process), should changes in funding or service delivery justify it.

As I have communicated to other councils, it is important to keep in mind that under the economic regulation regime, the entities that make core decisions on water supply and wastewater services will be subject to economic regulation under the Commerce Act 1986. These decisions include those relating to the level of charges or revenue recovery and/or capital and operating expenditure.

As a minimum, all regulated suppliers (councils and water organisations) that have responsibility for these core decisions will be subject to information disclosure. This means the Commerce Commission will require regulated suppliers to publish robust information

about the planning, investment, and performance of their water supply and wastewater services.

The Commission will also publish a summary and analysis of that information, to promote greater understanding of the performance of individual regulated suppliers, including their relative performance compared with other providers, and changes in performance over time.

The Local Government (Water Services) Bill also gives the Commission other regulatory tools that they will be able to implement as needed. This includes the ability to set minimum and maximum revenue thresholds, providing a clear expectation to regulated suppliers about what level of revenue needs to be collected for investment in, and operation of, water infrastructure. The Commission will also monitor and enforce the requirement that revenue from regulated water services is spent on regulated water services (financial ringfence).

Where it is considered necessary, the Bill contains a designation process whereby the Commission may be given the power to implement quality regulation, performance requirement regulation, and price-quality regulation for specific suppliers.

Next steps and support available

I want to maintain the momentum as we approach the 3 September deadline for submission of Plans. The Department will be ready to accept early submission of Plans by councils that are able to. Please keep this in mind in your planning.

I do not intend to grant extensions to the deadline for submitting Plans given the progress made so far, and various avenues of support that have been and continue to be available. Where a Plan is not submitted on time, I will be considering using my powers under legislation to intervene, such as by appointing a Crown water services specialist.

If you feel you may need additional support to enable you to resolve challenges and ensure you are able to deliver a financially sustainable Plan, you may want to consider a Crown facilitator. Crown facilitators are a key part of our approach and councils shouldn't be reluctant about requesting their support.

My officials also continue to be available to answer questions or provide technical support. I encourage you to get in touch with the Water Services Delivery Plan team at wmdp@dia.govt.nz if they can be of assistance to you.

I look forward to seeing continued progress on your plans for future delivery of water services and commend your efforts to support this critical future thinking while continuing to maintain your business-as-usual water services maintenance and ongoing activities.

Thank you for your continued engagement and support as we work to implement Local Water Done Well. You may wish to share this correspondence with your elected members.

Yours sincerely,



Hon Simon Watts
Minister of Local Government



Internal Affairs Te Tari Taiwhenua

45 Pipitea Street
Wellington
Phone 0800 25 78 87
dia.govt.nz

29 May 2025

To: Paul Eagle, Chief Executive Officer, Chatham Islands Council
paul.eagle@chathamislands.govt.nz

Dear Paul

Water Services Delivery Plan review and acceptance process

I am pleased to provide you with information about the Department of Internal Affairs' (the Department) Water Services Delivery Plan (Plan) review and acceptance process, ahead of the submission of your Plan later this year.

Water Services Delivery Plans

As you know, Plans are a one-off, transitional requirement under the Local Government (Water Services Preliminary Arrangements) Act 2024. They provide a framework and process for councils to demonstrate their commitment to deliver water services that meet regulatory requirements, support growth and urban development, and that are financially sustainable.

The submission and review of councils' Plans represents a significant milestone in the implementation of Local Water Done Well, with accepted Plans providing the foundation for councils' future water services delivery arrangements.

In my role as Secretary for Local Government, I hold responsibility for accepting or not accepting Plans. As such, I am writing to all councils directly to provide you with information about the process the Department will be undertaking to review and accept Plans, to ensure you are prepared to submit your Plan by the 3 September deadline and know what to expect from our review and acceptance process.

Review and acceptance process

The Department has developed a comprehensive process to support a robust review of councils' Plans, and to support me in making decisions on accepting or not accepting Plans.

This complements the information that has already been shared with councils as part of the Plan guidance material and templates, which outlines the measures by which Plans will be assessed. I encourage you to refamiliarise yourself with this information on the Department's website, [here](#).

The Plan review and acceptance process will involve an assessment of your submitted Plan by a team with legislative, financial and infrastructure investment expertise.

Supporting this process will be staff from the Department, as well as from other key government agencies involved in Local Water Done Well. This may include National Infrastructure Funding and Finance (NIFF), Commerce Commission, Local Government Funding Agency (LGFA) and the Water Services Authority – Taumata Arowai.

Following this assessment, a Plan Review Panel will review the team's recommendations and provide assurance on any risks and considerations identified in the review of Plans, and to inform my decision on whether to accept or not accept Plans.

The Plan Review Panel includes senior leads from the key Government agencies above, as well as an external observer.

Following my decision on whether to accept a Plan, the Department will notify you as soon as possible (in line with the Act). We are aiming to have notified all councils of the decision on their Plan by mid-December, to ensure you have certainty around your next steps before the end of the calendar year.

Submitting your Plan

Plans must be certified by council chief executive(s) before submission. Once certified, your final Plan and supporting documentation should be submitted by email to wsdp@dia.govt.nz.

We are keen to ensure the submission process is as straightforward as possible. If you are unable to submit via email, I encourage you to get in touch with the team at the earliest opportunity.

The Department is ready to receive and assess Plans that are submitted ahead of the 3 September deadline. I encourage you to consider this in your planning.

Plans that are not submitted on time may be escalated for Ministerial intervention.

Further information

Further detailed information about the Plan review and acceptance process is available on our website, at [Water Services Policy Water Services Delivery Plans - dia.govt.nz](https://www.dia.govt.nz/water-services-policy/water-services-delivery-plans). I note there will be some aspects that may apply differently to Chatham Islands given your unique water services arrangements.

The team will continue to provide updates via their regular email update to Plan leads, and publishing frequently asked questions on the Department's [website](https://www.dia.govt.nz/website). Drop-in Q&A sessions for councils will also be arranged in the coming months. If you have further questions at this stage, please feel free to contact our Partnership Directors directly, or get in touch with the Plan team by emailing wsdp@dia.govt.nz.

Next steps

The Department continues to be available to provide technical support to councils in the preparation of your Plan, and to review your draft Plan should you have any specific questions or concerns.

Finally, I want to commend you for your work and efforts so far on the development of your Plan, particularly as you continue your business-as-usual water services activities and other important council business.

I understand you have been working with Watercare to develop your Plan, and encourage you to continue to work closely with them, with local iwi, and with your communities to determine the best way forward for your water services. I appreciate the considerable work involved in reaching this point, and I am looking forward to receiving your submitted Plan.

Yours sincerely



Paul James
Secretary for Local Government

Local Water Done Well:

Options Assessment Report – Chatham Islands

Purpose

This report considers the water services delivery options for Chatham Islands Council and recommends the viable options for Council decision prior to community consultation.

Background

The Government's Local Water Done Well (LWDW) policy¹ requires all territorial authorities to prepare a Water Services Delivery Plan (WSDP) and submit it to the Department of Internal Affairs (DIA) by 3 September 2025. The WSDP will outline how the Council will deliver water services locally, in a financially sustainable, cost-effective and compliant manner.

The Preliminary Arrangements Act requires Councils to consider options for future delivery of water services and to consult with its communities on its preferred water services delivery model before submitting its WSDP. Options include:

1. Internal business unit or division (Stand Alone Business Unit). Direct in-house provision by CIC.
2. Single council-owned water organisation. Establishment of, and transfer of assets to a Council Controlled Organisation (CCO) 100% owned by CIC.
3. Multi-council owned water organisation. Establishment of a CCO as above but with multi-council ownership
4. Mixed council/consumer trust owned water organisation. Consumer trust established to part-own a water organisation.
5. Consumer trust owned water organisation. One or more territorial authorities establish a consumer trust to wholly own a water organisation, and transfer all water assets and responsibilities.

The Council formed a working group in partnership with the water reform team at the Department of Internal Affairs, consisting of Watercare, Nexus Advisory, Fulton Hogan and Stantec.

Delivery and funding options considered

Given Council's limited internal capacity, funding constraints, the cost of forming a new entity relative to the population and the duplication of functions, options 2,4 and 5 are not practical or beneficial for CIC.

Option one, Stand Alone Business Unit and option three, Multi Council owned water CCO have on that basis been assessed as the only feasible options and are included below in more detail.

Option one has been further refined into:

- a) Status Quo - Retaining three waters in house as a Stand Alone Business Unit (SABU) where CIC remains fully responsible for contracting resources as required to deliver operations and capital programmes required to meet compliance obligations under the new legislation
- b) Delivery Partner Model - Retaining three waters in house as a SABU and involving a partner organisation, such as Auckland Council and Watercare, to assist with management of the operations and capital delivery.

¹Enacted by the **Local Government (Water Services Preliminary Arrangements) Act 2024 (PAA)** and **Local Government (Water Services) Bill**

Option	Description		
	Delivery model	Operating funding	Capital funding
1(a) - Status Quo	CIC responsible for contracting resources as required to deliver operations and capital programmes	Part funded by rates and crown appropriation	Funded directly by Crown and delivered by CIC
1(b) - Delivery partner model	Tripartite agreement between CIC, Crown and large water entity CIC agrees to collect rates revenue to fund operational costs The Crown agrees to fund long term capital programme via 3rd party water entity 3rd party agrees to oversee and provide expertise and support the delivery of operations and capital programme over the long term, eg 35 years	Part funded by rates and crown appropriation	Funded by Crown up front to the 3rd party
3 - Multi council CCO	CIC transfers water services, water assets and revenue to a multi council CCO CCO responsible for contracting resources as required to deliver operations and capital programmes	Part funded by rates and crown appropriation	Financed by CCO, probably still requires Crown funding over time

Note - As noted above option 2,4, and 5 are not feasible in the context of Chatham Islands due to cost and scale.

Options Assessment

Criteria (refer Appendix 1 for definition of the criteria)	Option		
	Status quo	Delivery partner Model	Multi council CCO
Efficient and financially sustainable			
Protects and promotes public health and the environment			
The right workforce capability and capacity is available			
Supports reasonable future demands and builds appropriate resilience			
Water services are affordable and meet community needs and expectations			
Crown contributions are reasonable and committed			
Implementation risk			
CIC capacity			

Relative ratings

	Not achieved
	Unlikely to be achieved or at high risk
	Could be achieved with some risk
	Likely to be achieved / supports this criteria

Options Assessment - further commentary

Option 1 a):

Status quo has a number of known risks including the ability to secure Crown funding to support the required capital programme. There will also be costs associated with the Status Quo in meeting the legislative requirements regarding financial sustainability. This will include the need to ring fence all three waters activities and charge and report on them separately. CIC does not have capacity to support this model and currently relies heavily on off-Island experts (Stantec and Fulton Hogan) to manage waters infrastructure under very limited budgets.

The Crown's current funding of this arrangement is linked to our annual appropriation of \$4.2m, capped until 30 June 2027. Therefore, this isn't financially sustainable and cannot be considered.

Option 1 b):

A delivery partner model involving a well established entity with large scale water delivery expertise is the most viable and beneficial option for Chatham Islanders. Service arrangements already under discussion with Auckland Council could be extended to include water services support from Watercare², their wholly owned Council Controlled Organisation. The arrangement would likely require a tripartite agreement between CIC, Watercare and the Crown with the Crown contributing funding to enable financial sustainability without cross subsidisation from Auckland water users.

Further work to explore and develop this option with Watercare and Auckland Council does represent some implementation risk but has been initiated and is continuing. The Crown has indicated a positive response to this option.

Option 3:

A Multi Council CCO option would likely result in longer term improved financial sustainability for Chatham Islanders as a CCO has the ability to borrow to finance infrastructure, it may also provide a mechanism to attract more certain Crown contributions. However, this option has the following flaws:

- A high level of implementation risk as there are no willing partners identified or any basis on which to form such a CCO without Crown facilitation and sponsorship.
- Most existing mainland Councils are focused on developing their own water service delivery models and it is doubtful they have the capacity to entertain Chatham Islands as a partner in the medium term.

² Watercare Services Limited is Auckland's water services organisations, is the largest and most mature water services organisation in the country and has previous experience supporting other councils such as Waikato District Council. Watercare brings to the table in house expertise in waters service delivery and asset management as well as experience in compliance management. It operates schemes in Auckland which are of a similar scale to those in Chatham Islands. As a Water CCO Watercare has access to borrowing capability which could assist with financing short term investment needs.

Recommended delivery model:

Option 1(b) Delivery partner model

The recommended option is 1(b) Internal Business Unit with a delivery partner as the basis of a preferred model for consultation with the community. This option represents most certainty of outcomes for the community:

- Local control retained
- Expertise retained for service delivery
- Best value checks in place from partner local authority
- Enduring Crown confidence and more likelihood of securing funding
- Consolidated works contract

A delivery partner model involving a well established entity with large scale water delivery expertise would appear the most viable and beneficial option for Chatham Islanders.

Service arrangements already under discussion with Auckland Council could be extended to include Water services support from Watercare³.

The arrangement would likely require a tripartite agreement between CIC, Watercare and the Crown with the Crown contributing funding to enable financial sustainability without cross subsidisation from Auckland water users. Further work to explore and develop this option with Watercare and Auckland Council does represent some implementation risk.

Financial implications:

The WSDP must set out the basis of financial sustainability to meet all required compliance outcomes. In order for the a water services to be financially sustainable and compliant, significant capital investment is required, and this will require contributions from the Crown.

In order to show the Crown a pathway to financial sustainability and compliance, three options have been assessed. Further details of the scope of the 3 options are in Appendix 2 (prepared by Stantec).

Crown contribution

The option approved by Council at the 27 August 2025 extraordinary meeting will be subject to Crown funding. Council is managing this through DIA's water reform team in conjunction with Auckland Council and Watercare.

Recommended financial model:

Option 3 Rural Supply

The proposal is to include 'Option 3 – Rural Supply' as the basis of financial projections in the WSDP. This option based on an equivalent New Zealand mainland rural service, achieves legislative and regulatory compliance at minimum overall cost, an expected investment of \$15-20m over 10 years. This will result in the minimum impact to customer rates and charges and correspondingly the minimum Crown contribution.

³ As above in 2.

Te One extension – excluded, funded separately

The Rural Services option focuses on renewing and making compliant the service assets in Waitangi, it excludes extending the network to Te One assuming that would be part of a future business case and would be funded separately if arrangements were agreeable between Council, Crown and any developers at the time.

Kaingaroa – decommissioned network

It also includes decommissioning the Kaingaroa water network and providing each of the 21 connected properties with tank and filter equipment as well as an emergency water supply to allow those customers access to water from a public outlet in the event of drought.

It would be proposed to collect the same total revenue from customers but charge those customers in Kaingaroa only a reduced availability charge for the back up water supply. Exact levels of charging will need to be confirmed once service model arrangements are made with a delivery partner and the Crown.

Waitangi – increase in charges

To maintain total revenue contributions Waitangi based customers would have an increase in charges to reflect increased level of service from new assets.

Appendix 1 - Options Assessment Criteria

The criteria been used to assess the viable delivery options is:

Criteria	Description
Efficient and financially sustainable delivery of water services for the Chatham Islands now and into the future	- Financially sustainable – revenue, financing and investment are sufficient and certain enough to operate water services sustainably over the long term - Resource efficiency – sufficient resourcing to operate water services sustainably and the management of those resources is effective and efficient
There is investment at a level that protects and promotes public health and the environment	Investment efficiency – to meet public health and environment regulatory requirements noting that these regulatory requirements are likely to increase
The right workforce capability and capacity is available	Ability to attract and retain people with the skills to plan, manage and deliver water services
The model enables and supports reasonable future demands and change and builds appropriate system resilience	- Investments are made with long term needs in mind - Ability of the model to support infrastructure planning and delivery
Water services are affordable and meet the needs and expectations of the Chatham Island communities	- Affordability of projected water charges to the community - Ability to act in the best interests of current and future communities/water users - Commercial and residential customers contribute to the cost through charges that are relative to the mainland but also allow for the higher cost of necessities on the island
Crown contributions are reasonable and committed	The Crown commits to provide funding and /or resources to allow for sustainable water services on the Islands.
Implementation risk	- The degree to which costs and revenues are at risk - The degree to which any parties required to implement the proposed model are known and willing to participate
The capacity of CIC to manage their responsibilities under the model (resourcing and capability)	CIC has limited capacity and capability to manage infrastructure operations and delivery. The ability of CIC to support the delivery model.

Appendix 2 – Investment Programme Options

Programme	1) Updated Base	2) Reduced Base	3) Rural Supply
Compliance	Compliance documents for existing and /extended services	As for updated base	As for updated base
Kaingaroa Water Scheme Upgrade	Renewal of raw water rising main and distribution with WTP upgrades to provide a sustainable, compliant drinking water supply for Kaingaroa.	- Renewal of raw water rising main and distribution to provide a reliable non-potable water supply for Kaingaroa. - New individual under-bench treatment units to provide drinking water. Ongoing management and cost by home owner.	- Decommission existing water service - Provide tank + under bench then self supply
Alternative Water Sources for community schemes	Investigations only	As for updated base	As for updated base
Waitangi / Te One Water Scheme Upgrade	New source and WTP, renewal of Waitangi network and extension to Te One to provide a sustainable, compliant drinking water supply to Waitangi and Te One, may enables some growth.	New source and WTP, renewal of Waitangi network and extension to Te One to provide a sustainable, compliant drinking water supply to Waitangi and Te One, may enables some growth.	New source and WTP, renewal of Waitangi network NO extension to Te One, compliant drinking water supply to Waitangi
Waitangi / Te One Wastewater Scheme Upgrade	Upgrades to Waitangi network, pump station, WWTP, and land application system and extension to Te One to provide a sustainable, compliant system, may enables marginal growth.	Upgrades to Waitangi network, pump station, WWTP, and land application system and extension to Te One to provide a sustainable, compliant system, may enables marginal growth.	- Upgrades to Waitangi network, pump station, WWTP, and land application system to provide sustainable compliant system, may enable marginal growth. - Te One continues to be serviced by on-site systems at home owners cost.
New Septage Lagoon (Compliance)	Septage lagoon	Septage lagoon	Septage lagoon
New On-site Water Tank Scheme	Council/Crown loan scheme for on-site household rainwater tanks and treatment	Not included in this scenario.	Not included in this scenario.
Allowing for Future Urban Development – Water	Extend network to enable urban development. Likely contribution from growth customers	- On-site alternative to network extension. Installation and ongoing management by home owner. - No allowance for growth. Any network extensions would require future agreement and likely contribution from growth customers.	- On-site alternative to network extension. Installation and ongoing management by home owner. - No allowance for growth. Any network extensions would require future agreement and likely contribution from growth customers
Allowing for Future Urban Development – Wastewater	Extend network to enable urban development. Likely contribution from growth customers	On-site alternative to network extension. Installation and ongoing management and cost by home owner.	On-site alternative to network extension. Installation and ongoing management and cost by home owner.
Stormwater Scheme Renewals	Refurbish existing reticulated stormwater scheme in Waitangi	As for updated base	As for updated base

Programme	1) Updated Base	2) Reduced Base	3) Rural Supply
Replacement O&M Facility	New O&M contractor facility at new location	As for updated base	As for updated base
Total Capital Cost over 10 years	\$30-40m	\$24-32m	\$15-20m

Appendix 3 – Current Serviced Connections

Existing Rateable Connections

No. of connections	Waitangi Water Supply	Waitangi Wastewater	Kaingaroa Water Supply
Existing – residential ¹	72	90	19
Existing - commercial	26	40	2
Existing - Total	98	130	21

Notes:

1 From 2024 long term plan

2 Defined 'commercial' to be 'not rural and residential' and includes 'infrastructure', 'industrial' and 'commercial properties'

4. Works & Services

4.6 New Zealand Transport Agency: Investment Audit Report 2024 – Key findings and next steps

Date of meeting	31 July 2025
Agenda item number	4.6
Author	Paul Eagle, Chief Executive

Purpose:

This report provides elected members with the findings of the 2024 New Zealand Transport Agency Investment Audit and outline recommended responses and operational improvements for the Chatham Islands Council's land transport activity.

Recommendations:

That the Chatham Islands Council:

1. Receives the Report.
2. Notes the overall “Some Improvement Needed” rating in the 2024 Investment Audit.
3. Notes the importance of maintaining continuity of roading and infrastructure services through to 30 June 2027, to support implementation of the Water Services Delivery Plan.
4. Approve seeking New Zealand Transport Agency approval for an 18-month extension to existing contracts with Fulton Hogan and Stantec, to align with the Crown appropriation cycle and provide a stable platform for service delivery and reform.
5. Approve exploring a broader Core Infrastructure Services Contract for the Chatham Islands.

1. Background

The audit was undertaken from 29–31 October 2024 by the New Zealand Transport Agency under section 95(1)(j)(ii) and (iii) of the Land Transport Management Act 2003. It assessed financial processes, procurement, contract management, and the effectiveness of infrastructure delivery funded through the 2021–24 National Land Transport Programme (NLTP), totalling \$11.8 million in investment.

Council received an overall rating of “Some Improvement Needed,” with the most critical concern being data quality and financial reconciliation practices.

2. Assessment of issues

- **Financial processes:**
Some discrepancies were initially noted between claims and the general ledger; however, these were later resolved. Council must now institutionalise a post-claim reconciliation process. The 3.1% administration charge is under review for potential adjustment in future NLTP rounds.
- **Procurement and contracts:**
Council's procurement strategy is now online as required. Future procurement will explore integrated long-term contracts, given the isolation and lack of alternative providers. An extension of the contract with Fulton Hogan should be progressed.
- **Professional services:**
The working relationship with Stantec and Fulton Hogan is effective. Regular communication has supported stable service delivery. However, physical oversight remains a concern due to the remote nature of consultancy support.
- **Network condition and operations:**
While the unsealed network is in very good condition, issues were raised around:
 - High grading frequency (Council notes this aligns with KPIs and community expectations).
 - Marginal need for some sealed road rehabilitations (a review and NPV analysis are now required).
 - Drainage maintenance and culvert cleaning require a shift from reactive to proactive.
 - Structures need improved maintenance and vegetation clearance.
- **Data quality:**
A weakness identified was the lack of RAMM maintenance cost data and a four-year gap in traffic counts. This undermines evidence-based investment. Council has initiated a data improvement plan in collaboration with Fulton Hogan.
- **Road safety:**
Issues noted include incorrect chevron installations, dirty signage and unmanaged stock on roads. Operating speeds on unsealed roads are high; Council is encouraged to consider targeted speed reductions. SSA (Safe System Audit) compliance must improve, with exemption declarations documented where necessary.

3. Rating

The "Some Improvement Needed" equates to being graded 65 to 84% out of 100%. The rating sits in the audit rating scale as follows (from best to worst):

1. **Effective** – Strong systems, practices, and compliance.
2. **Some Improvement Needed** – Acceptable, but with identifiable areas requiring attention.
3. **Significant Improvement Needed** – Weaknesses are material and must be addressed urgently.
4. **Unsatisfactory** – Systemic failure putting funding at serious risk.

The rating means:

- Systems and practices are broadly acceptable, but there are gaps that may impact value for money, delivery quality or funding compliance if left unaddressed.
- It signals that the New Zealand Transport Agency still has confidence in Council's ability to deliver, but expects measurable improvements in certain areas like data quality, financial reconciliation or oversight of physical works.

This is a positive outcome, especially considering:

- The extreme remoteness and service delivery challenges.
- Limited resourcing compared to mainland councils.
- Improvements already underway at the time of audit.

It provides a solid platform to:

- Justify further investment in systems and oversight.
- Reaffirm trust with New Zealand Transport Agency.
- Push for fit-for-purpose expectations under the island's unique constraints.

4. Opinion on future use of Stantec and Fulton Hogan

Stantec – Technical Services provider

Stantec has served as Council's professional services consultant across the land transport programme, providing technical leadership, asset management support, funding interface with New Zealand Transport Agency, and strategic programme advice. Despite being based off-Island, Stantec has adapted well to the Council's unique delivery environment.

Their continued involvement is recommended for the following reasons:

- **Continuity of institutional knowledge:** Stantec holds detailed technical understanding of the network, investment programme, and New Zealand Transport Agency processes – disrupting this would pose transition risks.
- **Fit-for-purpose expertise:** In a small population centre such as the Chatham Islands, sourcing and retaining in-house engineering capability of equivalent scale and skill is neither feasible nor financially sustainable.
- **Constructive collaboration:** Stantec works closely with both Fulton Hogan and Council staff, providing real-time advice, issue resolution, and funding compliance support.
- **Support for improvement:** Stantec has shown a willingness to support Council's data improvement workstreams and asset management refinements, including RAMM and TIO alignment.

While remote delivery limits their physical presence during works execution, this can be mitigated by:

- Upskilling Council staff to provide on-the-ground verification.
- Mandating pre and post-implementation photographic evidence and site reporting.
- Increasing use of digital inspections where feasible (eg. mobile video reporting, drone footage).

Fulton Hogan – Physical works contractor

Fulton Hogan continues to be Council's principal contractor for physical works across roading, water, and wastewater – reflecting the integrated nature of service delivery required in a remote island context.

Retention of Fulton Hogan is strongly supported for the following reasons:

- **Proven operational performance:** The audit acknowledged the high standard of the unsealed network and reliability of response. Fulton Hogan's use of two graders (at their own discretion) exemplifies their understanding of local expectations and risk mitigation.
- **Adaptability and partnership:** Fulton Hogan consistently engages constructively with Council and Stantec. Their willingness to adjust delivery schedules and resource allocations has been critical to balancing infrastructure needs across water and roading functions.
- **Commitment to local outcomes:** The contractor has a strong track record of engaging local subcontractors and labour, contributing to economic outcomes beyond core infrastructure.
- **Support for innovation:** Fulton Hogan has proactively proposed enhancements to asset management systems, NPV modelling, and data quality frameworks, and stands ready to help develop a comprehensive infrastructure data improvement plan.

Given the lack of alternative service providers on-Island, and the substantial risks and costs associated with any contractor transition, it is prudent for Council to:

- Approve a **formal extension of the current contract (18 months)** to align with upcoming procurement cycles and DIA appropriations.
- Explore a **Core Infrastructure Services Contract** model with Fulton Hogan, encompassing roading, water, wastewater, wharves, airport operations and potentially power services, subject to Chatham Island Enterprise Trust and Crown engagement.

This approach would secure service continuity, strengthen delivery resilience, and ensure value for money while enabling time to fully design a fit-for-purpose long-term procurement strategy.

5. Proposed contract extension

Council's roading procurement process follows the New Zealand Transport Agency's requirements and reflects the unique challenges of service delivery on the Chatham Islands. Historically, a multi-stage approach has been used – beginning with a Registration of Interest (ROI), followed by direct negotiation or open tender based on market response.

Given the Island's isolation, lack of alternative suppliers, and the integrated nature of roading, water, and wastewater services, Council has relied on Fulton Hogan (physical

works) and Stantec (technical services) to deliver core infrastructure outcomes. Both providers have demonstrated consistent performance and adaptability.

To maintain delivery continuity while broader procurement and reform work progresses, Council proposes to seek the New Zealand Transport Agency's support for an 18-month extension of the current contracts through to 30 June 2027, aligning with the Crown funding cycle.

Council is concurrently progressing implementation of its Water Services Delivery Plan (WSDP) in collaboration with Watercare and Auckland Council, as endorsed in the letter from Hon Simon Watts (21 May 2025). The WSDP work is essential to addressing systemic challenges in water services delivery, but depends on stable core infrastructure and coordination across roading, water, and wastewater networks.

The proposed 18-month extension to Stantec and Fulton Hogan's existing contracts is a critical enabler of delivery continuity and resilience during a period of infrastructure reform and operational transition.

Extending the current contracts provides:

- A practical delivery bridge while finalising WSDP arrangements and resourcing.
- Time to co-design a fit-for-purpose procurement strategy that reflects the Island's integrated infrastructure needs and the absence of alternative providers.
- Avoid disruption during infrastructure transition and procurement redesign;
- Alignment with New Zealand Transport Agency and Crown funding cycles, avoiding fragmented or short-term procurement.



INVESTMENT AUDIT REPORT

Joint Technical & Procedural Audit of Chatham Islands Council

Monitoring Investment Performance

Report of the investment audit carried out under Section
95(1)(j)(ii) and (iii) of the Land Transport Management Act 2003.

Sol Hessell & Tony Pinn

27 May 2025

FINAL

Approved Organisation (AO):	Chatham Islands Council
Waka Kotahi NZ Transport Agency Investment (2021 – 2024 NLTP):	\$11,798,160
Date of Investment Audit:	29th October - 31 st October 2024
Auditor(s):	Sol Hessel – Principal Investment Auditor Tony Pinn – Senior Investment Auditor Gordon McDonald - Principal Investment Advisor
Report No:	RATPJ-2409

AUTHORITY SIGNATURES

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Approved by:



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Vanessa Deleat, Manager - Audit & Assurance

27/05/2025

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Date

DISCLAIMER

WHILE EVERY EFFORT HAS BEEN MADE TO ENSURE THE ACCURACY OF THIS REPORT, THE FINDINGS, OPINIONS, AND RECOMMENDATIONS ARE BASED ON AN EXAMINATION OF A SAMPLE ONLY AND MAY NOT ADDRESS ALL ISSUES EXISTING AT THE TIME OF THE AUDIT. THE REPORT IS MADE AVAILABLE STRICTLY ON THE BASIS THAT ANYONE RELYING ON IT DOES SO AT THEIR OWN RISK, THEREFORE READERS ARE ADVISED TO SEEK ADVICE ON SPECIFIC CONTENT.

EXECUTIVE SUMMARY

New Zealand Transport Agency Waka Kotahi approves and administers investment in Chatham Islands Council's land transport activity through its National Land Transport Programme (NLTP). Council maintains a roading network across two islands, Chatham Island and Pitt Island. Chatham Island comprises 150.3 km of unsealed roads, 12.9 km of sealed road, and the wharves at Owenga and Kaingaroa. This joint procedural technical investment audit was completed for Council's land transport activity in October 2024.

We were initially unable to reconcile the four financial years claims for funding assistance (1st July 2020 to 30th June 2024) with the general ledger. We found the general ledger did not align with the expenditure tracked and reported monthly by the consultant Stantec. However subsequent information provided by Council allowed us to verify sufficient eligible expenditure. We also noted late transactions which were not being captured in claims. Council should implement a post claim reconciliation process to ensure all eligible expenditure is being recognised in its claims for funding assistance.

Low Cost Low Risk (LCLR) expenditure reporting for the four years was reviewed to ensure that the conditions of funding were adhered to. Overall, we found good levels of compliance with requirements but noted the 2023/24 year was not updated in Transport Investment Online (TIO). Council needs to update the TIO forecast quantities and expenditure annually to reflect expected programme delivery for the following year.

Council has a current endorsed Procurement Strategy, which expires in September 2025, but the Auditors were unable to find the Strategy on the Council's website as required by rule 10.6 (2) of the Procurement Manual. We reviewed the direct appointment of the barge loading facility at Owenga Wharf and noted value for money considerations were well documented to justify this selection method. We also noted that the physical works contract is due to expire on 31st December 2025. Council will need to seek approval for any variation to this expiry date beyond 3 months.

Overall, the road network is in good condition, however the audit found there is scope for improvement in a number of areas. It is also the view of the audit team that there is an opportunity for Council to be more actively involved in the development, delivery and oversight of the roading programme.

While sealed pavements only make up 14km of the road network, some of the proposed rehabilitation sites appeared to be marginal in their need of treatment and it is recommended that the sealed road rehabilitation programme be reassessed. Council needs to ensure that NPV economic evaluations are provided to NZTA for review and approval for every proposed pavement rehabilitation.

Drainage generally requires an increased focus across the network, and we suggest that Council implement a more proactive approach to culvert cleaning. There is also a need to ensure that all drainage assets are recorded in RAMM and are condition rated. The unsealed network was mostly in a very good condition and tailored to the level of service of the road. The frequency of grading is however very high so the frequency of grading and the need for two graders should be reviewed. An increase in the frequency of routine maintenance activities is required, particularly regarding signage and bridge structures.

Rural road delineation was generally to a good standard however some recently completed chevron treatments, at multiple locations, had not been installed correctly and would not therefore be effective. This emphasises the need for more robust oversight of physical works to make sure that they deliver the intended benefit of the project. This is not always easily achieved by remotely located professional services consultants and ideally it could be undertaken by upskilled Council staff, but as a minimum pre and post implementation photos for projects such as this would help ensure successful delivery.

Closed gates were observed across multiple public roads around the network which was concerning. Council needs to prioritise the reinstatement and maintenance of public access to ensure ongoing NZTA funding for those roads.

Improving data requires significant focus from Council. Of most concern was that maintenance cost transaction information was not showing at all in RAMM. It is imperative that all RAMM data is up to date and accurate as this impacts on programme development and prioritisation and support for funding (including the accuracy of NPV's). A plan needs to be developed to ensure that keeping RAMM up to date is an ongoing priority. There had been no recorded traffic counts in the four years prior to the audit so Council needs to review the Traffic Count data collection strategy to ensure that traffic counts are undertaken more frequently, including on the unsealed network and the capturing of operating speed data, to better inform decision-making.

Crash and casualty numbers on the Chatham Islands remain low, with two reported serious injury crashes and two serious injuries in the five-year period from 2019-2023 inclusive. It is however understood that many crashes likely go unreported, so a focus on continuing to improve road safety outcomes is required.

Anecdotally, operating speeds on the rural unsealed network appeared to be quite high, which is likely contributing to the loss of control crashes that are occurring. Council should therefore consider reducing speed limits on some unsealed rural roads, targeting the highest risk sections and tied to the grade of the unsealed road if appropriate.

There were no Safe System Audits (SSA's) carried out over the period audited and no exemption declarations filed. To mitigate the risk to Council and to road users, we remind Council that an SSA or exemption declaration form needs to be completed for all improvement and renewal projects proposed for funding assistance from the National Land Transport Programme.

Despite the recent large-scale cull of wild stock on the island, a high number of stock were still observed on the road during the network inspections which poses a significant risk to road users, especially at night. Improvements to stock management, particularly fencing requirements and enforcement of those requirements, needs to be an ongoing priority for Council. Alcohol is also a considerable issue for the Chatham Islands, with nearly half of all reported crashes citing alcohol as a contributing factor, and we encourage Council to continue with the targeted education initiatives and to work with the NZ Police to reduce drink driving rates and the probability of alcohol related trauma occurring on the network.

AUDIT RATING ASSESSMENT

Subject Areas		Rating Assessment*
1.	Previous Audit Issues	Effective
2.	Financial Processes	Some Improvement Needed
3.	Procurement Procedures	Effective
4.	Professional Services and Contract Management	Effective
5.	Network Condition and Management	Some Improvement Needed
6.	Activity Management Planning	Some Improvement Needed
7.	Data quality	Significant Improvement Needed
8.	Road Safety	Some Improvement Needed
Overall Rating		Some Improvement Needed

* Please see Introduction for Rating Assessment Classification Definitions

RECOMMENDATIONS

The tables below capture the audit recommendations and suggestions. The target implementation dates for the recommendations are as provided by Chatham Islands Council.

We recommend that Chatham Islands Council:		Target Implementation Date
R2.1	Ensures that future claims for funding assistance to NZTA are reconciled to the general ledger.	ASAP
R2.2	Updates the 2023/24 LCLR spreadsheet and submits this to the Investment Advisor.	Submitted 13 th January 2025
R3.1	Ensures its endorsed Procurement Strategy is published on Councils website.	Uploaded to website January 2025
R5.1	Undertakes a review of the 2024-27 sealed road rehabilitation programme.	On-going
R5.2	Completes Net Present Value (NPV) economic evaluations for all pavement rehabilitation projects and ensure that they are reviewed and approved by NZTA.	To discuss with NZTA
R5.3	Increase the frequency of routine structures maintenance, including vegetation maintenance.	No date provided
R5.4	Prioritise the reinstatement of public access for roads that currently have gates across them, ensuring ongoing NZTA funding for those roads.	On-going
R6.1	Updates the TIO forecast quantities and expenditure annually to reflect expected programme delivery for the following year.	On-going
R6.2	Upskills staff to enable more active Council involvement in the development, delivery and oversight of the roading programme.	On-going
R7.1	Develops a plan to ensure that keeping all RAMM data up to date and accurate is an ongoing priority, including but not limited to maintenance cost transaction information and data for drainage assets.	March 2026
R7.2	Reviews the Traffic Count data collection strategy to ensure that traffic counts are undertaken more frequently, including on the unsealed network and the capturing of operating speed data, to better inform decision-making.	May 2025
R8.1	Implements systems to ensure more robust oversight of physical works completion.	On-Going
R8.2	Considers the introduction of speed limit reductions to address the identified risks on the unsealed rural network.	No date provided
R8.3	Review processes and systems to ensure that Safe System Audits (or exemption declarations) are completed in accordance with the Safe System audit guidelines for all improvement and renewal projects.	To discuss with NZTA

We suggest that Chatham Islands Council:

S2.1	Considers reviewing its administration charges to ensure all costs of the roading activity are all being captured
S3.1	Considers extending the physical works contract beyond the current expiry of 31 December 2025. Council will need to seek NZTA approval for any variation beyond 3 months.
S5.1	Makes culvert cleaning a higher priority maintenance activity and implement a more proactive approach to the activity, including the prioritisation of known problematic locations.
S5.2	Reviews the frequency of unsealed road grading and the need for two graders.
S5.3	Undertakes more cut-outs on the unsealed road network.
S7.1	Reviews the Road Efficiency Group (REG) Asset Management Data Quality Report and prioritise focus areas as required.
S8.1	Increases the frequency of routine maintenance activities associated with the cleaning and replacement of dirty and non-compliant signs and with the painting of sight rails.
S8.2	Reviews practices around stock management policy, particularly regarding fencing requirements and enforcement of those requirements.

1. INTRODUCTION

1.1. Audit Objective

The objective of this audit is to provide assurance that the Waka Kotahi NZ Transport Agency's (hereafter Waka Kotahi) investment in Council's land transport programme is being well managed and delivering value for money. We also seek assurance that the Council is appropriately managing risk associated with Waka Kotahi investment. We recommend improvements where appropriate.

1.2. Assessment Ratings Definitions

	Effective	Some Improvement Needed	Significant Improvement Needed	Unsatisfactory
Investment management	Effective systems, processes and management practices used.	Acceptable systems, processes and management practices but opportunities for improvement.	Systems, processes and management practices require improvement.	Inadequate systems, processes and management practices.
Compliance	Waka Kotahi and legislative requirements met.	Some omissions with Waka Kotahi requirements. No known breaches of legislative requirements.	Significant breaches of Waka Kotahi and/or legislative requirements.	Multiple and/or serious breaches of Waka Kotahi or legislative requirements.
Findings/ deficiencies	Opportunities for improvement may be identified for consideration.	Error and omission issues identified which need to be addressed.	Issues and/or breaches must be addressed, or on-going Waka Kotahi funding may be at risk.	Systemic and/or serious issues must be urgently addressed, or on-going Waka Kotahi funding will be at risk.

1.3. Council Comments

Prior to this report being approved, Council was invited to comment on the auditors' findings, recommendations and suggestions. Where appropriate this report has been amended to reflect this dialogue. Any additional auditee comments are attached in the Appendices.

2. ASSESSMENT FINDINGS

Our findings relating to each subject area are presented in the tables below. Where necessary, we have included recommendations and/or suggestions.

1. Previous Audit Issues		Effective
There were no recommendations from the previous procedural audit undertaken in March 2021. There were five technical related recommendations from the joint audit undertaken March 2019, noting that the procedural related recommendations from that audit were addressed in 2021. The five technical related recommendations were that Chatham Islands Council: • Ensures traffic services on Secondary Collector roads comply with the Traffic Control Devices manual. • Ensures that information in the updated AMP is robust and supports the Programme Business case for Maintenance, Renewals and Low-Cost Low Risk work programmes. • Reviews the REG data quality reports and identifies areas for improvement. • Adds tasks to the Improvement Plan, assign a project manager, allocate resource and provide a due date for completion. • Ensures all delineation complies with the Traffic Control Devices Manual for condition and location.		
Recommendations	There are no recommendations with respect to 'Previous Audit Issues' as we have new, related recommendations and suggestions where necessary and appropriate that supersede those from the 2019 report.	

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2. Financial Processes		Some Improvement Needed
The auditor was unable to reconcile claims for funding assistance for the four financial years 1st of July 2020 to 30th of June 2024 to Councils general ledger. However subsequent information has been provided since our visit which identifies sufficient eligible expenditure that can be verified against the claims for funding assistance. Whilst there is a good level of scrutiny in the build-up to the claim by the professional services consultant, there doesn't appear to be a process in place to ensure the general ledger mirrors the expenditure tracked and reported by the consultant to ECan who manage the general ledger. Transaction testing was conducted across multiple work categories and all transactions tested were eligible for funding and posted to the correct work categories. Underclaims were also noted which appears to be late transactions not being recognised in claims. There is a risk that all eligible expenditure is not being captured in the claim. We recommend Council carries out a post reconciliation after each claim to ensure all eligible expenditure is captured and claims for funding assistance match the general ledger.		

Administration

Council currently has a 3.1 flat rate administration charge on all eligible expenditure claimed. Given this rate has been in place for several years, we suggest Council reviews this to ensure all costs of the roading activity are being captured.

Low Cost Low Risk

There are some specific conditions of funding within W/C 341 Low Cost-Low Risk (LCLR), including:

- *“The template list is expected to be maintained and updated regularly by the approved organisation and Waka Kotahi (for its own activities) and by the 31st August of the year the LC,LR template must be updated to reflect actual project expenditure in the previous year;”*

The first two years have been completed correctly, but the 2023/24 LCLR spreadsheet needs updating to match actual expenditure incurred.

Recommendations	That Chatham Islands Council: R2.1 Ensures that future claims for funding assistance to NZTA are reconcile to the general ledger. R2.2 Updates the 2023/24 LCLR spreadsheet and submits this to the Investment Advisor
Suggestions	We suggest that Council: S2.1 We suggest Council considers reviewing its administration charges to ensure all costs of the roading activity are all being captured.
Chatham Islands Council's comment	Regarding administration rates and reporting processes: Council acknowledges that the current 3.1% administration rate may be insufficient and agrees this warrants review. However, with NLTP 2024–27 funding already fixed, any increase to administration charges during this period would directly reduce the funding available for physical works. For this reason, Council considers it more appropriate to revisit the administration rate later in the current investment period, with a view to applying any adjustments when seeking funding under future NLTP cycles. To support transparency and accurate reporting, the 2023/24 LC/LR spreadsheet has been submitted to the Transport Agency. At the time of writing, the Network Consultant has not yet received formal acknowledgment of this submission. Opportunities for improving financial and contract coding processes have been raised constructively in previous discussions. Some of the challenges may reflect legacy settings within the contract structure developed nearly a decade ago, particularly around RAMM coding conventions. Council recognises that refining this aspect of network management could help ensure clearer alignment between delivery, reporting and funding streams. Fulton Hogan has indicated their willingness to support improvements in this area, particularly by helping to recalibrate contract data structures to better reflect Council's current needs and to optimise outcomes under future investment programmes. Strengthening financial controls and internal systems: Council has recently implemented a strengthened internal audit procedure to provide greater assurance around financial reporting and claims processes. This includes checks to ensure that figures and general ledger codes within Council's internal financial system match those provided in reports from the contractor. In addition, an internal control has been introduced to ensure that

	any invoices relating to activities such as Road Safety are promptly completed and forwarded to the contractor for submission to the Transport Agency. Council appreciates the value of continuous improvement and remains committed to ensuring its financial and reporting systems remain fit-for-purpose, particularly in the context of a small and remote local authority with constrained internal resources.
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3. Procurement Procedures	Effective
Chatham Islands Council has a current NZTA endorsed Procurement Strategy. This Strategy expires 21st September 2025. The latest Strategy is <u>NOT</u> published on the Council's website as per rule 10.6 of the NZTA Procurement Manual. The Strategy included an approval to vary the maximum contract term to allow the physical works contract term to be up to 10 years maximum expiring 31st December 2025. We noted that the physical works contract expires 31st December 2025. Council will need to seek approval for any variation to this expiry date beyond 3 months. The professional services contract has been extended by three years to now expire on 31st October 2026. We confirmed NZTA approval to a new maximum term of 10 Years for this contract. Financial Services are provided by Environment Canterbury. However, we understand this arrangement will not be extended beyond the current term. Council is currently assessing options for ongoing financial assistance from another Council. The only other procurement activity in the period audited related to the direct appoint of Hunter Civil for a new barge loading facility beside the existing Owenga Wharf. Funding was approved under the low-cost low risk work category. Council decided to direct appointment this work to Hunter Civil by way of variation to the Kaingaroa Wharf and the Owenga Wharf repair contract. Councils' value for money considerations were well documented and included. • Cost of establishment for a new contractor. • The cost and time involved in running a tendering and evaluation process • Likely higher prices likely by potential tenderers due to costing in high-risk items. • Hunter Civil is a trusted contractor on the Chatham's with a good work history. • Hunter Civil have a history of using locally based contractors and people as part of their site team.	
Recommendations	That Chatham Islands Council: R3.1 Ensures its endorsed Procurement Strategy is published on Councils website.
Suggestions	We suggest that Council: S3.1 We suggest Council considers extending the physical works contract beyond the current expiry of 31 December 2025. Council will need to seek NZTA approval for any variation beyond 3 months.

Chatham Islands Council's comment	Regarding the procurement strategy and future contracting approach: Council has published its Procurement Strategy on the Council website and confirms that any proposed extension of the current physical works contract beyond three months will be submitted for formal approval. Council, alongside its contractor Fulton Hogan, recognises the unique procurement environment on the Chatham Islands. Discussions to date have highlighted a shared interest in exploring more integrated and longer-term contract models that reflect the distinct service delivery context of the Islands. Fulton Hogan has expressed strong support for engaging in conversations around a possible extension of the current contract term, or the negotiation of a future arrangement that provides greater certainty and continuity. These discussions are occurring alongside a wider review of both the Council and the Chatham Islands Enterprise Trust operating models. This creates an opportunity to consider a "Core Infrastructure Services Contract" that could encompass roading, water, wastewater, wharves (noting ownership shared between CIC, CIET and the Crown), airport operations and power infrastructure. All parties acknowledge the limited availability of alternative service providers and the significant cost and risk associated with any procurement transitions on-Island. Given these realities, Council is considering whether an 18 month to 3 year extension of the current physical works contract may be a pragmatic step (this would align to Council's annual appropriate from the Department of Internal Affairs too). An extension would provide the time and space needed to develop a comprehensive, community-informed infrastructure procurement strategy that ensures value for money, service resilience and continuity of delivery through trusted local relationships and subcontractors. This conversation is also closely linked to Council's ongoing work on the Water Services Delivery Plan. Council is acutely aware that a financially sustainable operating model should result in one single Tier One infrastructure provider on-Island capable of servicing a broad range of essential functions. The Chief Executive recently met with the Chair of the Transport Agency Board to outline these needs and the importance of incorporating them into future procurement design. Council intends to follow up with formal correspondence to the Board and to the Minister's Office, outlining its intentions and reinforcing the significance of the Islands' unique circumstances. Council appreciates the constructive and solutions-oriented approach taken by Fulton Hogan and welcomes further engagement to shape a sustainable and fit-for-purpose model for the Chatham Islands.
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4. Professional Services and Contract Management	Effective
Chatham Islands Council's comment	Professional services continue to be provided by Stantec for all NZTA funded activities and there appears to be a good working relationship between the parties. There was also evidence on Council files which demonstrated close communication with the contractor Fulton Hogan and regular monitoring of the physical works maintenance contract.
Chatham Islands Council's comment	Council agrees that there is a strong and collaborative working relationship between Fulton Hogan, the Network Consultant Stantec and Council. All parties maintain open and regular communication, which supports effective delivery of services across the network. This sentiment was reinforced during a

	joint meeting with Fulton Hogan on 30 January 2025, where the importance of continued cooperation and alignment was reaffirmed.
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5. Network Management

Some Improvement Needed

Overall, the road network is in good condition, however the audit found there is scope for improvement in a number of areas. It is also the view of the audit team that there is an opportunity for Council to be more actively involved in the development, delivery, and oversight of the roading programme.

Forward Work Programme (FWP)

The audit team acknowledge the unique challenges faced by Council with respect to delivery of the Maintenance, Operations and Renewals programme, and the current practice of undertaking different aspects of the programme in alternating years for various reasons is a pragmatic approach to meeting some of those challenges, however the respective aspects of the programme still need to be appropriately justified. While sealed pavements only make up 14km of the road network, from the information that was provided to the audit team prior to the audit, together with the on-site observations, some of the proposed rehabilitation sites appeared to be marginal in their need of treatment and it is recommended that the sealed road rehabilitation programme be reassessed.

A requirement for funding under work category 214 'Sealed Road Pavement Rehabilitation' is to determine the long-term least-cost option by undertaking a Net Present Value (NPV) economic evaluation. No NPV evaluations were provided for review. Council needs to ensure that NPV economic evaluations are provided to NZTA for review and approval for every proposed pavement rehabilitation.

Drainage & Unsealed Roads

Drainage generally requires an increased focus across the network. The reactive approach to culvert cleaning, whereby culverts are essentially only cleaned when they are observed to be blocked, with water physically running across the road frequently being the determinant, is likely causing unnecessary damage and deterioration. We suggest that Council implement a more proactive approach to culvert cleaning, including the prioritisation of known problematic locations and assertion that this activity is a higher priority for the supplier. There is also a need to ensure that all drainage assets are recorded in RAMM and are condition rated, which an increased focus on culverts in particular should facilitate.

The unsealed network was mostly in a very good condition and tailored to the grade/level of service of the road. The frequency of grading is however very high so the frequency of grading and the need for two graders should be reviewed. With respect to drainage, the unsealed network would benefit from additional cut-outs being undertaken. A significant amount of high shoulder was also observed around the network which requires attention.

Structures maintenance

Multiple bridge end markers were observed to be missing, often lying nearby the structure and seemingly for a considerable period of time in some instances. It is concerning that these clear and obvious maintenance issues are somehow not being picked up by the supplier and reinstated much earlier, especially given the number of eyes on the network, including the likes of the grader drivers in addition to routine network inspections. Similarly, many structures were seen to be in need of a paint or to have an excessive amount of vegetation on the structure. All of these routine maintenance related issues require attention.

Network access	Closed gates were observed across multiple public roads around the network which was concerning. Council needs to prioritise the reinstatement and maintenance of public access to ensure ongoing NZTA funding for those roads. The level of service on some roads containing closed gates should also be reviewed. The level of service on Rapanui Road/Te Matarae Road in particular appeared to be inappropriately high.
Recommendations	We recommend that Council: - R5.1 Undertakes a review of the 2024-27 sealed road rehabilitation programme. - R5.2 Completes Net Present Value (NPV) economic evaluations for all pavement rehabilitation projects and ensure that they are reviewed and approved by NZTA. - R5.3 Increases the frequency of routine structures maintenance, including vegetation maintenance. - R5.4 Prioritises the reinstatement of public access for roads that currently have gates across them, ensuring ongoing NZTA funding for those roads.
Suggestions	We suggest that Council: - S5.1 Makes culvert cleaning a higher priority maintenance activity and implement a more proactive approach to the activity, including the prioritisation of known problematic locations. - S5.2 Reviews the frequency of unsealed road grading and the need for two graders. - S5.3 Undertakes more cut-outs on the unsealed road network.
Chatham Islands Council's comment	Regarding the Forward Work Programme (FWP): Council acknowledges the auditors' observations regarding the draft sealed rehabilitation programme and appreciates the opportunity to provide additional context. While the Network Consultant offers a different interpretation of the prioritised sections, it is acknowledged that, based solely on visual inspection, parts of the programme may appear unusual. Technical validation is still underway through test pits and Benkelman beam testing, and results will guide any necessary re-prioritisation to ensure investment is targeted to areas with demonstrable need. Council also notes that Fulton Hogan has indicated a willingness to provide further support in this area, particularly through a critical review of the 2024 to 2027 rehabilitation programme and its alignment with asset condition data. They have access to technical resources that could assist with interpreting RAMM data and strengthening the robustness of future prioritisation. Regarding the Net Present Value (NPV) requirement, the Network Consultant has expressed caution. The MCBM framework currently assumes the viability of a "do-minimum" scenario, which is often not applicable in the Chatham Islands due to geographic and logistical constraints. Council welcomes a more tailored conversation with the Transport Agency on how best to apply NPV analysis in this context and notes that Fulton Hogan also recognises this as a challenge. They have

suggested approaches that could improve NPV robustness in isolated environments, using locally validated data inputs.

Auditors' response: The audit team acknowledge the unique challenges faced by CIC but rehabilitation work still needs to be justified as the most appropriate option, and approved by NZTA.

Regarding drainage and unsealed roads:

Council's combined contract with Fulton Hogan spans roading, water and wastewater infrastructure. As such, resource allocation must be carefully managed to meet compliance and service expectations across all networks. The significant backlog of water-related work has required flexibility, and Council and the Network Consultant continue to work closely with Fulton Hogan to ensure a balanced and responsive delivery model.

With respect to unsealed road maintenance, Fulton Hogan's operational model includes the use of two graders. While this was not explicitly priced into the contract, it reflects their understanding of the Chatham Islands' unique conditions. The dual-grader approach ensures resilience, especially following weather events when rapid recovery is essential. It also mitigates risk associated with long lead times for replacement parts, which could leave the network vulnerable if only one grader were available. This approach demonstrates a strong alignment with the safety and continuity requirements of the Island's roading network.

Auditors' response: The unsealed network was in a very good condition, above what we see nationally, and grading frequency needs to be reviewed.

Regarding structures maintenance:

Council confirms that the grass berm referenced during the audit had been mown the week prior to the inspection. An unusual spell of warm and wet weather led to rapid regrowth, which was already being addressed at the time of the audit, as demonstrated by observed mowing activity.

Auditors' response: High shoulder was observed around the network, not at a singular location.

Vegetation management around structures remains a challenge, particularly where access relies on private landowner permission. In several cases, access has not been granted, limiting the contractor's ability to safely complete clearance works. These constraints are monitored by the Bridge and Structures Engineer and documented in the Bi-Annual Bridge Inspection Reports, with efforts made to clear priority vegetation wherever possible.

Auditors' response: This was a systemic issue, and the majority of the vegetation observed on structures during the audit would not have required private access to remove. Vegetation beyond that which is deemed critical still needs to be addressed as it will be contributing to the premature degradation of those structures.

Regarding network access:

Council understands the Transport Agency's position regarding the use of public funds on roads that are not currently open to general access. Council is actively reviewing the public accessibility status of gated roads and considering options, including gate removal or clarifying access rights.

	In the specific case of Rapanui and Te Mataarae Roads, the situation is more complex. The cost to landowners of fencing properties to allow gate removal is significant, and previous attempts to secure funding for cattle stop installations were unsuccessful. While this has led to a stalemate, Council remains open to further discussions with the Transport Agency to explore alternative approaches that reflect both funding requirements and community needs. Regarding network management and contract flexibility: Council values the strong relationship shared with both Fulton Hogan and Stantec, which underpins the responsiveness and adaptability of network delivery. All parties work closely to align on priorities, and changes to planned works can be managed quickly due to the high level of trust and communication in place. Looking ahead, Fulton Hogan has suggested that flexibility to respond to evolving needs could be further embedded in any future contract model. Council agrees this is an area worth exploring and appreciates the constructive input as it continues to refine its service delivery approach.
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6. Activity Management	Some Improvement Needed
The Road Efficiency Group (REG) Activity Management Plan (AMP) review completed for the 21-24 AMP noted a 'fit for purpose' AMP. The AMP was also given a 'fit for purpose' rating by NZTA Investment Advisors. The 24-27 AMP has not yet been reviewed. The audit team had some concerns with the TIO annual achievement reporting, noting some significant variations in achieved quantities and rates compared with the forecasts. Council needs to ensure that forecast quantities and expenditure are up to date and accurate in TIO and assigned to the correct work category. By updating the TIO renewal forecasts and actuals annually for Maintenance, Operations and Renewals (MOR), the forecast comparison with actual achievement will be more representative of the delivery performance for the network. This will also enable better decision-making by both Council and NZTA, should funds need to be reallocated to changing needs of a higher priority. Related to that and of most concern was that maintenance cost transaction information was not showing at all in RAMM. It is imperative that all RAMM data is up to date and accurate as this impacts on programme development and prioritisation and support for funding (including the accuracy of NPV's). A plan needs to be developed to ensure that keeping RAMM up to date is an ongoing priority. Council is commended for the pragmatic approach of using culverts to replace bridges across the network, reducing corrodible components and the ongoing maintenance liability of the asset. At the time of the audit, construction of the Owenga barge ramp appeared to be on track. An inability for the network consultant to observe a test as planned is an example though of the difficulties associated with remote project management. This further highlights the benefit in Council looking to upskill staff and be more actively involved in the development and delivery of the programme.	
Recommendations	We recommend that Council: R6.1 Updates the TIO forecast quantities and expenditure annually to reflect expected programme delivery for the following year.

	R6.2 Upskills staff to enable more active Council involvement in the development, delivery and oversight of the roading programme.
Chatham Islands Council's comment	The Network Consultant notes that the 2024 forecast values currently shown in TIO do not align with any submissions made directly to investment advisors or entered into the TIO system. Forecasts and achievement data from previous years are consistent and as expected, which suggests that the discrepancy may have occurred at the TIO end rather than through any Council-related process. This matter was raised with the audit team during the closing meeting, along with a broader observation that issues raised by Council or the Network Consultant at the time they are identified are not always acknowledged or reflected in subsequent reporting. We recognise the complexity of the process and the number of parties involved, and would welcome a shared review to ensure alignment going forward. In our unique context, the Network Consultant effectively fulfils the role of a District Engineer, reflecting the realities of serving a community of just 600 people. The limited population and geographic isolation mean it is not feasible to employ this level of technical expertise in-house. Council is mindful of the need to retain institutional knowledge and is actively considering options to support continuity as part of the upcoming contract renewal process. We appreciate the opportunity to continue working closely with the investment team to ensure systems, reporting and communication are aligned and that our shared goals for the network are met effectively.

* * *

7. Data Quality	Significant Improvement Needed
Quality data is important for good asset management and while some elements of Council's data were good, the Road Efficiency Group (REG) overall score for data quality in the 2023/24 year was 63 out of 100, a drop of 5 from the previous year's score. The accuracy, timeliness and completeness of the data are all identified in the report as having major issues, with the completeness rating in particular dropping significantly. Metrics related to maintenance activities and traffic counting stand out as some that need the most attention, however Council should review the full 2023/24 Road Efficiency Group (REG) Asset Management Data Quality Report and prioritise areas for improvement accordingly. As stated earlier, maintenance cost transaction information was not showing at all in RAMM. A number of other anomalies were also observed with the data as displayed in Mobile Roads (which accesses RAMM data on a regular basis) during the network inspections, especially regarding traffic count data. There had been no recorded traffic counts in the four years prior to the audit, which will be contributing to this issue. Included in the improvement process that is required to ensure that all RAMM data is up to date and accurate, Council needs to increase the frequency of traffic counts, including on the unsealed network and also capturing speed data. This will ensure a more accurate understanding of the highest need areas of the network, including the areas where excessive operating speeds might be an issue. There is also a need to ensure that all drainage assets are recorded in RAMM and are condition rated.	

Recommendations	We recommend that Council: R7.1 Develop a plan to ensure that keeping all RAMM data up to date and accurate is an ongoing priority, including but not limited to maintenance cost transaction information and data for drainage assets. R7.2 Review the Traffic Count data collection strategy to ensure that traffic counts are undertaken more frequently, including on the unsealed network and the capturing of operating speed data, to better inform decision-making.
Suggestions	We suggest that Council: S7.1 Review the Road Efficiency Group (REG) Asset Management Data Quality Report and prioritise focus areas as required.
Chatham Islands Council's comment	Regarding REG Data Quality scores: Council adopts a fit-for-purpose approach when assessing REG Data Quality scores, balancing the value of additional data collection with the cost of diverting limited resources from physical delivery. In many cases, the cost of obtaining certain data inputs required to meet REG benchmarks is disproportionate, particularly where there is little to no direct benefit to the Chatham Islands' context or decision-making processes. It is also important to note that some recent reductions in REG data quality scores reflect the deliberate deferral of sealed pavement maintenance over the previous two years, a pragmatic decision acknowledged earlier in this report. Additionally, changes in how REG aggregates and displays data have influenced score outcomes, rather than indicating a material decline in the quality of RAMM data or Council's asset management efforts. Regarding the RAMM Maintenance cost table: Council acknowledges the importance of having complete and accurate maintenance cost data within the RAMM system. The Network Consultant has engaged directly with ThinkProject to identify potential solutions; however, the current system limitation means that implementing a fix would result in the loss of all existing contract data, which is not a viable option. <i>Auditors' response: As co-investor, NZTA need to be able to see this information, so it needs to remain a priority.</i> Council is committed to resolving this in the next contract period, which will be configured to ensure the required maintenance cost data is accurately captured. Fulton Hogan has also indicated their willingness to support Council in developing a targeted data improvement plan, helping to identify current gaps and prioritise areas for correction. This collaborative approach will allow improvements to be phased in without compromising the integrity of existing records. It is understood that some of the current issues stem from historic workarounds implemented due to the lack of cell coverage on the Islands. The Network Consultant is happy to share the correspondence with ThinkProject to assist in clarifying the technical limitations and guide future solutions.

	Regarding traffic counts: Traffic counts on the Chatham Islands were temporarily paused due to challenges accessing the necessary equipment and resources. This pause was considered proportionate, given the network’s ultra-low traffic volumes and the stable nature of the Islands' population and activity levels. A full traffic count programme is now underway which will provide refreshed data for the network. The Network Consultant is confident that, in the Chatham Islands' unique context, a five-year interval between traffic count surveys does not materially impact network planning or performance monitoring. <i>Auditors’ response: Operating speed data also needs to be captured where practicable.</i>
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8. Road Safety	Some Improvement Needed
Crash and casualty numbers on the Chatham Islands remain low, with only two reported serious injury crashes (plus 9 minor injury and 19 non-jury crashes) and two serious injuries in the five-year period from 2019-2023 inclusive. At the time of the audit there had only been three reported non-injury crashes in 2024 to that point, although it was saddening to hear that the day after the audit team left a motorcyclist was killed, emphasising the need to retain a focus on continuing to improve road safety outcomes. It is also understood that many crashes likely go unreported. Some issues and concerns that were observed during the audit and require attention include: Traffic Signs and Delineation Rural road delineation was generally to a good standard, fit for purpose and appropriate, with some exceptions, including recently completed chevron treatments, at multiple locations, that had not been installed correctly. Some had been installed at ground level, others were too high, and some were not correctly aligned meaning that they will not be effective. With nearly half of all reported crashes involving loss of control on bends it is important that issues such as these are rectified as soon as possible. This also emphasises the need for more robust oversight of physical works to make sure that they deliver the intended benefit of the project. This is not always easily achieved by remotely located professional services consultants and ideally it could be undertaken by upskilled Council staff, but as a minimum pre and post implementation photos for projects such as this would help ensure successful delivery. The use of sight rails around the network was appropriate, although many were in need of painting. A considerable number of signs around the network were observed to be very dirty, or else covered in lichen, and likely therefore likely to be effective, especially at night. Speed Management Anecdotally, operating speeds on the rural unsealed network appeared to be quite high, which is likely contributing to the loss of control crashes that are occurring. As discussed previously, operating speed data needs to be captured when new traffic counts are undertaken, including on the unsealed network. Council should then give consideration to reducing speed limits on some unsealed rural roads, targeting the highest risk sections and tied to the grade of the unsealed road if appropriate. This is consistent with the recommendation in the most recent Network Safety Inspection report and is supported by the new <i>Land Transport Rule: Setting of Speed Limits Rule 2024</i> which allows for 60-80 km/h speed limits to be set on unsealed roads.	

Stock

Despite the recent large-scale cull of wild stock on the island, a high number of stock were still observed on the road during the network inspections which poses a significant risk to road users, especially at night. Improvements to stock management, particularly fencing requirements and enforcement of those requirements, needs to be an ongoing priority for Council.

Safe System Audits (SSA's)

There were no SSA's carried out over the period audited and no exemption declarations filed. To mitigate the risk to Council and to road users, we remind Council that an SSA or exemption declaration form needs to be completed for all improvement and renewal projects proposed for funding assistance from the National Land Transport Programme. A single SSA report can however cover several projects or activities. If a post construction/pre-opening SSA is deemed to be necessary, it is important that it is done as soon as possible after the physical works have been completed.

Other comments

Alcohol is a considerable issue for the Chatham Islands, with nearly half of all reported crashes citing alcohol as a contributing factor. Given the many crashes that likely go unreported given the resources available to policing and enforcement, alcohol is likely also contributing to many more crashes. We encourage Council to continue with the targeted education initiatives and to work with the NZ Police to reduce drink driving rates and the probably of alcohol related trauma occurring on the network.

At the time of the audit road safety barrier was being considered for a section of Waitangi Tuku Road however, as discussed, a delineation treatment should instead be considered as the road safety barrier did not appear to be warranted.

Council is commended for the successful and effective delivery of several minor improvement projects across the network.

Recommendations	We recommend that Council: R8.1 Implements systems to ensure more robust oversight of physical works completion. R8.2 Considers the introduction of speed limit reductions to address the identified risks on the unsealed rural network. R8.3 Reviews processes and systems to ensure that Safe System Audits (or exemption declarations) are completed in accordance with the Safe System audit guidelines for all improvement and renewal projects.
Suggestions	We suggest that Council: S8.1 Increases the frequency of routine maintenance activities associated with the cleaning and replacement of dirty and non-compliant signs and with the painting of sight rails. S8.2 Reviews practices around stock management policy, particularly regarding fencing requirements and enforcement of those requirements.
Chatham Islands Council's comment	Regarding speed management: Council acknowledges the recommendation to consider speed limit reductions and appreciates the intent to enhance safety across the unsealed rural network. New Zealand Police enforce speed in a manner that reflects the Islands' geographically isolated environment and the

broader role Police play in maintaining community wellbeing. Within this context, the emphasis has traditionally been placed more on driver education and community-led road safety than on formal enforcement or widespread changes to posted speed limits.

Instead, Council has concentrated its efforts on speed-related education through its Road Safety Programme. This approach encourages drivers to make context-sensitive speed choices, particularly in areas near schools where vulnerable users are present. While many rural roads are appropriate for 80 km/h travel, Council remains open to ongoing dialogue and where safety risks are identified and community support can be gained.

Regarding Safe System Audits:

Council accepts the importance of Safe System Audits (SSAs) or appropriate exemption declarations as part of national safety and investment standards. To date, Council has not delivered any capital improvement or renewal projects that would have triggered the SSA requirement at a time when this was formally mandated. For example, the Whangamoe Bridge Replacement occurred prior to the formal adoption of SSA guidelines in New Zealand.

Council is comfortable acknowledging that no SSAs were undertaken to date and would appreciate the final report noting that this is due to the timing and nature of qualifying investment, rather than any current non-compliance. Council has initiated steps to ensure alignment with SSA expectations and will engage with the Transport Agency to progress an exemption declaration for the Continuous Programme.

Auditors' response: We remind Council that an SSA must be considered for all non-maintenance activities, including renewals. If Council decides not to carry out an SSA, it must be documented in an exemption declaration.

Regarding oversight of physical works completion:

Council supports the principle of enhancing oversight over physical works and acknowledges that robust monitoring systems are essential, particularly given the complexity of maintaining infrastructure across the Islands with limited resources and outsourced service arrangements. Council is committed to strengthening processes in this area and will work with the Network Consultant and Contractor to refine completion checks and record-keeping practices. The comment regarding the chevrons is in the process of being rectified, replacement signs have been ordered.

Auditors' response: Replacement signs were not required. The existing chevrons simply needed to be re-installed correctly.

3. APPENDICES

APPENDIX A

Council Feedback

A number of Council's responses reflect the challenges of administering infrastructure and community services given the unique geographic isolation of the Chatham Islands community and economy. At times the Chatham Islands Council takes a measurably softer position than that of other local authorities, especially in cases where private use rights and the roading activity overlap.

Extinguishing community goodwill over issues without life-threatening consequences is seen as an overall disservice to the Islands' residents and incompatible with ongoing good governance, and this is an important consideration to apply to all aspects of the audit and Council's responses.

A note regarding grading; routine grading is undertaken as a contract task with a set of KPIs, focussed on ride quality and defects, under a Lump Sum payment arrangement.

The amount and frequency of grading is at the Contractors discretion to ensure the KPI's are being consistently met. The Contractor must deliver the amount of grading unless agreed by variation, and Council has no appetite to reduce the grading distances.

Customer perception is that grading frequency should be increased, rather than reduced.

APPENDIX B

Technical Audit Programme

The technical audit assessment will cover:

- Alignment with the latest Government Policy Statement
- REG (Te Ringa Maimoa) reports
- Recommendations from the previous technical audit
- Network condition and management
- Activity Management Planning
- Road Safety
- Data Quality

Procedural Investment Audit Programme

The procedural audit assessment will cover:

- Previous audit outcomes – from last procedural audit undertaken in March 2021
- Land Transport Disbursement Account
- Final claims 2020/21, 2021/22 2022/23 2023/24
- Transactions (accounts payable)
- Retentions Account
- Procurement Procedures
- Contract Variations
- Contract Management
- Road Safety Audits
- Professional Services
- Transport Investment On-line (TIO) Reporting
- Other issues that may be raised during the audit



5. Community Services

5.1 Heartlands Annual Report – June 2025

Date of meeting	31 July 2025
Agenda item number	5.1
Author/s	Barby Joyce - Heartlands Coordinator

Purpose

To update and inform Council about the Heartlands Services contract for 2025.

Recommendations

THAT the report be received.

Background

Attached to this report is the Heartlands Annual Report from the Heartlands Coordinator, which gives an update on activities provided for the last 12 months.

Attachments

1. Heartlands Annual Report June 2025

Council Building
 13 A Tuku Road
 PO Box 24
 Waitangi
 CHATHAM ISLANDS 8942
 Ph: (03) 305 0146

Email:
heartlands@chathamislands.govt.nz

Heartlands Coordinator 2024-2025 Annual Report

Please accept this report with the annual stats included. Heartlands has managed to keep within budget this last financial year. Chatham Islands Heartlands is like all other isolated Heartland Services throughout Aotearoa – we service a small population- each unique to their particular area. Monthly Nationwide Heartlands zoom meetings has been fantastic in promoting the training required for a constantly changing Government and Community services.

Some challenges are evident with the decline in funding, loss of jobs and anxiety for staff who rely on yearly renewal of contracts. The increase of our “everyday cost of living” in the Chatham Islands – means those on fixed income have increasing pressure to stretch funds but they have regular income whereas self-employed may feel powerless to the whims of world markets- on a “feast or famine” basis.. Very few full time jobs are advertised but everyone knows that one or two casual jobs make a difference. Still good work ethics and turning up on the day – is a positive advantage and requirement of some places now!

- Maori Land Court has heeded what Chatham Islanders wanted – a familiar face to build trust, confidence and regular visits. They are visiting on Island at least bi-annual
- IRD has two contacts –Mainstream and a Kaitakawaenga Maori Service to help with Income tax, Family assistance and a wide range of queries to ensure clients are able to self-manage their tax affairs for individual or business.
- ACC entitlements range from historical to current – until ACC is approved, clients may have to access MSD/WINZ. In the meantime a new service “Way Finders” is a Navigation independent service that gives individual support and a path forward. ACC promotions have included Nymbi online support and children’s Life Jackets which



Heartlands passed onto Ha O Te Ora as they already have child safety car seats available to loan.

- MOH – helping whanau with Disability applications and the required Doctor Working Capacity Certificates and sometimes Advocacy.
- Heartlands will also awhi and help whanau to seek help to various Counsellors
- Referral to local Ha O Te Ora O Wharekauri Trust Foodbank is a huge help appreciated by all those who for whatever reason need short term support.

Whanau are seeking more employment opportunities – sometimes working with MSD knowing that due to seasonal trends there can be weeks/months with little income and now the high cost of daily living here on the Chatham Islands has a ripple affect increasing “household tensions”. For whanau members who are under-employed – it is the encouragement of seeking more casual employment to fill the gaps of having too much time on their hands (with added benefits for their mental health as well). Taking time- to do a personal budget- is a help to actually see where the money is going and what help is available short and long term. Having some businesses now on-board who assist by sending regular timesheets in so that at the end of the financial there is no huge repay to MSD for clients.

Chatham Island Hauora- It is now in the Chatham Islands Strategy reflecting the vision Chatham Islanders’ have for their community and a new Hauora Health Centre in the future.

“2022/2023 - Heartlands was able to help support the kaupapa to have consideration for a small whanau unit to incorporate on-island care– we managed to get 189 individual/whanau letters of support plus support letters from 20 Organisations on the Island – including Iwi Ngati Mutunga /Imi – Hokotehi Moriori, CI Council Mayor Monique and Enterprise Trust – schools Te One and Kaingaroa CI Community focus, Medical relief, Police, Golden Oldies, CI Families in Crisis, Maori Wardens, Ha O Te Ora O Wharekauri Trust ,Wharekauri Maori Committee, Anglican and Catholic community and Emergency Management .Individual “Letters of support” included a wide range of ages –

. New outreach branch of the Heartlands service with the help of a vehicle has meant after - hour appointments and house visits by prior arrangements. This is a rewarding coordinator role that provides whanau support either “face to face”, phone, messenger or email on a wide range of Government departments, funding avenues or simply whatever the need is. Working with local services as well as Iwi/Imi has maximum benefits of” win win” situations with for all who want to access the service.

Nga mihi

Barbby Joyce

CI Heartlands Annual Stats July2024-June 2025

MONTH	PEOPLE	PHONE	EMAIL + Messenger	SCAN	MEETINGS
Jul-24	329	111	373 IN 218 Out	61	5 3xzoom
Aug-24	190	56	275 144	46	6 4xZoom
Sep-24	232	84	261 134	52	9 2x Zoom
Oct-24	259	87	294 155	58	6 1xZoom
Nov-24	138	101	284 113	31	8 1xzoom
Dec-24	241	51	350 85	52	7 2xzoom
Xmas AL/Closed 21/12					
Jan-25	117	98	173 116	42	3
Open 15th			248		
Feb-25	186	68	138	31	4 5xzoom
Mar-25	279	76	339 144	44	9 3xzoom
Apr-25	215	78	266 147	39	5 2xzoom
annual leave			284		
May-25	153	60	85	20	5 2x zoom
Annual Leave			262		
Jun-25	218	81	127	35	5 2x zoom
Off Island2-6					
TOTALS	2557	951	3409 1504 4913 Total	511	72 27xzoom 99Total



5. Community

5.2 Approval to build gym on Council land

Date of meeting	31 July 2025
Agenda item number	5.2
Author	Abby Biltcliff, Advisor; Paul Eagle, Chief Executive

Purpose

To seek approval to proceed with the building of a gym by Whānau Fit Chatham Islands Incorporated on the Council owned Norman Kirk Memorial Reserve grounds.

Recommendations

That the Chatham Islands Council:

1. **Approve** Norman Kirk Memorial Reserve Incorporated (NKMR) to sub-lease the area outlined in the map attached, for the purpose of a gym to be built and operated by Whānau Fit Chatham Islands Incorporated (WFCI).
2. **Approve** the removal of the relevant trees at the cost of WFCI and/or NKMR.
3. **Note** that this proposal will come at no cost to Council, except for staff time.
4. **Note** that WFCI will be self-insured and maintain the facility.
5. **Note** that if WFCI dissolves, the asset will first be offered to Council to own and manage, noting the Council will not take on any outstanding issues such as monies owed or be in the position to honour memberships from the date of acquisition. If declined, both parties will agree on transferring ownership to a similar organisation. If no transfer is possible, WFCI will arrange for the gym's removal.

Background

Whānau Fit Chatham Islands Incorporated (WFCI) was established in 2018 to improve community health and wellbeing outcomes through accessible fitness services. Initially operating from a privately-owned shed in Te One, the facility served the wider community but is no longer fit for purpose – underscoring the urgent need for a new, dedicated space.

In July 2024, WFCI secured external funding to purchase land and construct a purpose-built community gym. The proposed location, situated within the NKMR grounds, strategically aligns with existing sports infrastructure, enhancing community access and reducing barriers to participation.

Building consent has been granted, and construction is scheduled to commence in late 2025, subject to Council approval and contractor availability.

Cost, compliance and communication

Financial implications

There will be no direct cost to council to allow the sublease of the land to NKMR or construction and operation of the WFCI gym.

- NKMR and WFCI will pay for the sublease legal fees.
- WFCI will pay for the build of the gym and all costs associated.
- The proposed location for the gym is the existing driveway between the two main entrances. Although there is no immediate cost to Council, expenses would be incurred if Council decides at a later date to construct a new driveway connecting both sides of the facility.
- Removal of the trees will be the cost of WFCI and/or NKMR.
- WFCI have \$1M public liability insurance, \$60,000 building and machinery equipment insurance.

Risk assessment and legal compliance

- WFCI are an incorporated society with charitable status.
- WFCI have been awarded building consent – see attached.
- The building will be constructed and completed to a standard that will meet the required Building Warrant of Fitness (BWofF).
- Excerpt from the WFCI constitution was to dissolve:

30.1 Surplus assets

If the Society is liquidated, or removed from the Register of Incorporated Societies, no distribution shall be made to any Member, and if any property remains after the settlement of the Society's debts and liabilities, that property must be given or transferred to another organisation for a charitable purpose, or purposes as defined in section 5(1) of the Charities Act 2005

Next steps

- Council approve the building of the gym at the NKMR grounds.
- WFCI and NKMR arrange for a sublease agreement which will be counter-signed by Council.
- WFCI and NKMR will remove the trees next to the playground fence.
- WFCI will facilitate the construction the gym.
- After construction is complete the gym will be open to the public, via membership of WFCI.

Attachments

1. Approved building consent plans
2. WFCI Constitution
3. Supporting documentation







TEKAPO GLOBAL LIMITED

CHATHAM ISLANDS

By: Rizwan Qadeer

Client: MITRE10 NZ

Date: 06/05/2025

Revision No: 05

Signature: 

Project No: 240090-MTZ

04	06-05-25	ISSUED FOR APPROVAL		SHEET TITLE:	JOB TITLE: LEAN TO SHED WHANAU FIT CHATHAM ISLAND	DESIGNED BY: N.I							
03	17-01-25	ISSUED FOR APPROVAL				DRAWN BY: MM							
02	10-01-25	ISSUED FOR APPROVAL				PROJECT NO: 240090	DRAWING NO: SK-01	REVISION: 04					
01	07-01-25	ISSUED FOR APPROVAL				SHEET SIZE: A3	SCALE: N.T.S	DATE: C 138 -25					
00	17-12-24	ISSUED FOR APPROVAL											
REV.NO.	DATE	DESCRIPTION											
REVISION RECORD													

APPROVED by WELLINGTON CITY COUNCIL on behalf of CIC SR556439

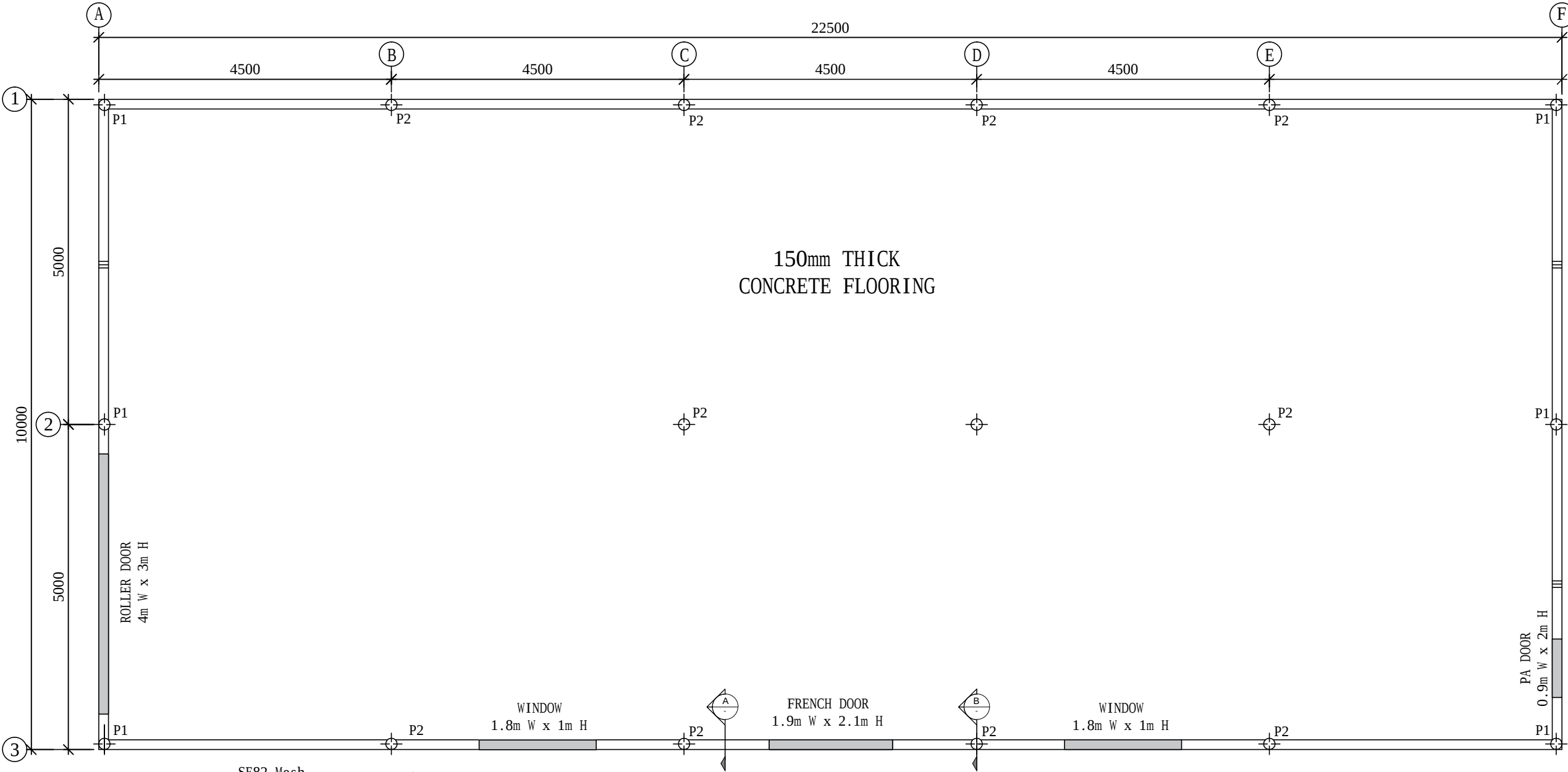
Notes:

1. ALL poles shall be cast against undistributed original ground capable of attaining a safe bearing pressure of 100KPa.
2. All bolts, nuts and other metal fixings must be Stainless Steel.
3. All bracing shall be Multi brace 0.91mm x 53mm G300 Z275 galvanised steel.
4. Structural design loads are as follows:
 - Design Snow load = 0.0 kpa Maximum
 - Design wind speed = 45.5m/sec
5. Loads are in accordance with AS/NZS 1170, importance level 2 structure and design is in accordance with NZ 3604:2011.
6. Rafter shall be H3.2 SG8 Rad or equivalent.
7. Purlins and girts shall be H3.2 SG8 Rad or equivalent.
8. Timber framing for the Roller Door and the Walls are framed in is always H3.2 treated.
9. Owner to confirm all setout dimensions on site.
10. Pole shall be H5 treated SG8 or equivalent.
11. Joist hangers 52 x 120 three screws per flange or 52 x 190 four screws per flange or equivalent nails.
12. All foundation concrete to be 30 MPa.
13. 16mm coach bolt washers to have 18mm ϕ hole on head end and 16mm ϕ hole on nut end.
14. Fixings/Brackets shall be Stainless steel.
- 15- The structural design for the pole shed has been completed in accordance with the New Zealand Building Code, specifically Clause B2 (Durability). While we do not provide a Producer Statement for durability, the design incorporates the following measures to ensure compliance:
Timber Treatment: All timber used shall meet the requirements specified in Table 1A of B2/AS1.
Steel Fixings: Steel components shall be protected against weather exposure in accordance with Tables 4.1 and 4.2 of NZS 3604:2011.
It is the responsibility of the client and their contractor to ensure that construction is carried out in accordance with these design specifications and that all materials and methods used comply with the durability requirements outlined in the Building Code.
- 16- Slab and footing design accordance with NZS 3604.

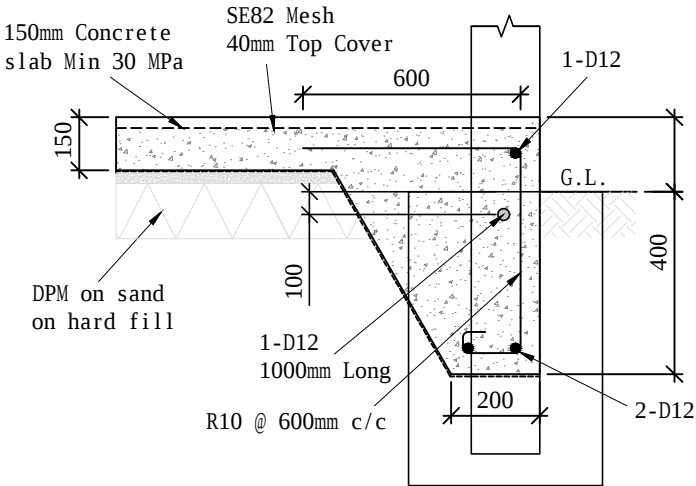
	TEKAPO GLOBAL LIMITED CHATHAM ISLANDS
By: Rizwan Qadeer	Client: MITRE10 NZ
Date: 06/05/2025	Revision No: 05
Signature: 	Project No: 240090-MTZ

04	06-05-25	ISSUED FOR APPROVAL		SHEET TITLE: NOTES	JOB TITLE: LEAN TO SHED WHANAU FIT CHATHAM ISLAND	DESIGNED BY: N.I			
03	17-01-25	ISSUED FOR APPROVAL				DRAWN BY: MM			
02	10-01-25	ISSUED FOR APPROVAL				PROJECT NO: 240090	DRAWING NO: SK-02	REVISION: 04	
01	07-01-25	ISSUED FOR APPROVAL				SHEET SIZE: A3	SCALE: N.T.S	DATE: C 139 -25	
00	17-12-24	ISSUED FOR APPROVAL							
REV.NO.	DATE	DESCRIPTION							
REVISION RECORD									

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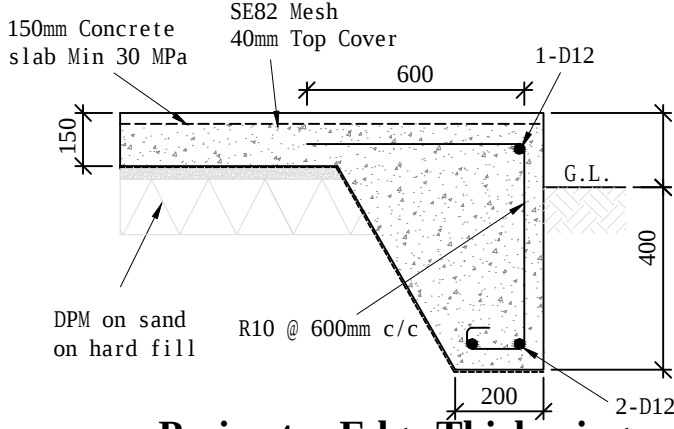


Item	Size
Post 1	200Ø
Embedment	2100
Concrete Footing Depth	2200
Concrete Footing	600 Diameter
Post 2	250Ø
Embedment	2100
Concrete Footing Depth	2200
Concrete Footing	600 Diameter



Perimeter Edge Thickening
Section - B

- Notes:
- Builder to check all measurements on site before commencing any work.
 - Overall boundary measurements based from outside of pole to outside of pole.



Perimeter Edge Thickening
Section - A

**TEKAPO GLOBAL LIMITED**
CHATHAM ISLANDS

By: Rizwan Qadeer

Date: 06/05/2025

Signature: 

Client: MITRE10 NZ

Revision No: 05

Project No: 240090-MTZ

04	06-05-25	ISSUED FOR APPROVAL
03	17-01-25	ISSUED FOR APPROVAL
02	10-01-25	ISSUED FOR APPROVAL
01	07-01-25	ISSUED FOR APPROVAL
00	17-12-24	ISSUED FOR APPROVAL
REV.NO.	DATE	DESCRIPTION
REVISION RECORD		



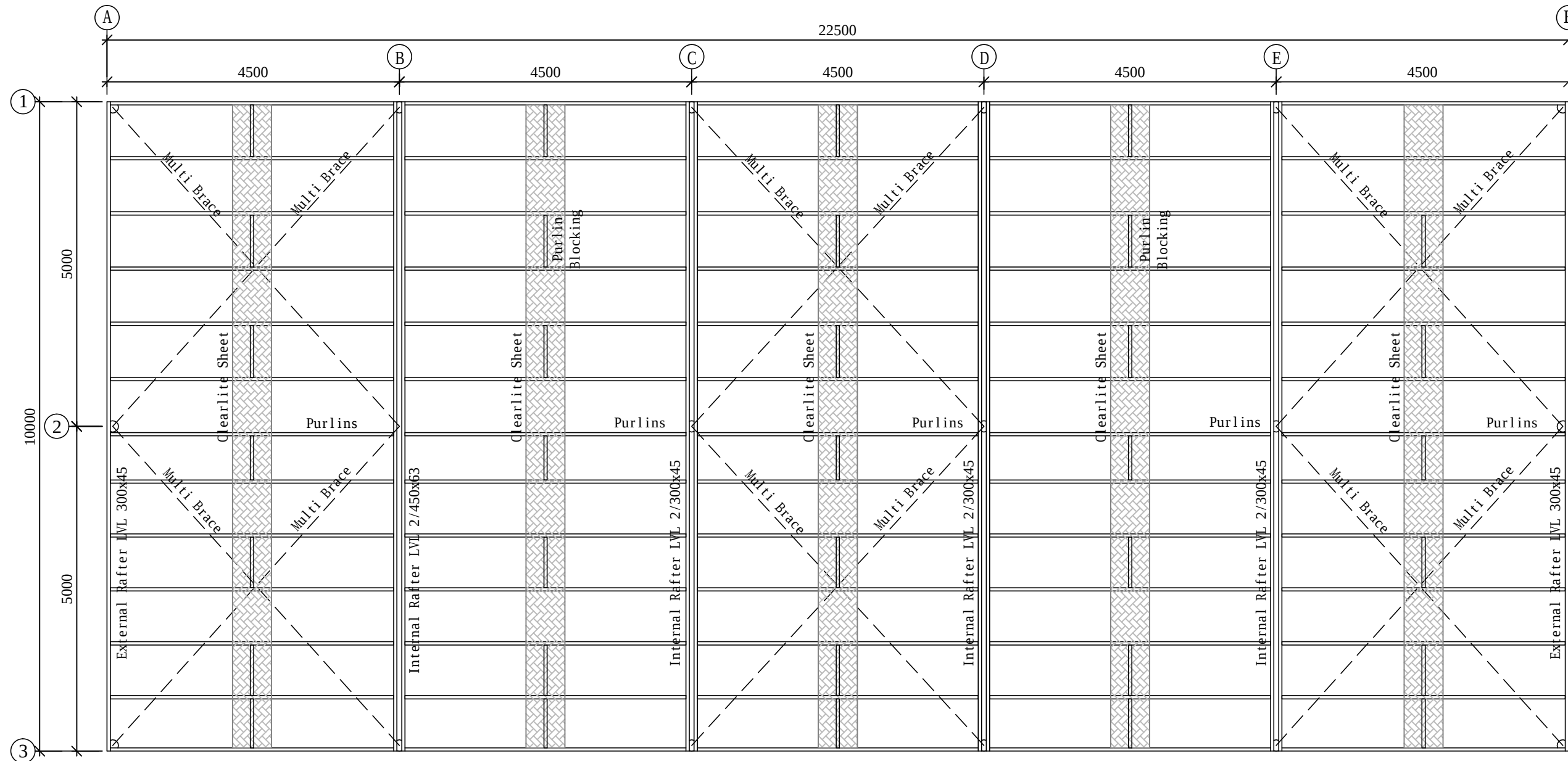
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POLE SETOUT

JOB TITLE:

LEAN TO SHED
WHANAU FIT
CHATHAM ISLAND

DESIGNED BY: N.I		
DRAWN BY: MM		
PROJECT NO: 240090	DRAWING NO: SK-03	REVISION: 04
SHEET SIZE: A3	SCALE: N.T.S	DATE: C 140 -25



External Rafters LVL Hyspan H1.2		
Span	Size	Blocking
5m	300x45	-

Internal Rafters LVL Hyspan H1.2		
Span	Size	Blocking
5m	2/300x45	100x50

Internal Rafters LVL Hyspan H1.2		
Span	Size	Blocking
10m	2/450x63	100x50

Girts		
Bottom row of girts must be H3		
Span	Size	Blocking
4.5m	200x50	-
2.5m	150x50	-

Purlins		
Exposed front must be H3		
Span	Size	Blocking
4.5m	250x50	250x50

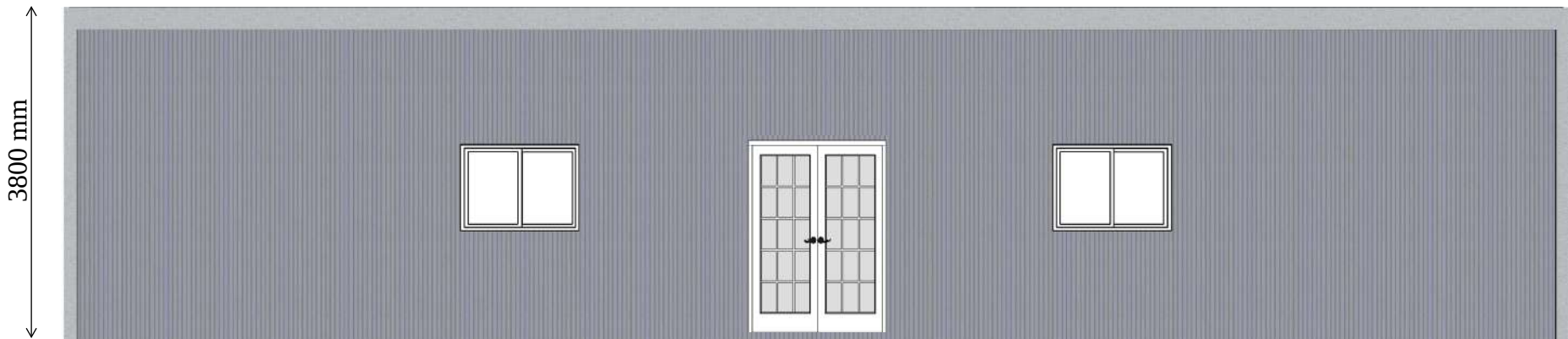
Notes:

1. Purlin @ 830mm crs.
2. Girts @ 700mm crs max.
3. All framing timber Rad SG8, unless otherwise specified.
4. Metal bracing : Multi brace 0.91mm x 53mm G300 Z275 galvanised steel fixed to purlins and rafters with 11/30x3.15 nails each end and three nails at each purlin crossing.
5. Exposed front purlins must be H3.2 treated.
6. Bottom row of girts must be H3.2 treated.
7. Overall boundary measurements based from outside of post to outside of post.
8. Purlins and girts shall be Rad SG8, or equivalent.

	TEKAPO GLOBAL LIMITED	
	CHATHAM ISLANDS	
	By: Rizwan Qadeer	Client: MITRE10 NZ
	Date: 06/05/2025	Revision No: 05
Signature:	Project No: 240090-MTZ	

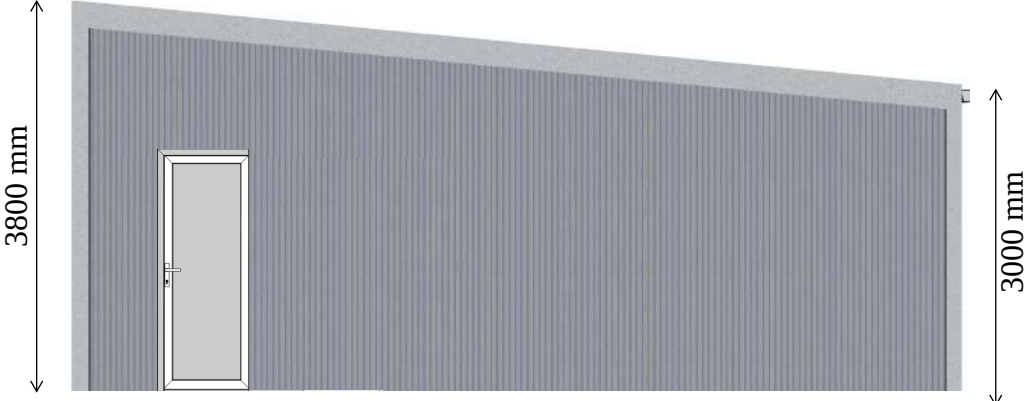
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02	10-01-25	ISSUED FOR APPROVAL				PROJECT NO: 240090	DRAWING NO: SK-04	REVISION: 04
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REV.NO.	DATE	DESCRIPTION						
REVISION RECORD			APPROVED BY: WELLINGTON CITY COUNCIL					

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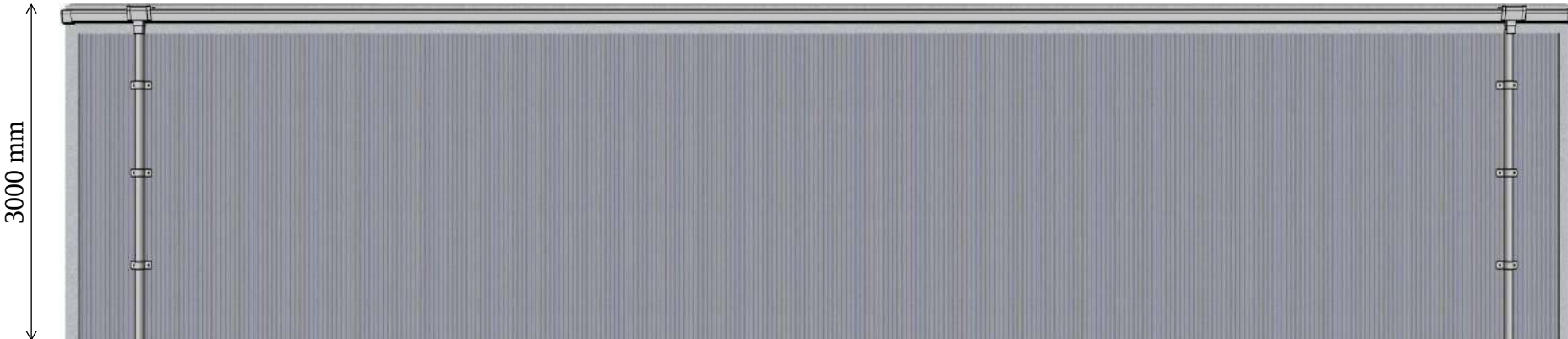
22500 mm

FRONT VIEW



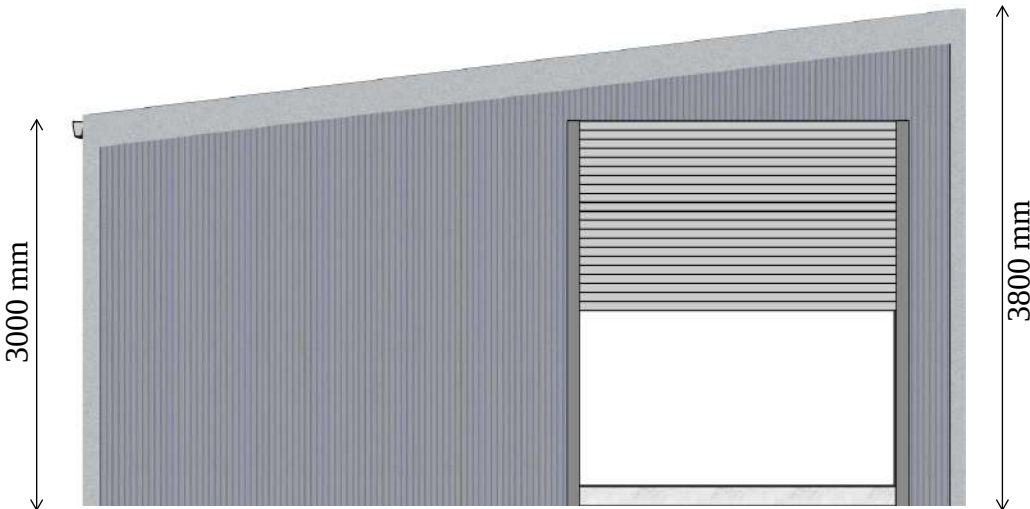
10000 mm

RIGHT VIEW



22500 mm

REAR VIEW



10000 mm

LEFT VIEW



TEKAPO GLOBAL LIMITED

CHATHAM ISLANDS

By: Rizwan Qadeer

Date: 06/05/2025

Signature:

Client: MITRE10 NZ

Revision No: 05

Project No: 240090-MTZ

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REV.NO.	DATE	DESCRIPTION
REVISION RECORD		



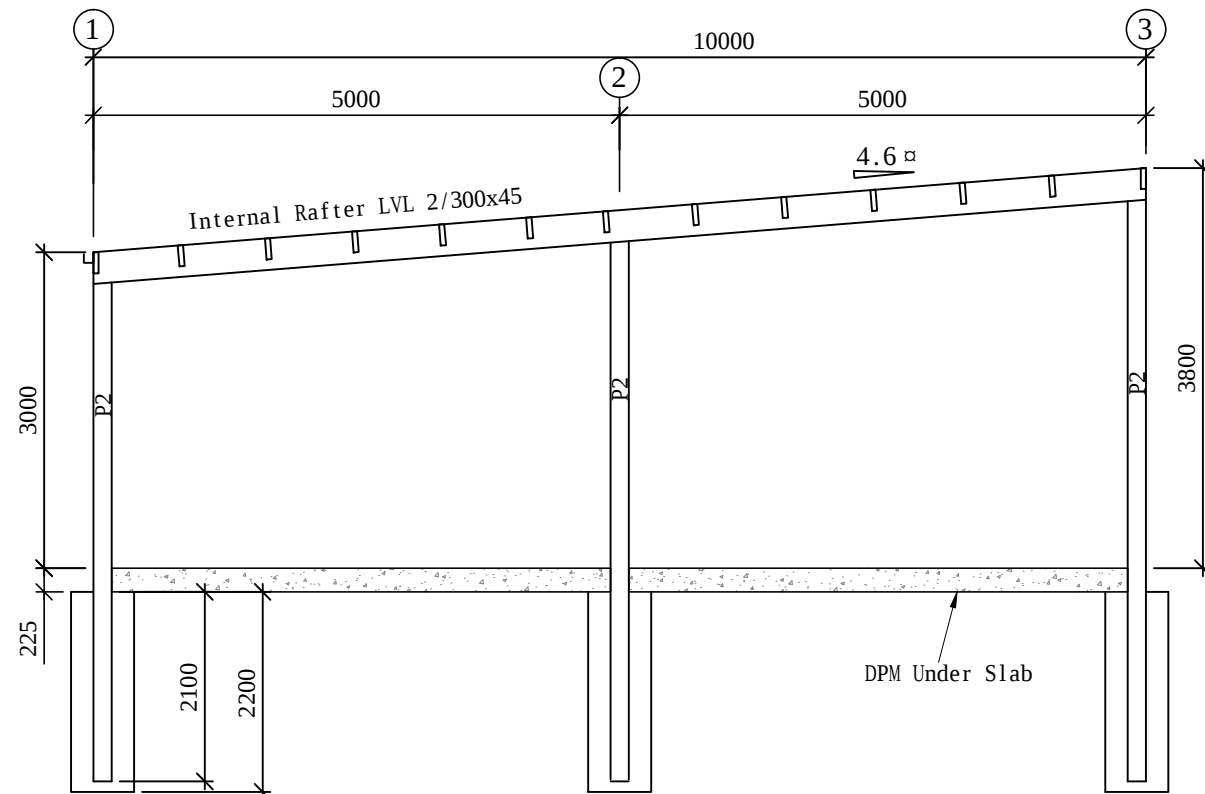
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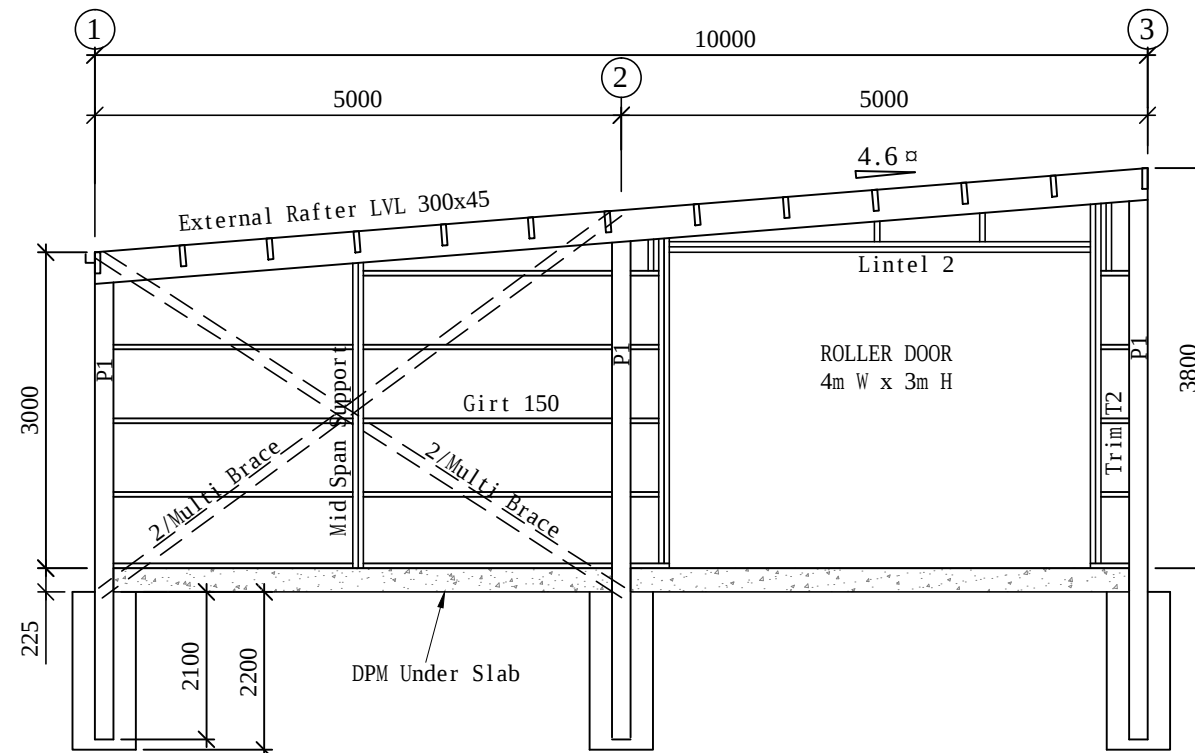
LEAN TO SHED
WHANAU FIT
CHATHAM ISLAND

DESIGNED BY: N.I		
DRAWN BY: MM		
PROJECT NO: 240090	DRAWING NO: SK-05	REVISION: 04
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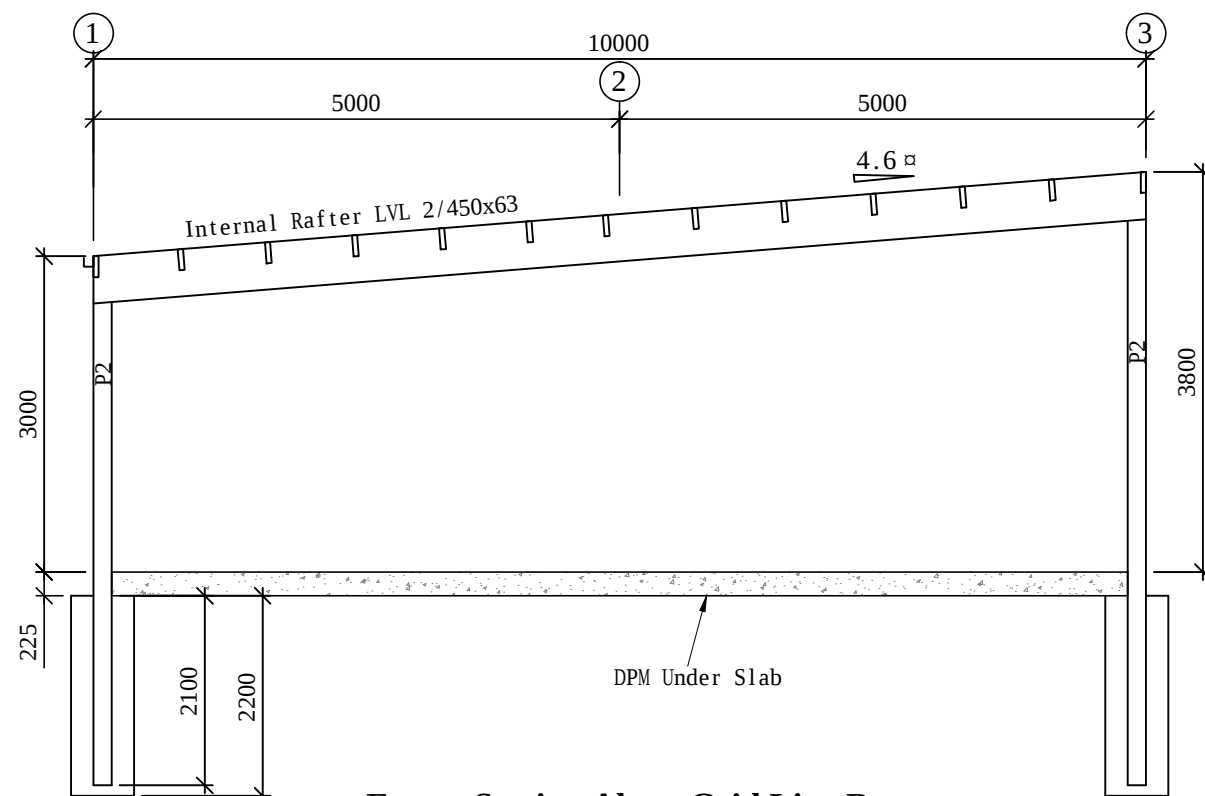


Frame Section Along Grid Line C To E

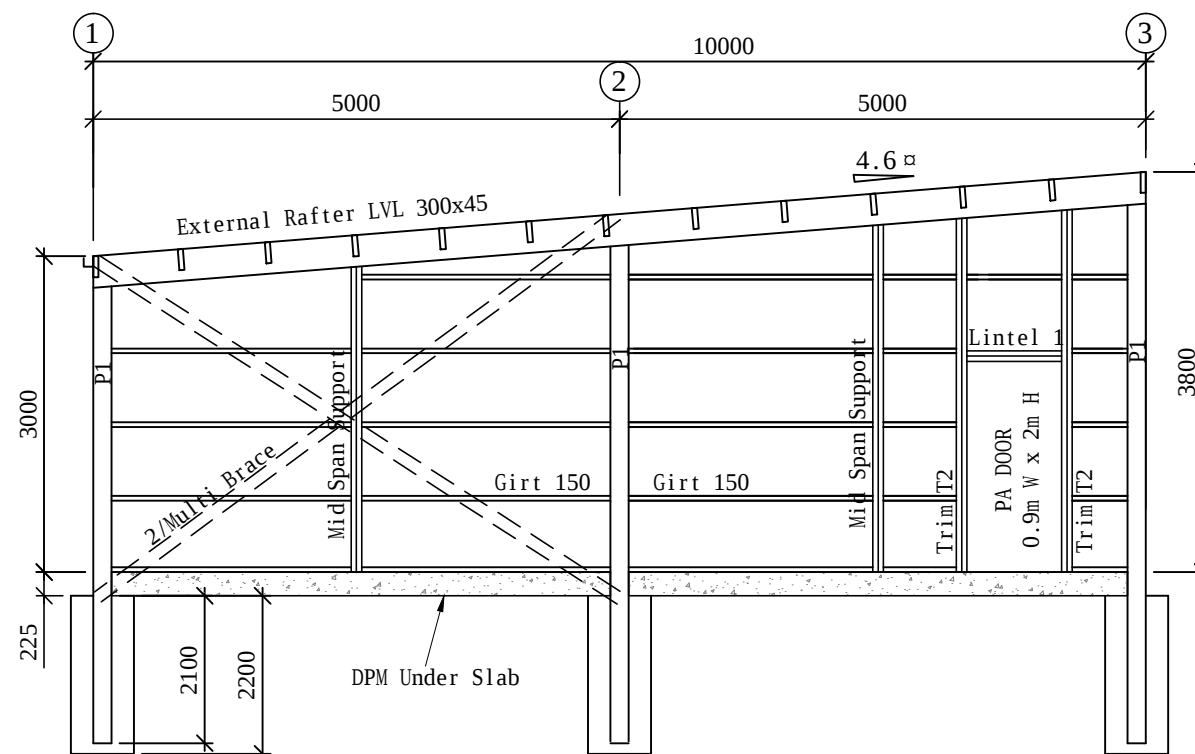


Frame Section Along Grid Line A

Lintel & Trim	
Lintel 2	2/250x50
Trim T2	2/200x50
Mid Span Support	2/200x50



Frame Section Along Grid Line B



Frame Section Along Grid Line F

**TEKAPO GLOBAL LIMITED**
CHATHAM ISLANDS

By: Rizwan Qadeer Client: MITRE10 NZ
Date: 06/05/2025 Revision No: 05
Signature: _____ Project No: 240090-MTZ

REV.NO.	DATE	DESCRIPTION
04	06-05-25	ISSUED FOR APPROVAL
03	17-01-25	ISSUED FOR APPROVAL
02	10-01-25	ISSUED FOR APPROVAL
01	07-01-25	ISSUED FOR APPROVAL
00	17-12-24	ISSUED FOR APPROVAL
REVISION RECORD		



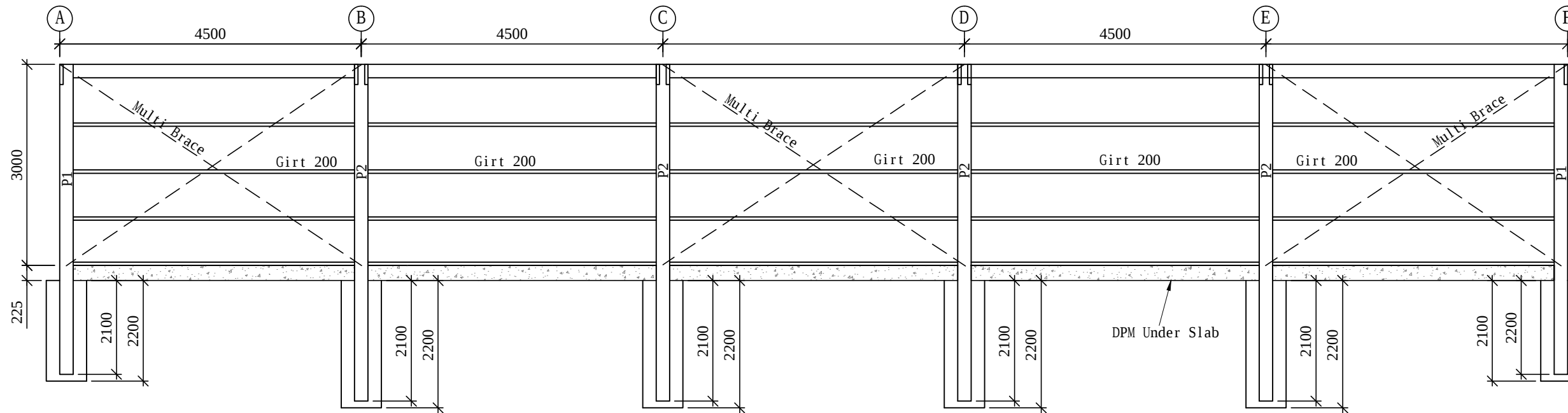
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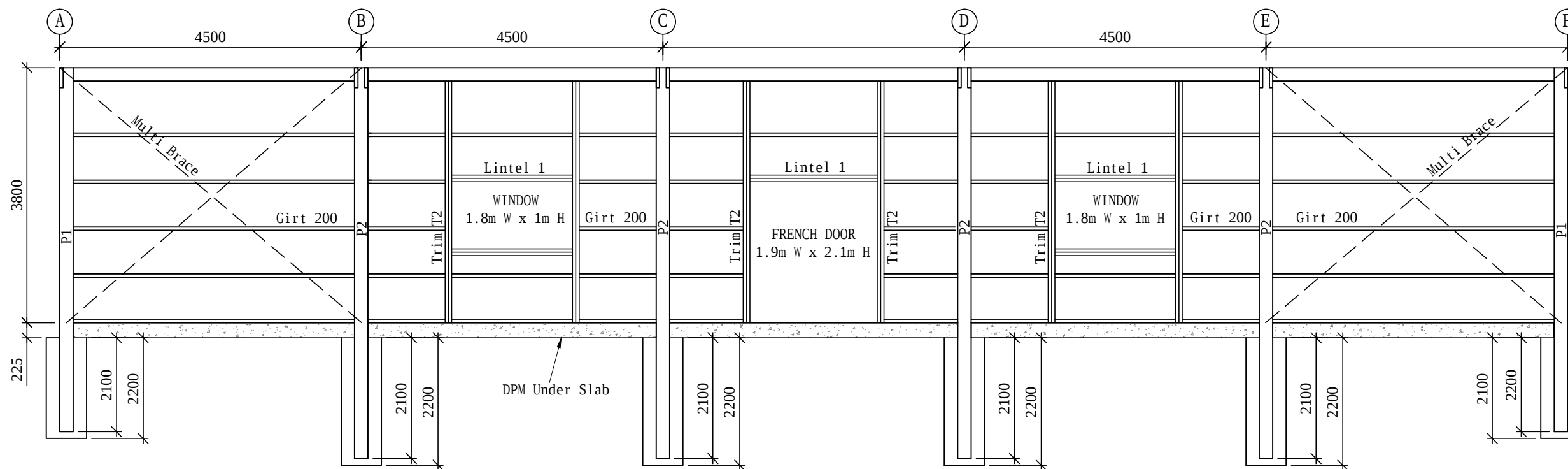
JOB TITLE:

LEAN TO SHED
WHANAU FIT
CHATHAM ISLAND

DESIGNED BY:	N.I	
DRAWN BY:	MM	
PROJECT NO:	DRAWING NO:	REVISION:
240090	SK-06	04
SHEET SIZE:	SCALE:	DATE:
A3	N.T.S	C 143 -25



Frame Section Along Grid Line 1

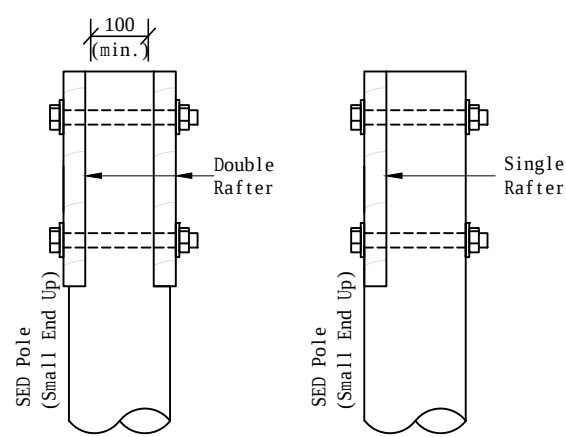


Frame Section Along Grid Line 3

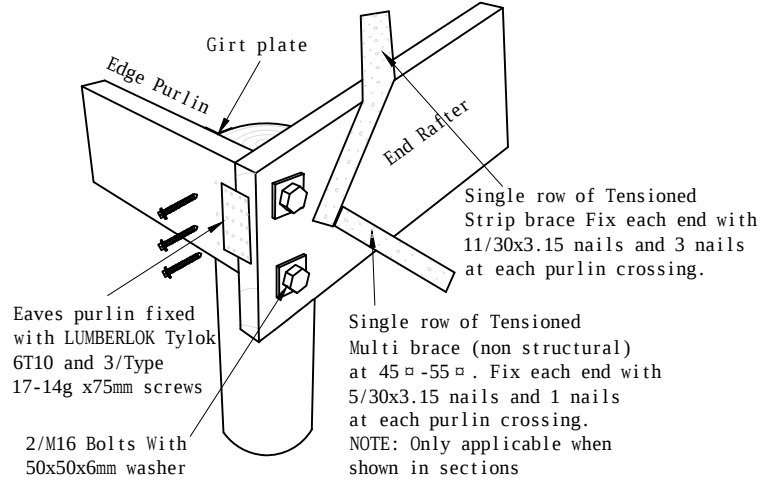
Lintel & Trim	
Lintel 1	2/150x50
Trim T2	2/200x50
Mid Span Support	2/200x50

 TEKAPO GLOBAL LIMITED CHATHAM ISLANDS	
By: Rizwan Qadeer	Client: MITRE10 NZ
Date: 06/05/2025	Revision No: 05
Signature: _____	Project No: 240090-MTZ

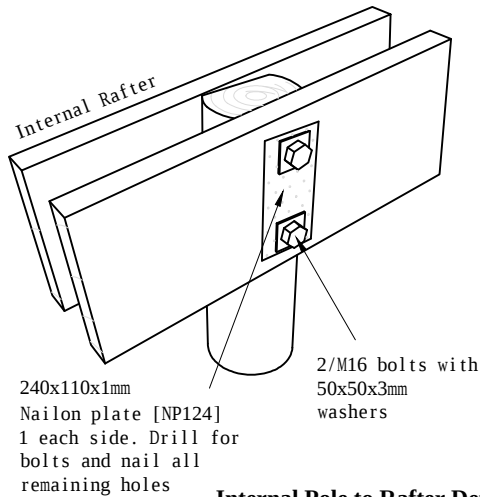
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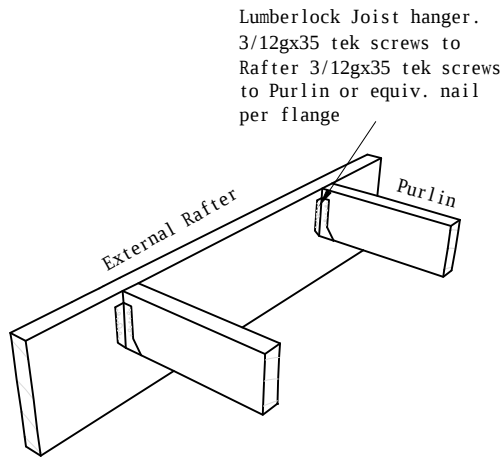
Rafter to Pole Detail



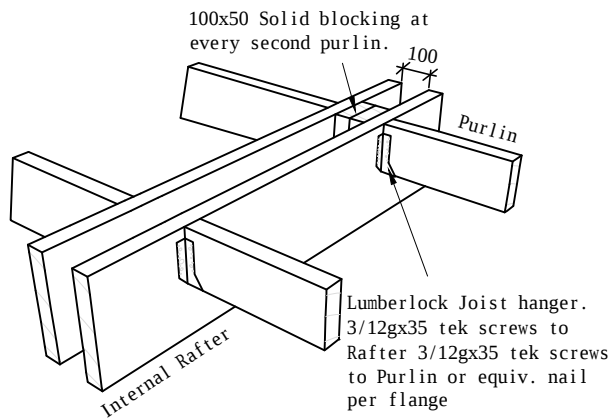
Pole, External Rafter, Edge Purlins & Bracing Fixing Detail



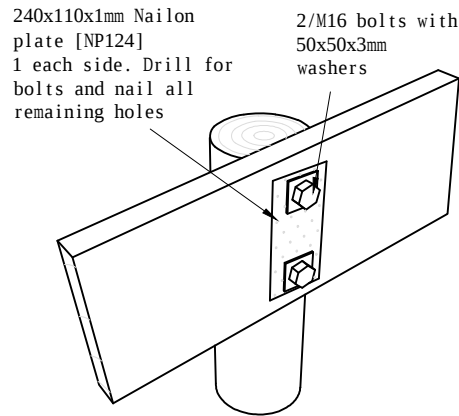
Internal Pole to Rafter Detail



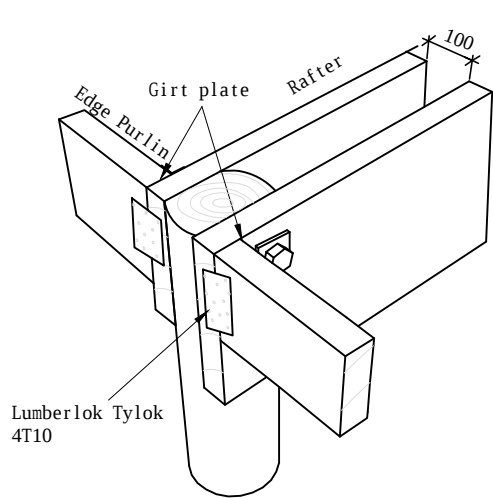
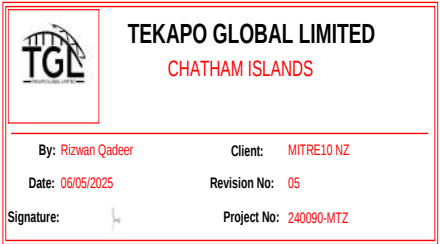
Purlin to External Rafter Fixing Detail



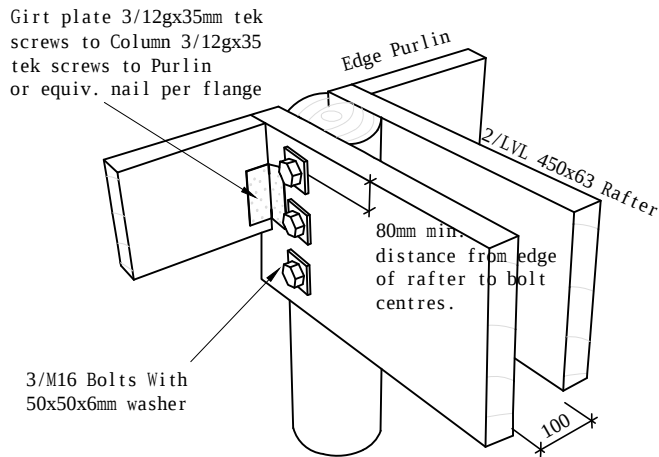
Purlin Fixing & Internal Rafter Blocking Detail



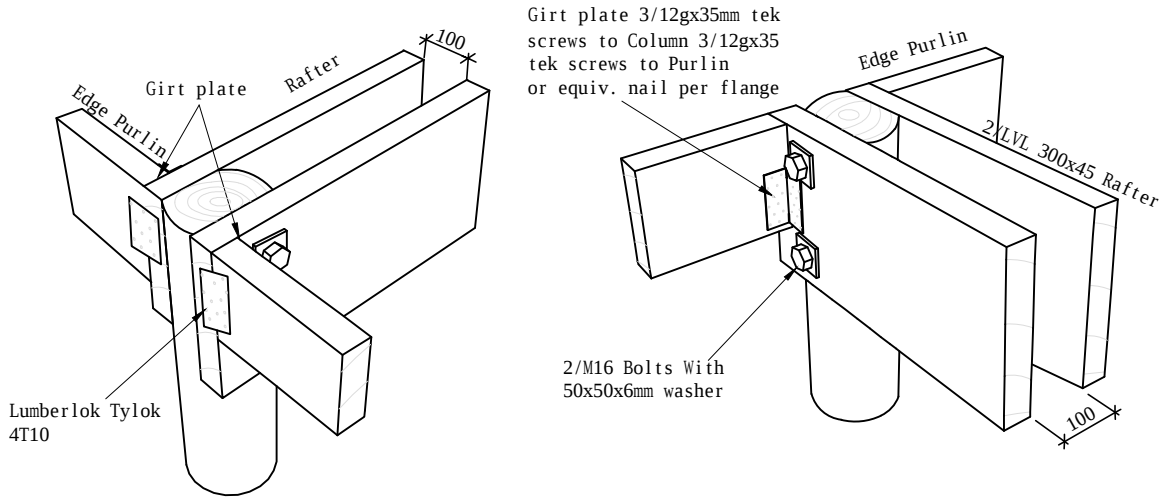
External Pole Rafter Detail



Pole, LVL Internal Rafter & Edge Purlins Fixing Detail



Pole, Internal Rafter & Edge Purlins Fixing Detail



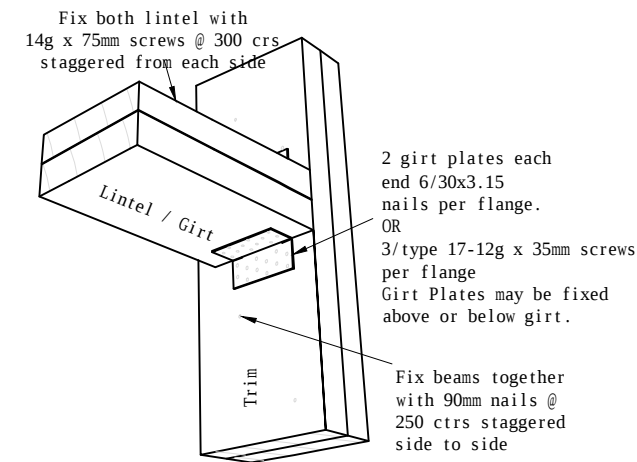
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03	17-01-25	ISSUED FOR APPROVAL
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REV.NO.	DATE	DESCRIPTION
REVISION RECORD		



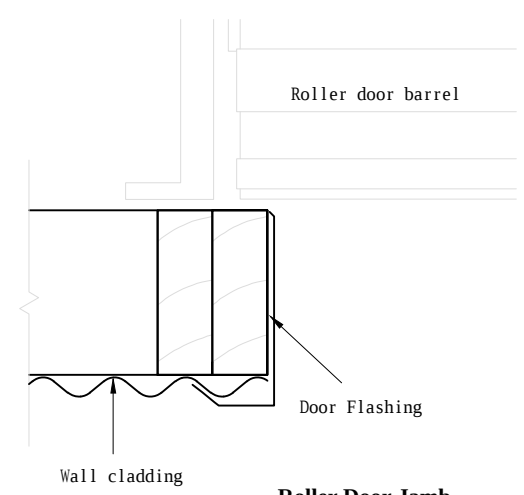
SHEET TITLE:
FIXING DETAILS

JOB TITLE:
LEAN TO SHED WHANAU FIT CHATHAM ISLAND

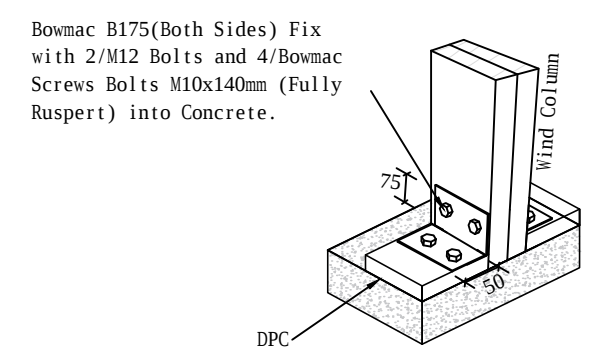
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DRAWN BY:	MM	
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240090	SK-08	04
SHEET SIZE:	SCALE:	DATE:
A3	N.T.S	C 145 -25



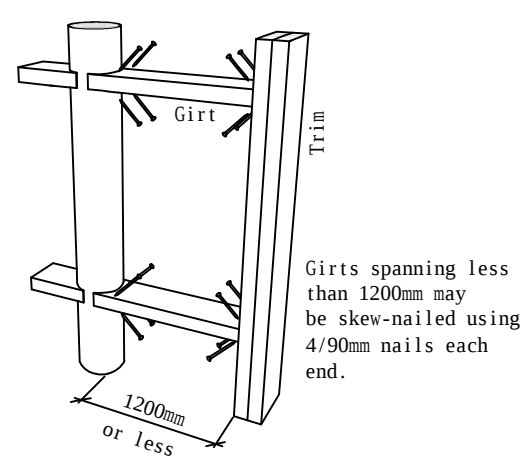
Lintel to Trim Detail



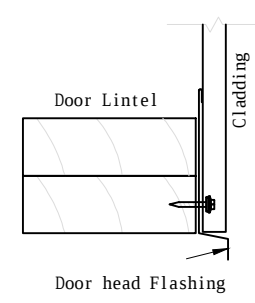
Roller Door Jamb



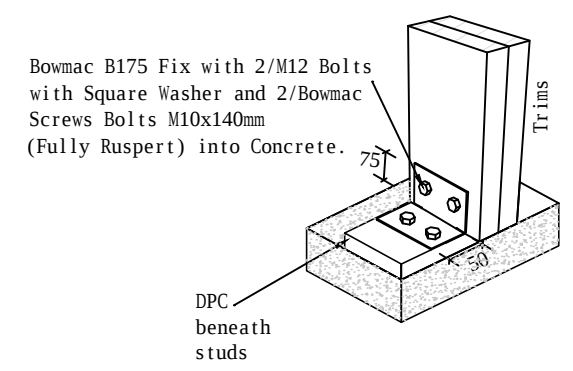
Alternative Column Fixing



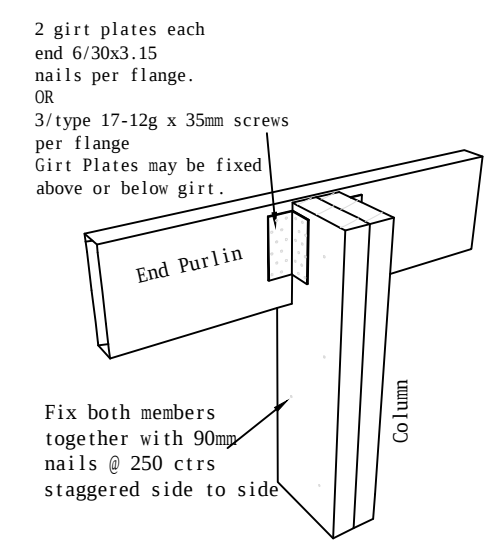
Short Girts



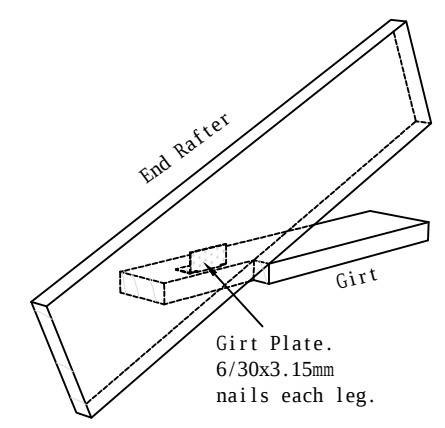
Door Header Detail



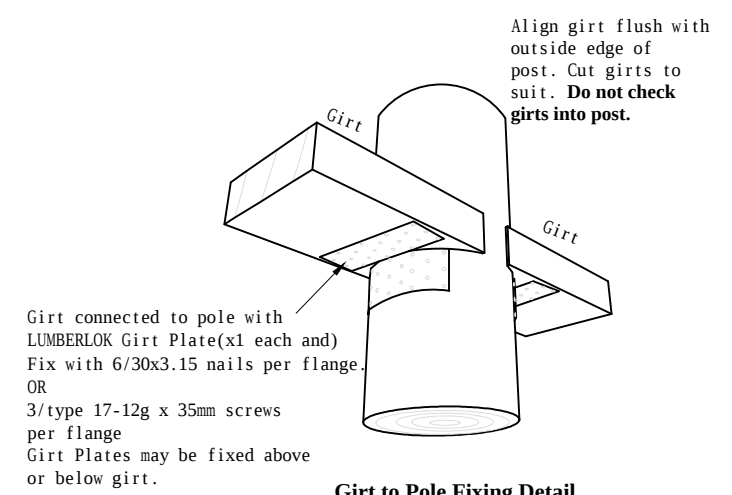
Trims Foundation



Top of Column



Girt to Rafter



Girt to Pole Fixing Detail

**TEKAPO GLOBAL LIMITED**
CHATHAM ISLANDS

By: Rizwan Qadeer

Date: 06/05/2025

Signature: 

Client: MITRE10 NZ

Revision No: 05

Project No: 240090-MTZ

04	06-05-25	ISSUED FOR APPROVAL
03	17-01-25	ISSUED FOR APPROVAL
02	10-01-25	ISSUED FOR APPROVAL
01	07-01-25	ISSUED FOR APPROVAL
00	17-12-24	ISSUED FOR APPROVAL
REV.NO.	DATE	DESCRIPTION
REVISION RECORD		



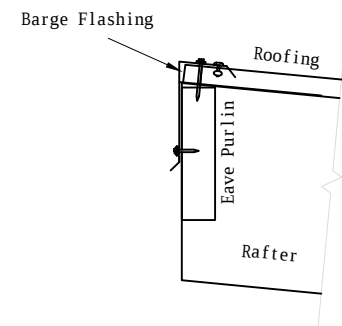
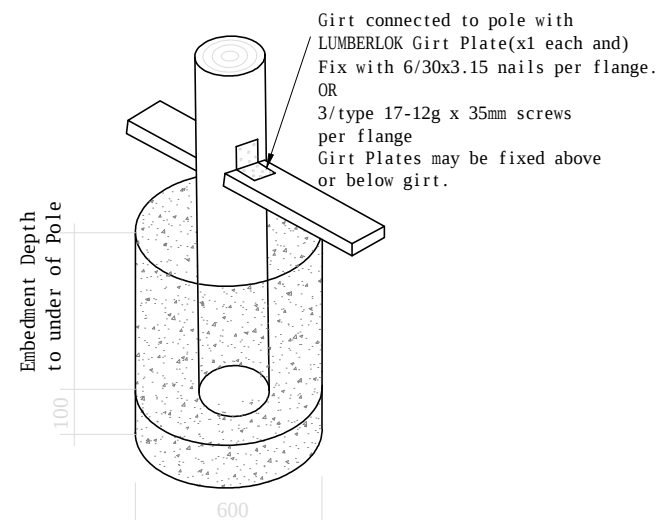
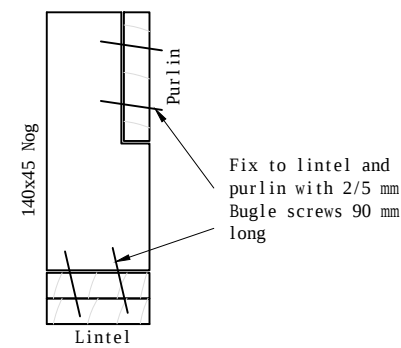
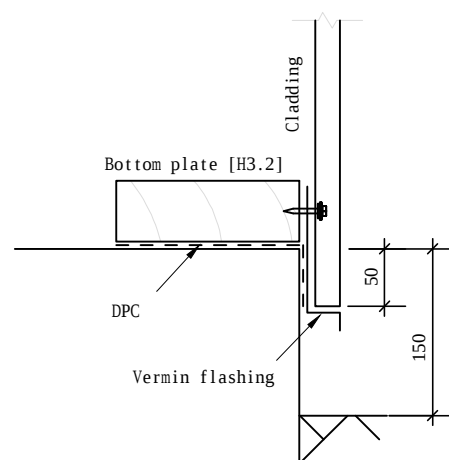
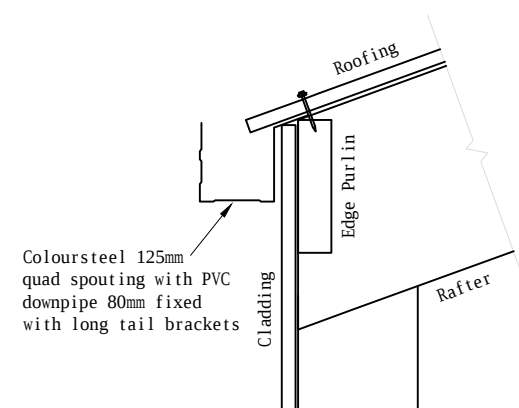
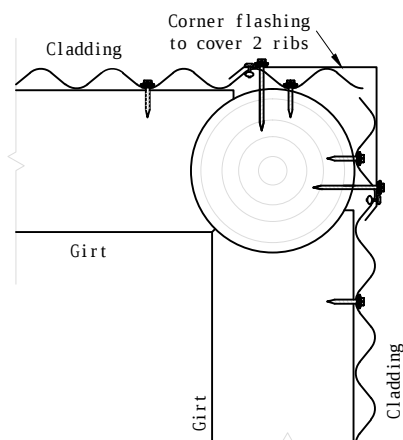
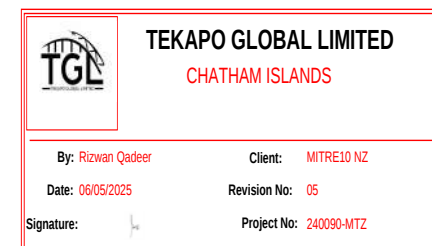
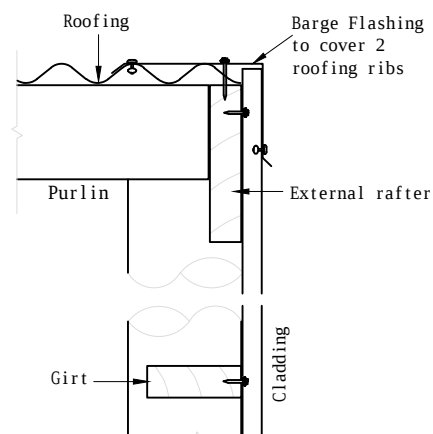
SHEET TITLE:

FIXING DETAILS

JOB TITLE:

**LEAN TO SHED
WHANAU FIT
CHATHAM ISLAND**

DESIGNED BY: N.I		
DRAWN BY: MM		
PROJECT NO: 240090	DRAWING NO: SK-09	REVISION: 04
SHEET SIZE: A3	SCALE: N.T.S	DATE: 146 -25

**Overhang Barge Detail****Pole Embedment****Nog to Lintel Detail****Cladding to Bottom Plate****Gutter Detail****Corner Flashing Detail****Barge Flashing Detail****Notes:**

1. All Roofing/wall Cladding is 0.40mm corrugated Coloursteel.
2. Flashings are 0.55mm or equivalent.
3. The Gutter is 125mm x 125mm. With 80mm Downpipe
4. Fixings/Brackets are Stainless steel
5. Timber Framing is Rad SG8.
6. Black and White Roofing Paper is used on Roof and Wall.

04	06-05-25	ISSUED FOR APPROVAL		SHEET TITLE: FIXING DETAILS	JOB TITLE: LEAN TO SHED WHANAU FIT CHATHAM ISLAND	DESIGNED BY: N.I		
03	17-01-25	ISSUED FOR APPROVAL				DRAWN BY: MM		
02	10-01-25	ISSUED FOR APPROVAL				PROJECT NO: 240090	DRAWING NO: SK-10	REVISION: 04
01	07-01-25	ISSUED FOR APPROVAL				SHEET SIZE: A3	SCALE: N.T.S	DATE: C 147 -25
00	17-12-24	ISSUED FOR APPROVAL						
REV.NO.	DATE	DESCRIPTION						
REVISION RECORD			APPROVED BY: WELLINGTON CITY COUNCIL					

APPROVED by WELLINGTON CITY COUNCIL on behalf of CIC SR556439





TEKAPO GLOBAL LIMITED

CHATHAM ISLANDS

By: Rizwan Qadeer

Client: MITRE10 NZ

Date: 06/05/2025

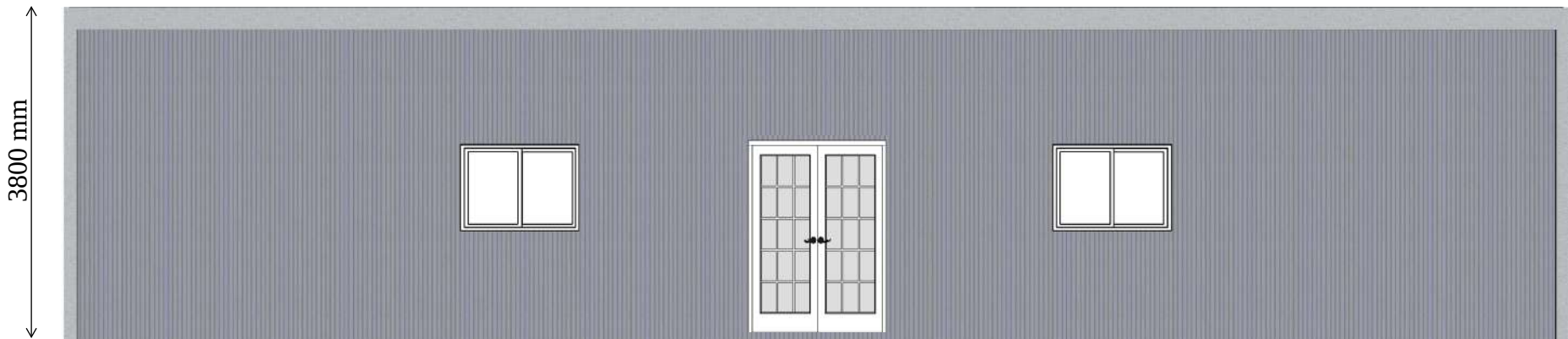
Revision No: 05

Signature: 

Project No: 240090-MTZ

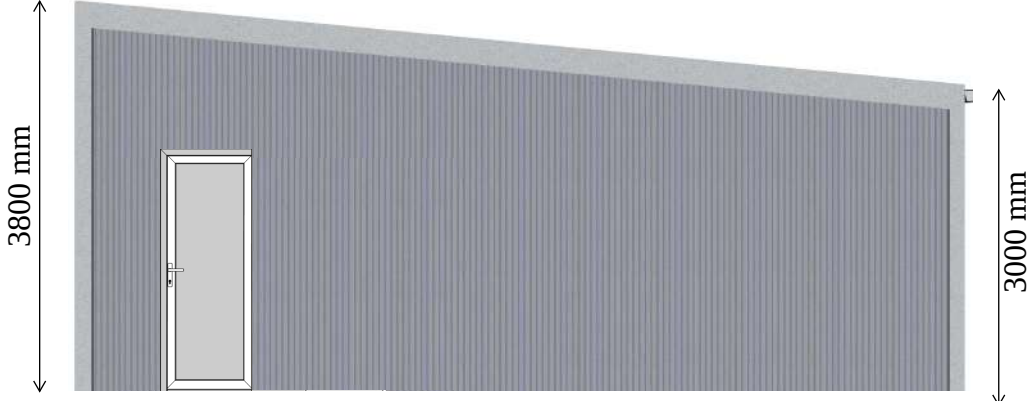
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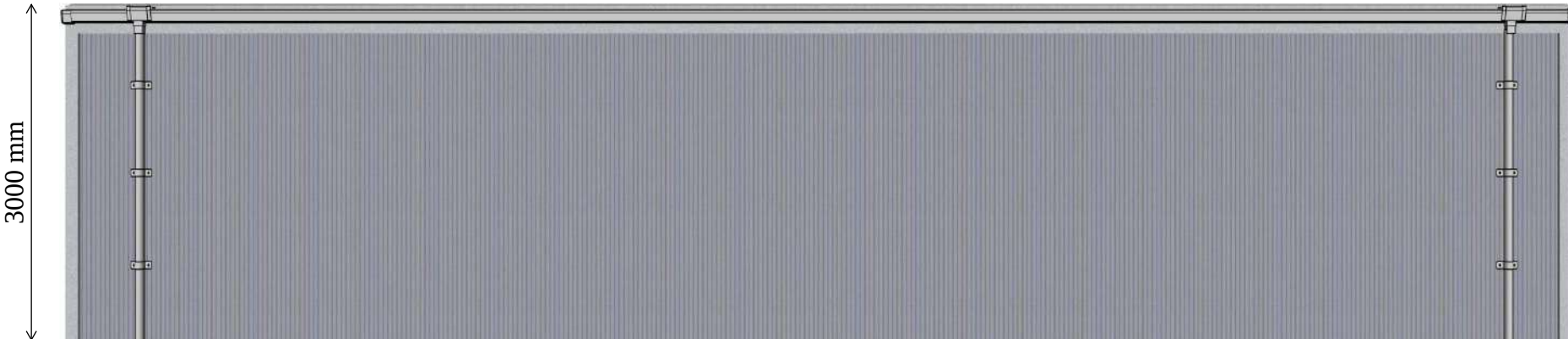
22500 mm

FRONT VIEW



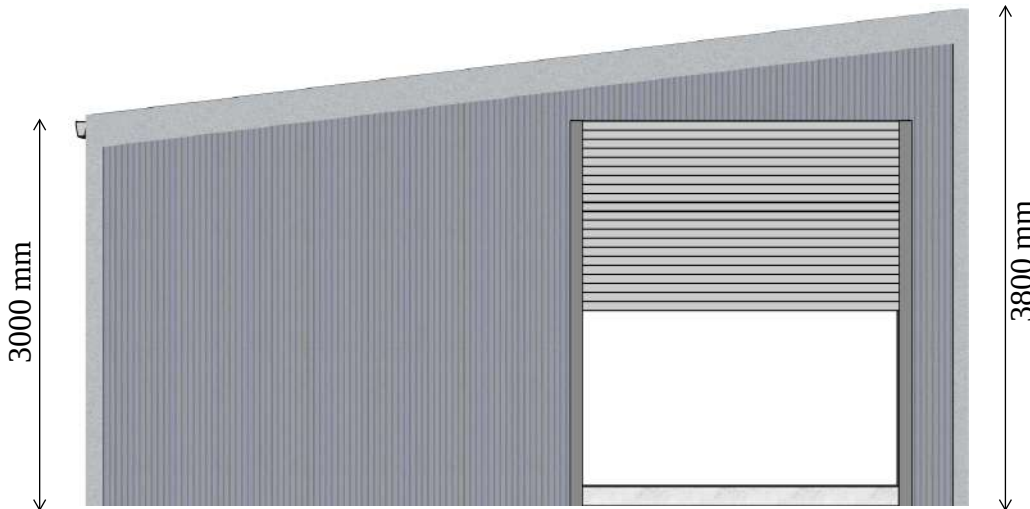
10000 mm

RIGHT VIEW



22500 mm

REAR VIEW



10000 mm

LEFT VIEW



TEKAPO GLOBAL LIMITED

CHATHAM ISLANDS

By: Rizwan Qadeer

Date: 06/05/2025

Signature:

Client: MITRE10 NZ

Revision No: 05

Project No: 240090-MTZ

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02	10-01-25	ISSUED FOR APPROVAL
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00	17-12-24	ISSUED FOR APPROVAL
REV.NO.	DATE	DESCRIPTION
REVISION RECORD		



SHEET TITLE:

JOB TITLE:

LEAN TO SHED
WHANAU FIT
CHATHAM ISLAND

DESIGNED BY: N.I		
DRAWN BY: MM		
PROJECT NO: 240090	DRAWING NO: SK-05	REVISION: 04
SHEET SIZE: A3	SCALE: N.T.S	DATE: 149 -25

APPROVED by WELLINGTON CITY COUNCIL on behalf of CIC SR556439

Notes:

1. ALL poles shall be cast against undistributed original ground capable of attaining a safe bearing pressure of 100KPa.
2. All bolts, nuts and other metal fixings must be Stainless Steel.
3. All bracing shall be Multi brace 0.91mm x 53mm G300 Z275 galvanised steel.
4. Structural design loads are as follows:
 - Design Snow load = 0.0 kpa Maximum
 - Design wind speed = 45.5m/sec
5. Loads are in accordance with AS/NZS 1170, importance level 2 structure and design is in accordance with NZ 3604:2011.
6. Rafter shall be H3.2 SG8 Rad or equivalent.
7. Purlins and girts shall be H3.2 SG8 Rad or equivalent.
8. Timber framing for the Roller Door and the Walls are framed in is always H3.2 treated.
9. Owner to confirm all setout dimensions on site.
10. Pole shall be H5 treated SG8 or equivalent.
11. Joist hangers 52 x 120 three screws per flange or 52 x 190 four screws per flange or equivalent nails.
12. All foundation concrete to be 30 MPa.
13. 16mm coach bolt washers to have 18mm ϕ hole on head end and 16mm ϕ hole on nut end.
14. Fixings/Brackets shall be Stainless steel.
- 15- The structural design for the pole shed has been completed in accordance with the New Zealand Building Code, specifically Clause B2 (Durability). While we do not provide a Producer Statement for durability, the design incorporates the following measures to ensure compliance:
Timber Treatment: All timber used shall meet the requirements specified in Table 1A of B2/AS1.
Steel Fixings: Steel components shall be protected against weather exposure in accordance with Tables 4.1 and 4.2 of NZS 3604:2011.
It is the responsibility of the client and their contractor to ensure that construction is carried out in accordance with these design specifications and that all materials and methods used comply with the durability requirements outlined in the Building Code.
- 16- Slab and footing design accordance with NZS 3604.

	TEKAPO GLOBAL LIMITED CHATHAM ISLANDS
By: Rizwan Qadeer	Client: MITRE10 NZ
Date: 06/05/2025	Revision No: 05
Signature: 	Project No: 240090-MTZ

04	06-05-25	ISSUED FOR APPROVAL		SHEET TITLE: NOTES	JOB TITLE: LEAN TO SHED WHANAU FIT CHATHAM ISLAND	DESIGNED BY: N.I		
03	17-01-25	ISSUED FOR APPROVAL				DRAWN BY: MM		
02	10-01-25	ISSUED FOR APPROVAL				PROJECT NO: 240090	DRAWING NO: SK-02	REVISION: 04
01	07-01-25	ISSUED FOR APPROVAL				SHEET SIZE: A3	SCALE: N.T.S	DATE: C 150 -25
00	17-12-24	ISSUED FOR APPROVAL						
REV.NO.	DATE	DESCRIPTION						
REVISION RECORD								

APPROVED by WELLINGTON CITY COUNCIL on behalf of CIC SR556439

Constitution

Whanau Fit Chatham Islands Incorporated

Society Number 2724113

The Society

1.0 Name

1.1 The name of the society is Whanau Fit Chatham Islands Incorporated ("the Society").

2.0 Definitions

In these Rules:

- a. "Majority vote" means a vote made by more than half of the Members who are present at a Meeting and who are entitled to vote and voting at that Meeting upon a resolution put to that Meeting.
- b. "Money or Other Assets " means any real or personal property or any interest therein, owned or controlled to any extent by the Society.
- c. "Society Meeting" means any Annual General Meeting, or any Special General Meeting, but not a Committee Meeting.
- d. "Use Money or Other Assets" means to use, handle, invest, transfer, give, apply, expend, dispose of, or in any other way deal with, Money or Other Assets.
- e. "Written Notice" means communication by post, electronic means (including email, and website posting), or advertisement in periodicals, or a combination of these methods.
- f. 'Act' means the Incorporated Societies Act 2022 or any Act which replaces it (including amendments to it from time to time), and any regulations made under the Act or under any Act which replaces it.

3.0 Registered Office

3.1 The Registered Office of the Society is

Ceelen Thomas Accountants
15 Hanover Place, Ilam,
Christchurch 8041

4.0 Purposes of Society

4.1 The purposes of the Society are to:

- a. To support and promote physical and mental wellbeing for whanau on the Chatham Islands
- b. Do anything necessary or helpful to the above purposes.

4.2 Pecuniary gain is not a purpose of the Society.

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Whanau Fit Chatham Islands Incorporated

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5.0 Management of the Society

5.1 Managing Committee

5.2 The Society shall have a managing committee ("the Committee"), comprising the following persons:

- a. The Chair/President
- b. The Secretary
- c. The Treasurer
- d. Such other Members as the Society shall decide.

5.3 Only Members of the Society may be Committee Members.

5.4 There shall be a minimum of three Committee Members.

5.5 Every committee member is an officer.

5.6 Certain people are not permitted to serve as officers (see the 'Officers' Qualifications' rule which specifies who is disqualified from being appointed or holding office).

6.0 Qualifications of Committee Members (Officers)

Every Officer must be a natural person who —

- a. has consented in writing to be an officer of the Society, and
- b. certifies that they are not disqualified from being elected or appointed or otherwise holding office as an Officer of the Society.

Officers must not be disqualified under section 47(3) of the Act or section 36B of the Charities Act 2005 from being appointed or holding office as an Officer of the Society, namely —

- a. a person who is under 16 years of age
- b. a person who is an undischarged bankrupt
- c. a person who is prohibited from being a director or promoter of or being concerned or taking part in the management of, an incorporated or unincorporated body under the Companies Act 1993, the Financial Markets Conduct Act 2013, or the Takeovers Act 1993, or any other similar legislation.
- d. A person who is disqualified from being a member of the governing body of a charitable entity under the Charities Act 2005
- e. a person who has been convicted of any of the following, and has been sentenced for the offence, within the last 7 years —
 - i. an offence under subpart 6 of Part 4 of the Act
 - ii. a crime involving dishonesty (within the meaning of section 2(1) of the Crimes Act 1961)
 - iii. an offence under section 143B of the Tax Administration Act 1994
 - iv. an offence, in a country other than New Zealand, that is substantially similar to an offence specified in subparagraphs (i) to (iii)
 - v. a money laundering offence or an offence relating to the financing of terrorism, whether in New Zealand or elsewhere
- f. a person subject to:
 - i. a banning order under subpart 7 of Part 4 of the Act, or

Constitution

Whanau Fit Chatham Islands Incorporated

Society Number 2724113

- ii. an order under section 108 of the Credit Contracts and Consumer Finance Act 2003, or
- iii. a forfeiture order under the Criminal Proceeds (Recovery) Act 2009, or
- iv. a property order made under the Protection of Personal and Property Rights Act 1988, or whose property is managed by a trustee corporation under section 32 of that Act.
- g. a person who is subject to an order that is substantially similar to an order referred to in paragraph (f) under a law of a country, State, or territory outside New Zealand that is a country, State, or territory prescribed by the regulations (if any) of the Act.

Prior to election or appointment as an Officer a person must —

- a. consent in writing to be an Officer, and
- b. certify in writing that they are not disqualified from being elected or appointed as an Officer either by this Constitution or the Act.

Note that only a natural person may be an Officer and each certificate shall be retained in the Society's records.

7.0 Appointment of Committee Members

7.1 At a Society Meeting, the Members may decide by majority vote:

- a. How large the Committee will be.
- b. Who shall be the Chair/President, Secretary, and Treasurer;
- c. Whether any Committee Member may hold more than one position.

7.2 The term of office for all members elected to the Committee shall be.
at least one year and no more than 5 years, expiring at the end of the Annual General Meeting in the year corresponding with the last year of each Committee member's term of office.

8.0 Cessation of Committee Membership

8.1 Persons cease to be Committee Members when:

- a. They resign by giving written notice to the Committee.
- b. They are removed by majority vote of the Society at a Society Meeting.
- c. Their Term expires.

8.2 Grounds for removal

A Committee member shall be removed as an Officer by resolution of the Committee or the Society where in the opinion of the Committee or the Society —

- a. The Officer elected to the Committee has been absent from committee meetings without leave of absence from the Committee.
- b. The Officer has brought the Society into disrepute.
- c. The Officer has failed to disclose a conflict of interest.
- d. The Committee passes a vote of no confidence in the Officer.

8.3 If a person ceases to be a Committee Member, that person must within one month give to the Committee all Society documents and property.

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Whanau Fit Chatham Islands Incorporated

Society Number 2724113

9.0 Nomination of Committee Members

9.1 Nominations for members of the Committee shall be called for at the Annual General Meeting. Each candidate shall be nominated and seconded by a Member. If more than 2 people are nominated for any one vacancy there shall be a vote by the members (a)] All retiring members of the Committee shall be eligible for re-election.

9.2 If the position of any Officer becomes vacant between Annual General Meetings, the Committee may appoint another Committee Member to fill that vacancy until the next Annual General Meeting.

9.3 If the position of any Committee Member becomes vacant between Annual General Meetings, the Committee may appoint another Committee Member to fill that vacancy until the next Annual General Meeting.

9.4 If any Committee Member is absent from three consecutive meetings without leave of absence the Chair/President may declare that person's position to be vacant.

10.0 Role of the Committee

10.1 Subject to the rules of the Society ("The Rules"), the role of the Committee is to:

- a. Administer, manage, and control the Society.
- b. Carry out the purposes of the Society and Use Money or Other Assets to do that.
- c. Manage the Society's financial affairs, including approving the annual financial statements for presentation to the Members at the Annual General Meetings.
- d. Set accounting policies in line with generally accepted accounting practice.
- e. Delegate responsibility and co-opt members where necessary.
- f. Ensure that all Members follow the Rules.
- g. Decide how a person becomes a member, and how a person stop being a Member.
- h. Decide the times and dates for Meetings and set the agenda for Meetings.
- i. Decide the procedures for dealing with complaints.
- j. Set Membership fees, including subscriptions and levies.
- k. Make regulations.

10.2 The Committee has all the powers necessary for managing — and for directing and supervising the management of — the operation and affairs of the Society, subject to such modifications, exceptions, or limitations as are contained in the Act or in this Constitution.

10.3 All decisions of the Committee shall be by a majority vote. In the event of an equal vote, the Chair/President shall have a casting vote, that is, a second vote.

10.4 Decisions of the Committee bind the Society unless the Committee's power is limited by these Rules or by a majority decision of the Society.

10.5 A conflict of interest exists for a committee member if the member's interests or duty in a particular matter conflict, or might conflict, with his or her duty to the charitable society. A conflict of interest is any situation in which a committee member's personal interest, or loyalties could affect the

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Whanau Fit Chatham Islands Incorporated

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ability to decide in the best interest of the Society.

10.6 When a conflict of interest exists for a committee member, that member must declare the nature of the conflict or the potential conflict; the member must not take part in deliberations or proceedings including decision making in relation to the conflict of interest. The member must not be counted in the vote required for decision-making on the matter for which he or she has the conflict of interest.

10.7 The Committee shall at all times maintain an up-to-date register of the interests disclosed by Officers.

10.8 The Society shall keep an up-to-date Register of Members.

For each current Member, the information contained in the Register of Members shall include —

- a. Their name, and
- b. The date on which they became a member (if there is no record of the date they joined, this date will be recorded as 'Unknown'), and
- c. Their contact details, including -
 - A physical address or an electronic address, and
 - A telephone number.

Every current Member shall promptly advise the Society of any change of the Member's contact details.

The Society shall also keep a record of the former Members of the Society. For each Member who ceased to be a member within the previous 7 years, the Society will record:

- a. The former Member's name, and
- b. The date the former Member ceased to be a member.

11.0 Roles of Committee Members

11.1 The Chair/President is responsible for:

- a. Ensuring that the Rules are followed.
- b. Convening Meetings and establishing whether or not a quorum (half of the Committee) is present.
- c. Chairing Meetings, deciding who may speak and when.
- d. Overseeing the operation of the Society.
- e. Providing a report on the operations of the Society at each Annual General Meeting.

11.2 The Secretary is responsible for:

- a. Recording the minutes of Meetings.
- b. Keeping the Register of Members and Register of Interests.
- c. Holding the Society's records, documents, and books except those required for the Treasurer's function.
- d. Receiving and replying to correspondence as required by the Committee.
- e. Forwarding the annual financial statements for the Society to the Registrar of Incorporated Societies upon their approval by the Members at an Annual General Meeting.

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Whanau Fit Chatham Islands Incorporated

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- f. Advising the Registrar of Incorporated Societies of any rule changes.

11.3 The Treasurer is responsible for:

- a. Keeping proper accounting records of the Society' s financial transactions to allow the Society ' s financial position to be readily ascertained.
- b. Preparing annual financial statements for presentation at each Annual General Meeting. These statement s should be prepared in accordance with the Societies ' accounting policies.
- c. Providing a financial report at each Annual General Meeting.
- d. Providing financial information to the Committee as the Committee determines.

12.0 Committee Meetings

12.1 The quorum for Committee meetings is at least 50% of the number of members of the Committee.

A meeting of the Committee may be held either—

- a. by a number of the members of the Committee who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
- b. by means of audio, or audio and visual, communication by which all members of the Committee participating and constituting a quorum can simultaneously hear each other throughout the meeting.

A resolution of the Committee is passed at any meeting of the Committee if a majority of the votes cast on it are in favour of the resolution. Every Officer on the Committee shall have one vote.

Except as otherwise provided in this Constitution, the Committee may regulate its own procedure.

12.2 No Committee Meeting may be held unless more than half of the Committee Members attend.

12.3 The Chair/President shall chair Committee Meetings, or if the Chair/President is absent, the Committee shall elect a Committee Member to chair that meeting;

12.4 Decisions of the Committee shall be by majority vote;

12.5 The Chair/President or person acting as Chair/President has a casting vote, that is, a second vote.

12.6 Only Committee Members present at a Committee Meeting may vote at that Committee Meeting.

12.7 Subject to these Rules, the Committee may regulate its own practices.-

12.8 The Chair/President or his nominee shall adjourn the meeting if necessary.

12.9 Adjourned Meetings: If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened upon requisition of members, shall be

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dissolved; in any other case it shall stand adjourned to a day, time and place determined by the Chair/President/ of the Society, and if at such adjourned meeting a quorum is not present the meeting shall be dissolved without further adjournments. The Chair/President may with

the consent of any Society Meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

12.10 The Secretary must keep minutes of all meetings.

13.0 Society membership

The Society shall maintain the minimum number of Members required by the Act.

14.0 Types of Members

14.1 Membership may comprise different classes of membership as decided by the Society.

14.2 Members have the rights and responsibilities set out in these Rules.

15.0 Admission of Members

15.1 To become a Member, a person ("the Applicant") must:

- a. Complete an application form, if the Rules, Bylaws or Committee requires this ; and
- b. Supply any other information the Committee requires.

15.2 The Committee may interview the Applicant when it considers membership applications.

15.3 The Committee shall have complete discretion when it decides whether or not to allow the Applicant become a member. The Committee shall advise the Applicant of its decision, and that decision shall be final.

16.0 Access to information from Members

16.1 A Member may at any time make a written request to the Society for information held by the Society. The request must specify the information sought in sufficient detail to enable the information to be identified.

The Society must, within a reasonable time after receiving a request —

- a. provide the information, or
- b. agree to provide the information within a specified period, or
- c. agree to provide the information within a specified period if the Member pays a reasonable charge to the Society (which must be specified and explained) to meet the cost of providing the information, or
- d. refuse to provide the information, specifying the reasons for the refusal.

16.2 Without limiting the reasons for which the Society may refuse to provide the information, the Society may refuse to provide the information if —

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- a. withholding the information is necessary to protect the privacy of natural persons, including that of deceased natural persons, or
- b. the disclosure of the information would, or would be likely to, prejudice the commercial position of the Society or of any of its members, or
- c. the disclosure of the information would, or would be likely to, prejudice the financial or commercial position of any other person, whether or not that person supplied the information to the Society, or
- d. the information is not relevant to the operation or affairs of the society, or
- e. withholding the information is necessary to maintain legal professional privilege, or
- f. the disclosure of the information would, or would be likely to, breach an enactment, or
- g. the burden to the Society in responding to the request is substantially disproportionate to any benefit that the Member (or any other person) will or may receive from the disclosure of the information, or
- h. the request for the information is frivolous or vexatious, or
- i. the request seeks information about a dispute or complaint which is or has been the subject of the procedures for resolving such matters under this Constitution and the Act.

Nothing in this rule limits Information Privacy Principle 6 of the Privacy Act 2020 relating to access to personal information.

17.0 Cessation of Membership

17.1 Any Member may resign by giving written notice to the Secretary.

17.2 Membership terminated in the following way:

- a. If, for any reason whatsoever, the Committee is of the view that a Member is breaching the Rules or acting in a manner inconsistent with the purposes of the Society, the Committee may give written notice of this to the Member ("the Committee's Notice"). The Committee's Notice must:
 - i. Explain how the Member is breaching the Rules or acting in a manner inconsistent with the purposes of the Society;
 - ii. State what the Member must do in order to remedy the situation; or state that the Member must write to the Committee giving reasons why the Committee should not terminate the Member's Membership.
 - iii. State that if within 14 days of the Member receiving the Committee's Notice, the Committee is not satisfied, the Committee may in its absolute discretion immediately terminate the Member's Membership.
 - iv. State that if the Committee terminates the Member's Membership, the Member may appeal to the Society.
- b. Fourteen days after the Member received the Committee's Notice, the Committee may in its absolute discretion by majority vote terminate the Member's Membership by giving the Member written notice ("Termination Notice"), which takes immediate effect. The Termination Notice must state that the Member may appeal to the Society at the next Meeting by giving written notice to the Secretary ("Member's Notice") within 14 days of the Member's receipt of the Termination Notice.
- c. If the Member gives the Member's Notice to the Secretary, the Member will have the right to be fairly heard at a Society Meeting held within the following 28 days. If the Member chooses, the Member may provide the Secretary with a

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written explanation of the events as the Member sees them ("the Member's Explanation"), and the Member may require the Secretary to give the Member's Explanation to every other Member within 7 days of the Secretary receiving the Member's Explanation. If the Member is not satisfied that the other Society Members have had sufficient time to consider the Member's Explanation, the Member may defer his or her right to be heard until the following Society Meeting.

- d. When the Member is heard at a Society Meeting, the Society may question the Member and the Committee Members.
- e. The Society shall then by majority vote decide whether to let the termination stand, or whether to reinstate the Member. The Society's decision will be final.

17.3 If any Member does not pay a Subscription or levy by the date set by the Committee or the Society, the Secretary will give written notice that, unless the arrears are paid by a nominated date, the Membership will be terminated. After that date, the Member shall (without being released from the obligation of payment of any sums due to the Society) have no Membership rights and shall not be entitled to participate in any Society activity.

18.0 Obligations of Members

18.1 All Members (and Committee Members) shall promote the purposes of the Society and shall do nothing to bring the Society into disrepute.

19.0 Money and other assets of the society

19.1 Use of Money and Other Assets

19.2 The funds and property of the Society shall be-

- a. controlled, invested, and disposed of by the Committee, subject to this Constitution, and
- b. devoted solely to the promotion of the purposes of the Society.

The Committee shall maintain bank accounts in the name of the Society. All money received on account of the Society shall be banked within 10 Working Days of receipt.

All accounts paid or for payment shall be submitted to the Committee for approval of payment.

The Committee must ensure that there are kept at all times accounting records that—

- a. correctly record the transactions of the Society, and
- b. allow the Society to produce financial statements that comply with the requirements of the Act.

The Committee must establish and maintain a satisfactory system of control of the Society's accounting records.

The accounting records must be kept in written form or in a form or manner that is easily accessible and convertible into written form. And the accounting records must be kept for the current accounting period and for the last 7 completed accounting periods of the Society.

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20.0 Joining Fees, Subscriptions and Levies

20.1 Annual subscriptions/Joining Fees-

- a. Fees to be paid on the date of joining the Society or at the start of each financial year of Whanau Fit Chatham Islands Incorporated, being 1 April of each year.
- b. Fees will be pro-rata if joining the society at a different time of year
- c. Any existing members will be required to pay within a month of this rule change
- d. The Fees are to be set as follows:

Adults (18+)	\$120.00 per year
Children (School)	\$30.00 per year
Casual rate is \$10/week	

21.0 Additional Powers

21.1 The Society may:

- a. Employ people for the purposes of the Society;
- b. Exercise any power a trustee might exercise
- c. Invest in any investment that a trustee might invest in;
- d. Borrow money and provide security for that if authorized by Majority vote at any Society Meeting

22.0 Financial Year

22.1 The financial year of the Society begins on 1 April of every year and ends on 31 March of the next year.

23.0 Assurance on the Financial Statements

23.1 Each year an annual financial report shall be prepared showing financial information in accordance with the requirements for filing with the Incorporated Societies website. Should the entity gain charitable status then both financial and non-financial information will be prepared in accordance with the relevant standards set by the External Reporting Board. Such financial statements will be prepared by a member of the Chartered Accountants Australia and New Zealand (CAANZ).

The Committee is responsible to provide the Reviewer with:

- a. Access to all information of which the Committee is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters
- b. Additional information that the reviewer may request from the Committee for the purpose of the review; and
- c. Reasonable access to persons within the Society from whom the reviewer determines it necessary to obtain evidence.

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Conduct of meetings

24.0 Society Meetings

24.1 A Society Meeting is either an Annual General Meeting or a Special General Meeting.

24.2 The Annual General Meeting shall be held once every year during the month of July. The committee shall determine when and where the Society should meet with those dates.

24.2a Subclause that in the event of a bereavement on the island either within the week leading up to an AGM, the AGM can be held on the next available date agreed upon by the committee so long as it complies with the rule 21.2 to hold an AGM within the month of July

24.3 Special General Meetings may be called by the Committee. The Committee must call a Special General Meeting if the Secretary receives a written request signed by at least 10% of the Members.

- a. The written request must state the business that the Special General Meeting is to deal with.
- b. The rules in this Constitution relating to the procedure to be followed at General Meetings shall apply to a Special General Meeting.
- c. If more than 50 per cent of the committee are unable to vote on a particular issue because they have an interest in it, the committee must call a Special General Meeting to determine the matter.

24.4 The Secretary shall:

- a. Give all Members at least 14 days Written Notice of the business to be conducted at any Society Meeting
- b. Additionally, the Secretary will provide, appropriate:
 - i. A copy of the Chair/President's Report on the Society 's operations and of the Annual Financial Statements as approved by the Committee,
 - ii. Notice of any motions and the Committee's recommendations about those motions.
 - iii. If the Secretary has sent a notice to all Members in good faith, the Meeting and its business will not be invalidated simply because one or more Members do not receive the notice

24.5 All Members may attend and vote at Society Meetings.

24.6 No Society Meeting may be held unless at least 50 % of eligible Members attend. (This will constitute a quorum.)

24.7 All Society Meetings shall be chaired by the Chair/President. If the Chair/President is Absent, the Society shall elect another Committee Member to Chair that meeting. Any person chairing a Society Meeting has a casting vote.

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24.8 On any given motion at a Society Meeting, the Chair/President shall in good faith determine whether to vote by:

- a. Voices.
- b. Show of hands ; or
- c. Secret ballot.

However, if any Member demands a secret ballot before a vote by voices or show of hands has begun, voting must be by secret ballot. If a secret ballot is held, the Chair/President will have a casting, that is, second vote.

24.9 The business of an Annual General Meeting shall be:

- a. Receiving any minutes of the previous Society's Meeting(s) ;
- b. The Chair/President's report on the business of the Society ;
- c. The Treasurer's report on the finances of the Society, and the Annual Financial Statements ;
- d. Election of Committee Members;
- e. Motions to be considered ;
- f. General business.
- g. set any subscriptions for the current financial year.
- h. notice of any disclosures of conflicts of interest made by Committee members during that period (including a summary of the matters, or types of matters, to which those disclosures relate)

24.10 The society is required by the Act to provide on a member's written request "the minutes of the most recent general meeting of the society."

24.11 The Chair/President or his nominee shall adjourn the meeting if necessary.

Adjourned Meetings: If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened upon requisition of members, shall be dissolved; in any other case it shall stand adjourned to a day, time and place determined by the Chair/President of the Society, and if at such adjourned meeting a quorum is not present the meeting shall be dissolved without further adjournments. The Chair/President may with the consent of any Society Meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

25.0 Motions at Society Meetings

25.1 Any Member may request that a motion be voted on (" Member's Motion") at a particular Society Meeting, by giving written notice to the Secretary at least 14 days before that meeting. The Member may also provide information in support of the motion ("Member's Information"). The Committee may in its absolute discretion decide whether or not the Society will vote on the motion. However, if the Member's Motion is signed by at least 50 % of eligible Members:

- a. It must be voted on at the Society Meeting chosen by the Member ; and

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- b. The Secretary must give the Member's Information to all Members at least 14 days before the Society Meeting chosen by the Member; or
- c. If the Secretary fails to do this, the Member has the right to raise the motion at the Following Society Meeting.

25.2 The Committee may also decide to put forward motions for the Society to vote on ("Committee Motions") which shall be suitably notified.

26.0 Dispute Resolution

26.1 Meanings of dispute and complaint

A dispute is a disagreement or conflict involving the Society and/or its Members in relation to specific allegations set out below.

The disagreement or conflict may be between any of the following persons-

- a. 2 or more Members
- b. 1 or more Members and the Society
- c. 1 or more Members and 1 or more Officers
- d. 2 or more Officers
- e. 1 or more Officers and the Society
- f. 1 or more Members or Officers and the Society.

The disagreement or conflict relates to any of the following allegations-

- a. a Member or an Officer has engaged in misconduct
- b. a Member or an Officer has breached, or is likely to breach, a duty under the Society's Constitution or bylaws or the Act
- c. the Society has breached, or is likely to breach, a duty under the Society's Constitution or bylaws or the Act
- d. a Member's rights or interests as a Member have been damaged or Member's rights or interests generally have been damaged.

A Member or an Officer may make a complaint by giving to the Committee a notice in writing that-

- a. states that the Member or Officer is starting a procedure for resolving a dispute in accordance with the Society's Constitution; and
- b. sets out the allegation(s) to which the dispute relates and whom the allegation or allegations is or are against; and
- c. sets out any other information or allegations reasonably required by the Society.

The Society may make a complaint involving an allegation against a Member or an Officer by giving to the Member or Officer a notice in writing that-

- a. states that the Society is starting a procedure for resolving a dispute in accordance with the Society's Constitution; and
- b. sets out the allegation to which the dispute relates.

The information setting out the allegations must be sufficiently detailed to ensure that a person against whom an allegation or allegations is made is fairly advised of the allegation or allegations concerning them, with sufficient details given to enable that person to prepare a response.

Constitution

Whanau Fit Chatham Islands Incorporated

Society Number 2724113

A complaint may be made in any other reasonable manner permitted by the Society's Constitution.

All Members (including the Committee) are obliged to cooperate to resolve disputes efficiently, fairly, and with minimum disruption to the Society's activities.

The complainant raising a dispute, and the Committee, must consider and discuss whether a dispute may best be resolved through informal discussions, mediation, arbitration, or a tikanga-based practice. Where mediation or arbitration is agreed on, the parties will sign a suitable mediation or arbitration agreement.

26.2 Right to be heard

A Member or an Officer who makes a complaint has a right to be heard before the complaint is resolved or any outcome is determined.

26.3 Person who is subject of complaint has right to be heard.

1. This clause applies if a complaint involves an allegation that a Member, an Officer, or the Society (the 'respondent')—
 - a. has engaged in misconduct; or
 - b. has breached, or is likely to breach, a duty under the Society's Constitution or bylaws or this Act; or
 - c. has damaged the rights or interests of a Member or the rights or interests of Members generally.
2. The respondent has a right to be heard before the complaint is resolved or any outcome is determined.
3. If the respondent is the Society, an Officer may exercise the right on behalf of the Society.

26.4 Investigating and determining dispute

1. The Society must, as soon as is reasonably practicable after receiving or becoming aware of a complaint made in accordance with its Constitution, ensure that the dispute is investigated and determined.
2. Disputes must be dealt with under the Constitution in a fair, efficient, and effective manner and in accordance with the provisions of the Act.

26.5 Society may decide not to proceed further with complaint.

Despite the 'Investigating and determining dispute' rule above, the Society may decide not to proceed further with a complaint if—

- a. the complaint is considered to be trivial; or
- b. the complaint does not appear to disclose or involve any allegation of the following kind:
 - i. that a Member or an Officer has engaged in material misconduct;
 - ii. that a Member, an Officer, or the Society has materially breached, or is likely to materially breach, a duty under the Society's Constitution or bylaws or the Act;
 - iii. that a Member's rights or interests or Members' rights or interests generally have been materially damaged;
- c. the complaint appears to be without foundation or there is no apparent evidence to support it; or
- d. the person who makes the complaint has an insignificant interest in the matter; or
- e. the conduct, incident, event, or issue giving rise to the complaint has already been investigated and dealt with under the Constitution; or
- f. there has been an undue delay in making the complaint.

Constitution

Whanau Fit Chatham Islands Incorporated

Society Number 2724113

26.6 Society may refer complaint

1. The Society may refer a complaint to-
 - a. An external person to investigate and report; or
 - b. An arbitral tribunal, or an external person to investigate and make a decision.
2. The Society may, with the consent of all parties to a complaint, refer the complaint to any type of consensual dispute resolution (for example, mediation, facilitation, or a tikanga-based practice).

27.0 Decision Makers

27.1 A person may not act as a decision maker in relation to a complaint if 2 or more members of the Committee consider that there are reasonable grounds to believe that the person may not be—

- a. impartial; or
- b. able to consider the matter without a predetermined view.

28.0 Altering the rules

28.1 The Society may alter or replace these Rules at a Society Meeting by a resolution passed by a two-thirds majority of those Members present and voting.

28.2 Any proposed motion to amend or replace these Rules shall be signed by at least 50 % of eligible Members and given in writing to the Secretary at least 28 days before the Society Meeting at which the motion is to be considered, and accompanied by a written explanation of the reasons for the proposal.

28.3 At least 14 days before the General Meeting at which any Rule change is to be considered the Secretary shall give to all Members written notice of the proposed motion, the reasons for the proposal, and any recommendations the Committee has.

28.4 When a Rule change is approved by a General Meeting no Rule change shall take effect until the Secretary has filed the changes with the Registrar of Incorporated Societies. The rule change will also be notified to Charity services as required by S40 of the Act.

29.0 Liquidations and removal from the Register

29.1 Resolving to put the Society into liquidation.

The Society may be liquidated in accordance with the provisions of Part 5 of the Act.

The Committee shall give 10 Working Days written Notice to all Members of the proposed resolution to put the Society into liquidation.

The Committee shall also give written Notice to all Members of the General Meeting at which any such proposed resolution is to be considered. The Notice shall include all information as required by section 228(4) of the Act.

Any resolution to put the Society into liquidation must be passed by a majority of all Members present and voting.

Constitution

Whanau Fit Chatham Islands Incorporated

Society Number 2724113

30.0 Resolving to apply for removal from the register.

The Society may be removed from the Register of Incorporated Societies in accordance with the provisions of Part 5 of the Act. The Committee shall give 10 Working Days written Notice to all Members of the proposed resolution to remove the Society from the Register of Incorporated Societies.

The Committee shall also give written Notice to all Members of the General Meeting at which any such proposed resolution is to be considered. The Notice shall include all information as required by section 228(4) of the Act.

Any resolution to remove the Society from the Register of Incorporated Societies must be passed by a majority of all Members present and voting.

30.1 Surplus Assets

If the Society is liquidated, or removed from the Register of Incorporated Societies, no distribution shall be made to any Member, and if any property remains after the settlement of the Society's debts and liabilities, that property must be given or transferred to another organisation for a charitable purpose, or purposes as defined in section 5(1) of the Charities Act 2005

31.0 Definitions

31.1 Miscellaneous matters

31.2 In these Rules:

It is assumed that

- i. Where a masculine is used, the feminine is included
- ii. Where the singular is used, plural forms of the noun are also inferred
- iii. Headings are a matter of reference and not a part of the rules.



6. Regulatory

6.1 Dog & Stock Control Update

Date of meeting	31 July 2025
Agenda item number	6.1
Author/s	Nadia Thomas, Dog & Stock Control Officer

Purpose

To provide an update on the services being performed by the Dog & Stock Control Officer.

Recommendations

THAT Chatham Islands Council

1. **Receives the report.**

Background

The attached report provides an update on activities by the Dog & Stock Control Officer for the 12 months to 30 June 2025.



Chatham Islands Council

Dog Control Report

for the year ending 30 June 2025

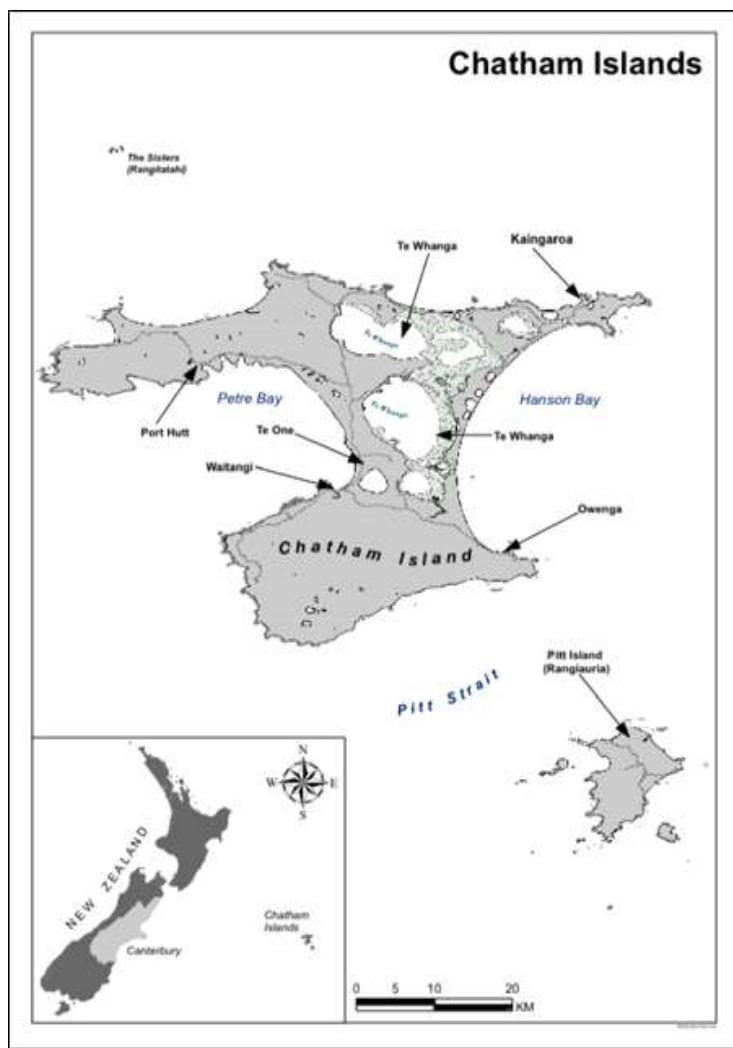


The Chatham Islands

The Chatham Islands and its people are a unique community, isolated by 800 kilometres of ocean from mainland New Zealand. The Chatham Islands consist of two main inhabited islands, Chatham Island and Pitt Island. Pitt Island lies 23km south east of Chatham Island and both islands are surrounded by a number of smaller islands, all within a radius of approximately 50km. The main island, Chatham, has an area of 90,000 hectares. Pitt Island has an area of 6,300 hectares.

There are five settlement areas on the main island - Waitangi, Te One, Owenga, Port Hutt and Kaingaroa. Pitt Island is a small rural community consisting of a small number of farms.

Dog control is administered on both Chatham and Pitt Islands. All dogs within the Chatham Islands territory are classified as 'working dogs'.

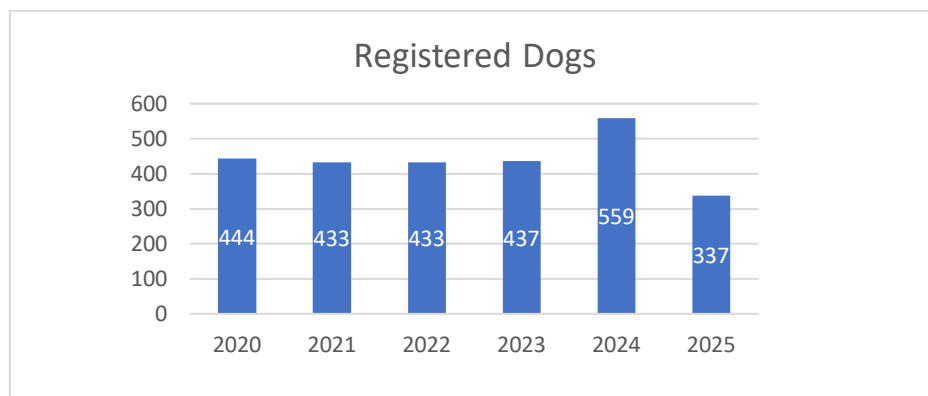


Dog Control Officer/s

The Chatham Islands Council employed one Dog Control Officer who was warranted under section 13 of the Dog Control Act 1996.

Dogs Registered as at 30 June 2025

There were 337 dogs registered as at 30 June 2025.



A total of 337 dogs were registered as at 30 June 2025, a decrease of 222 dogs since 2024.

Probationary and Disqualified Owners

There were no probationary or disqualified owners during the financial year ending 30 June 2025.

Dangerous Dogs

For the financial year ending June 30, 2025, one dangerous dog incident was reported. While the dog was not generally aggressive, it bit its owner's arm, requiring stitches and antibiotic treatment. As the owners did not file a formal complaint and attributed the incident to their intervention between the dog and a possum, no legal action was pursued. However, this incident has resulted in the dog being designated as dangerous due to a human bite.

Menacing Dogs

There were 26 complaints about menacing dogs reported during the financial year ending 30 June 2025.

Dog Infringement Notices

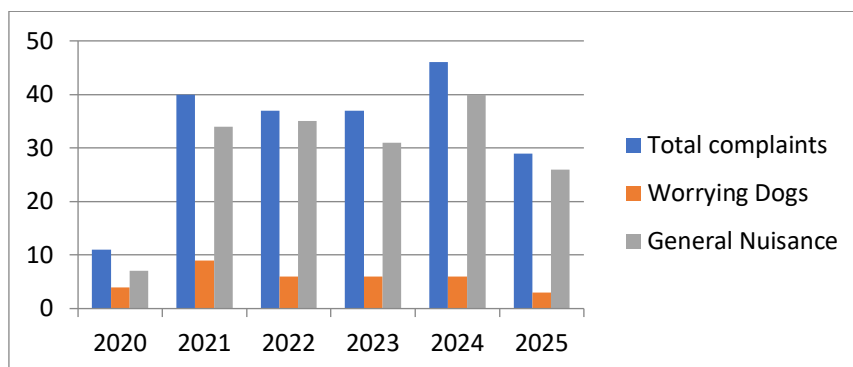
There were no dog infringement notices issued during the financial year ending 30 June 2025.

Dog Complaints

For the financial year ending June 30, 2025, a total of 29 dog-related complaints were received. This represents an increase of nine complaints compared to 2024.

Of these complaints:

- Three were related to dogs worrying livestock.
- Twenty-six were related to general nuisance dogs, including seven classified as menacing and one classified as dangerous.



Prosecutions

For the financial year ending June 30, 2025, no prosecutions were initiated. During this period, seven dogs were euthanized due to incidents of worrying livestock or owner surrenders. Additionally, two dogs were granted a reprieve by farmers, and one surrendered dog was successfully rehomed.

Public Information

Chatham Islands Council's Dog Control Bylaw 2002 is available at the Council office during working hours Monday – Friday 8.30am - 4.30pm. A copy can also be viewed on Council's website www.cic.govt.nz.

The Dog Control activity is reported annually in terms of performance and resident satisfaction through Council's Annual Report. Copies of this report can also be obtained at the Council Office and on Council's website www.cic.govt.nz.

Chatham Islands Dog Control Bylaw 2022 and Chatham Islands Dog Control Policy 2022

The Chatham Islands Dog Control Bylaw and the Chatham Islands Dog Control Policy was adopted on the 23 May 2022.



6. Regulatory

6.2 Combined GRS CI Airport CIC_2025_001

Date of meeting	31 July 2025
Agenda item number	6.2
Author/s	Paul Whyte (Beca)

Purpose

For the Council to consider the subdivision application.

Recommendations

THAT the Chatham Islands Council:

Recommendation

(i) That the application is considered on a non-notified basis having regard to sections 95A-E of RMA.

(ii) That pursuant to sections 104 and 104A of the RMA, Council grants consent to Lockheed Martin and Land Information New Zealand (LINZ) to establish a Ground Reference Station (GRS) at Chatham Islands Airport, on a site legally described as SO 33498 subject to the following condition:

1. That the proposal is undertaken in general accordance with the application and plans submitted with the resource consent application dated 26.06.25.

Background

Lockhead Martin and Land Information New Zealand (LINZ) have applied for resource consent to establish a Ground Reference Station (GRS) at Inia William Tuuta Memorial Airport (or Chatham Islands Airport). The application states that the GRS

facility will support the wider rollout of the Southern Positioning Augmentation Network (SouthPAN). SouthPAN is a satellite-based system comprised of reference stations, telecommunications infrastructure, computing centres, signal generators, and satellites that provide improved positioning and navigation services in New Zealand and Australia. Lockheed Martin and Land Information New Zealand are rolling out the SouthPAN service within New Zealand.

The location of the GRS is approximately 150m northwest of the airport terminal between the apron area and the runway

Resource Management Report for Chatham Islands Council

CIC/2025/001

Applicant:	Lockhead Martin and Land Information New Zealand (LINZ)
Application:	To establish a Ground Reference Station (GRS) (Application received 26/06/25).
Site Description:	Inia William Tuuta Memorial Airport (or Chatham Islands Airport), 535 Air Base Road, Chatham Island and legally described as Section 1 SO 33498.
Zoning:	Industrial Zone (CIRMD)
Type of Activity:	Land Use Consent – Controlled Activity

1. Introduction

This report is prepared by Paul Whyte, Senior Planner of Beca Ltd for the Chatham Islands Council in accordance with section 42A of the Resource Management Act (RMA). The report reviews the application for resource consent and addresses the relevant information and issues raised. It should be emphasised that any conclusions reached or recommendations made in this report are not binding on the Council.

2. The Application

Lockhead Martin and Land Information New Zealand (LINZ) have applied for resource consent to establish a Ground Reference Station (GRS) at Inia William Tuuta Memorial Airport (or Chatham Islands Airport). The application states that the GRS facility will support the wider rollout of the Southern Positioning Augmentation Network (SouthPAN). SouthPAN is a satellite-based system comprised of reference stations, telecommunications infrastructure, computing centres, signal generators, and satellites that provide improved positioning and navigation services in New Zealand and Australia. Lockheed Martin and Land Information New Zealand are rolling out the SouthPAN service within New Zealand.

The location of the GRS is approximately 150m northwest of the airport terminal between the apron area and the runway as shown on Figure 1.



Figure 1: Location of GRS

The GRS will comprise:

- A compound of approximately 360m² with a chain link fence on the boundaries
- Three GRS antennas mounted on poles each with an overall height of 3.4m.
- Two communication dish antenna mounted on poles each with an overall height of 3.0m.
- An equipment hut 15.84 m² in area and 3.1m in height.
- Underground power from the reticulation network with a back up generator
- Earthworks for site development comprising 120m³ and a depth of .3m. will be undertaken in accordance with an earthworks management plan supplied with the application.

The layout is shown in Figure 2.

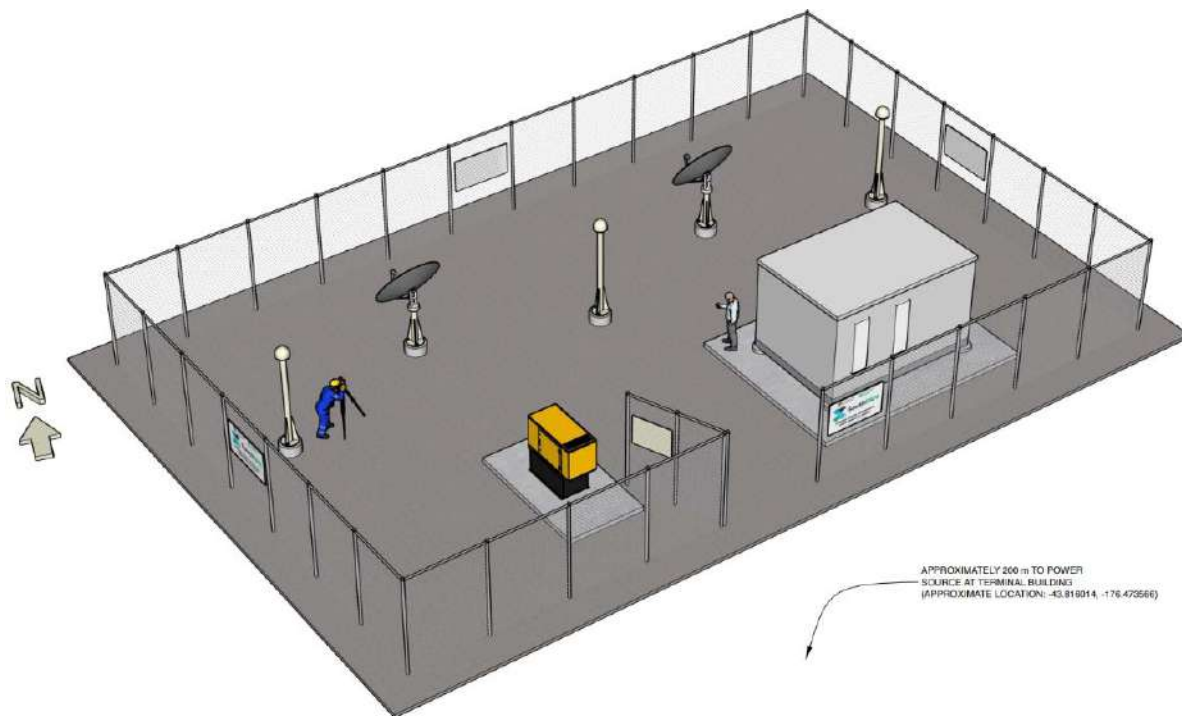


Figure 2: Layout of GRS

The application states that the airport operator, Chatham Islands Airport Limited (CIAL) has agreed to lease the site at the airport to the applicant and which has been confirmed in subsequent emails.

The application includes a contaminated soils assessment (Preliminary Site Investigation-PSI) which concludes that resource consent is not required in terms of the Resource Management (National Environmental Standards for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2011 (NES-CS).

3. Resource Consent Required

The GRS is located in the Industrial Zone of the CIRMD which applies to the Chatham Islands Airport. I concur that the proposal meets all of the standards in the zone and in this respect is a permitted activity.

The proposal is also subject to the National Environmental Standards for Telecommunication Facilities (NESTF). These are national standards that apply to telecommunication facilities that are located anywhere in New Zealand and are in addition to district plan requirements.

In this particular case, the proposal will not meet Regulation 20 (3) (d) given the proposed equipment hut exceeds the permitted height of 2.5m and footprint of 5m² (the hut is 3.1m high and 36m² in area). The proposal complies with all of the other applicable standards of the NES-TF including radio frequency and earthworks.

As such resource consent is required as a controlled activity under section 104A of the RMA. As such Council must grant the application for the resource consent, subject to the imposition of conditions only for those matters over which control is reserved.

In this case Regulation 14(2) of the NES-TF specifies that control is reserved over the subject matter of each regulation that is not complied with. In this case this relates to the height and footprint exceedances.

Under section 104, Council must among other matters, and subject to Part 2, have regard to the actual and potential effects of the proposal and the relevant provisions of various statutory documents.

These matters are addressed below.

4. Notification/Non-Notification

I concur with the applicant that public notification or limited notification is not required. It is noted that public notification is precluded under section 95A of the RMA given the activity is controlled under the NES TF. While limited notification is not precluded I agree there are no affected parties.

I note that it is assumed Chatham Islands Airport Limited (CIAL) is not an affected party given that the airport operator has agreed to a lease with the applicant and clearly the proposal cannot proceed without the agreement of CIAL.

Overall, having reviewed sections 95 and 95A – 95G of the RMA I am satisfied that the proposal does not require public notification or limited notification.

5. Assessment of Effects

The applicant has undertaken an assessment of effects. I generally concur with the conclusions of their assessment noting that the assessment is restricted to the excess height and footprint. Generally, these matters related to visual effects and given the relatively small exceedances (.6m height and 10.8 m² footprint), the relatively minor bulk of the building, the absence of sensitive uses as such as dwellings in close proximity and the anticipation of far larger buildings in the Industrial Zone, any adverse effects will be negligible. I also note the application will have positive effects by improving navigation and similar services, and for example make GPS references more accurate.

In terms of NES-CS, the PSI has been reviewed by Beca (see attached letter). The review concurs that the works do not trigger a consent under the NES-CS but suggests that soil sampling during early contractor works is undertaken to inform disposal and reuse, which is a matter for the applicant to consider.

Given the CIAL have leased the area to the applicant it can be assumed there will be no effects on airport operations.

6. CIRMD and other Statutory documents

Given the activity is permitted in terms of the CIRMD it can be assumed the application is in accordance with the objectives and policies of the document. There does not appear to be any relevant national policy statements, and the proposal is in accordance with Part 2 of the RMA given its controlled activity status and minor effects arising from the non-compliances.

7. Conclusion

Overall, any adverse effects of the proposal on the environment are considered less than minor and the application can be considered on a non-notified basis.

8. Recommendation

(i) That the application is considered on a non-notified basis having regard to sections 95A-E of RMA.

(ii) That pursuant to sections 104 and 104A of the RMA, Council grants consent to Lockheed Martin and Land Information New Zealand (LINZ) to establish a Ground Reference Station (GRS) at Chatham Islands Airport, on a site legally described as SO 33498 subject to the following condition:

1. That the proposal is undertaken in general accordance with the application and plans submitted with the resource consent application dated 26.06.25.



Paul Whyte

Senior Planner

July 22nd, 2025



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PO Box 13960, Christchurch,
8141, New Zealand
T: +64 3 366 3521 // F: +64 3 366 3188
E: info@beca.com // www.beca.com

Paul Whyte
Beca Ltd
267 High St
Christchurch
8011

22 July 2025

Attention: Paul Whyte, Planner

Dear Paul

Chatham Islands Airport GRS CIC-2025-001 - Contaminated Land NESCS Review

Beca Limited (Beca) has been engaged by Chatham Islands Council (CIC) to undertake a technical review of contaminated land documents associated with a resource consent application CIC-2025-001 for construction of a Ground Reference Station (GRS) within a designated area (the site) within Inia William Tuuta Memorial Airport, Chatham Islands ('the airport').

The following documents have been reviewed:

- Preliminary Site Investigation. Land at Chatham Islands Airport. Boffa Miskell limited. Ref: 1135 Part Chatham Is Airport – PSI. 6 March 2025. Report prepared by HAIL Environmental.
 - Herein referred to as the Preliminary Site Investigation (PSI).

The review is limited to the Resource Management (National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2011 (NESCS) and follows the process outlined in the Users' Guide¹ and shown in **Figure 1**.

1.1 This review does not constitute a formal peer review. Is the activity covered by the NESCS Regulations 5(2) – 5(6)?

The proposal includes earthworks, which is an activity covered by Regulation 5(4).

1.2 Is the land covered by the NESCS Regulations 5(7) – 5(9); Regulation 6?

The Site may be a "piece of land" if it has an activity or industry from the Ministry for the Environment (MfE) Hazardous Activities and Industries List (HAIL) undertaken on it. While the PSI states that the site sits within the airport operating area, which is generally considered to be HAIL category F1 – Airports including fuel storage, workshops, washdown areas, or fire practice areas, the site itself is '*unlikely to have had any HAIL use*', and the PSI states that the works should therefore not trigger the NESCS.

¹ Ministry for the Environment (MfE), 2012. Users' Guide National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health

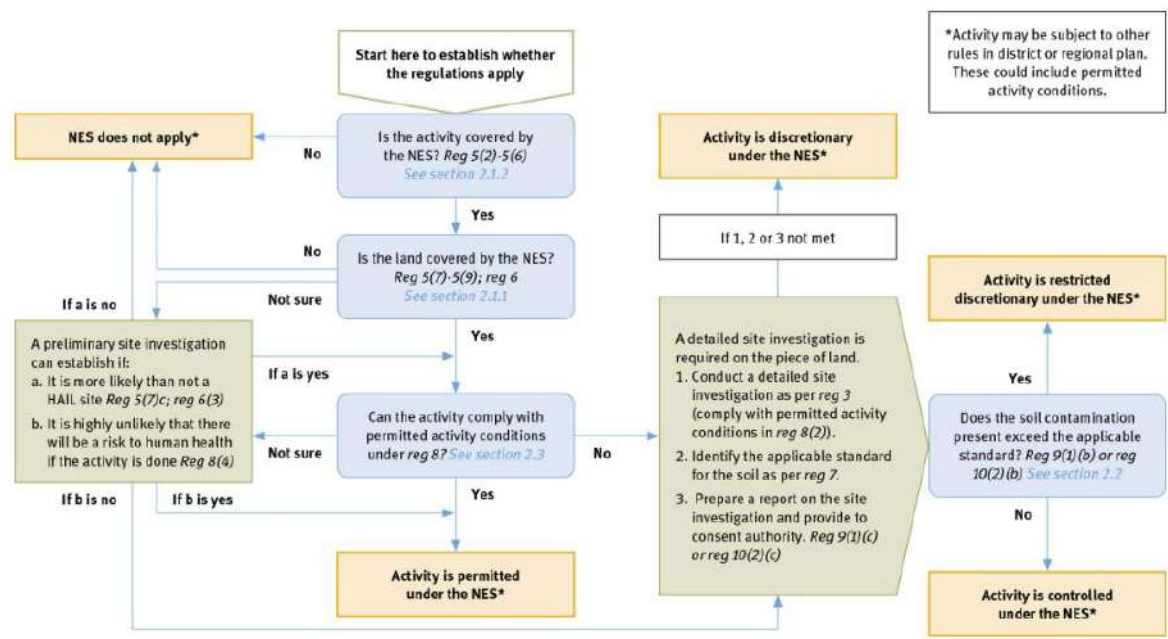


Figure 1: Determining resource consent requirements under the NESCS

1.3 Can the activity comply with the permitted activity conditions under Regulation 8?

As the site is not considered by HAIL Environmental to trigger the NESCS, the PSI does not make an assessment against the NESCS permitted activity criteria.

1.4 Information and Discussion

1.4.1 Preliminary Site Investigation

HAIL Environmental describe earthworks as the proposed GRS facility footprint and connections, as well as a 200m utility trench and slightly shorter road. The outcome of the information search completed in the PSI indicated that there was the potential for airport-associated contaminants of concern such as heavy metals, asbestos, and per- and polyfluoroalkyl substances (PFAS), albeit there was conflicting information between HAIL Environmental’s own research and that of the Beca Detailed Site Investigation (DSI) report reviewed as part of the PSI information review. The inconsistency was based on information on the potential location of firefighting foam use, although the storage and possible use of firefighting foams was not inconsistent.

HAIL Environmental collected soil samples from four locations within the intended GRS facility footprint. The footprint appears to have later been adjusted slightly (as is common in early design stages) such that two samples fall a small distance outside the footprint. Soil samples were not collected in the proposed road or trench area. There were no observations of gross contamination, burn pits, hydrocarbons or other visual or olfactory evidence of impact, during the site walkover or investigation.

The results of the sampling showed trace perfluorooctanesulfonic acid (PFOS, falling within the wider PFAS contaminant category) ‘at concentrations well below levels likely to pose health or ecological risks’; low levels of heavy metals (in some cases below laboratory detection limits); and no asbestos detected.

The conceptual site model suggested there are no human or environmental sensitive receptors. Commercial/industrial soil contaminant standards were used for assessment of risk to site workers, however this was acknowledged by HAIL Environmental as being very conservative due to sustained exposure over many years to airside soils being ‘uncommon’. Subsequent site users were not considered sensitive receptor, nor was the area considered a ‘sensitive environment’ from an ecological perspective, being an active airport where birds are actively discouraged.

Due to lack of sensitive receptors and the low contaminants concentrations observed HAIL Environmental state “since no sources have been identified, and there appear to be no sensitive human or environmental receptors, there appear to be no complete contaminant linkages relating to the site”.



Figure 2: HAIL Environmental sample location plan reproduced from the HAIL Environmental PSI.

1.4.2 Discussion

The site is located on the boundary of the mown area considered to be the airside portion of the airport, with the road and trench run parallel to the fence line, and directly adjacent to the new apron area recently constructed, as shown in **Figure 2**.

Sampling was not undertaken by HAIL Environmental in the road and utility trench area, and part of the former apron area is intended to be traversed by the trench. Previous sampling in the Beca soil investigations referenced in the PSI were in relatively close proximity to the area of trench adjacent to the new apron and showed low concentrations of contaminants. HAIL Environmental also state that shallow soils would have also been removed as part of the apron and taxiway works.

Given the available information reviewed, previous investigations, and the limited sampling and testing undertaken by HAIL Environmental, we agree that the site does not meet the ‘more likely than not’ threshold of having a HAIL activity undertaken on it. The results observed are not considered indicative of airport uses under the definition of the F1 HAIL (Airports including fuel storage, workshops, washdown areas, or fire practice areas) as concentrations observed would be expected at higher levels for those activities. The ‘more likely than not’ threshold of ‘risk to human health or the environment’ under HAIL codes H and I is also not met based on the observed results and HAIL Environmental’s risk assessment. We do consider, however,

that residual risk in the road and utility trench area could be managed through soil sampling during preparatory works by the contractor (for example during potholing for service trenching), and in order to inform soil reuse and disposal.

1.5 Recommendations

Based on the PSI the following recommendations area made:

- Works are not considered to trigger a consent requirement under the NESCS.
- Soil sampling during early contractor works (such as during potholing or geotechnical investigation), is recommended to manage residual risk and inform disposal and reuse.

Closure

Beca concurs with the PSI recommendation that the proposed works do not trigger the requirement for consent under the NESCS. Recommendations have been made.

Please do not hesitate to contact the undersigned should you require clarification.

Yours sincerely,



Ben Waterhouse

Senior Associate - Environmental Science

on behalf of

Beca Limited

Phone Number: +64 3 966 9125
Email: Ben.Waterhouse@beca.com

Limitations

This letter has been prepared by Beca Ltd (Beca) solely for Chatham Islands Council (Client). Beca has been requested by the Client to provide a technical review of a Preliminary Site Investigation (PSI) submitted to support a resource consent application with respect to the Resource Management (National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2011 (Scope). This memorandum does not constitute a formal peer review. The contents of this memorandum may not be used by the Client for any purpose other than in accordance with the stated Scope.

This memorandum confidential and is prepared solely for the Client. Beca accepts no liability to any other person for their use of or reliance on this letter, and any such use or reliance will be solely at their own risk.

Unless specifically stated otherwise in this letter, Beca has relied on the accuracy, completeness, currency and sufficiency of all information provided to it by, or on behalf of, the Client or any third party, including the information listed above, and has not independently verified the information provided. Beca accepts no responsibility for errors or omissions in, or the currency or sufficiency of, the information provided. Publicly available records are frequently inaccurate or incomplete.

The contents of this document are based upon our understanding and interpretation of current legislation and guidelines (“Standards”) as consulting professionals, and should not be construed as legal opinions or advice. Unless special arrangements are made, this letter will not be updated to take account of subsequent changes to any such Standards.

This memorandum should be read in full, having regard to all stated assumptions, limitations and disclaimers

6. Regulatory

6.3 Activity report from Canterbury Regional Council (ECAN)

Date of meeting	31 July 2025
Agenda item number	6.3
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 April to June 2025 – Quarter 4 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 4 (April to June 2025). The work programme was guided by an agreed cost-saving directive. As a result, no new activities were initiated unless critical, and the focus remained on completing in-progress work. Diving and firearm-related activities remain under stop-work notices, impacting delivery of some biosecurity operations.

Navigation Safety

Ongoing risk assessment and support to the Council's Harbourmaster continued. PHMSC compliance was reviewed, with the February 2025 panel held online. A review of the Safety Management System (SMS) was completed. Advice was also provided on the Waitangi Wharf build for the replacement shipping solution procurement process.

Biosecurity

Border control checks continued, primarily on CISL freight. Pest control targeted rats, willow, banana passionfruit and reed sweet grass. Exclusion pest monitoring (eg. Asian paddle crab) occurred in June. Diving work halted permanently; Council will transition this to the new provider to continue. Community engagement continued via newsletters and one-on-one advice.

Civil Defence and Emergency Management

No CDEM group planning occurred in Quarter 4. Training is planned for Q1 2025/26 subject to the Emergency Manager preparing a training place. Community resilience activities are also scheduled.

Marine Oil Spill Readiness

All Tier 1 oil transfer sites were compliant as of March 2025. Support to the on-island ROSC continued. Tier 2 plan support is ongoing; expiry is December 2026.

Environmental Data Collection

Monitoring regimes were reduced to lower costs. Equipment remains operable to avoid decommissioning costs. Groundwater site visits were deferred.

Compliance Monitoring

A biennial audit was completed in March 2025; report pending. Ad hoc consent compliance support continued. Training on enforcement was delivered in March.

Resource Management Planning

A submission on wastewater standards was lodged in April. CIRMD has been updated for national direction. Submissions to Central Government were delayed as announcements on environmental legislation were expected (and took place) in mid-July.

Communications

Regular newsletters, website stories and social media updates were delivered. Website upgrade (SilverStripe 5) to go live end of July 2025. Annual Plan 2025/26 communications completed.

Corporate Services – Payroll

Payroll services continued uninterrupted. Transition work to a new provider ready.

Financial Services

Annual Plan 2025/26 adopted within statutory timeframes. Financial reporting and weekly executive support meetings were maintained. Minor system improvements were made. Process issue involving elected members resolved with all parties.

Environment Canterbury | Chatham Islands Council

Quarterly Reporting Q4 2024-25

SUMMARY – The work programme for Q4 2024-25 has been focused on cost saving for Chatham Islands Council.

Due to this, as agreed with Chatham Islands Council Chief Executive, Paul Eagle in late April, the remainder of the financial year was spent concentrating on work which was already underway. No new work was commenced unless deemed critical.

As indicated in the Q3 report, a permanent stop-work notice in relation to diving has been issued. This means that some of the maritime biosecurity work is not able to be completed by Environment Canterbury as outlined in the work programme. Environment Canterbury have provided advice to Chatham Islands Council to support them to directly engage a contractor to complete this work. The firearms stop-work notice remains in place.

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. <i>[This would be a continuation of 2023-24 programme]</i> - Support the development of short term and long-term shipping solutions to the Island by participating in relevant CIC-led project. <i>[Environment Canterbury is already providing advice]</i>			
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.		Ongoing support to CIC Harbourmaster.
Navigation Safety Bylaws, HM Directions,	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.		Current Bylaw and Direction are reviewed annually and fit for purpose.

and supporting documents			
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.		Clarification that the PHMSC Panel Review was conducted online in February, and not on island. As preparation for this review the CRC HMO did conduct an on-island review of SMS, Risk Assessment and PHMSC in December to prepare documents for submission to the panel and participated in the Panel Review. Still awaiting the final report. Early indications are for non-consistency. Paul Eagle advised.
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.		Ongoing maintenance of the system in line with PHMSC guidelines
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.		Recent advice provided on the build specifications of Waitangi Wharf as outlined in the Maintenance Manuals. Three proposals for shipping solution.

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.		Ongoing border checks have occurred over Q4. These are primarily focussed on the freight arriving by CISL. Bait station checks are ongoing and ramp up during the colder months. This work is to control rat populations around the main ports and prevent rats making their way to Pitt Island.
Implementation of the CI PMP	On-going work relating to Pest Management, Marine Biosecurity and Regulatory Reviews will continue to be approved quarterly, <u>in advance</u>, by Environment Canterbury Director and Chatham Islands Chief Executive prior to work being undertaken. <i>Refer to Appendix 1 of the agreed work programme.</i>		CIPMP work is focussed on our top priority pest programmes. These include exclusion, eradication and progressive containment pests. Control work on willow, Reed sweet grass and banana passionfruit (all eradication pests) occurred in April.

			During late June staff undertook initial crab potting activities around three of the main ports on Rēkohu/Wharekauri/Chatham to check for the presence/absence of Asian paddle crab which are listed as an exclusion pest.
Marine Biosecurity	On-going work relating to Pest Management, Marine Biosecurity and Regulatory Reviews will continue to be approved quarterly, <u>in advance</u> , by Environment Canterbury Director and Chatham Islands Chief Executive prior to work being undertaken. <i>Refer to Appendix 1 of the agreed work programme.</i>		Permanent stop-work notice in place for diving. CRC have provided support to enable CIC to directly engage diving contractor to complete this work.
Regulatory Reviews	On-going work relating to Pest Management, Marine Biosecurity and Regulatory Reviews will continue to be approved quarterly, <u>in advance</u> , by Environment Canterbury Director and Chatham Islands Chief Executive prior to work being undertaken. <i>Refer to Appendix 1 of the agreed work programme.</i>	N/A	No work has been undertaken by biosecurity staff 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 monthly biosecurity contributions to the CIC e-newsletter occur. One on one advice given when community members contact biosecurity staff. This includes information/identification on different insects that community members have found on or near their properties. DestinationNZ are running a feature piece on the Chathams for 6 months (June-December). Messaging in relation to border biosecurity has been included in this. www.destinationz.kiwi Support for the cat desexing programme

			continues with the vets being on-island late May-early June.
*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

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 in Q4
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.		On-island training dates reached for 25/26-Q1 – planning underway for training delivery. (NOTE: Training provided by CRC staff member, but funded through budget prescribed to the CIC by NEMA from an annual CDEM training fund)
Welfare and Civil Defence Centre	Assisting CIC to provide welfare services to the community during an emergency.	N/A	No work undertaken in Q4 Highlighted area for focus in 25/26 year

Community Resilience	Provide advice on Community Resilience Initiatives		Dates reached for on-island community resilience visit 25/26-Q1 in conjunction with training – planning underway to assist with an effective community engagement/development programme.
Policy and Planning Support	Provide advice and support for CDEM and CEG meetings, Legislative changes, and to re-focus the CDEM on-Island activity		Advice provided on Q3 CEG outcomes

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.		All Tier 1 oil transfer sites are now compliant with the MTA & MPRs. As at March 2025. <i>All sites need to provide exercise evidence annually, with plan reviews and site audits biennially.</i>
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 ongoing, ad hoc. <i>T2 plan expiry: 14/12/2026.</i>

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.		This requirement requires continuous reassessment and updating of previous advice to the Council. Previous advice was in November 2023 and although it has not needed any explicit update/change since, there has been little opportunity for further dialogue with CIC on this subject.
Water quality/ quantity monitoring, Groundwater resource evaluation and monitoring	Implement the monitoring regime reductions <i>[as set out in Appendix 2]</i> 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.		Monitoring regime reductions have been implemented over the past 12 months which has generated considerable cost savings. However, equipment has deliberately not been decommissioned/removed, and has not been made inoperable, as that would have generated a considerable one-off cost and may not be in the best interests of CIC. There are still significant ongoing data [satellite]

			communication costs that are being accrued for this equipment. CRC have not furthered “providing additional monitoring of dune lakes and groundwater” as this would have required considerable cost including field visits to the island. CRC have provided a memo on scope of groundwater monitoring that included some commentary on “... 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”. However further commentary on monitoring/management of the dune lake water resource has not been provided. CRC have not “... Prepared a plan for CIC agreement including to define the sites ... etc” as that would have been an output of the groundwater [and dune lake] visits to the island that were stopped/delayed as an option for the new year contract.
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			A new timeframe will need to be agreed by both parties in the current years contract as it was not achievable in Q4.
Training	Seek to upskill local CIC employees to minimize or reduce the number of fieldtrips to the Island for monitoring purposes where possible.		This has not been progressed as staff have not been able to visit the island.

*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.

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. <i>Previous assessment was Q3 2022/23 (Feb 2023), therefore the next Compliance assessment is due in Q3 2024/25 (Feb 2025).</i>		Compliance assessment completed in March 2025 with the draft report completion expected by end of July 2025.
Consent monitoring	Ongoing compliance monitoring and advice as required.		Ad hoc. All enquiries responded to.
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.		In person training delivered in March 2025.

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

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		A submission was prepared and lodged in April 2025 in response to central government consultation on wastewater environmental performance standards. Advice has been supplied to CIC regarding the national direction package that is currently out for consultation. CIC have not replied to requests for approval to write submissions on those proposals. As a result, no submissions are being prepared.
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		The CIRMD has been updated as required for all new national direction.

Long term Climate planning	Support CIC in the development of its 30-year plan and Climate Change Strategy.	N/A	CRC have not been involved in the preparation of the 30-year plan or a Climate Change Strategy.
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Our ref: CORP/MGT/2/5/15
Contact: Giles Southwell

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, including major upgrade to SilverStripe 5.
- 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.		Social media and website news stories have been published over the last quarter including elections, biosecurity, local public service reform, Capital Value update and MOT's shipping service consultation.
E-newsletter	Publishing a monthly e-newsletter to share key council business with residents and interested stakeholders.		Regular monthly e-newsletters have been created and distributed.
Website maintenance	Keep the website up to date and relevant to be a go-to source for council information.		Website upgrade – testing, search integration, performance testing has started – working to a go-live of upgrade end of July 2025.

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.		Support carried out to produce the Annual Plan 2025/26. Work will start on the Annual Report 2024/25 soon.
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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 the standard Payroll services as required.
*Note: Other Corporate functions have now ceased and been removed from the schedule.			

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.		2025/26 Annual Plan and budget was drafted based on discussion with CIC. The Annual Plan was presented to both PARC and Council for feedback and adopted within statutory timeframes. Preparation for the 2024/25 Annual Report is underway, Audit NZ have identified areas of risk, including financial viability (going concern), which may impact on the audit opinion issued.

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.		Financial documents were prepared for PARC and Council agendas based on the agreed reporting template, with meetings attended. Previously agreed PARC and Council financial reports would be provided to DIA as part of the reporting pack. Noting it is CIC's responsibility to meet the contracted reporting obligations to the 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 scheduled. With additional ad hoc meetings and reports completed on an as required basis.

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.
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*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.

Public Excluded Agenda

31 July 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 19 June 2025	Good reason to withhold exists under Section 7	Section 48(1)(a)
PE 2	CIC ECAN Work Programme 2025/26	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 ECAN Work Programme 2025/26	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.	

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