



chatham islands council

Chatham Islands Council

BOARD PACK

for

Council Meeting

Thursday, 28 May 2026

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, 28 May 2026
Time:	9:00 am to 11:00 am (+1245)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands https://teams.microsoft.com/meet/48545966533596?p=IQiqy3hDhRGwUvIBFX
Board Members:	Mayor Greg Horler, Cr Celine Gregory-Hunt, Cr Keri Day, Cr Bridget Gibb, Cr Graeme Hoare, Cr Jenna Hoverd, Cr Jacqui Southcombe, Cr Nathaniel Whaitiri
Attendees:	Mr Bob Penter, Ms Mereraina Hemara, Ms Jo Guise

1. Opening Meeting

1.1 Meeting Opening

9:00 am (5 min)

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	9
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1.4 Action List

9:09 am (5 min)

For Noting

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

Supporting Documents:

1.4.a Action List	11
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2. Democracy

2.1 Ordinary Meeting Minutes 23 April 2026

9:14 am (3 min)

For Decision

Review and confirm the minutes of the previous meeting.

Supporting Documents:

2.1.a	2.1 Minutes23 April 2026.pdf	12
2.1.b	Public Minutes 23 Apr 2026 Council Meeting.pdf	13

2.2 Memorandum of Understanding - Chatham Islands Shipping Service

9:17 am (5 min)

Mr Bob Pentter

For Decision

To seek approval for Chatham Islands Council to enter into a Memorandum of Understanding (MOU) with Chatham Islands Enterprise Trust (CIET), 44 South, and the Ministry of Transport to support delivery of a reliable and sustainable shipping service to the Chatham Islands.

Supporting Documents:

2.2.a	2.2 MOU - Chatham Islands Shipping Service.pdf	21
2.2.b	Chatham Islands - MOU 28.04.2026.pdf	24

2.3 Chief Executive Report

9:22 am (5 min)

Mr Bob Pentter

For Information

This report to Council is to provide elected members with clear, relevant, and timely information to support informed decision-making and oversight of Council operations.

Supporting Documents:

2.3.a	2.3 Chief Executive Report.pdf	29
2.3.b	LGNZ May 2026 Z5&6 - Event Insights Report.pdf	35
2.3.c	ToR Council-Owned Residential Properties.pdf	68

3. Finance

3.1 Financial Report

9:27 am (10 min)

For Noting

Supporting Documents:

3.1.a	3.1 Financial Report.pdf	73
3.1.b	Council May 2026.pdf	74

3.2 Operational and Capital expenditure approval

9:37 am (10 min)

Mr Bob Pentter

For Decision

The purpose of this report is to seek Council approval to realign operational and capital budgets to meet current water, wastewater, and waste management service, maintenance, and compliance requirements.

Supporting Documents:

3.2.a	3.2 Operational and Capital expenditure approval.pdf	77
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4. Works & Services

4.1 Stantec Report

9:47 am (5 min)

For Information

Information to be received.

Supporting Documents:

4.1.a	4.1 Stantec Report1.pdf	83
4.1.b	Stantec report.pdf	84

4.2 Fulton Hogan Road Maintenance Report

9:52 am (5 min)

For Noting

Information to be received.

Supporting Documents:

4.2.a	4.2 Fulton Hogan Road Maintenance Report .pdf	93
4.2.b	4.2 Fulton Hogan Road Maintenance Report May 2026 (002).pdf	94

4.3 Fulton Hogan Water & Wastewater report

9:57 am (5 min)

For Noting

Information to be received.

Supporting Documents:

4.3.a	4.3 Fulton Hogan Water & Wastewater Contract .pdf	101
4.3.b	4.3 WWW report May 2026 SP2 (002).pdf	102

4.4 Fulton Hogan Waste Management report

10:02 am (5 min)

For Noting

Information to be received.

Supporting Documents:

4.4.a	4.4 FH Waste Management Report.pdf	105
4.4.b	4.4 EOM report April - May2026.pdf	106

5. Community

6. Regulatory

6.1 Appointment of DLC Committee

Supporting Documents:

6.1.a	CE Report attachmentLGNZ May 2026 Z5&6 - Event Insights Report.pdf	111
6.1.b	6.1 DLC - Appointment of DLC committee.pdf	144

7. Emergency Management

8. Governmennt

9. Chatham Islands

10. Bylaws & Policies

10.1 Adoption of the Draft Donation and Koha Policy 2026

10:07 am (10 min)

Mr Bob Penter

For Decision

To present the reviewed Donations and Koha Policy 2026 for adoption, replacing the existing policy adopted in 2014.

Supporting Documents:

10.1.a	10.1 Adoption of Draft Donation and Koha Policy 2026.pdf	147
10.1.b	DRAFT Donation and Koha Policy 2026.pdf	150

10.2 Adoption of the Draft Grants and Funding Policy 2026

10:17 am (10 min)

Mr Bob Penter

For Decision

To present the Draft Grants and Funding Policy 2026 for adoption as a new Council policy.

Supporting Documents:

10.2.a	10.2 Adoption of Draft Grants and Funding Policy 2026.pdf	158
10.2.b	DRAFT Grants and Funding Policy 2026.pdf	161

10.3 Adoption of the Draft Delegations Policy 2026

10:27 am (10 min)

Ms Mereraina Hemara

For Decision

The purpose of this report is to seek Council approval to adopt the Draft Delegations Register 2026, which consolidates and updates delegations of authority from the Council to the Chief Executive, staff, and committees.

Supporting Documents:

10.3.a	10.3 Adoption of Draft Delegations Register 2026.pdf	169
10.3.b	DRAFT Delegation Register May 2026.pdf	172

10.4 Adoption of Draft Sensitive Expenditure Policy 2026

10:37 am (10 min)

Ms Mereraina Hemara

For Decision

The purpose of this report is to seek Council adoption of the Draft Sensitive Expenditure Policy 2026.

Supporting Documents:

10.4.a	10.4 Adoption of the Sensitive Expenditure Policy 2026.pdf	211
10.4.b	DRAFT Sensitive Expenditure Policy May 2026.pdf	215

11. Move to Public Excluded

11.1 Move to Public Excluded

Supporting Documents:

11.1.a	PE Cover Page 28 May 2026.pdf	245
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12. Public Excluded

12.1 Public Excluded Minutes 23 April 2026

10:47 am (2 min)

For Decision

Confirmation of Minutes from the previous meeting.

Supporting Documents:

12.1.a	PE 12.1 Minutes PE Meeting 23 April 2026.pdf	246
12.1.b	PE 23 Apr 2026 Minutes Council Meeting.pdf	247

12.2 Council Contractual Arrangements – Correspondence with ECan and DIA

Supporting Documents:

12.2.a	PE 12.2 Interim Chief Executive Report Pt2.pdf	250
12.2.b	APR2026 - Letter to Interim CE - Chatham Islands Council.pdf	252
12.2.c	05-06-2026-LTR-CIC-ECan-Contract-for-Services.pdf	254
12.2.d	6MAY2026 - Letter to Interim CE - Chatham Islands Council.pdf	256
12.2.e	14MAY2026 - Letter to Interim CE - Chatham Islands Council.pdf	258
12.2.f	2026-05-21-CIC-LTR-DIA-Update.pdf	260

12.3 Close the meeting

10:49 am

Next meeting: Council Meeting - 25 Jun 2026, 9:00 am

There being no further business the meeting closed.

Interests Register

Chatham Islands Council



As of: 28 May 2026

Person	Organisation	Active Interests	Notice Date
Cr Bridget Gibb	CIC	Distant whanau link to proposed Interim CE	4 Mar 2026
Cr Cèline Gregory-Hunt	CIC	6.4 Applicant	27 Sept 2024
Cr Keri Day	Chatham Islands Council	Interested party - Item 7.1 Water Tank Project Update	1 Feb 2024
Cr Nathaniel Whaitiri	CIC	Distant whanau links to suggested Interim CE	27 Feb 2026
	x	x	4 Mar 2026
Mayor Greg Horler	Chair, Chatham Islands Ports	Water - Chatham Islands Shipping Ltd	7 Apr 2026
	Chair, Chatham Islands Ports Ltd	Surplus Water - Chatham Islands Shipping Ltd	26 Mar 2026
	CIC	6.8 Whanau member of applicant	27 Sept 2024
Mr Bob Penter	CEO - Enterprise Trust / Interim CEO Chatham Islands Council	Surplus Water - Chatham Islands Shipping Ltd	26 Mar 2026
	Chatham Islands Enterprise Trust	- Group CEO and Executive Deputy Chair, Chatham Islands Enterprise Trust - Board of Governors, Rangi Ruru Girls School - Advisory Board Chair, Tambo Limited - Recruit Firefighter, Chatham Islands Volunteer Fire Brigade	26 Mar 2026

Action List

Chatham Islands Council



As of: 25 May 2026

Options for Speed bumps outside Te One School

In Progress

Options report for slowing down traffic outside Te One School.

Due Date: 31 Mar 2026
Owner: Ms Mereraina Hemara
Meeting: 19 Feb 2026 Council Meeting, 4.1 Stantec Report

Contact NKMR re Project

In Progress

Contact NKMR to find out where they are at with their project and advise them the funding expires on 30 June 2027.

Due Date: 30 Apr 2026
Owner: Mr Bob Pentter
Meeting: 26 Mar 2026 Council Meeting, 3.3 Better-off Funding

Latest Update:

Schedule a workshop with the NKMR committee & Council.

Ms Jo Guise | 23 Apr 2026

Community Engagement Document

In Progress

CE to complete a community engagement document to outline Council's funding situation and other factors impacting the Council.

Due Date: 30 Jun 2026
Owner: Mr Bob Pentter
Meeting: 26 Mar 2026 Council Meeting, 3.5 Annual Plan 2026/27 – draft budget



2. Democracy

2.1 Minutes of Ordinary Meeting 23 April 2026

Date of meeting	28 May 2026
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 23 April 2026.

Recommendations

1. **THAT the minutes from the Ordinary meeting held on 23 April 2026 be a true and accurate record.**

MINUTES (in Review)

COUNCIL MEETING



Name:	Chatham Islands Council
Date:	Thursday, 23 April 2026
Time:	9:30 am to 11:03 am (+1245)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands
Board Members:	Mayor Greg Horler, Cr Celine Gregory-Hunt, Cr Keri Day, Cr Graeme Hoare, Cr Nathaniel Whitiri, Cr Jacqui Southcombe, Cr Jenna Hoverd
Attendees:	Mr Bob Pentter, Ms Mereraina Hemara, Ms Jo Guise, Ms Rebecca Tinga, Ms Kirsten Norquay, Ms Tanya Clifford, Mr Shingy Torga
Apologies:	Cr Bridget Gibb

1. Opening Meeting

1.1 Meeting Opening

Mayor Horler opened the meeting by welcoming Mereraina Hemara to the Operations Manager role. He also welcomed Shingy Torga from Fulton Hogan.

1.2 Apologies



Apologies

THAT the apologies be received.

Decision Date:	23 Apr 2026
Mover:	Cr Jacqui Southcombe
Seconder:	Cr Graeme Hoare
Outcome:	Approved

1.3 Interests Register

1.4 Action List

Due Date	Action Title	Owner(s)
31 Mar 2026	Options for Speed bumps outside Te One School Status: In Progress	Ms Mereraina Hemara
30 Apr 2026	Schedule of LGOIMA to Council Status: Completed on 23 Apr 2026	Mr Bob Pentter
30 Apr 2026	Better off Funding Status: Completed on 29 Apr 2026	Mr Bob Pentter
30 Apr 2026	Contact NKMR re Project Status: In Progress	Mr Bob Pentter
30 Jun 2026	Community Engagement Document Status: In Progress	Mr Bob Pentter



Action List Updates

THAT the Action List updates be received.

Decision Date: 23 Apr 2026
Mover: Cr Jenna Hoverd
Seconders: Cr Celine Gregory-Hunt
Outcome: Approved

2. Democracy

2.1 Ordinary Meeting Minutes 26 March 2026



Minutes of Ordinary Meeting 26 March 2026

THAT the minutes from the Ordinary meeting held on 26 March 2026 be a true and accurate record.

Decision Date: 23 Apr 2026
Mover: Cr Jenna Hoverd
Seconders: Cr Jacqui Southcombe
Outcome: Approved

2.2 Leave of Absence - Mayor



Leave of Absence - Mayor

That Council:

1. Approves a leave of absence for the Mayor from 1 May to 31 May 2026 (inclusive).
2. Notes that the Deputy Mayor will perform the responsibilities and duties of the Mayor during this period, in accordance with legislation and Council delegations.

Decision Date: 23 Apr 2026
Mover: Cr Jenna Hoverd
Seconders: Cr Graeme Hoare
Outcome: Approved

3. Finance

3.1 Financial Report



Financial Report

That the Chatham Islands Council receives the report.

Decision Date: 23 Apr 2026
Mover: Cr Jenna Hoverd
Seconders: Cr Graeme Hoare
Outcome: Approved

- Financial performance is tracking better than expected, with a forecast deficit still anticipated but likely to be lower than the ~\$300k budgeted shortfall (timing of grant expenditure a key factor).
- Some uncertainty remains due to recent staff changes, with potential for unrecorded transactions; estimates have been applied.
- Waste management costs are currently below budget—requires follow-up to confirm whether due to efficiencies or reduced service levels.

- Noted potential request for additional funding in water and wastewater, to be addressed later in the meeting.

3.2 Infrastructure Asset Valuation



Infrastructure Asset Valuation

That the Council:

- Note that asset valuations for roading, solid waste, and water and wastewater assets have been completed and that detailed valuation reports have been provided separately;
- Note that the valuation results will be incorporated into the financial system and Annual Report, subject to completion of the external audit process;
- Note that there is no direct or immediate impact on operational funding or liquidity

Decision Date: 23 Apr 2026
Mover: Cr Jenna Hoverd
Second: Cr Jacqui Southcombe
Outcome: Approved

This Report was presented for information as part of annual reporting requirements; no decision was required.

- Asset valuations updated to reflect current replacement costs rather than historic cost.
- Valuations undertaken by Stantec, showing overall increases due to inflation and changes in construction costs.
- Summary of valuations by asset class provided.

4. Works & Services

4.1 Stantec Report



Stantec Report

THAT the reports be received.

Decision Date: 23 Apr 2026
Mover: Cr Jenna Hoverd
Second: Cr Jacqui Southcombe
Outcome: Approved

- Rebecca Tinga provided an update on preparations for the upcoming roading funding application to the Transport Agency for the 2027–2031 funding period. It was noted that indicative funding figures are expected in August and are anticipated to broadly align with previous funding levels.

An update was provided on key roading matters. The installation of lighting at Owenga Wharf has been completed. It was further noted that a failed culvert near Owenga has been removed, with the road currently temporarily narrowed pending future redevelopment planning.

In relation to asset management, it was advised that the asset valuation process is subject to detailed audit review. Overall, the programme is tracking well, however some underlying assumptions will need to be revisited as part of the ongoing review process.

An update was provided on water and wastewater services. It was noted that earlier reported information is now considered outdated due to newly identified budget issues, and

a revised position will be presented to the next meeting. Essential servicing at both the Kaingaroa and Waitangi water treatment plants has been completed, and critical spare equipment has been ordered to strengthen operational resilience. It was further noted that non-essential works are currently on hold.

In relation to compliance and E. coli monitoring, it was clarified that testing is undertaken on treated wastewater rather than soil. It was reported that recent improvements to UV treatment processes and sampling regimes have resulted in significantly reduced E. coli levels, which are currently within consent limits. It was noted that a historic compliance report dated March 2025, which had been referenced, may be outdated and will be provided to Stantec for review as an action point.

The meeting acknowledged the need for future upgrades to the Waitangi Wastewater Treatment Plant, including the potential extension of the land application area to improve system performance and further reduce environmental effects.

Shingy Torga gave a verbal update of current works at Fulton Hogan.

Cr Gregory-Hunt left the meeting at 10.03am.



Action

Send march 2025 Compliance report to Kirsten Norquay for review.

Due Date: 6 Jun 2026

Owner: Mr Bob Penten

5. Community

6. Regulatory

6.1 DLC - Membership and Governance Update



DLC - Membership and Governance Update

That Council:

1. Receives the report titled "District Licensing Committee – Membership and Governance Update"; and
2. Notes the current membership of the District Licensing Committee has lapsed;
and
3. Notes that DLC member Casie Seymour has relocated off the Chatham Islands; and
4. Notes that elected members of Council committees may also be appointed to the District Licensing Committee under the Sale and Supply of Alcohol Act 2012, provided they act independently in that role; and
5. Agrees that a minimum of four commissioners be appointed to the District Licensing Committee, including:
 - o At least two members with significant knowledge and experience of District Licensing Committee processes and legislation; and
 - o At least two members who are residents of the Chatham Islands to provide local knowledge; and
6. Considers whether additional members should be appointed to the District Licensing Committee to ensure ongoing capacity and resilience.

Decision Date: 23 Apr 2026

Mover: Cr Graeme Hoare
Second: Cr Jenna Hoverd
Outcome: Approved

The Council considered a report on the re-establishment of the District Licensing Committee (DLC) under the regulatory agenda. It was noted that recent changes in membership have reduced capacity, and it was considered beneficial to increase available members to ensure continuity and resilience. The proposal seeks to include members with both regulatory experience and local knowledge to support effective DLC processes.

Cr J Southcombe volunteered and was appointed to the District Licensing Committee.

6.2 Compliance Audit Report



Compliance Audit Report

That Council:

1. Receives the report titled "Chatham Islands Compliance Audit 2025".

Decision Date: 23 Apr 2026
Mover: Cr Jenna Hoverd
Second: Cr Jacqui Southcombe
Outcome: Approved

The Council received the 2025 compliance audit report for the Chatham Islands. It was noted that the report is largely informational but highlights ongoing areas of non-compliance and the need for continued improvement. Discussion was held regarding how compliance and enforcement activities are currently managed, including the absence of warranted enforcement officers and the current focus on education and awareness rather than active enforcement. Members noted that consideration is needed around whether to strengthen the Council's regulatory and enforcement approach. It was agreed that further discussion will be brought to the PAR Committee and potentially a future workshop before any decisions are made. The report was received.

7. Emergency Management

8. Government

9. Chatham Islands

10. Bylaws & Policies

10.1 Draft Motor Vehicle Policy 2026



Draft Motor Vehicle Policy 2026

That Council:

1. Receives the report titled Draft Motor Vehicle Policy; and
2. Approves the adoption of the Draft Motor Vehicle Policy with amendments noted.

Decision Date: 23 Apr 2026
Mover: Cr Jenna Hoverd
Second: Cr Graeme Hoare
Outcome: Approved

The Council considered the draft Motor Vehicle Policy as the first in a series of updated sensitive expenditure policies arising from the audit review. The policy addresses gaps in existing

arrangements (dating back to 2009) relating to the use of Council fuel cards, private benefit risk, and the management of Council vehicles and staff entitlements.

It was noted that the policy is overdue and seeks to modernise and strengthen controls across Council vehicle use, including staff and contractor arrangements. Members discussed the importance of clear governance, appropriate use of vehicles, and ensuring consistency across roles and contracts.

The Council indicated support in principle for updating and adopting the policy, with feedback to be incorporated where required before finalisation.

Bridget Gibb joined the meeting at 10.13am.

Insert 'clean and tidy and all times'.

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 26 March 2026	Good reason to withhold exists under Section 7	Section 48(1)(a)
PE 12.2	Interim CE Report	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
PE.1.	PE Minutes 26 March 2026	7(2)(b)(ii) 7(2)(h)	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.

		7(2)(i)	To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities.
PE 12.2	Interim CE Report	7(2)(b)(ii) Section 7(2)(a) 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.

Decision Date: 23 Apr 2026
Mover: Mayor Greg Horler
Seconder: Cr Nathaniel Whaitiri
Outcome: Approved

12.3 Close the meeting

Next meeting: Council Meeting - 28 May 2026, 9:00 am There being no further business the meeting closed at 11.03am

Signature:_____

Date:_____

2. Democracy

2.2 Memorandum of Understanding – Chatham Islands Shipping Service

Date of meeting	28 May 2026
Agenda item number	2.2
Author	Bob Penter, Interim Chief Executive

Purpose

To seek approval for Chatham Islands Council to enter into a Memorandum of Understanding (MOU) with Chatham Islands Enterprise Trust (CIET), 44 South, and the Ministry of Transport to support delivery of a reliable and sustainable shipping service to the Chatham Islands.

Recommendation

That Council:

- 1. Approves the Memorandum of Understanding between Chatham Islands Council, Chatham Islands Enterprise Trust, 44 South, and the Ministry of Transport; and**
- 2. Authorises the Chief Executive to execute the MOU on behalf of Council.**

Background

The Chatham Islands community is reliant on a safe, reliable, and resilient shipping service to support its social and economic wellbeing. Freight services are critical for the supply of goods, export of produce, and overall functioning of the Islands.

On 20 February 2026, the Ministry of Transport entered into a Funding Agreement with 44 South. This agreement provides \$24.3 million in government funding, with 44 South contributing the balance, to procure a suitable vessel and deliver long-term freight shipping services between mainland New Zealand and the Chatham Islands.

The proposed MOU sits alongside this Funding Agreement and outlines how the parties will work together in practice to support the long-term success of the shipping service.

Discussion

The purpose of the MOU is to establish a collaborative framework between the parties to support delivery of a reliable and sustainable shipping service.

The MOU:

- Sets out how the parties will work together to achieve shared outcomes
- Supports coordination, communication, and alignment between stakeholders
- Does not create legally binding obligations, except for confidentiality provisions

The MOU does not replace or amend the Funding Agreement between the Ministry of Transport and 44 South. In the event of any inconsistency, the Funding Agreement prevails.

Importantly, the MOU does not limit the independence of any party or affect their statutory roles and responsibilities.

Entering into the MOU signals Council's commitment to a coordinated, partnership-based approach to ensuring the long-term viability of shipping services to the Chatham Islands.

Options

Option 1: Approve the MOU (Recommended)

Council approves and becomes a party to the MOU, supporting a coordinated approach to shipping service delivery.

Option 2: Do not approve the MOU

Council does not enter into the MOU, limiting its formal involvement in the collaborative framework supporting the shipping service.

Significance and Engagement

This matter is considered significant due to its direct impact on essential infrastructure and services that underpin the wellbeing of the Chatham Islands community.

Engagement has occurred with the relevant parties to develop the MOU.

Financial Implications

There are no direct financial implications for Council arising from entering into the MOU.

Funding arrangements are managed separately through the Ministry of Transport's Funding Agreement with 44 South.

Legal Considerations

The MOU is non-binding in nature, with the exception of confidentiality obligations (clause 6), which are legally binding.

The MOU does not alter Council's statutory responsibilities or legal obligations.

Risks

- **Low risk:** As the MOU is non-binding, it does not expose Council to significant legal or financial risk
- **Reputational risk:** Not participating may reduce Council's influence in collaborative arrangements relating to shipping services

Conclusion

The MOU provides a practical and collaborative framework to support the delivery of a reliable and sustainable shipping service to the Chatham Islands.

Approval is recommended to enable Council to formally participate in this partnership approach.

Attachments

1. Draft Memorandum of Understanding – Chatham Islands Shipping Service

MEMORANDUM OF UNDERSTANDING (MOU)

RELATING TO CHATHAM ISLANDS SHIPPING SERVICE

BETWEEN Ministry of Transport (“the Ministry”);
44 South Shipping Limited Partnership (“44 South”);
Chatham Islands Council (“CIC”); and
Chatham Islands Enterprise Trust (“CIET”),
(each a “Party” and together, the “Parties”)

DATED [INSERT]

1. PURPOSE

- 1.1. The purpose of this MOU is to set out how the following parties will work together to support the delivery of a reliable and sustainable shipping service to the Chatham Islands.
- 1.2. This MOU is not intended to be legally binding, with the exception of clause 6 (confidentiality) which will be binding on the Parties. Nothing in this MOU is intended to limit or affect the independence of each Party or the requirement that each Party act to fulfil its legal functions and obligations.

2. BACKGROUND AND CONTEXT

- 2.1. The Chatham Islands rely on a safe, reliable and resilient shipping service to support the social and economic wellbeing of the community.
- 2.2. The Ministry has entered into a Funding Agreement in relation to Chatham Islands shipping services with 44 South dated 20 February 2026 (the “Funding Agreement”). Under the Funding Agreement, the Ministry provides funding in the amount of \$24.3 million to 44 South with 44 South funding the balance to enable 44 South to procure the build of a suitable vessel and to provide long-term freight shipping services between mainland New Zealand and the Chatham Islands.
- 2.3. This MOU sits alongside the Funding Agreement. It does not replace or amend the Funding Agreement, but describes how the Parties will work together in practice to support the long-term success of the shipping service and positive outcomes for the Chatham Islands community. In the event of any inconsistency between the terms of this MOU and the Funding Agreement, the terms of the Funding Agreement shall prevail.

3. OBJECTIVES

- 3.1. The objectives of this MOU are to:
 - (a) support the successful establishment and ongoing operation of the new Chatham Islands shipping service;
 - (b) promote a shared understanding of roles and responsibilities;
 - (c) support effective communication, engagement and coordination between the Parties; and

- (d) help ensure the service works for both 44 South and the Chatham Islands community over the long term.

4. ROLES AND RESPONSIBILITIES

44 South

4.1. 44 South is the shipping service provider and:

- (a) is responsible for procuring the vessel and delivering the shipping service in accordance with the Funding Agreement;
- (b) is solely responsible for all operational and commercial decisions relating to the shipping service; and
- (c) engages directly with customers and manages day-to-day service delivery.

Ministry

4.2. The Ministry:

- (a) has provided funding to 44 South under the Funding Agreement and is responsible for monitoring performance and compliance against the Funding Agreement;
- (b) exercises approval and decision-making roles specified in the Funding Agreement;
- (c) acts as the primary interface within central government on matters relating to the shipping service; and
- (d) supports and facilitates constructive relationships between 44 South and the Chatham Islands community, while not directing operational decisions.

CIC

4.3. CIC:

- (a) represents the Chatham Islands community in its role as the local authority;
- (b) supports coordination on-island, including in relation to port operations, infrastructure and emergency response;
- (c) provides local government input into discussions about service performance and community impacts; and
- (d) works with CIET and others to represent community perspectives.

CIET

4.4. CIET:

- (a) represents the interests of the Chatham Islands community as a key end-user of the shipping service;

- (b) provides local insight on freight demand, economic activity and community needs;
- (c) coordinates locally with businesses and stakeholders to support effective use of the service;
- (d) works with the other parties to identify opportunities to improve outcomes for the Chatham Islands; and
- (e) owns and operates the incumbent shipping service, through its subsidiary Chatham Islands Shipping Limited.

5. PRINCIPLES

5.1. The Parties agree to work together in accordance with the following principles:

- (a) Shared success – A successful and sustainable service must work for both 44 South and the Chatham Islands community;
- (b) Good faith – The Parties will engage openly, honestly and constructively;
- (c) No surprises – The Parties will raise emerging issues early, particularly where matters may affect service delivery, the community or public confidence;
- (d) Respect for roles – Each Party will respect the distinct roles and responsibilities of the others, including 44 South's responsibility for operational decisions; and
- (e) Continuous improvement – The Parties will look for opportunities to improve service outcomes over time.

6. CONFIDENTIALITY

- 6.1. The Parties will treat information exchanged under this MOU which is not publicly available as confidential ("Confidential Information") and, except where required by law or with prior written consent, will not disclose it to any person other than the recipient's employees, subcontractors, agents, officers and representatives who need the information for the purpose for which it was provided by the disclosing Party.
- 6.2. The Parties will only use Confidential Information shared under this MOU only for the purposes of this MOU. If disclosure is required by the Official Information Act 1982 or the Local Government and Official Meetings Act 1987 (as applicable), the disclosing Party will inform the other Parties prior to disclosure.
- 6.3. The Parties will comply with applicable New Zealand laws and public sector information management requirements. The Parties will establish and maintain effective security measures to safeguard the Confidential Information from unauthorised access, use, copying or disclosure.
- 6.4. The Parties' confidentiality obligations in this clause 6 shall continue in force notwithstanding any expiry or termination of this MOU.

7. ENGAGEMENT AND COMMUNICATION

- 7.1. Each Party will nominate a primary contact person for matters relating to this MOU. The primary contact person should be appropriately empowered to speak on behalf of the organisation they represent.

7.2. The Parties will engage with each other as required on matters relating to the shipping service, but agree to meet at least twice per year to:

- (a) Discuss service performance and community experience;
- (b) Share information and perspectives; and
- (c) Identify any issues, risks or opportunities for improvement.

7.3. Meetings may be held in person or remotely, as agreed.

7.4. The Ministry will act as the secretariat for any meetings and will be responsible for preparing agendas and minutes of any agreed actions.

8. CONTRACT MANAGEMENT AND COMMUNITY INPUT

8.1. The Funding Agreement specifies a number of circumstances in which 44 South is required to seek the Ministry's approval before taking certain actions.

8.2. Where Ministry approval is required under the Funding Agreement, the Ministry will, where practicable and appropriate:

- (a) consult with CIC and CIET prior to making a decision;
- (b) seek feedback from CIC and CIET on behalf of the Chatham Islands community, including likely impacts on end-users; and
- (c) take that feedback into account when exercising its approval role.

8.3. Examples of approval matters under the Funding Agreement include (without limitation):

- (a) Changes to mainland port(s) of call;
- (b) Material changes to service frequency or scheduling;
- (c) Changes to vessel arrangements that may affect service reliability or capacity; and
- (d) Other significant changes identified in the Funding Agreement as requiring Ministry approval.

8.4. Nothing in this section limits the Ministry's ability to make decisions in accordance with the Funding Agreement, nor does it give CIC or CIET decision-making authority in respect of operational matters.

9. ISSUES AND DISPUTE RESOLUTION

9.1. This MOU is not legally binding and does not create enforceable obligations, with the exception of clause 6 (confidentiality) which will be binding on the Parties.

9.2. Where issues or disagreements arise, the Parties will:

- (a) raise them early and directly with the relevant Parties;
- (b) use reasonable endeavours to resolve matters collaboratively and in good faith ; and
- (c) focus on practical, mutually beneficial solutions that support the objectives of the shipping service.

9.3. Nothing in this MOU limits or replaces the formal dispute resolution processes set out in the Funding Agreement.

10. REVIEW AND DURATION

10.1. This MOU takes effect on the date it is signed by all Parties.

10.2. The Parties may review this MOU from time to time and make amendments to the MOU by mutual agreement in writing.

10.3. Any Party may withdraw from this MOU at any time by providing 30 days' notice to the other Parties.

SIGNATURES

Signed for and behalf of Ministry of Transport, through
Acting Chief Executive of the Ministry of Transport

[Name]

[Title]

Signature

Date:

Signed for and on behalf of 44 South Shipping Limited
Partnership by:

Callum Fraser McCallum

Director

Signature

Date:

Signed for and on behalf of Chatham Islands Council by:

[Name]

[Title]

Signature

Date:

Signed for and on behalf of Chatham Islands Enterprise Trust
by:

[Name]

[Title]

Signature

Date:

2. Democracy

2.3 Chief Executive's Report

Date of meeting	28 May 2026
Agenda item number	2.3
Author	Bob Penter, Interim Chief Executive

Purpose

The purpose of the report is to provide elected members with clear, relevant, and timely information to support informed decision-making and oversight of Council operations.

Recommendation

That Council:

- 1. Receives the Chief Executive's report;**
- 2. Approves the appointment of Wellington City Council to provide Food Act 2014 verification services to the Chatham Islands Council; and**
- 3. Authorises the Interim Chief Executive to negotiate and enter into a service agreement with Wellington City Council for the provision of those services, within approved budget provisions.**
- 4. Approves the Terms of Reference – Council-Owned Residential Properties (Appendix A); and**
- 5. Notes that operational management is undertaken by the Chief Executive in accordance with Council's Delegations Register, with governance oversight retained by Council.**

CE Report

1. Governance Reform Proposal

At the time of preparing this paper we are yet to receive a formal response from Minister Patterson. Councillors will recall the joint letter with the Enterprise Trust was sent to Minister Patterson on 27 March 2026, well ahead of the stated date in his 5 March letter for our expected response.

However, in the interim we have continued to engage with Crown officials. This resulted in the attached summary diagram being prepared responding to officials' question. This simplified the proposal and explained it as a governance consolidation.

2. RIF Proposal

We are pleased to report that the Chathams RIF package is now in the evaluation stage. We have met the evaluation team and made ourselves available to support that process. After the evaluation stage, which is expected to move quickly, Ministers' will make a final decision in late June/July.

The package projects currently being evaluated are:

Project 1: Wharf Upgrade Programme (including the upgrade of the portside livestock infrastructure).

Total Project Cost: \$10.867 million (includes 10% contingency and project management fee)

- Wharf Upgrades
RIF funding sought: \$8.229 million (includes 10% contingency)
For: Kaingaroa Wharf replacement \$6.500 million, Flower Pot Wharf repair \$0.300 million, Owenga Wharf repair \$0.500 million, plus Waitangi Wharf (installation of high mast LED lighting) \$0.180 million.
- Portside Livestock & Landside Infrastructure Programme
RIF funding sought: \$2.165 million

Project 2: Compliant fuel storage and distribution (including increased capacity for fuel storage).

RIF funding sought: NZD \$5.1 million

Project 3: Mobile Abattoir

Applicant: NZ Harvest Foods Limited (NZBN 9429051518431) Ownership: Scott Massey and Jared Eady. Contracting entity type: Private company.

RIF funding sought:

NZD \$1,200,000 (Loan)

Total project value:

NZD \$2,400,000

3. Water Services

We are continuing to work with DIA and Watercare in support of the condition assessment required to complete Council's Water Services Delivery Plan. This work is proceeding well.

We recently advised Council that, with DIA support, we have been able to direct \$115,000 of Local Water Done Well funding towards a number of priority water projects. We are grateful for the support from both DIA and Watercare.

One of the requirements from DIA is that the condition assessment report being overseen by Watercare is received and approved by Council by 30 June 2026. We have a Council meeting scheduled for 25 June and anticipate tabling the report at time for approval.

4. Attendance at LGNZ Zone 5 & 6 Conference

The Deputy Mayor and Interim CE attended the above conference on 30 April and 1 May. It provided an opportunity to connect with Minister Meager and also understand some of the changes and challenges facing the LG sector.

'Simplifying Local Government' and the 'Head Start' announcement were particularly topical. Together these provide various councils across the country with a 90-day window to design their own regional LG amalgamation before the Government steps in. The Government's announcement in a nutshell:

- Under the new Head Start pathway, two or more territorial authorities in a region can submit a reorganisation proposal by 9 August. These councils need to represent either a majority of the territorial authorities or of the population of that region.
- Regional councillors will serve out their full elected term (till October 2028). The Government's criteria for evaluating Head Start proposals covers key regional functions like river catchment management and public transport.
- For councils that don't participate in that Head Start process (or whose Head Start proposals are not approved), an alternative backstop process would come into play.
- The rapid review of regional council functions concluded that existing functions, outside of those already being considered as part of the new planning system such as compliance management and enforcement, are best delivered at a regional or local scale.
- The Government has set out the Head Start pathway [found on this page](#).

The Chatham Islands Council is not a standard district or city council. It is a sui generis territorial authority established under its own Act and vested with both territorial authority functions and selected regional council functions. For the purposes of the Head Start pathway, Council should be treated as eligible to participate, because it is expressly constituted as a territorial authority - "a territorial authority to be known as the Chatham Islands Council is hereby constituted" (s.6 of the Chatham Islands Council Act 1995) - and is not a regional council. However, because CIC's statutory position is unusual and it is sometimes described differently from standard unitary authorities, DIA confirmation should be sought before relying on that eligibility. However, it may have implications for how our work on the Chathams is supported by other Local Government partners affected by the reform.

5. Department of Conservation (DOC) Tenancy Agreement

DOC has occupied part of the Council's offices since 2024 and there have been extensive negotiations regarding the lease arrangements. However, the lease was not properly completed with both parties signing a lease agreement. The draft agreement indicated a 5 + 5 arrangement, so Council placed considerable reliance on DOC as a tenant with the income that brought with it.

DOC has now advised that it is terminating its occupancy of Council's building with 3 months' notice. It subsequently advised that its staff would exit the building on the weekend of 23/24 May 2026. We have accepted the termination notice but have not accepted that DOC can move out effectively immediately without further discussion regarding various matters.

Obviously, Council is not in a clear-cut legal position given the unexecuted lease agreement. The lesson is that such agreements need to be completed ideally before and no later than shortly after a sub-tenant moves into the building.

6. OAG Report – Next Steps

We continue to keep the OAG updated on our progress. At Council's last meeting the vehicle use policy was reviewed. Further policy reviews are included in this meeting's agenda and each Council meeting going forward will ensure that Council policy areas are reviewed or introduced.

The SFO's Counter Fraud Centre (CFC) has continued to work with Council staff and we can report that their recommendation that "a staged approach to awareness-raising... will enable an efficient delivery of core fraud and integrity principles, ensuring a common baseline of understanding before progressing to a more bespoke activity." The CFC has suggested;

Online webinars

These webinars are delivered live via Microsoft Teams and include an opportunity to ask questions at the end. (Please note that the Q&A is intended for general questions only. We are unable to discuss specific incidents, cases, or organisation-specific matters):

- Fraud Risk in Procurement - 11 Jun 2026 @11am

This webinar covers the various forms of fraud that can occur throughout the procurement lifecycle and how taking a risk-based approach can help manage the risks. The registration link is [here](#).

- Fraud 101 - 20 August 2026 @ 11am

This webinar covers what drives people to commit fraud, how to spot fraud red flags, and basic fraud prevention measures your organisation can put in place. The registration link is [here](#).

Online e-learning modules

Employees and councillors should be encouraged to complete these self-paced modules (approximately 15 minutes each). They can be completed at any time and are available [here](#).

- Understanding fraud and corruption – A foundational overview of recognising fraud and corruption in the public sector.
- Why people commit fraud - A foundational overview of recognising fraud and corruption in the public sector.
- Your role in fraud prevention - Focuses on individual responsibilities through realistic workplace scenarios.
- Confessions of a fraudster (video) - A fictionalised account of a public servant who commits fraud. It highlights how fraud can escalate and the importance of strong internal controls and vigilance.

Local Government Counter Fraud Community of Practice (LG CoP)

- The LG CoP provides a forum for those working in local government to share knowledge, experiences, and good practice, and to promote a consistent and cohesive counter fraud narrative across the sector.

It is recommended that:

- A. All councillors and Council Staff attend the online webinars;
- B. All councillors and staff are encouraged to complete the e-learning modules; and
- C. The Interim CE attends the Teams based LG CoP forum and this forms part of the transition to the permanent CE.

7. China Embassy Delegation

Council hosted a visit from the Chinese Ambassador and Consul-General, following a request made through diplomatic channels. The visit provided an opportunity to showcase the Chatham Islands and to engage in discussion about the unique characteristics of our community. Council valued the opportunity to strengthen international relationships and to share both the opportunities and challenges facing our island community.

8. Food Safety Support Services

Food safety support services have previously been provided to Council under contract with Wellington City Council (WCC). The contract expired in October 2025 and, while an extension option was available at that time, it was not progressed. Discussions have recommenced this week with Andrew Taylor, Team Leader Health at WCC, regarding the continuation of Food Act 2014 verification services.

The increased requirement for two inspectors to travel for verification activities, due to health and safety requirements and the growing number of registered food premises, has also been identified as a key consideration. The matter has been discussed with Yvonne Yang (Audit NZ) to ensure that reinstating the arrangement would not raise any audit concerns. Budget implications for the Chatham Islands Council will also be taken into account as discussions progress.

9. Terms of Reference – Council Owned Residential Property

A Terms of Reference has been developed for Council-owned residential properties, comprising the Chief Executive residence and a small number of community housing properties. The document establishes a clear governance framework that sets out Council's strategic oversight role, with operational management delegated to the Chief Executive in accordance with Council's Delegations Register. It clarifies roles and responsibilities, reporting requirements, and conflict-of-interest safeguards, particularly in relation to the Chief Executive residence. The framework is designed to ensure transparent, proportionate, and auditable management of these assets, reflecting the small scale and operational nature of the portfolio.

10. Nominations Open Soon – Council Bi-election

Nominations for the by-election to fill the vacancy created by the resignation of Pita Thomas will reopen on 5 June, following the initial nomination period in which no nominations were received. Eligible candidates are encouraged to consider

standing, with nomination information available from the Electoral Officer and Council offices. The nomination process and key dates will be publicly notified and published on Council's website in accordance with statutory requirements.

Attachment

1. Terms of Reference – Council-Owned Residential Property



Event Insights Report

ZONE 5 & 6 Local Government Conference

Christchurch Town Hall | 30 April – 1 May 2026

Themes, Pressures and Implications for South Island Councils

Two days. One sector. Big reform. Bigger expectations.

The 2026 Zone 5 & 6 Local Government Conference brought together mayors, ministers, officials and sector leaders from across the South Island at a time of rising reform pressure on councils.

Five cross-cutting themes ran through the two days of discussion.

- Reform and implementation pressure
- Funding, infrastructure and affordability
- Trust, engagement and community confidence
- Local delivery and regional capability
- Climate, resilience, risk and long-term adaptation

Event at a glance

2

Days

22

Councils

20+

Speakers

3Ministers / Associate
Ministers**~ 105**

Attendees

Executive Summary

What council leaders need to know now.

- **Reform and implementation pressure:** Overlapping reforms in planning, water and local government are hitting councils at once.
- **Funding, infrastructure and affordability:** Rising costs and small rating bases are stretching the current funding model.
- **Trust, engagement and community confidence:** Councils need stronger communication and engagement to sustain public trust through change.
- **Local delivery and regional capability:** National policy still relies on local relationships, workforce and delivery capacity.
- **Resilience, risk and long-term adaptation:** Climate risks, asset vulnerability and Alpine Fault planning demand earlier, coordinated resilience work.

Implications for councils.

- **Reform is accelerating faster** than local implementation capacity.
- **Delivery still happens locally**, even when policy settings are national.
- **Funding, capability and trust** will determine which councils cope best with what comes next.

\$217b

Assets managed

Supported by 39,000 staff and \$20b+ annual spend

\$2.2b

GDP contribution

Council operations also generate \$20.1b in economic activity

2% vs 35%

Revenue imbalance

Councils' share has stayed flat while central government's has grown

NUMBERS THAT MATTER: Numbers that frame the operating environment

\$8b

Climate exposure

Assets exposed to 1.5m sea-level rise; \$1 invested in risk reduction can avoid \$3 in losses

\$20m → \$90m

Repair cost escalation

Annual weather-related land transport repair costs over the past decade

54%

Christchurch transport emissions

A reminder that local transport choices shape climate and resilience outcomes

Day 1 Theme

Trust, change and capability

People and delivery were inseparable.

Across all 21 councils, one theme kept coming back: how to respond collectively to reform, cost pressure, and rising community expectations.

Pressure is rising on all fronts

Reform, disruption, and risk are all accelerating, so the key question is not whether change happens, but how well it is shaped and governed.

Capability, funding and voice will decide who cope

The clearest takeaway from the day was the need to build stronger institutions, partnerships, and leadership capacity now, before the next crisis or reform wave arrives.

Day 2 Theme

Delivery, funding and reform pressure

People and relationships came first

Reform only works when councils are resourced, respected, and delivering for communities, not just responding to Wellington's timelines.

Change is unavoidable, but design matters

Pressure is rising on all fronts. From reform timeframes and climate adaptation to funding volatility, councils now operate in a permanently high-pressure environment where inaction is itself a costly choice.

The long game is capability

The councils that invest early in capability, sustainable funding and a stronger collective voice will be best placed to navigate what's coming.

Reform is stacking, not sequencing

**Regional spatial plans must be notified
within 15 months of enactment**

**Local Water Done Well remains on track
for 2029**

**Multiple reforms are converging before
or around the 2028 local elections**

**Implementation readiness now matters
as much as policy debate**

Delivery still happens locally

Health, access, workforce and service equity remain local realities, especially in rural and fast-growing communities

From 1 July, local decision-making over health budgets, service delivery and workforce will return, aiming to reduce centralised inertia

The test of reform is whether communities feel the service difference on the ground

New expectations, old funding model

Councils are being asked to deliver more under rising cost, resilience and infrastructure pressure, while rating bases remain constrained

The current funding model is outdated, with local government still around 2% of GDP while central government has grown to about 35%

Proposals such as a collective Ratespayer Assistance Scheme show appetite for new tools, but councils also warned against reform without sustainable funding

What councils should do now

Prepare early for overlapping reform deadlines, especially spatial planning, water and local government system changes

Invest in capability, communication and trusted partnerships so councils can lead, not just react, through reform

Focus on a small number of clear local priorities and advocacy asks, and treat resilience, adaptation and affordability as core governance issues

LGNZ Update.



LGNZ reset: rebuilding trust, value and voice

The LGNZ session and presidential update focused on resetting the organisation around stronger member leadership, clearer advocacy and rebuilding sector unity ahead of major reform.

“We only have a strong base if we stick together.”

KEY INSIGHTS

- 12–24 month organisational reset to rebuild LGNZ’s credibility and influence, alongside advocacy wins such as around \$8b saved on earthquake-strengthening settings and a potential \$330m through proportionate liability changes.
- Emphasis that LGNZ is a peak body whose priorities must be set by members, with a focus on listening to councils, rebuilding membership unity (including bringing back those who left) and translating feedback into tangible action
- More practical support for councils, including the 28 May Budget and the shifted SuperLocal conference on 14-15 October, signalling a push to be operationally useful, not just political.

- **Mayor Rehette Stoltz, President**
- **Mayor Dan Gordon, Vice President**
- **Scott Necklen, CEO**
- **Amanda Wells, Director, Member Services**

Council Updates.

Zone 5 Council Updates:

Ashburton District Council

Stated focus

Second bridge delivery, development contributions, fuel impacts, and green waste collection.

Key metric

8.71% overall rates rise; about \$20 million set aside in the annual plan.

Key insight

The district is excited to finally move ahead with its second urban bridge after 20 years in planning.

Buller District Council

Stated focus

Water reform, flood protection, adaptation planning, and public-private partnerships for future growth.

Key metric

4.4% proposed rates rise.

Key insight

Affordability is the district’s biggest pressure, alongside job losses and rising expectations on a small council.

Environment Canterbury Regional Council

Stated focus

Transport funding relief, flood resilience, inflation pressures, and regional collaboration.

Key metric

\$10 million diesel cost uplift; 1 million Move tag-ons; 2.9% rates increase.

Key insight

Public transport and flood resilience are under pressure even as patronage and delivery continue to improve.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 5 Council Updates:

Chatham Islands Council

Stated focus

Governance reform, fuel resilience, freight and air links, and realistic support for remote communities

Key metric

A new regional development entity has been proposed alongside the council and trust model.

Key insight

The council is rebuilding trust while also responding to structural governance and resilience challenges.

Hurunui District Council

Stated focus

Water storage, resilience, proactive relocation, and district investment projects.

Key metric

3.97% proposed rates increase; water transition date of 1 July 2026

Key insight

The district is in good heart, with strong primary production and steady progress on water services.

Mackenzie District Council

Stated focus

Shared water services, tourism pressure, freedom camping, short-stay accommodation, and growth management.

Key metric

Annual plan tracking at just under 7%, including water services spend.

Key insight

Tourism is booming, but it is increasing pressure on infrastructure, accommodation, and council capacity

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 5 Council Updates:

Selwyn District Council

Stated focus

Water asset transfer, CEO recruitment, fast-track growth, and infrastructure planning.

Key metric

Annual plan hoped to land at 4-point-something percent; 900 submissions and 100 speakers; \$4.6 million rates overcharge cleaned up.

Key insight

The new council has had a turbulent first six months but is pushing through major governance and growth issues.

Timaru District Council

Stated focus

Water reform, spatial planning, protecting district asset value, and major precinct investment.

Key metric

Around 9% rates, including 3.7% on water; about \$100 million investment over 18 months.

Key insight

The council is managing significant investment while preparing for reform, rate capping, and growth-related infrastructure pressure.

Waimakariri District Council

Stated focus

Growth infrastructure, urgent care delivery, internal water business unit, and roading investment.

Key metric

Population around 74,000; 4.91% average rates increase; 14,000 to 17,000 new sections over 20 years; Eastern Link business case around \$60 million.

Key insight

Growth is driving most of the district’s challenges, but major infrastructure and health investments are progressing.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 5 Council Updates:

Waimate District Council

Stated focus

Signing off the annual plan, opening the first stage of the Ti Waimate bike trail, and bedding in the standalone waters unit and new water services committee.

Key metric

5.5% proposed rates increase, made up of 1.9% general rates and 3.6% water.

Key insight

Waimate is progressing new community and water infrastructure while keeping overall rates increases in a moderate band and treating reform as business-as-usual delivery.

Westland District Council

Stated focus

Rates-cap readiness, local water progress, freedom camping, airport and wharf upgrades, and Franz Josef’s future.

Key metric

Rates tracking at around 6%, down from 18% last year; coast’s first retirement village includes an 80-bed hospital.

Key insight

Westland is in good heart, with tourism back to pre-Covid levels and strong regional investment activity.

Christchurch City Council Special update(not LGNZ member)

Stated focus -

Water issues, right-sizing the capital programme, service levels, and short-stay accommodation.

Key metric

Annual plan is sitting just under 8%.

Key insight

Christchurch is trying to balance affordability with significant water and capital programme pressures.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 6 Council Updates:

Waitaki District Council

Stated focus

Water affordability, deficit recovery, community conversations, and resourcing small schemes.

Key metric

Proposed annual plan at 19% to 27.45%, with a 45% scenario if water depreciation is fully funded; \$45 million water spend next year.

Key insight

The district is managing major water cost pressures while still progressing positive community projects.

Environment Southland Regional Council

Stated focus

Reorganisation engagement, flood works, nitrate hotspot action, and partnership with territorial authorities.

Key metric

\$25 million flood resilience project over five years; channel flow improvement of about 12%.

Key insight

Flood resilience and local government reorganisation are front and centre, alongside stronger work on nitrates.

Gore District Council

Stated focus

Southern Water, district plan work, economic development, water quality improvement, and jobs initiatives.

Key metric

10.89% proposed annual plan; more than 1,000 young people into sustainable employment through the community contract.

Key insight

The district is moving through major change but is positive about water, development strategy, and community outcomes.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 6 Council Updates:

Southland District Council / Stewart Island update

Stated focus

Stewart Island energy resilience, solar delivery, fuel affordability, and phased transition planning.

Key metric

About 1,000 litres of diesel a day; \$15 million government loan; solar farm expected to reduce diesel reliance by up to 75%; fuel at the pump at \$4.45.

Key insight

The fuel crisis on Stewart Island has highlighted the district’s dependence on diesel and the importance of long-term planning.

Queenstown Lakes District Council

Stated focus

Rating policy review, visitor economy costs, infrastructure gaps, housing pressure, and government support.

Key metric

Water infrastructure rates up to 29% in some communities; international tourists above 140% of pre-Covid levels; 12,000 sections in the fast-track pipeline.

Key insight

Queenstown Lakes is in a high-growth transition phase, with infrastructure and affordability struggling to keep pace.

Dunedin City Council

Stated focus

Three waters in-house, CEO recruitment, economic development structure, climate adaptation, and community resilience.

Key metric

Around \$60 million invested in the main street; rates rise around 10.5%; 44 CEO applications; just over 100 submissions received.

Key insight

The city says recent investment is paying off, even as it manages political noise, leadership change, and affordability pressure.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 6 Council Updates:

Otago Regional Council

Stated focus

Portfolio governance, annual plan delivery, environmental investment, and regional deals.

Key metric

0% rates increase; \$1.26 million from reserves; \$2 million environmental fund.

Key insight

Otago Regional Council is emphasising certainty for ratepayers while maintaining services and investing in environmental priorities.

Invercargill City Council

Stated focus

Growth readiness, housing supply, fuel crisis response, Southland reorganisation, and ensuring no one is left behind.

Key metric

Rates budget around 6.9%.

Key insight

Invercargill has a strong growth outlook, but housing affordability, cost of living, and rates pressure are live concerns.

Central Otago District Council

Stated focus

Consenting capacity, growth management, major project pressure, and the demands being placed on elected members.

Key metric

Industrial subdivision sale covers the full \$47 million event centre build; 3,500 fast-track sections; \$8 billion pumped hydro proposal; community board members paid \$6,000 a year.

Key insight

Asset recycling has helped fund major facilities, but fast-track growth and staff shortages are creating real pressure.

Speakers.

Alex Crackett | Young Elected Members | Building the next generation of local leaders

Alex's point was simple but important: if local government wants stronger future leadership, younger elected members need deliberate space to build networks and capability early. His announcement was less about the event itself and more about creating a better development pathway.

QUOTE:

“We are adding on another half day ... so that young elected members can have an opportunity to experience this level of networking and professional development.”

KEY INSIGHTS:

- A “young elected member” was defined as being under 40 on election day, giving a practical marker for who this initiative is trying to support.
- He noted it will be the first time in **more than a decade** that the next Zone 5/6 event is hosted there, which gave the announcement added significance.
- The added half day is a useful signal that succession and capability need to be designed into these forums, not left to chance.

Warren Ulusele | DfA | Reform readiness starts now

Warren's update reinforced that the reform environment is accelerating, and councils need to prepare for multiple overlapping changes rather than waiting for full certainty. His practical message was that implementation readiness now matters as much as policy debate.

QUOTE:

“The clock will start ticking very soon.”

KEY INSIGHTS:

- Once enacted, regional spatial plans will need to be notified within **15 months**, which he warned is a very tight timeframe given governance structures must be agreed first.
- Local Water Done Well is still intended to be fully operational by **2029**, while other reforms will also land before or around the **2028** local elections, stacking pressure on councils.
- He signalled that some regions may get a faster pathway under simplification reforms, because ministers have heard that parts of local government are ready to move more quickly.

Hayden Leach | Transwaste Canterbury Ltd | Transwaste and the long view of partnership

Hayden presented Transwaste as a strong example of what a long-horizon public-private partnership can deliver when scale, governance, and environmental outcomes are aligned. His presentation stood out because the numbers showed both operational efficiency and long-term stewardship.

QUOTE:

“You have to work together and nut out a solution.”

KEY INSIGHTS:

- Transwaste is a **50/50** public-private partnership and New Zealand’s longest-running PPP, with about **20 years** of proven operation behind it.
- Kate Valley closed 52 old-style dumps and replaced them with one engineered regional solution, which is the clearest example of scale driving better outcomes.
- The site captures more than 90 percent of landfill gas and currently powers over 2,000 homes, with plans to lift that to 5,000-plus homes, showing waste infrastructure can also be energy infrastructure.

Bill Eschenbach | Waitaha Primary Health | Rural health is a national issue

Bill made the case that rural health is not a fringe issue but a national system issue, because rural communities produce a large share of New Zealand’s value while still facing weaker access to care. Their strongest message was that long-term workforce pipelines and community wraparound support matter just as much as clinical funding.

QUOTE:

“We advocate for sustainable and accessible health services for rural communities.”

KEY INSIGHTS:

- About **900,000 people** live in rural New Zealand, which makes rural health a scale issue, not a niche one.
- In 2025–26 there were 108 GP placements and 14 nurse practitioner placements across the southern region, plus 120 doctors placed last year into rural practices or hospitals, showing real movement in the pipeline.
- Their school outreach reached 113 schools and about 3,500 to 3,800 students in four months, because solving rural workforce shortages means starting years before vacancies appear.

Jim Palmer, Consultant | Richard Ball , Canterbury Group Recovery Manager | Planning now for Alpine Fault recovery

They argued that South Island councils need to prepare now for Alpine Fault recovery governance, rather than improvising after a disaster. His core point was that response planning exists, but recovery planning at the political and institutional level is still underdone.

QUOTE:

“Nobody has done anything thinking about recovery until actually the event has occurred.”

KEY INSIGHTS:

- The Alpine Fault last ruptured in 1717, tends to move about every 300 years, and has a 75 percent probability of rupturing in the next 50 years, which makes planning urgent rather than theoretical.
- Jim said the first three years of recovery are especially important, because that is when governance, accountability, and decision-making arrangements need to be clear.
- The proposed work would take about 18 months, giving councils time to shape a cross-government model before a real event forces rushed decisions.

Mayor Phil Mauger | Christchurch City Council | Christchurch growth with confidence

Phil said Christchurch is holding up comparatively well in a difficult national and global environment, with tourism, exports, and major venue investment helping drive confidence. His message was that local government’s job is to keep backing the conditions for growth, skills, and investment, even amid uncertainty.

QUOTE:

“We’re becoming really well positioned to strengthen our visitor economy and drive national and international attention.”

KEY INSIGHTS:

- In the three months to January 2026, Christchurch Airport visitor arrivals were up 17 percent, compared with 6 percent nationally, showing the city is outperforming the wider market.
- Christchurch is now 15 years on from the earthquakes, and Phil framed that long recovery as part of what has enabled the city’s new infrastructure and momentum.
- Major assets like One New Zealand Stadium, Parakiore, and the Town Hall are being positioned not just as civic projects, but as economic infrastructure that lifts jobs, spend, and city profile.

Hannah Hardy-Jones | Contented | Turning conversations into council productivity

Hannah, co-founder of Contented, presented AI as a practical tool for councils to turn meetings and workshops into accurate, secure and usable outputs that support better decisions.

QUOTE:

“We believe that conversations are the most underutilised resource in the world.”

KEY INSIGHTS

- Contented positions human-first AI as a way for councillors and staff to stay present in the room while still receiving high-quality records and analysis afterwards.
- Strong fit for council, committee, and stakeholder meetings where clear, unbiased summaries, actions and follow-up outputs matter.
- The core value proposition is productivity: helping councils do more with less by rapidly turning complex conversations into reports, briefings and communications.

Hon Nick Smith - Rates Assistance Scheme | new tools for rates affordability

Nick argued that councils need new financial tools to respond to cost-of-living pressure, growth infrastructure and household affordability, with the proposed Ratespayer Assistance Scheme offering a collective, off-balance-sheet mechanism for cheaper and more flexible financing.

QUOTE:

“We either hang together or we hang separately.”

KEY INSIGHTS:

- He outlined a proposed council-controlled Ratespayer Assistance Scheme with three core products: deferred development contributions, impact loans, and rates postponement.
- He said the scheme would rely on collective scale, similar to the Local Government Funding Authority, to secure lower-cost finance and reduce administrative burden.
- He urged councils to formally back the enabling legislation now, saying government wants proof that councils support having the option to participate.

Universities as regional engines

The university panel's core message was that tertiary institutions are not just education providers; they are talent magnets, workforce pipelines, research partners, and economic development platforms for their regions. Both speakers stressed that the best partnerships are intentional, measurable, and built around shared regional problems.

QUOTE:

“Partnerships work when there is purpose, it’s mapped out very clearly at the beginning and there’s a way to measure whether they’re working.”

KEY INSIGHTS:

- University of Canterbury: 40 percent of its roughly 27,000 students under 25 now come from outside the region, which shows how strongly Canterbury attracts new talent.
- University of Canterbury: 50 percent of its 2024 graduates stayed employed in the wider Canterbury region, making the university a major regional retention engine rather than just a training provider.
- Lincoln University: grown about 40 percent since 2019 and now has nearly 6,000 students, with over half postgraduate and over half aged 25-plus, reflecting a stronger connection to workforce and sector needs.

**Cheryl del Ray, VC,
University of Canterbury**

**Grant Edwards, VC,
Lincoln University**

Hon Matt Doocey | Associate Minister of Health | Local health, delivered locally

Matt's update framed health as both a community wellbeing issue and an economic enabler, especially for rural and regional areas. His main message was that restoring local decision-making and focusing on rural delivery should make the system more responsive and practical.

QUOTE:

“Don’t underestimate what that will deliver.”

KEY INSIGHTS:

- He said local decision-making over budgets, service delivery, and workforce would return from 1 July, with the aim of ending the inertia created by centralisation.
- He highlighted the rural health strategy, including rural data visibility, after-hours access targets, and efforts to bring services closer to home.
- He identified workforce shortages as the biggest barrier to timely care and pointed to rural training hubs as a way to build local pathways and retain staff.

Hon James Meager | Minister of the South Island | The South Island runway is short

James's update positioned the South Island as a high-performing part of the country that needs both bigger strategic backing and smaller practical wins. His message was that councils should sharpen and communicate their top priorities quickly because the political runway before the election is short.

QUOTE:

“The runway is short.”

KEY INSIGHTS:

- He said his three priorities are export-led growth, resilient infrastructure, and stronger delivery of core public services in isolated communities.
- He encouraged councils to put forward not only major long-term projects but also smaller, meaningful projects that could realistically be advanced sooner.
- He also reassured councils that fuel supply is not the immediate issue, but regional aviation affordability and connectivity remain an active concern.

Andy Foster | NZ First Spokesperson for Local Government | Reform works best with respect

Andy's contribution stressed that local government deserves greater respect from central government and should be treated as a genuine partner in reform. His practical message was that reform should be shaped with councils, not imposed on them from above.

QUOTE:

“Those in glass houses should not be throwing stones.”

KEY INSIGHTS:

- He argued that central government often underestimates local government's strengths, especially in strategy and asset management, while failing to meet the same standards itself.
- He warned against reform driven mainly by restructuring, saying the first question should be what problem the change is actually trying to solve.
- He repeatedly emphasised asset management, saying New Zealand needs to maintain what it already has before committing too heavily to new infrastructure.

Hon Mike Butterick | Associate Minister of Agriculture | Backing food, fibre and regional growth

Mike's update linked local government closely to the success of the food and fibre sector, positioning councils as part of the enabling environment for regional growth. His core message was that government is backing export growth, trade access, and practical reform while trying to manage global volatility.

QUOTE:

“We remain fully committed to backing the food and fibre sector.”

KEY INSIGHTS:

- He described the food and fibre sector as central to New Zealand's economy, citing 360,000 jobs, about \$62 billion in export income, and 15.3 percent of GDP.
- He highlighted trade and market access work, including progress with India and the UAE, as key levers for export growth and regional prosperity.
- He said RMA replacement remains a major priority, with fewer plans, fewer consent categories, and transitional extensions intended to reduce uncertainty through the changeover.

Tangi Utikere | Labour Party Spokesperson for Local Government | Reform needs funding and partnership

Tangi's update focused on the pressure councils are under from financial strain, structural reform, and what he sees as a poor central-local relationship. His main message was that reform without bipartisanship, proper engagement, or sustainable funding will create more instability for councils and communities.

QUOTE:

“It's a thou shalt approach.”

KEY INSIGHTS:

- He criticised the government's reform programme, especially rates capping and regional council restructuring, arguing it has been advanced without genuine partnership or bipartisan support.
- He said a Labour government would avoid unfunded mandates and would look for more sustainable funding arrangements between central and local government.
- He also signalled support for improving local democracy, including changes to local election administration, because current participation levels are too low.

Mike Davidson | Green Party Spokesperson for Local Government | Councils are partners, not contractors

Mike's update argued that councils should be treated as democratic partners with broad community responsibilities, not reduced to a narrow “basics only” service model. His practical message was that long-term local wellbeing, housing, transport, and climate resilience all require stronger backing from central government.

QUOTE:

“Local government should be a partner and not a contractor or delivery agent.”

KEY INSIGHTS:

- He said councils are being unfairly blamed for high rates when the real issues include decades of underinvestment, inflation, and a flawed funding model.
- He criticised attempts to narrow the role of councils, arguing that social, cultural, economic, and environmental wellbeing remain essential to community outcomes.
- He emphasised climate adaptation and mitigation as major local government challenges and called for long-term funding to support resilience rather than repeated recovery spending.

Climate Remit Adaptation

The remit presentation argued that councils are already carrying growing climate risk responsibilities without a durable funding partnership with central government. Its central message was that adaptation will cost less and work better if investment is coordinated early rather than deferred until after damage occurs.

QUOTE:

“We can pay now together or later on we can pay separately.”

KEY INSIGHTS:

- The remit calls for a long-term Crown-local government co-investment framework for climate adaptation and resilience infrastructure.
- It argues that current arrangements are only a patchwork of partial mechanisms and do not provide predictable, system-wide support.
- The proposed framework is intended to give communities certainty, reduce long-term costs, and avoid fragmented, reactive responses.

Community Boards Executive Committee Update

The community board update was a short but clear reminder that boards remain a significant part of local democracy, especially in the South Island. Its message was that community boards need stronger visibility, better support, and a clearer voice within the wider sector.

QUOTE:

“We are your eyes and ears out there.”

KEY INSIGHTS:

- The speaker noted that Zones 5 and 6 account for 49 of New Zealand’s 110 community boards, nearly half of the national total.
- CBaC is working to keep community boards visible within LGNZ and will host a conference in 2027 while maintaining a presence at Super Local.
- A member survey is about to be launched to understand governance arrangements, board challenges, and what community boards want to achieve this term.

Erin Jameson | Convergence Communications | Crisis communications that protect trust

Erin, a partner at Convergence, outlined how councils can communicate effectively when crises threaten life, reputation and the ability to operate.

QUOTE:

“You cant build trust during a crisis, you can only spend it.”

KEY INSIGHTS:

- She defined a crisis as any situation that threatens life, trust, reputation or operations and demands fast, high-stakes decisions under intense scrutiny.
- Issues become crises when they leave council control and enter the public domain at speed, driven by social media, community concern and media interest.
- Councils that invest early in visible leadership, engagement and consistent communication perform far better under pressure, where speed of response initially matters more than perfection.

Marika Hill | Local Democracy Reporting | local democracy reporting and trust

Marika outlined how the Local Democracy Reporting scheme is trying to rebuild coverage of councils and strengthen local democratic engagement as traditional newsrooms shrink.

QUOTE:

“When local news disappears, accountability drops and engagement can fall.”

KEY INSIGHTS:

- Local Democracy Reporting has grown from 8 to 21 reporters across Aotearoa, acting as a free public-interest news wire embedded in host newsrooms from Northland to Invercargill.
- The scheme exists to fill “news deserts” so council meetings and decisions are still covered, helping maintain accountability, voter turnout and informed submissions.
- Marika stressed that councils and journalists share a goal: helping the public understand the value of local government amid rising disinformation, time pressure and declining trust in media.

Jenna Silcock | Buddle Finlay Lawyers | planning reforms and national direction

Jennas session focused on how the new planning regime, fast-track processes and national direction will shape local government's resource management environment.

QUOTE:

“There's no direction in the legislation, so that is a matter that will be up for different regions to work through.”

KEY INSIGHTS:

- She noted that legislation gives little prescription on how councils should work together on regional spatial plans, leaving governance and representation models to be worked out region by region.
- Fast-track processes will likely continue alongside new planning frameworks, creating tension between long-term plans and project-by-project decisions.
- Future national standards and policy direction could bring benefits and consistency but also risk more swings with changes of government, making long-term stability harder to secure.

Chris Mene | Engagement Specialist | engagement, trust and social licence

Chris shared practical frameworks for how councils can strengthen engagement and relationships to maintain social licence in a high-change environment.

QUOTE:

“If you get your quality engagement right, perceived risks and community concerns will diminish.”

KEY INSIGHTS:

- Research he cited shows poor stakeholder and community engagement is one of the top reasons major infrastructure projects stall, alongside funding and regulatory constraints.
- He argued that in times of reform, councils need to focus on relationship quality, deliberate engagement and clear narratives, not just policies, practices and budgets.
- Chris encouraged councils to combine broad reach with deeper, deliberative processes, so smaller groups can work through complex issues and support elected members' decisions.

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You can also access the LGNZ Z5&6 workspace on Contented for detailed insights on every speaker and also for you to use Contented for your own conversations for two weeks. Reach out to Karim Sabet for access.





Terms of Reference – Council-Owned Residential Properties

1. Purpose

This Terms of Reference establishes the governance framework for Council-owned residential properties, including the Chief Executive residence and Council-owned community housing properties.

It sets out:

- governance intent and oversight arrangements
- roles and responsibilities
- reporting expectations
- operational principles

This ToR operates in conjunction with Council's Delegations Register, which sets out formal decision-making authority.

2. Scope

This Terms of Reference applies to all Council-owned residential properties, including:

- Chief Executive residence; and
- Community housing properties owned by Council (or equivalent residential assets).

It applies to governance oversight, operational management, tenancy administration, maintenance, and reporting.

3. Governance Principles

Management of Council-owned residential properties will be guided by the following principles:

- Clear separation of governance (Council) and operations (Chief Executive)
- Proportional governance reflecting the small scale of the asset portfolio
- Transparency and auditability of all decisions and expenditure
- Protection of Council assets and prudent financial management
- Appropriate management of conflicts of interest, particularly in relation to the Chief Executive residence

4. Relationship to Delegations Policy

This Terms of Reference does not confer decision-making authority.

All formal decision-making authority is defined in Council's Delegations Register, including:

- matters reserved to Council
- Chief Executive operational delegations
- financial approval thresholds
- sub-delegation arrangements

In the event of any inconsistency, the Delegations Register prevails.

5. Role

s and Responsibilities

5.1 Council

Council is responsible for:

- strategic oversight of Council-owned residential properties
- decisions relating to acquisition, disposal, or change of use
- approval of the Chief Executive residence arrangement
- approval of capital expenditure beyond delegated limits
- receiving and considering regular reporting on performance and risks

5.2 Chief Executive

The Chief Executive is responsible for:

- operational management of all Council-owned residential properties
- implementing Council policy and this Terms of Reference
- exercising delegations as set out in the Delegations Register
- ensuring appropriate tenancy and occupancy arrangements are in place
- ensuring maintenance and compliance obligations are met
- providing regular reporting to Council

5.3 Delegated Officers

Under Chief Executive delegation, officers may undertake:

- tenancy administration and occupancy management
- property maintenance coordination and contractor management
- compliance monitoring (e.g., property standards, health and safety requirements where applicable)
- maintenance of property and tenancy records

6. Chief Executive Residence – Additional Governance Controls

Due to the unique nature of the Chief Executive residence:

- Council retains full ownership and governance control
- Occupancy arrangements must be approved by Council resolution
- Any variation to the arrangement requires Council approval
- The Chief Executive must not participate in any decision-making relating to:
 - their accommodation terms
 - review, variation, or termination of the residence arrangement
- Any perceived or actual conflict of interest must be declared and managed in accordance with Council's Code of Conduct

7. Reporting Requirements

7.1 Regular Reporting

The Chief Executive will provide Council with reporting on Council-owned residential properties at least annually (or more frequently if required), including:

- occupancy status of each property
- maintenance and operational expenditure
- capital works undertaken or planned
- tenancy changes or vacancies
- identified risks or compliance matters

7.2 Exceptional Reporting

Council will be advised promptly of:

- significant property damage or risk events
- unplanned major expenditure
- legal or compliance issues affecting occupancy or use

8. Risk Management and Assurance

Council and the Chief Executive will ensure:

- all properties are recorded in Council's asset register
- maintenance and tenancy decisions are documented and auditable
- financial expenditure is monitored against approved budgets
- conflicts of interest are appropriately identified and managed
- periodic review of compliance with this Terms of Reference is undertaken

9. Review of Terms of Reference

This Terms of Reference will be reviewed:

- in conjunction with any review of the Delegations Register, or
- when there is a material change in the scale, use, or governance of Council-owned residential properties

10. Status of Document

This Terms of Reference:

- is an operational governance document
- does not override the Delegations Register
- supports Council oversight and audit transparency

List of Changes	Changes Made	Date of Council Adoption
Terms of Reference – Council-Owned Residential Properties		28 May 2026



3. Finance

3.1 Financial Report

Date of meeting	28 May 2026
Agenda item number	3.1
Author/s	Bob Penter, Interim Chief Executive / Tanya Clifford, ECan

Purpose

To present to the financial report as at 30 April 2026.

Recommendations

That the Chatham Islands Council receives the report.

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

Report to 30 May 2026

Year to date 'cash' transactions for four months	Revenue	Expenditure	Net surplus/ (loss)	Capital	Cash surplus/ (loss)
Leadership & community partnerships	2,783	196,155	(193,373)	-	(193,373)
Transportation, roading & coastal networks	4,045,997	1,803,279	2,242,719	2,797,070	(554,352)
Roading	4,011,493	1,732,945	2,278,548	2,797,070	(518,523)
Coasts	34,505	70,334	(35,829)	-	(35,829)
Three waters supply & treatment - potable water	386,284	350,966	35,318	-	35,318
Three waters supply & treatment - wastewater	112,973	145,353	(32,381)	-	(32,381)
Waste management & minimisation	118,497	700,008	(581,512)	-	(581,512)
Community development & emergency response	941,095	1,122,558	(181,463)	-	(181,463)
Community services	530,882	629,694	(98,812)	-	(98,812)
Petrol	410,212	341,751	68,462	-	68,462
Emergency services	-	151,113	(151,113)	-	(151,113)
Environmental protection, compliance & planning	(84,409)	428,000	(512,409)	-	(512,409)
Biosecurity and animal control	(122,642)	342,880	(465,522)	-	(465,522)
Resource management and regulatory	38,232	85,120	(46,887)	-	(46,887)
Corporate services and other overheads	5,036,533	1,648,642	3,387,891	10,665	3,377,226
Corporate services	833,533	1,648,642	(815,109)	10,665	(825,774)
Annual appropriation	4,203,000	-	4,203,000	-	4,203,000
Totals	10,559,751	6,394,962	4,164,790	2,807,735	1,357,054

All figures are 'cash' based and exclude year-to-date depreciation budgeted at \$2,300,000 for the year.

Due to report preparation timing, estimates have been made to reflect additional contractor costs to the end of May.

Notes:

Leadership & community partnerships	Predominately includes costs related to Councillor honorarium. No issues of note.
Transportation, roading & coastal networks	Roading projects primarily on track. NZTA subsidy rate remains at 88%.
Three waters supply & treatment - potable water	Three waters - income primary rates and better off funding grants, increased expenditure on projects to comply with Local Water Done Well compliance.
Three waters supply & treatment - wastewater	Expenditure on three water operational and capital costs is low reflective of Council's funding restrictions, this may have further impacts on the levels of service Council is able to provide. Lack of investment in critical asset maintenance increases the risk of asset failure.
Waste management & minimisation	Waste management expenditure tracking well and below budgeted levels. This appears to be due to reduced contractor availability, rather than cost efficiencies and may need to be an area of future focus in terms of future service expectation.
Community development & emergency response	Larger transactions for this activity compared with budget, some of which has been driven by grant funding. Expenditure includes payment of community grants and payment of rent expense. Petrol aims to achieve a small surplus, noting some adjustments have not been fully processed in the financial system.
Environmental protection, compliance & planning	No issues of note to report, primarily related to works performed by ECan. ECan service contract reduced to approximately \$500k (with regional council services focused predominately in this activity), this may impact service levels experienced by the community.
Corporate services and other overheads	Annual budget was \$1.9 million, with the exception of insurance and legal fees, most levels of expenditure are at more conservative levels.

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

Report to 30 May 2026

Remaining 'cash' difference to budget for eight months	Revenue	Expenditure	Net Surplus/ (loss)	Capital	Cash surplus/ (loss)
Leadership & community partnerships	4,837	94,391	(89,553)	-	(89,553)
Transportation, roading & coastal networks	1,360,826	246,174	1,114,652	1,277,930	(163,278)
Roading	1,324,853	200,275	1,124,578	1,277,930	(153,352)
Coasts	35,973	45,899	(9,926)	-	(9,926)
Three waters supply & treatment - potable water	-	10,632	(10,632)	115,000	(125,632)
Three waters supply & treatment - wastewater	-	86,272	(86,272)	-	(86,272)
Waste management & minimisation	6,879	63,637	(56,758)	-	(56,758)
Community development & emergency response	180,872	810,302	(629,430)	-	(629,430)
Community services	-	563,894	(563,894)	-	(563,894)
Petrol	143,257	185,363	(42,107)	-	(42,107)
Emergency services	37,615	61,045	(23,430)	-	(23,430)
Environmental protection, compliance & planning	86,432	38,909	47,523	-	47,523
Biosecurity and animal control	-	31,171	(31,171)	-	(31,171)
Resource management and regulatory	86,432	7,738	78,693	-	78,693
Corporate services and other overheads	50,366	304,641	(254,275)	-	(254,275)
Corporate services	50,366	304,641	(254,275)	-	(254,275)
Annual appropriation	-	-	-	-	-
Totals	1,690,212	1,654,958	35,254	1,392,930	(1,357,675)
Expected annual transactions	12,249,964	8,049,920	4,200,044	4,200,665	(621)
Annual Plan/Budget	11,891,073	8,139,792	3,751,281	4,075,000	(323,719)

The above tab takes the difference between amounts in the Annual Plan Budget and year-to-date transactions (above), to estimate remaining transactions to year end, with the exception of adjustments made below.

Adjustments made:

Actual exceeds annual budget		Standard formula removed, no further transactions expected
Transactions re-estimated, subsequent to budget		Transfer of seed funding to NKMR - \$300k and other grants \$250k (TIF)
		Local water done well expenditure \$115k
		Adjustment made to reflect reduction of ECan contract
		Actuals tracking lower than budgeted, incorporated into forecast

Key points:

Expected remaining cash movement to 30 June 2026	(1,357,675)	We expect to spend more than we receive for the next three months
Estimated overall cash movement to 30 June 2026	(621)	We expect to spend less than we receive for the year
Change to originally estimated movement	(323,098)	Favourable impact

Notes:

Corporate services and other overheads Annual budget is \$1.9 million. Some overhead expenses have recently increased significantly, such as audit fees, insurance costs and legal fees.

Chatham Islands Council - Council financial report benchmarks (continued)

Report to 30 May 2026

Ratio or measure of sustainability	Achieved?	Target	May-26	Mar-26	Jun-25
<i>Cash management:</i>					
Available cash/ (overdraft)	Yes	> -\$150k	1,219,216	1,737,882	198,761
Total cash/ (overdraft)	Yes	> \$200k	1,560,580	2,079,246	586,997
Working capital ratio (ability to pay our bills)	Yes	> 1	2.06	5.36	0.85
<i>Operating cash performance:</i>					
Net cash movement for period (2024/25)	Yes	> \$0	1,361,819	1,880,485	698,241
Operating performance (cash flow) ratio	Yes	> 5%	15%	21%	4.9%
Adjusted balanced budget (cash) ratio	Yes	> 100%	115%	130%	110%
<i>Asset replacement:</i>					
Asset sustainability ratio	Yes	> 85%	132%	135%	167%

Notes:

In the initial part of the year, the Council experiences high cash liquidity and positive reporting targets. This is a reflection of the Council receiving the full annual appropriation in July for the 2025/26 financial year. As the comparative results for June 2025 demonstrate, the year-end position is less rosy, with some sustainability ratios below targeted levels.

Future 'committed' projects - such as the Tourist Infrastructure Fund (TIF) projects and some better off funded projects, are also likely to pull further on Council's resources.

The revised cash estimate show a significant improvement to budget in terms of cash movements. It would be wise for Council to continue to focus on expenditure priorities and managing works conservatively, while investigating other potential sources of income available to the Council. It is important to note, that any reduction in expenditure may impact on the levels of service Council can offer to the community.

Formulas:

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

Highlighting rules:

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

3. Finance

3.2 Operational and Capital expenditure approval

Date of meeting	28 May 2026
Agenda item number	3.2
Author/s	Tanya Clifford, ECan Corporate Reporting Accountant

1. Purpose

The purpose of this report is to seek Council approval to realign operational and capital budgets to meet current water, wastewater, and waste management service, maintenance, and compliance requirements.

2. Recommendations

That the Council:

1. **Approve** capital expenditure of up to \$115,000 for water and wastewater activities, funded through the redirection of the Local Water Done Well (LWDW) compliance grant.
2. **Approve** an increase in operational expenditure of up to \$117,000 for water and wastewater to meet current service and maintenance requirements, funded from reallocations in corporate expenditure underspends.
3. **Approve** adjustments to waste management budgets, including increased operational and capital expenditure to support:
 - Procurement of 10 additional metal skip bins of up to \$65,000; and
 - Changes to excavator arrangements – net impact from the change in lease arrangements being an increase of \$1,825 per month (excluding additional costs),
 funded through reprioritisation within existing waste management budgets.
4. **Note** that these budget adjustments are to improve alignment with current operational demands, regulatory compliance requirements, and service delivery expectations.

3. Background

The 2025/26 Annual Plan includes no capital expenditure outside of roading. While this reflects a prudent financial approach, it limits Council's ability to respond to

emerging capital needs without external funding. Our budgets (excluding roading) were based on adjusted 2024/25 actuals and did not fully account for:

- New water and wastewater regulatory requirements
- The ongoing pressures from ageing infrastructure

Since adoption of the Annual Plan:

- Opportunities have been identified to redirect Local Water Done Well (LWDW) compliance grant funding;
- Water and wastewater requirements have been further clarified; and
- A review of waste management services has identified recommended changes to equipment to better reflect current operational needs.

Good governance practice requires that budget variations are approved by Council prior to expenditure being incurred. Bringing these matters forward supports transparent decision-making, accountability, and sound financial management.

4. Discussion

a. Water and Wastewater – Capital Expenditure

Council received \$200,000 in 2024/25 to develop its Local Water Done Well (LWDW) plan in partnership with Watercare. The submitted plan was not approved by the Department of Internal Affairs due to the absence of a condition assessment and concerns regarding the financial viability of the proposed operating model. Remaining assessment work will now be led by Watercare at minimal cost to Council.

Following discussions with the Department of Internal Affairs, approval has been obtained to redirect \$115,000 of the remaining funding towards priority water and wastewater projects identified by Council's water engineers. Details of the proposed works have been provided to Council via email and are also included in **Appendix 1**.

As this expenditure was not included in the 2025/26 Annual Plan, and in accordance with Council's Delegation Manual, Council approval is required prior to committing funds.

The proposed works are considered critical to address risks associated with ageing infrastructure and to improve the reliability and consistency of water supply, while ensuring effective use of available external funding.

b. Water and Wastewater – Operational Expenditure

The current operational budgets for water and wastewater are not currently aligned with our service requirements. Stantec estimates additional operational expenditure of approximately \$117,000 is required to deliver necessary maintenance works to year end. Key cost drivers include:

- Updated compliance requirements;
- Increased maintenance needs associated with ageing infrastructure;
- Ongoing boil water notices requiring additional treatment and mitigation; and
- Periodic specialist services (e.g. Filtec inspections, including accommodation costs).

A financial breakdown of the additional work is summarised in **Appendix 2**. Based on the May financial report (separate agenda item), approximately \$100,000 is currently available within the existing water and wastewater budgets, which also includes other operational costs such as power, actual charges may also change once April 2026 invoicing from Stantec and Fulton Hogan is finalised.

Any remaining funding requirement could be met through reallocation from underspends within the corporate expenditure budget, including contractor costs and remuneration, as outlined in **Appendix 2**.

Good governance practice requires that material variances from approved budgets are reported to Council for consideration and direction. Adjusting the operational budget will support regulatory compliance and the delivery of reliable services.

c. Waste Management – Operational and Capital Expenditure

An operational review of solid waste services on the Chatham Islands has identified the need for additional equipment and plant upgrades to meet current service demands.

It is proposed to procure 10 additional metal skip bins at an estimated cost of \$65,000 (including GST). Waste levy funding may be available where bins support recycling. While there is an underspend of approximately \$170,000 within the waste management budget, this is currently contributing to Council's improved financial position. If alternative funding cannot be secured, the investment could be funded from this budget, noting the impact on Council's cash position.

Existing landfill plant is not achieving the required level of compaction, reducing available airspace and accelerating the need for a new landfill cell. It is therefore proposed to replace the current 12-tonne excavator with a larger unit under a lease arrangement, increasing costs from \$5,011.20 to \$6,832 (+ GST) per month. The upgraded excavator, including a thumb attachment, will improve waste handling, compaction, and operational efficiency.

Additional costs (including fuel, maintenance, compliance, operator costs, and shipping) will need to be accounted for. As this is a lease, costs are treated as

operational expenditure. Final costs remain subject to shipping and disestablishment of the existing excavator.

These proposals are presented to Council for consideration and direction, in line with good governance and transparent financial management. They will support improved service delivery, asset utilisation, and management of landfill capacity risks.

5. Attachments

- Attachment 1: proposed water and wastewater capital works
- Attachment 2: necessary water and wastewater operational works

Appendix 1 - proposed water and wastewater capital works

Critical water and wastewater works:						
Status	\$	Description				
Already ordered	20,000	unvoiced est critical spares (included above for May)				
Partially complete	12,000	Kai intake (complete work, memo)				
	5,000	Wai wastewater balance tank pump issue; confirm operation as intended				
	3,000	remove old balance tank				
	2,000	install building vents				
	2,000	kai raw water repair kit				
	2,000	algae removal installation (parts ordered memo)				
Critical - redundancy	7,000	kai diesel motor (raw water pump)				
Critical - visibility	15,000	monitoring - water tank level logger (\$5k per tank) - kai treated, wai tikitiki, wai met station				
	10,000	tikitiki bore level logger + fix borehead enclosure (memo)				
	10,000	monitoring - kai flow meter from treated water tank (\$10k, memo)				
	20,000	ww irrigation flow meter (memo, useful to do)				
	15,000	M2M trip to install / trouble shoot (email)				
		wai WTP flow meter signal? Confirm now working				
Others		UPS for kai and wai (\$12k)				
		reinstate WWTP fence (?\$k / scope)				
		others identified by reviews w/b 11 May				
Total cost	123,000					
DIA remaining	115,000					

The table above summarises proposed critical water and wastewater capital works to be funded through the redirection of the Local Water Done Well grant.

Appendix 2 – necessary water and wastewater operational works

Forecast FH/Stantec remaining costs to 30/6/26	
FH SP2 LS rates	27,410
FH SP2 LS cost fluctuation est	10,496
Kai diesel est	1,000
allowance - breaks/BWN	3,000
FH draft claim, incl. Filtec service	49,000
FH uninvoiced est. (accommodation, kaingaroa response)	2,565
Stantec SP2 LS incl cost fluctuation	10,044
Stantec SP2 PS allowance	12,000
	115,515

The table above summarises the expected operational works for water and wastewater through to year end. While some budget is available, costs may exceed current allocations, and this is therefore presented to Council for consideration and approval. Any additional funding requirements are expected to be met by reallocating underspends within the corporate services budget of approximately \$100,000.



4. Works & Services

4.1 Stantec Report – March 2026

Date of meeting	23 April 2026
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 March 2026

CIC Engineering Services Contract: Monthly Report

Financial update – April 2026

Financial Position: Roothing

The total roading budget allocated for the 2025/26 financial year is \$5.8M. The approved budget for the subsidised Continuous Maintenance Programme is \$5.7M.

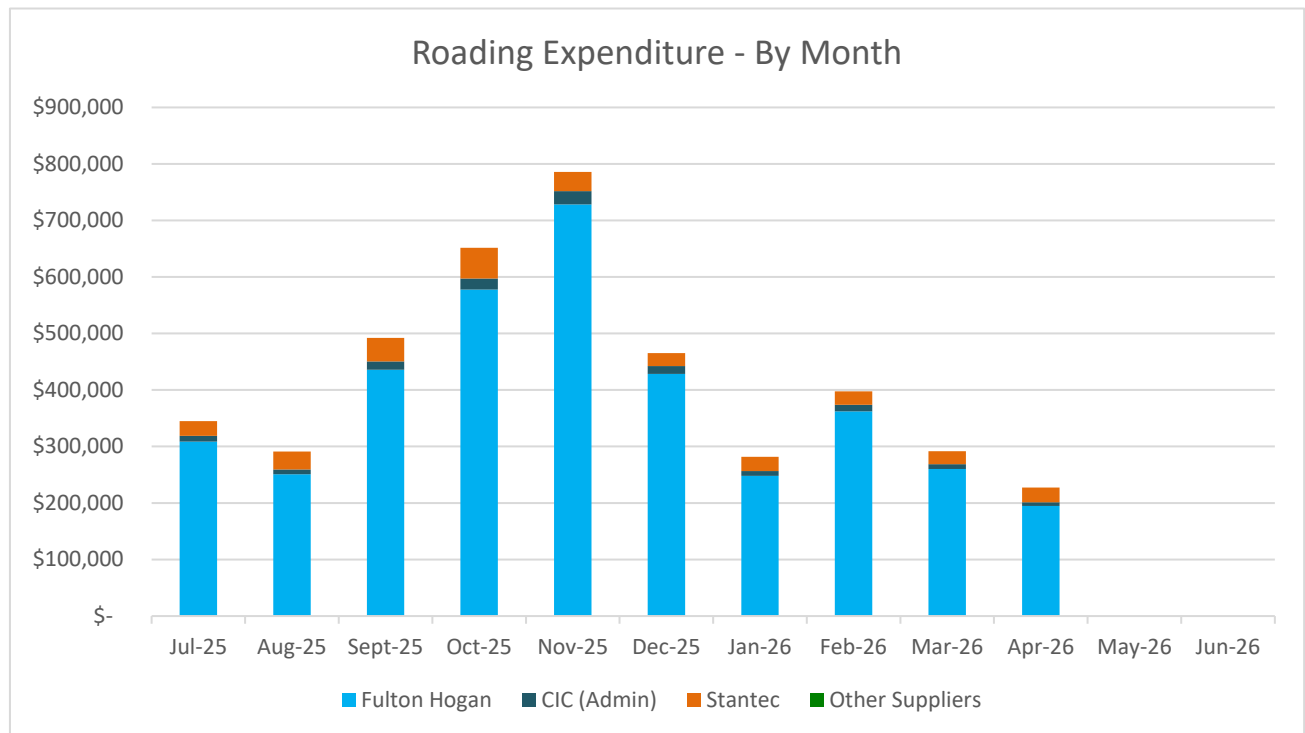
The April roading claim totalled \$227k.

Expenditure of the Continuous Maintenance Programme has used 76% of the funding allocated for 25/26 and we are 83% of the way through the 2025/26 financial year.

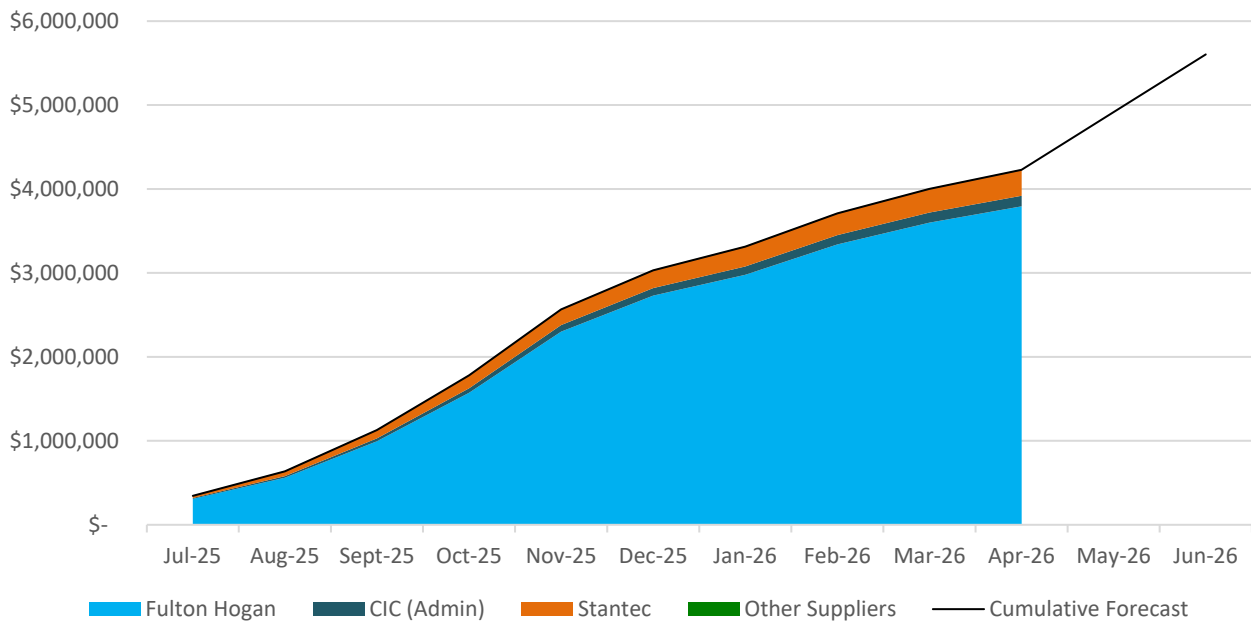
The largest construction costs in April were for stabilising the banks on Waitangi Wharf – Owenga Road where the failed corrugated steel culvert extensions have been removed at The Brook, and the largest engineering cost was for the on-going Asset Valuation queries from Audit New Zealand.

Expenditure Tracking of Waka Kotahi Funding

Tracking graphs for roading expenditure are presented below.



Roading Expenditure - Cumulative



Financial Position: Water and Wastewater

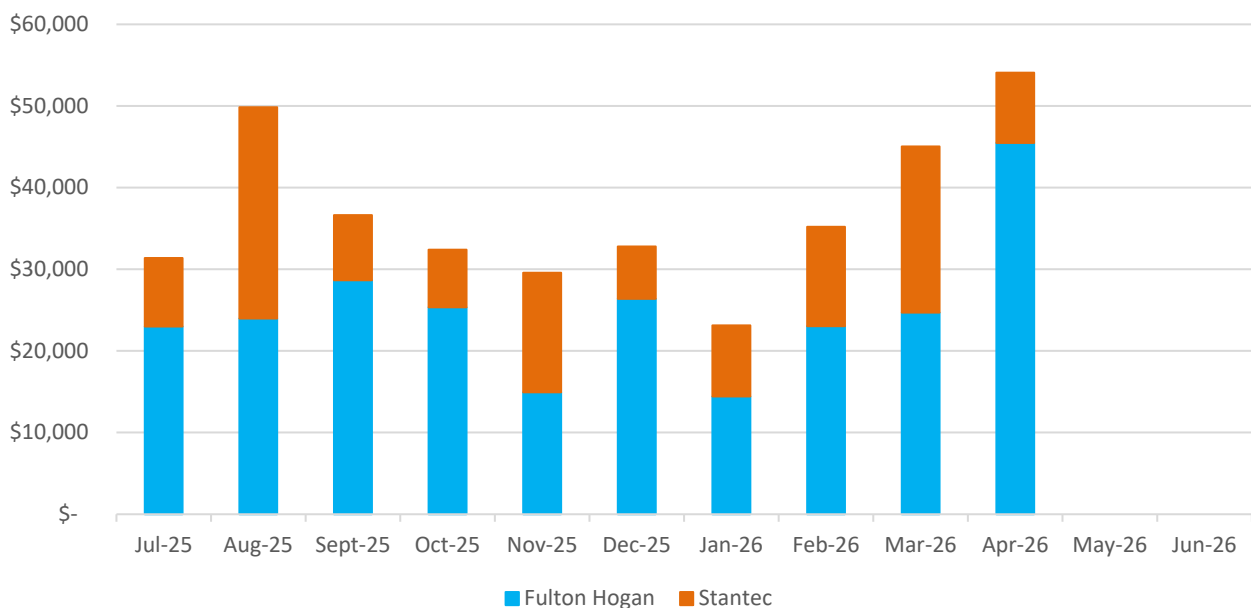
The April water claim totalled \$54k

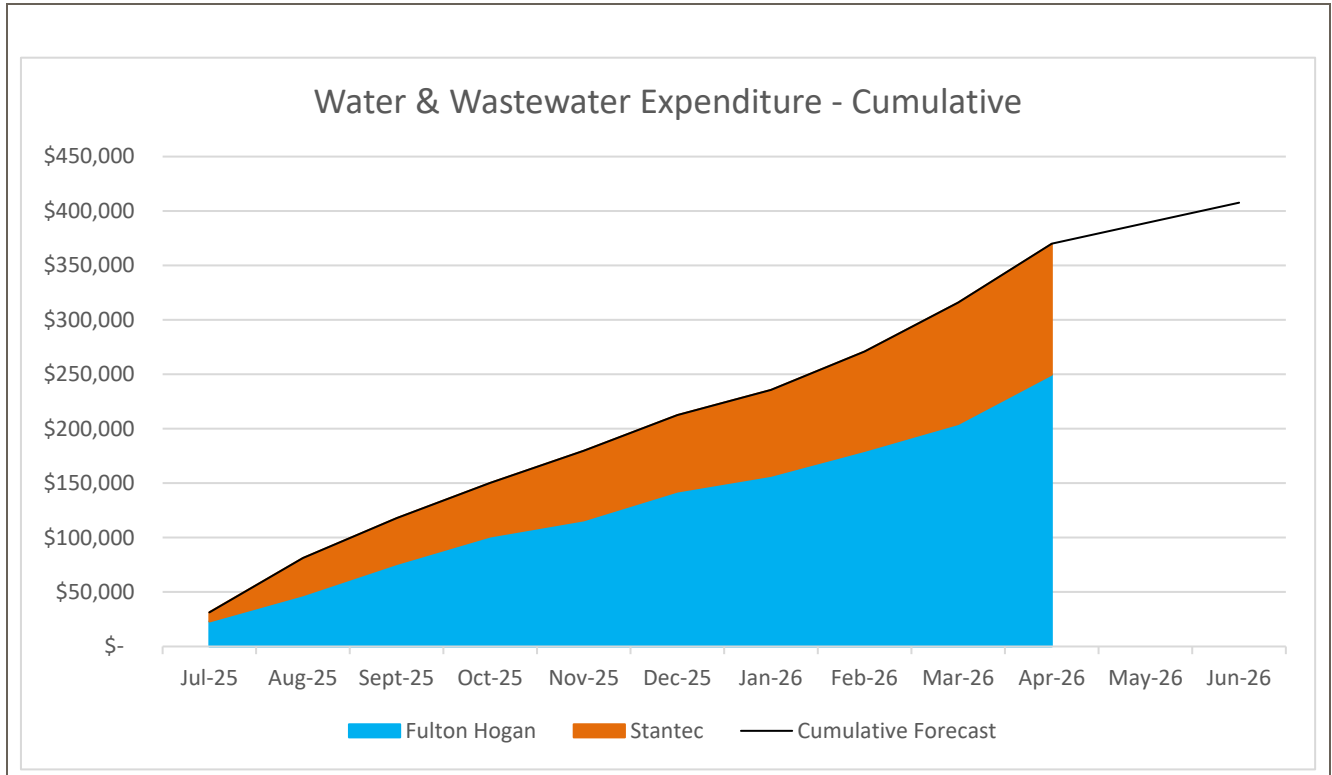
The largest engineering costs were for the updates to the critical works list and the ongoing response in Kaingaroa. The largest construction cost was for Filtec's service work at the Waitangi and Kaingaroa Water Treatment Plants.

Expenditure Tracking of Water & Wastewater Funding

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

Water & Wastewater Expenditure - By Month





Roading Update – April 2026

Short- & Medium-Term Roothing Forward Work Programme	
Bridges and Structures	Maipito replacement to begin in May
Drainage	Replacements of some undersized culverts and other failed corrugated steel culvert extensions are ongoing
Network & Asset management	Develop roading programme funding levels for the NLTP 2027-30 investment period
Long Term Roothing Forward Work Programme	
Network & Asset management	- Clarify how NZTA's One Network Framework will apply to the Chathams Islands - Begin transition of CIC's asset data to the new Asset Management Data Standard (AMDS)
Pavement Renewals	The next round of unsealed pavement strengthening will start after winter is finished, to avoid half-finished work being rained off
Maintenance Contract	Tender for New Maintenance Contract in Mid 2027.

Pavement Maintenance	
Previous Status: Swale upgrades in Peni Lane have been completed to protect the edge of the new seal	Updates: Ongoing monitoring of sealed pavement; grading and wearing course placement on unsealed roads on-going.

Drainage Maintenance	
Previous Status: - A number of underperforming culverts have been identified for renewal or replacement - Drainage improvements have been completed on Tuku Road to redirect water way from the road better during heavy rainfall events	Updates: - A number of short concrete culverts were extended using corrugated steel culverts in the past, and these are beginning to rust out and fail. Heavy rain events are causing debris to catch in these poorly executed extensions - A programme of works has been issued to FH to either complete further inspection works (due to culvert being buried or otherwise inaccessible), or complete full replacement where failures have been identified

Bridge & Structures Maintenance	
Previous Status: - The beams and gussets for Maipito bridge have been on island since February and further fixings have arrived - When all of the components have been shipped a construction team will travel out to undertake the replacement - We are waiting for confirmation from Fulton Hogan when this will be	Updates: - The rest of the timber bridge components have arrived for the Maipito replacement and crews are on island to begin fabricating and installing the replacement components - Fulton Hogan are leading the access requirements with the affected landowners to ensure no one is cut off during the removal and replacement of the existing structure
Network & Asset Management	
Previous Status: A proposed funding level for 2027-30 will be presented to Council shortly before applying to NZTA for co-funding for that period.	Updates: Audit queries for the Asset Valuation are ongoing
Kaingaroa & Owenga Wharves	
Previous Status: - An electrical team travelled to the island on the 9th of April to install the lighting on Owenga Wharf - Only the lighting is being installed per the electrical design, with no power socket	Updates: - Stantec are pricing options for the remaining Better Off funding to be directed towards Kaingaroa wharf. - We are working through some lighting options, renewal of the fenders and mooring facilities, some structural member replacements, and considerations for the crane - Nothing will be committed until the RIF application outcome is known.
Stantec Site Visits	
Previous Status: Kirsten Norquay visited 24th – 27th March	Updates: Rebecca and Nigel visit from 25th – 28th May
NZTA Waka Kotahi Updates	
Previous Status: The Transport Agency understand that Council presently has higher uncertainty than usual, while forming the NLTP 2027-30 funding request, and have indicated they are well placed to help navigate this additional challenge.	Updates: NZTA asked for a cost scope adjustment to re-balance for the sealed pavement programme being completed. We expect to be able to carry over some additional funding into the next financial year, which will help absorb some of the inflationary price shock from the latest Middle-Eastern conflict.

CIC Water and Wastewater O& M meeting – April 2026

Three Waters Funding		
Item	Current Status:	Action
General	- As briefly raised at the April Council meeting, Council staff are working through a discrepancy recently identified in the 3W O&M budget. Until this is resolved, all financial reporting will not be included in these monthly reports. - We will have a separate call on the critical works list when we have more clarity around funding and post Fulton Hogan's operational review by MP on-island. - The ship is currently operating on scheduled. No concerns. - The planned maintenance schedules seem to be working well so far and is live. PG to have a chat to Pat Wall and review reports. Still to formalise reporting. JB/KN finalising compliance reporting with Pat Wall. Paused for now due to funding.	
Opportunities	<i>Opportunities:</i> - Utilizing full potential of Water Outlook for monitoring and reporting. - Asset condition assessment will be carried arranged by Watercare. It will not require Council funding. Fulton Hogan and Stantec will support as requested.	
Water Supply		
Project:	Current Status:	
Kaingaroa Water Supply Scheme	New Issues: - After a series of issues at the Kaingaroa WTP, the plant has recovered and is operating well. The conserve water notice and boil water notices have been lifted. - New sampling tap – RP and MP to discuss on site. The new sampling tap shall be outside the treatment plant. - FH need to change chlorine supplier. RP confirmed that FH are still using the old chlorine supply. - RP explained that the 60 L chlorine solution at Kaingaroa typically lasts about 10 days. When new chlorine arrives on island it is diluted straight away into two 20 L containers using water from Waitangi to reduce formation of chlorate. The chlorine dosing tank at Kaingaroa is emptied and flushed monthly. PG to write methodology for chlorine dilution. - Need a methodology for cleaning the 30,000 L tanks at Kaingaroa. Possible options include pool cleaners, trash pump. FH to have a separate meeting to confirm a methodology that is practical & can be done by one person (ideally) on island. - E.coli has been detected at Kaingaroa school taps. The school receives water from the Council supply but then retreat the water on-site; the sample was taken post on-site treatment. A corresponding sample taken in the Council network did not contain E.coli, so the E.coli is attributed to on-site issues at the school. As part of addressing the on-site issues, the school drained their 30m3 on-site storage tank, which in turn drained the Council's treated water reservoir when the school system refilled their 30m3 tank. Stantec/Council to follow up with Taumata Arowai to confirm legal obligations of the Council (ie Council's obligations end at the school boundary) and to identify pragmatic way to minimise risk of school draining down community treated water stores.	RP, MP PG MP/PG JB
	Ongoing Issues - Ongoing chlorate monitoring required as part of default sampling. - TM to contact Hills Labs to add PG to distribution list. - PG confirmed with Hill Labs that 'interim' microbiological results reported by the lab are final, and will not change between the 'interim' and 'final' report.	TM PG

	• Work in Progress: ○ Key critical works item. Lake Rangitai intake extension (not invoiced). Approval to install when lake levels allow. Lake is still very high. PG to send methodology to JB to review. Procurement and installation of solution paused until we have Council approval. ○ MP explained that the new intake structure has been built and will be shipped to the island asap. TM noted the cut off for shipping is end of this week 1/5/2026. ○ Order critical spare for WTP pump. JB to check sizing is sufficient for additional GAC units. Awaiting input from Filtec. JB to talk to Andrew – there might already be a pump on island that is sized for additional GAC units. ○ FH to confirm diesel motor type for critical spare and liaise with pump and valve. Currently paused due to funding. ○ Hydraulic motor on Island. New critical spares to be stored in Waitangi and labelled	PG, JB
	• Completed: ○ Kaingaroa WTP chlorate and microbe response ○ All Kaingaroa tanks were emptied last month. The treated water tanks were relatively clean. New drain points have been installed on all tanks. All tanks can be isolated. ○ Turbidity meters now connecting to software. ○ Ongoing operations and maintenance	
	• Critical Works Updates ○ All critical works currently paused due to funding constraints.	
Waitangi Water Supply Scheme	• New Issues: ○ None	
	• Ongoing Issues: ○ Waitangi reservoir sensor and level alarms added to critical works list. ○ Water usage is around 50 m³. No major leaks found this month. ○ M2M – JB to talk to Danny about adding MP, PG, ST, TM, DW, & Bruce Winter to M2M processor. ○ FH have turned off the water supply at Nairn house to reduce water loss. Awaiting property owner to fix.	JB
	• Work in Progress: ○ Chlorine make up water filter material was replaced during the annual service. FH to ensure the filter is added to maintenance plans on Water Outlook to make sure it is not missed in the future. RP to share a list with the media required for each filter with Stantec. Stantec to add typical replacement frequencies for each media type.	RP, JB
	• Completed: ○ Ongoing operations and maintenance	
	• Critical Works Updates ○ None	
Compliance Monitoring April 2026	April 2026 Monthly Water Quality Compliance: • <i>Waitangi (22-04-2026)</i> ○ No E. coli or Total Coliforms detected in raw, treated, or network samples. ○ Treated water turbidity (0.12 NTU) was below the operational target (0.3 NTU). ○ The UVT for treated water was satisfactory at 98.3%. ▪ Protozoa compliance is being met.	

	• <i>Kaingaroa (30-03-2026)</i> ○ Chlorate measured at 0.199 mg/L, below the 0.8 mg/L MAV. ○ Treated water turbidity (0.43 NTU) was above the operational target (0.3 NTU). ○ The UVT for treated water was not satisfactory on the day of sampling at 91.7%. ▪ Protozoa compliance is being met. • <i>Kaingaroa (14-04-2026)</i> ○ Low levels of Total Coliforms and E.coli were detected in the raw sample, but as expected with a lake water source. ○ No E. coli detected in the treated water or network samples. ○ Low level of total coliforms detected in one network sample (8 MPN/100mL). • <i>Recycling Center Supply (22-04-2026)</i> ○ No E. coli or Total Coliforms detected in treated sample • <i>Council Office Supply (not a CIC supply) 22-04-2026</i> ○ No E. coli or Total Coliforms detected in treated sample. ○ The UVT was good at 97.1%	
Wastewater		
Project:	Current Status:	
Waitangi Wastewater Scheme	• New Issues: ○ RP explained that the irrigation tank has significant growth with water lily type plants on the surface. The Irrigation tank needs to be emptied before end of financial year.	
	• Ongoing Issues: ○ One of the wastewater pumps is currently stuck in balance tank. RP explained that they suspect the lifting chain is wrapped around bottom of the pump. FH to develop SWP for someone to access the tank to untangle the pump chain. FH to inspect tank when drained and photograph for record. JB to forward part number for reliant gasket. PG noted that FH could probably manufacture a gasket cheaper in the future. Agreed cost saving would be minimal, progress with reliant gasket when works are approved. The gasket will need Council approval prior to ordering.	PG JB
	• Work in Progress: ○ Flow jumps from 20m³ to 100m³ over rain events, pumps have kept up so far. FH to investigate sources of stormwater infiltration to the wastewater network next rain event. Phil had suspected flows came from Met Lane and the Hospital. This may help identify critical works. ○ FH to produce a list of properties which have known stormwater connections to the wastewater network no new investigations at this stage .	TM / DW TM / DW
	• Completed: ○ Ongoing operations and maintenance	
	• Critical Works Update ○ None	
Compliance Monitoring April 2026	April 2026 Monthly Compliance Monitoring • All parameters were below the annual median except for ammonia N (6 mg/L), total nitrogen (15 mg/L higher). The land application system will further reduce nitrogen and micro-organisms prior to reaching groundwater. • Consent application paused.	
AOB	JB to re send Pix4D link to ST	JB

Solid Waste Update – April 2026

Landfill Operation	
Current Status. - Fulton Hogan has provided CIC with a price for a 20-tonne excavator for use at the landfill (to be approved by CIC once a firm shipping quote has been obtained). - FH to price a solid pipe to replace the subsoil pipe at the treated leachate application area. - FH staff to provide information for the Owenga Landfill Annual Report. - Firebreaks are to be mowed when the tractor is repaired. - A Pest & Weed Survey is needed for this monitoring year.	Actions – Stantec - To continue working with CIC and FH on operational matters. - Stantec to complete the Owenga Annual Report. - Stantec to assess FH responses to NTC02. Actions – Council - CIC to approve 20 t excavator at landfill and purchase of metal skip bins. - CIC to arrange for a Pest & Weed Survey of the landfill. Actions – Fulton Hogan - FH staff to accompany ECan staffer in the field to learn where the sampling locations are. - FH staff to provide photos and reports for the Annual Report. - FH to mow the firebreaks.
Te One Operations	
Current Status. - Fulton Hogan has provided CIC with prices for: - replacement metal skip bins (to be approved by CIC at next meeting once a firm quote has been obtained for shipping). - temporary bulk waste bags as a trial (approved by CIC for purchase), whilst the metal skip bins are being manufactured, - FH to provide a quotation for supplying and installing solar-powered security cameras at Te One. - FH has been in contact with recyclers in NZ about the possibility of accepting recycled materials, including the possibility of dealing with some of the scrap metal. - FH and CIC to discuss messaging for signs, and then FH to get a quotation for signs about what is acceptable for disposal at the TS. - A gantry trailer for handling skip bins has been manufactured and is due to be sent on next available ship. - FH staff to consider best options for handling waste and recyclables from Kaingaroa and Te One, with a view to rationalising the use of plant and equipment.	Actions – Stantec - Work with Council and Fulton Hogan staff to identify a solution for the waste scrap metal. Actions – Council - To discuss messaging for signs required at Te One with FH. - To approve purchase of skip bins. - To contact on-island plumber about addressing wastewater issues at Te One. Actions – Fulton Hogan - Follow up with recyclers in NZ about the acceptance of recyclable materials. - To deliver the gantry trailer.
Other Waste Management Matters	
Current Status: - Monthly solid waste matters meetings have been re-scheduled for 2nd Wednesday of every second month. - There are only two functional skip bins at Kaingaroa which makes transferring wastes difficult. - The need for a compactor truck is to be assessed by FH staff. - Stantec have provided an updated valuation of SW assets. - FH to find out what charges were levied previously for accepting house demolition waste.	Actions – Stantec - None noted. Actions – Council - Council to determine further action regarding Solid Waste Charging. Actions – Fulton Hogan - To continue to identify waste sources in OWLS returns. - To continue to service Kaingaroa TS weekly. - To check on house demolition waste acceptance charges.



4. Works & Services

4.2 Fulton Hogan Road Maintenance Report

Date of meeting	28 May 2026
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 May 2026 monthly reports from Fulton Hogan.

Recommendation

THAT the report be received.



CHATHAM ISLANDS ROAD MAINTENANCE CONTRACT MONTHLY REPORT MAY 2026

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

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. Pitt Island
3. Wind Damage

Photos

Work Summary

Outline of work carried out during the month.

During May, a significant amount of work was completed across the network to improve safety, maintenance, and infrastructure resilience.

A large number of edge marker posts were installed and replaced, with over 400 new posts fitted to improve night-time visibility and replace those that were missing or damaged. Network inspections for signage were also completed throughout April and May, with assessments focusing on sign condition, damage, and reflectivity.

Roading and drainage works continued during the month, including the installation of new culverts at Kainga Pakeha and additional water tabling to assist with winter weather conditions. Further culvert installations were carried out as directed by Stantec, with more still to be completed once the remaining culverts arrive.

Bridge maintenance and renewal work also progressed well. Materials for the Maipito Bridge replacement have arrived, and prefabrication has commenced at the MPA yard. The bridge construction crew has started work on key components, ensuring all assembly is completed in accordance with the engineer's specifications. Painting of cattle stop bridges and edge marker posts was also undertaken to improve visibility and overall safety.

At Owenga Wharf, lighting improvements were completed after one of the posts was damaged. The damaged post was replaced within 24 hours to restore safe lighting at the site.

Routine maintenance activities continued across the network, including mowing and trimming where weather conditions allowed. Overgrown flexi at Kapito Urupa was also cleared to prevent graves from being covered.

In addition, Fulton Hogan continued working with Council to supply water, which remains available for collection from their Waitangi Yard. Metal was also delivered to raffle ticket winners following Fulton Hogan's reminder notice advising winners to redeem their metal before the end of May 2026.

Routine Maintenance and Operations:

This month, a significant amount of edge marker post and cattle stop bridge painting was carried out to improve visibility for drivers at night.

Pavement Renewals:

N/A

Sealed Road Resurfacing:

N/A

Drainage Renewals:

New culverts were installed at Kainga Pakeha, along with water tabling works to help improve

drainage and prepare for winter weather conditions.

Bridge and Structure Renewals:

Materials for the Maipito Bridge replacement have arrived, and prefabrication has commenced in the MPA yard. Our bridge construction crew has begun working on key components of the bridge, ensuring it is assembled in accordance with the engineer's specifications.

Minor Improvements:

Overgrown flexi at Kapito Urupa was cleared to prevent it from covering graves.

At Owenga Wharf, lighting improvements were carried out after one of the posts was damaged.

The damaged post was replaced within 24 hours.

Vegetation Control:

Normal mowing and trimming are carried out around the network when the weather allows.

Dayworks:

Culvert installation was carried out as directed by Stantec, with additional culverts still to be installed once the remaining materials arrive, which are currently on order.

Programmed Work for following month:

Preliminary prefabrication works for the Maipito Bridge replacement have commenced, along with the development of a pedestrian accessway for residents affected by the closure.

Signage installations were also carried out to replace faded and damaged signs, as well as edge marker posts.

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
KAIWHATA ROAD	6266		0	1050	1050
KAINGAORA ROAD	6262		3050	5990	2940
AIRBASE ROAD	6286		0	5926	5926
NORTH ROAD	6291	21	4580	8555	3975
NORTH ROAD	6291	21	8555	12556	4001

				Total	17892
					17.92km

2. Unsealed Maintenance Metaling

Road	Dispatch	Road ID	Start RP	End RP	Quantity m3	
NORTH ROAD	6271	21	4590	4600	8	
AIRBASE ROAD	6272	71	5926	9000	16	
AIRBASE ROAD	6272	71	9000	11000	64	
WW-O ROAD	6274	11	1000	12000	24	
WW-O ROAD	6274	11	4440	24300	16	
AIRBASE ROAD	6281	71	0	8000	16	
AIRBASE ROAD	6281	71	0	187	16	
WW-O ROAD	6274	11	3000	6500	24	
NORTH ROAD	6273	21	5200	5300	8	
PORT HUTT ROAD	6284	51	4560	5100	48	
WW-O ROAD	6274	11	6005	7000	72	
WW-O ROAD	6274	11	7740	10000	104	
WW-O ROAD	6274	11	3560	6500	104	
		Totals		This Month	502	m3

Next Month's Target

We have carted a total of 502 m³ of metalling this month. Our target for next month is 438 m³.

Crash Damage Report Summary

N/A

Network Inspections

Month	Inspection Type	Faults Identified	Inspected By
April 26	Day	Edgemarker Post inspection and create dispatches in RAMM	Shingy
May 26	Day	Network inspection for signage accessing damages and reflectivity and improvements and add dispatches in RAMM	Shingy

Monthly Safety Report and Statistics

Fulton Hogan held a safety meeting with staff to raise awareness of road safety and encourage proactive driving practices. This includes identifying faults within the road network and reporting them promptly, enabling us to respond quickly and reduce the risk of potential incidents.

A separate safety meeting was also conducted regarding the construction of the Maipito Bridge replacement. As this will be an ongoing project, we will review and assess our methodology daily to ensure that all work is carried out safely and in line with the planned approach.

1. Safety Engagements

Date	Near Miss	Incident	Lost Time Injury	Plant Damage	Depot/Worksite Inspections
May 26	N	N	N	N	Various Culvert Replacement assigned by Stantec
April 26	N	N	N	N	Waitangi- Owenga Wharf Road Bridge Narrowing
May 26	N	N	N	N	Audit done on the Maintenance yard by Shingy Torga.

Environmental Compliance

Date	Site Inspected	Compliant Y/N	Abatement Order Issued	Corrective Action Required	Completed By
May 26	Maipito Bridge Replacement	Y	N	N	Shingy

Stakeholder Complaints Register

Month	Council/ Public Complaint	Complaint	Repair Undertaken	Response Time
April 26	Public	Numerous potholes throughout the unsealed network.	Very wet conditions graders doing the best they can.	Same day
May	Public	Rip Rap on the intersection of Airbase and North Road	Nothing uncommon with a freshly graded road with a firm base.	Same Day = Nothing Done
May 26	Public	Low shoulder close to the driveway in Hospital Road	Holes filled with AP30	1 Days
May 26	Public	Potholes on the section were Unsealed separates with Sealed Road	Filled potholes with AP30	Same Day

Month	Council/ Public Complaint	Complaint	Repair Undertaken	Response Time
May 26	Public	Tree brunch hanging might need cutting	Consulted with an arborist waiting on their responses and quote for approval	On Going

Public Relations & Community Involvement

Fulton Hogan is still working with Council supplying water that can be collected at their Waitangi Yard

Delivered metal to raffle ticket winners following the notice Fulton Hogan sent reminding all winners to redeem their metal before the end of May 2026.

Innovation

- Temporary Pedestrian crossing for Maipito Bridge replacement

1. Pitt Island

N/A

2. Wind Damage

Nil this month.



4. Works & Services

4.3 Fulton Hogan Water and Wastewater Operation Contract Report

Date of meeting	28 May 2026
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 May 2026 Water & Wastewater reports from Fulton Hogan.



CHATHAM ISLANDS WATER AND WASTEWATER OPERATION CONTRACT MONTHLY REPORT MAY 2026

Work Summary

Outline of work carried out during the month:

Fulton Hogan has been engaged by Watercare to digitally capture above ground water assets to support the preparation of the CIC water services delivery plan for DIA. This work is underway currently.

Preliminary work underway for the lake Rangitai intake extension.

Operation & Maintenance:

Tiki Tiki plant

- We have identified a leak in the contact tank. We are working with Stantec on a temporary tank setup until a plan is made for a replacement / repair for the existing tank. The plant is continuing to operate in the meantime.
- A new sampling tap has been installed this will reduce risk of sample contamination.
-

Kaingaroa plant and Lake Intake

- Normal operation
- A new sampling tap has been installed this will reduce risk of sample contamination.

Waitangi Wastewater Treatment Plant

The plan is operating ok, there are the following known issues.

- Several irrigators are out of order on the irrigation field causing some surfacing flooding especially during wet weather. Upgrade to the irrigators is dependent on additional funding.
- One of the pumps is stuck in the balance tank – we are working on a methodology to address this. The pump is still operational.
- The main fence for the plant is not in place since plant upgrades, installation of this fencing is dependent on additional funding.
- There is an intermittent algae issue in the irrigation tank. The algae threatens consent compliance. A pump has been purchased to circulate the water to reduce algae growth, this will be installed in the next month.

Reticulation Network:

- We are aware of significant I&I coming from the network which puts pressure on the plant during rainfall events. Additional CCTV is required to identify the leak locations; this is dependent on additional funding.
- No leaks or busts in the last month.

Water Meter Report:

Water readings have been done with the next ones due in June.

Chatham Islands Monthly Report

No outlier readings found, water consumption is within the normal range.

Safety Report:

No LTIs this month.

Environmental Non-Compliance:

Nothing to report.

Consumable Stocks – As of 20/05/26

	Stock Purchased	Stock End of Previous Month	Stock Used	Stock Remaining End of Month
Salt		90 Bags	20	70bags
Chlorine	60L	20	45	60lts



4. Works & Services

4.4 Fulton Hogan Waste Management Operation Contract Report

Date of meeting	28 May 2026
Agenda item number	4.4
Author/s	Fulton Hogan

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 April & May 2026 Waste Management report from Fulton Hogan.

Te One Resource Recovery Centre Chatham Islands

End of month Report for April – May 2026



(early morning start at the Te One Transfer Station gates February 2026)

Staff: Arlette, Andra and Waimarino. We welcome Derek Wisniewski appointed as the new Fulton Hogan Divisional Manager for Chatham Islands Maintenance and Waste Management and Shingy Torga appointed as our on-Island Department Manager for Chatham Islands Maintenance and Waste Management. End of March early April- staff/ operator support from our Maintenance teammate Rikard Kamo, over saw the daily operations while staff away on leave.

Introduction: As summer ends, the Autumn, Winter woes creep in. Our team continue to adapt to the conditions, ensuring continuous service within our means, with only a handful of sporadic closures of the main Te One Transfer Station due to extreme weather conditions.

Key tasks for February- March included but not limited to:

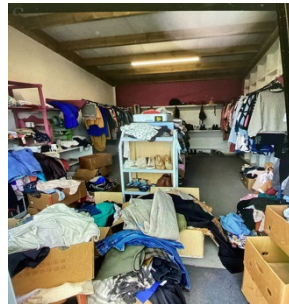
Te One Resource Recovery Centre:

Mitre 12- set up new collection point of recovered resources inside the MRF shed, purpose-built collection box, new signage put up inside the M12 closed rooms directing public to bring there goods to the MRF, and deter random dumping inside the display areas. Extensive sorting of old stock out and latest items displayed.

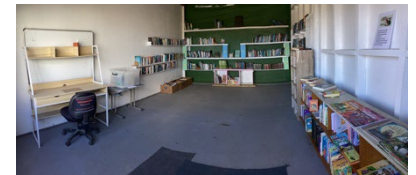


(M12 drop box Inside the MRF Building, new signs displayed inside M12)

(M12 before sorting).



(M12 after sorting and tidy)



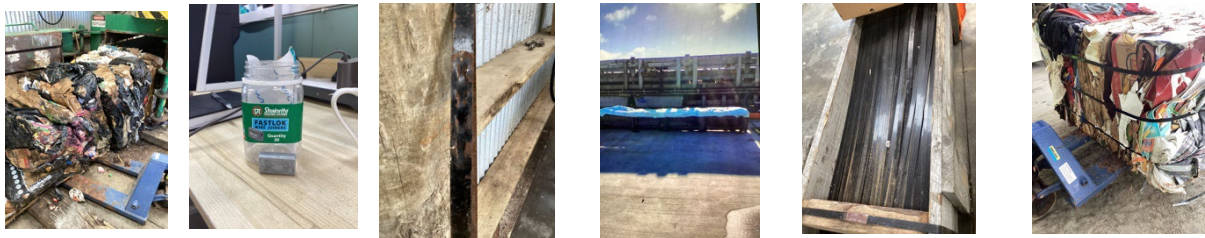
(Clean out and resort of the M12 external sheds before and after)



Te One intake- processing – resource challenges:

Mid February our resources for collecting wastes in skip bins and processing bagged wastes and recycling through the ERL compactor became more challenging. As a temporary measure we utilised recovered resources onsite such as empty tonne bags, large cardboard ice boxes and continued rotation of the 4 remaining skip bins considered safe enough to lift. For baling we reused salvaged fencing wire for strapping with wire joiners as we had run out of the T.P steel straps normally used. We also experienced a couple of strap blow outs, prompting us to stop baling temporarily or until the proper straps arrived. Fortunately we were able to find a supplier in the Napier Region, woolworks nz. March 18th the big box of straps arrived on Island, swiftly

collected from the port and have since resumed processing bagged wastes safely in the ERL compactor. This has relieved the over filling of the skip bins.



(wire strap blow out, wire fastener, steel T.P strap- Waitangi port arrival of new T.P straps resume baling at Te One)

Skip Bins:

The skip bins continue to deteriorate and we are now limited to 4 deemed safe enough to use for collection. We have increased our processing to same day collect and process out at Owenga landfill to ensure sufficient skip availability for the next day. This is proving challenging on our open days especially when excessive loads are brought in and fills the skips to capacity within the hour. Our onsite processing team are awaiting the outcome of this matter.



(Skip bin condition- excessive loading from one member of public)

Kaingaroa Transfer Station:

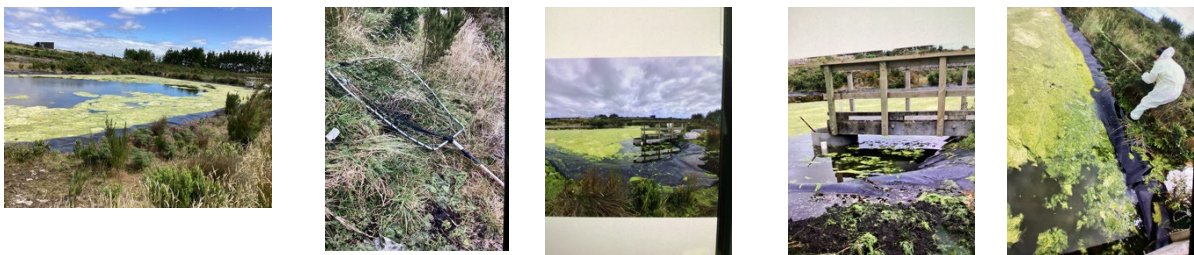
We continue to service the Kaingaroa Transfer Station weekly with the additional service visits for skimming the glass skip bin and site maintenance. Each week presents differently yet our team continue to hand load the wastes and maintain the space.



(Kaingaroa February-March before and after collection service)

Owenga Landfill:

Our focus this month was to begin removing the build up of Algae inside the leachate treatment pond. We made an over sized scoop net with wider holes out of an old white bait net and attached a longer light weight pole. We also used plastic rakes to scoop out algae from the sides so not to cause any damage to the bladder lining. However we underestimated the density of the algae growth under the top layer and it proved harder to manually scoop out as each scoop made the net too heavy to pull out. We shifted our priority to removing what we could for around the extended jetty to the inlet pipe drum to allow continued water flow through the system. Moving forward we will continue to monitor this particular area and clear away any algae buildup. Our team are in conversation with our maintenance supervisor to help come up with a better plan moving forward.



We are yet to source a replacement mesh cover for the inlet pipe, it was also noted that the Waratah weight kept slipping away from the inlet pipe therefore not holding it in the correct position to allow it to syphon. We have used a steel cray pot fish inlet that fits and holds the inlet pipe perfectly in position just below the water line to allow continued flow.



We are working with the maintenance team and awaiting repair on the the Tractor Mower to mow the soak field. The team have also begun weeding out the peat drum.



Works continue.





Event Insights Report

ZONE 5 & 6 Local Government Conference

Christchurch Town Hall | 30 April – 1 May 2026

Themes, Pressures and Implications for South Island Councils

Two days. One sector. Big reform. Bigger expectations.

The 2026 Zone 5 & 6 Local Government Conference brought together mayors, ministers, officials and sector leaders from across the South Island at a time of rising reform pressure on councils.

Five cross-cutting themes ran through the two days of discussion.

- Reform and implementation pressure
- Funding, infrastructure and affordability
- Trust, engagement and community confidence
- Local delivery and regional capability
- Climate, resilience, risk and long-term adaptation

Event at a glance



Executive Summary

What council leaders need to know now.

- **Reform and implementation pressure:** Overlapping reforms in planning, water and local government are hitting councils at once.
- **Funding, infrastructure and affordability:** Rising costs and small rating bases are stretching the current funding model.
- **Trust, engagement and community confidence:** Councils need stronger communication and engagement to sustain public trust through change.
- **Local delivery and regional capability:** National policy still relies on local relationships, workforce and delivery capacity.
- **Resilience, risk and long-term adaptation:** Climate risks, asset vulnerability and Alpine Fault planning demand earlier, coordinated resilience work.

Implications for councils.

- **Reform is accelerating faster** than local implementation capacity.
- **Delivery still happens locally**, even when policy settings are national.
- **Funding, capability and trust** will determine which councils cope best with what comes next.

\$217b

Assets managed

Supported by 39,000 staff and \$20b+ annual spend

\$2.2b

GDP contribution

Council operations also generate \$20.1b in economic activity

2% vs 35%

Revenue imbalance

Councils' share has stayed flat while central government's has grown

NUMBERS THAT MATTER: Numbers that frame the operating environment

\$8b

Climate exposure

Assets exposed to 1.5m sea-level rise; \$1 invested in risk reduction can avoid \$3 in losses

\$20m → \$90m

Repair cost escalation

Annual weather-related land transport repair costs over the past decade

54%

Christchurch transport emissions

A reminder that local transport choices shape climate and resilience outcomes

Day 1 Theme

Trust, change and capability

People and delivery were inseparable.

Across all 21 councils, one theme kept coming back: how to respond collectively to reform, cost pressure, and rising community expectations.

Pressure is rising on all fronts

Reform, disruption, and risk are all accelerating, so the key question is not whether change happens, but how well it is shaped and governed.

Capability, funding and voice will decide who cope

The clearest takeaway from the day was the need to build stronger institutions, partnerships, and leadership capacity now, before the next crisis or reform wave arrives.

Day 2 Theme

Delivery, funding and reform pressure

People and relationships came first

Reform only works when councils are resourced, respected, and delivering for communities, not just responding to Wellington's timelines.

Change is unavoidable, but design matters

Pressure is rising on all fronts. From reform timeframes and climate adaptation to funding volatility, councils now operate in a permanently high-pressure environment where inaction is itself a costly choice.

The long game is capability

The councils that invest early in capability, sustainable funding and a stronger collective voice will be best placed to navigate what's coming.

Reform is stacking, not sequencing

**Regional spatial plans must be notified
within 15 months of enactment**

**Local Water Done Well remains on track
for 2029**

**Multiple reforms are converging before
or around the 2028 local elections**

**Implementation readiness now matters
as much as policy debate**

Delivery still happens locally

Health, access, workforce and service equity remain local realities, especially in rural and fast-growing communities

From 1 July, local decision-making over health budgets, service delivery and workforce will return, aiming to reduce centralised inertia

The test of reform is whether communities feel the service difference on the ground

New expectations, old funding model

Councils are being asked to deliver more under rising cost, resilience and infrastructure pressure, while rating bases remain constrained

The current funding model is outdated, with local government still around 2% of GDP while central government has grown to about 35%

Proposals such as a collective Ratespayer Assistance Scheme show appetite for new tools, but councils also warned against reform without sustainable funding

What councils should do now

Prepare early for overlapping reform deadlines, especially spatial planning, water and local government system changes

Invest in capability, communication and trusted partnerships so councils can lead, not just react, through reform

Focus on a small number of clear local priorities and advocacy asks, and treat resilience, adaptation and affordability as core governance issues

LGNZ Update.



LGNZ reset: rebuilding trust, value and voice

The LGNZ session and presidential update focused on resetting the organisation around stronger member leadership, clearer advocacy and rebuilding sector unity ahead of major reform.

“We only have a strong base if we stick together.”

KEY INSIGHTS

- 12–24 month organisational reset to rebuild LGNZ’s credibility and influence, alongside advocacy wins such as around \$8b saved on earthquake-strengthening settings and a potential \$330m through proportionate liability changes.
- Emphasis that LGNZ is a peak body whose priorities must be set by members, with a focus on listening to councils, rebuilding membership unity (including bringing back those who left) and translating feedback into tangible action
- More practical support for councils, including the 28 May Budget and the shifted SuperLocal conference on 14-15 October, signalling a push to be operationally useful, not just political.

- **Mayor Rehette Stoltz, President**
- **Mayor Dan Gordon, Vice President**
- **Scott Necklen, CEO**
- **Amanda Wells, Director, Member Services**

Council Updates.

Zone 5 Council Updates:

Ashburton District Council

Stated focus

Second bridge delivery, development contributions, fuel impacts, and green waste collection.

Key metric

8.71% overall rates rise; about \$20 million set aside in the annual plan.

Key insight

The district is excited to finally move ahead with its second urban bridge after 20 years in planning.

Buller District Council

Stated focus

Water reform, flood protection, adaptation planning, and public-private partnerships for future growth.

Key metric

4.4% proposed rates rise.

Key insight

Affordability is the district’s biggest pressure, alongside job losses and rising expectations on a small council.

Environment Canterbury Regional Council

Stated focus

Transport funding relief, flood resilience, inflation pressures, and regional collaboration.

Key metric

\$10 million diesel cost uplift; 1 million Move tag-ons; 2.9% rates increase.

Key insight

Public transport and flood resilience are under pressure even as patronage and delivery continue to improve.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 5 Council Updates:

<u>Chatham Islands Council</u>	<u>Hurunui District Council</u>	<u>Mackenzie District Council</u>
Stated focus Governance reform, fuel resilience, freight and air links, and realistic support for remote communities	Stated focus Water storage, resilience, proactive relocation, and district investment projects.	Stated focus Shared water services, tourism pressure, freedom camping, short-stay accommodation, and growth management.
Key metric A new regional development entity has been proposed alongside the council and trust model.	Key metric 3.97% proposed rates increase; water transition date of 1 July 2026	Key metric Annual plan tracking at just under 7%, including water services spend.
Key insight The council is rebuilding trust while also responding to structural governance and resilience challenges.	Key insight The district is in good heart, with strong primary production and steady progress on water services.	Key insight Tourism is booming, but it is increasing pressure on infrastructure, accommodation, and council capacity

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 5 Council Updates:

Selwyn District Council

Stated focus

Water asset transfer, CEO recruitment, fast-track growth, and infrastructure planning.

Key metric

Annual plan hoped to land at 4-point-something percent; 900 submissions and 100 speakers; \$4.6 million rates overcharge cleaned up.

Key insight

The new council has had a turbulent first six months but is pushing through major governance and growth issues.

Timaru District Council

Stated focus

Water reform, spatial planning, protecting district asset value, and major precinct investment.

Key metric

Around 9% rates, including 3.7% on water; about \$100 million investment over 18 months.

Key insight

The council is managing significant investment while preparing for reform, rate capping, and growth-related infrastructure pressure.

Waimakariri District Council

Stated focus

Growth infrastructure, urgent care delivery, internal water business unit, and roading investment.

Key metric

Population around 74,000; 4.91% average rates increase; 14,000 to 17,000 new sections over 20 years; Eastern Link business case around \$60 million.

Key insight

Growth is driving most of the district’s challenges, but major infrastructure and health investments are progressing.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 5 Council Updates:

Waimate District Council

Stated focus

Signing off the annual plan, opening the first stage of the Ti Waimate bike trail, and bedding in the standalone waters unit and new water services committee.

Key metric

5.5% proposed rates increase, made up of 1.9% general rates and 3.6% water.

Key insight

Waimate is progressing new community and water infrastructure while keeping overall rates increases in a moderate band and treating reform as business-as-usual delivery.

Westland District Council

Stated focus

Rates-cap readiness, local water progress, freedom camping, airport and wharf upgrades, and Franz Josef’s future.

Key metric

Rates tracking at around 6%, down from 18% last year; coast’s first retirement village includes an 80-bed hospital.

Key insight

Westland is in good heart, with tourism back to pre-Covid levels and strong regional investment activity.

Christchurch City Council Special update(not LGNZ member)

Stated focus -

Water issues, right-sizing the capital programme, service levels, and short-stay accommodation.

Key metric

Annual plan is sitting just under 8%.

Key insight

Christchurch is trying to balance affordability with significant water and capital programme pressures.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 6 Council Updates:

Waitaki District Council

Stated focus

Water affordability, deficit recovery, community conversations, and resourcing small schemes.

Key metric

Proposed annual plan at 19% to 27.45%, with a 45% scenario if water depreciation is fully funded; \$45 million water spend next year.

Key insight

The district is managing major water cost pressures while still progressing positive community projects.

Environment Southland Regional Council

Stated focus

Reorganisation engagement, flood works, nitrate hotspot action, and partnership with territorial authorities.

Key metric

\$25 million flood resilience project over five years; channel flow improvement of about 12%.

Key insight

Flood resilience and local government reorganisation are front and centre, alongside stronger work on nitrates.

Gore District Council

Stated focus

Southern Water, district plan work, economic development, water quality improvement, and jobs initiatives.

Key metric

10.89% proposed annual plan; more than 1,000 young people into sustainable employment through the community contract.

Key insight

The district is moving through major change but is positive about water, development strategy, and community outcomes.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 6 Council Updates:

Southland District Council / Stewart Island update

Stated focus

Stewart Island energy resilience, solar delivery, fuel affordability, and phased transition planning.

Key metric

About 1,000 litres of diesel a day; \$15 million government loan; solar farm expected to reduce diesel reliance by up to 75%; fuel at the pump at \$4.45.

Key insight

The fuel crisis on Stewart Island has highlighted the district’s dependence on diesel and the importance of long-term planning.

Queenstown Lakes District Council

Stated focus

Rating policy review, visitor economy costs, infrastructure gaps, housing pressure, and government support.

Key metric

Water infrastructure rates up to 29% in some communities; international tourists above 140% of pre-Covid levels; 12,000 sections in the fast-track pipeline.

Key insight

Queenstown Lakes is in a high-growth transition phase, with infrastructure and affordability struggling to keep pace.

Dunedin City Council

Stated focus

Three waters in-house, CEO recruitment, economic development structure, climate adaptation, and community resilience.

Key metric

Around \$60 million invested in the main street; rates rise around 10.5%; 44 CEO applications; just over 100 submissions received.

Key insight

The city says recent investment is paying off, even as it manages political noise, leadership change, and affordability pressure.

Funding, infrastructure and affordability in practice | Reform, growth and resilience pressures on the ground

Zone 6 Council Updates:

Otago Regional Council

Stated focus

Portfolio governance, annual plan delivery, environmental investment, and regional deals.

Key metric

0% rates increase; \$1.26 million from reserves; \$2 million environmental fund.

Key insight

Otago Regional Council is emphasising certainty for ratepayers while maintaining services and investing in environmental priorities.

Invercargill City Council

Stated focus

Growth readiness, housing supply, fuel crisis response, Southland reorganisation, and ensuring no one is left behind.

Key metric

Rates budget around 6.9%.

Key insight

Invercargill has a strong growth outlook, but housing affordability, cost of living, and rates pressure are live concerns.

Central Otago District Council

Stated focus

Consenting capacity, growth management, major project pressure, and the demands being placed on elected members.

Key metric

Industrial subdivision sale covers the full \$47 million event centre build; 3,500 fast-track sections; \$8 billion pumped hydro proposal; community board members paid \$6,000 a year.

Key insight

Asset recycling has helped fund major facilities, but fast-track growth and staff shortages are creating real pressure.

Speakers.

Alex Crackett | Young Elected Members | Building the next generation of local leaders

Alex's point was simple but important: if local government wants stronger future leadership, younger elected members need deliberate space to build networks and capability early. His announcement was less about the event itself and more about creating a better development pathway.

QUOTE:

“We are adding on another half day ... so that young elected members can have an opportunity to experience this level of networking and professional development.”

KEY INSIGHTS:

- A “young elected member” was defined as being under 40 on election day, giving a practical marker for who this initiative is trying to support.
- He noted it will be the first time in **more than a decade** that the next Zone 5/6 event is hosted there, which gave the announcement added significance.
- The added half day is a useful signal that succession and capability need to be designed into these forums, not left to chance.

Warren Ulusele | DLA | Reform readiness starts now

Warren's update reinforced that the reform environment is accelerating, and councils need to prepare for multiple overlapping changes rather than waiting for full certainty. His practical message was that implementation readiness now matters as much as policy debate.

QUOTE:

“The clock will start ticking very soon.”

KEY INSIGHTS:

- Once enacted, regional spatial plans will need to be notified within **15 months**, which he warned is a very tight timeframe given governance structures must be agreed first.
- Local Water Done Well is still intended to be fully operational by **2029**, while other reforms will also land before or around the **2028** local elections, stacking pressure on councils.
- He signalled that some regions may get a faster pathway under simplification reforms, because ministers have heard that parts of local government are ready to move more quickly.

Hayden Leach | Transwaste Canterbury Ltd | Transwaste and the long view of partnership

Hayden presented Transwaste as a strong example of what a long-horizon public-private partnership can deliver when scale, governance, and environmental outcomes are aligned. His presentation stood out because the numbers showed both operational efficiency and long-term stewardship.

QUOTE:

“You have to work together and nut out a solution.”

KEY INSIGHTS:

- Transwaste is a **50/50** public-private partnership and New Zealand’s longest-running PPP, with about **20 years** of proven operation behind it.
- Kate Valley closed 52 old-style dumps and replaced them with one engineered regional solution, which is the clearest example of scale driving better outcomes.
- The site captures more than 90 percent of landfill gas and currently powers over 2,000 homes, with plans to lift that to 5,000-plus homes, showing waste infrastructure can also be energy infrastructure.

Bill Eschenbach | Waitaha Primary Health | Rural health is a national issue

Bill made the case that rural health is not a fringe issue but a national system issue, because rural communities produce a large share of New Zealand’s value while still facing weaker access to care. Their strongest message was that long-term workforce pipelines and community wraparound support matter just as much as clinical funding.

QUOTE:

“We advocate for sustainable and accessible health services for rural communities.”

KEY INSIGHTS:

- About **900,000 people** live in rural New Zealand, which makes rural health a scale issue, not a niche one.
- In 2025–26 there were 108 GP placements and 14 nurse practitioner placements across the southern region, plus 120 doctors placed last year into rural practices or hospitals, showing real movement in the pipeline.
- Their school outreach reached 113 schools and about 3,500 to 3,800 students in four months, because solving rural workforce shortages means starting years before vacancies appear.

Jim Palmer, Consultant | Richard Ball , Canterbury Group Recovery Manager | Planning now for Alpine Fault recovery

They argued that South Island councils need to prepare now for Alpine Fault recovery governance, rather than improvising after a disaster. His core point was that response planning exists, but recovery planning at the political and institutional level is still underdone.

QUOTE:

“Nobody has done anything thinking about recovery until actually the event has occurred.”

KEY INSIGHTS:

- The Alpine Fault last ruptured in 1717, tends to move about every 300 years, and has a 75 percent probability of rupturing in the next 50 years, which makes planning urgent rather than theoretical.
- Jim said the first three years of recovery are especially important, because that is when governance, accountability, and decision-making arrangements need to be clear.
- The proposed work would take about 18 months, giving councils time to shape a cross-government model before a real event forces rushed decisions.

Mayor Phil Mauer | Christchurch City Council | Christchurch growth with confidence

Phil said Christchurch is holding up comparatively well in a difficult national and global environment, with tourism, exports, and major venue investment helping drive confidence. His message was that local government’s job is to keep backing the conditions for growth, skills, and investment, even amid uncertainty.

QUOTE:

“We’re becoming really well positioned to strengthen our visitor economy and drive national and international attention.”

KEY INSIGHTS:

- In the three months to January 2026, Christchurch Airport visitor arrivals were up 17 percent, compared with 6 percent nationally, showing the city is outperforming the wider market.
- Christchurch is now 15 years on from the earthquakes, and Phil framed that long recovery as part of what has enabled the city’s new infrastructure and momentum.
- Major assets like One New Zealand Stadium, Parakiore, and the Town Hall are being positioned not just as civic projects, but as economic infrastructure that lifts jobs, spend, and city profile.

Hannah Hardy-Jones | Contented | Turning conversations into council productivity

Hannah, co-founder of Contented, presented AI as a practical tool for councils to turn meetings and workshops into accurate, secure and usable outputs that support better decisions.

QUOTE:

“We believe that conversations are the most underutilised resource in the world.”

KEY INSIGHTS

- Contented positions human-first AI as a way for councillors and staff to stay present in the room while still receiving high-quality records and analysis afterwards.
- Strong fit for council, committee, and stakeholder meetings where clear, unbiased summaries, actions and follow-up outputs matter.
- The core value proposition is productivity: helping councils do more with less by rapidly turning complex conversations into reports, briefings and communications.

Hon Nick Smith - Rates Assistance Scheme | new tools for rates affordability

Nick argued that councils need new financial tools to respond to cost-of-living pressure, growth infrastructure and household affordability, with the proposed Ratespayer Assistance Scheme offering a collective, off-balance-sheet mechanism for cheaper and more flexible financing.

QUOTE:

“We either hang together or we hang separately.”

KEY INSIGHTS:

- He outlined a proposed council-controlled Ratespayer Assistance Scheme with three core products: deferred development contributions, impact loans, and rates postponement.
- He said the scheme would rely on collective scale, similar to the Local Government Funding Authority, to secure lower-cost finance and reduce administrative burden.
- He urged councils to formally back the enabling legislation now, saying government wants proof that councils support having the option to participate.

Universities as regional engines

The university panel's core message was that tertiary institutions are not just education providers; they are talent magnets, workforce pipelines, research partners, and economic development platforms for their regions. Both speakers stressed that the best partnerships are intentional, measurable, and built around shared regional problems.

QUOTE:

“Partnerships work when there is purpose, it's mapped out very clearly at the beginning and there's a way to measure whether they're working.”

KEY INSIGHTS:

- University of Canterbury: 40 percent of its roughly 27,000 students under 25 now come from outside the region, which shows how strongly Canterbury attracts new talent.
- University of Canterbury: 50 percent of its 2024 graduates stayed employed in the wider Canterbury region, making the university a major regional retention engine rather than just a training provider.
- Lincoln University: grown about 40 percent since 2019 and now has nearly 6,000 students, with over half postgraduate and over half aged 25-plus, reflecting a stronger connection to workforce and sector needs.

**Cheryl del Ray, VC,
University of Canterbury**

**Grant Edwards, VC,
Lincoln University**

Hon Matt Doocey | Associate Minister of Health | Local health, delivered locally

Matt's update framed health as both a community wellbeing issue and an economic enabler, especially for rural and regional areas. His main message was that restoring local decision-making and focusing on rural delivery should make the system more responsive and practical.

QUOTE:

“Don't underestimate what that will deliver.”

KEY INSIGHTS:

- He said local decision-making over budgets, service delivery, and workforce would return from 1 July, with the aim of ending the inertia created by centralisation.
- He highlighted the rural health strategy, including rural data visibility, after-hours access targets, and efforts to bring services closer to home.
- He identified workforce shortages as the biggest barrier to timely care and pointed to rural training hubs as a way to build local pathways and retain staff.

Hon James Meager | Minister of the South Island | The South Island runway is short

James's update positioned the South Island as a high-performing part of the country that needs both bigger strategic backing and smaller practical wins. His message was that councils should sharpen and communicate their top priorities quickly because the political runway before the election is short.

QUOTE:

“The runway is short.”

KEY INSIGHTS:

- He said his three priorities are export-led growth, resilient infrastructure, and stronger delivery of core public services in isolated communities.
- He encouraged councils to put forward not only major long-term projects but also smaller, meaningful projects that could realistically be advanced sooner.
- He also reassured councils that fuel supply is not the immediate issue, but regional aviation affordability and connectivity remain an active concern.

Andy Foster | NZ First Spokesperson for Local Government | Reform works best with respect

Andy's contribution stressed that local government deserves greater respect from central government and should be treated as a genuine partner in reform. His practical message was that reform should be shaped with councils, not imposed on them from above.

QUOTE:

"Those in glass houses should not be throwing stones."

KEY INSIGHTS:

- He argued that central government often underestimates local government's strengths, especially in strategy and asset management, while failing to meet the same standards itself.
- He warned against reform driven mainly by restructuring, saying the first question should be what problem the change is actually trying to solve.
- He repeatedly emphasised asset management, saying New Zealand needs to maintain what it already has before committing too heavily to new infrastructure.

Hon Mike Butterick | Associate Minister of Agriculture | Backing food, fibre and regional growth

Mike's update linked local government closely to the success of the food and fibre sector, positioning councils as part of the enabling environment for regional growth. His core message was that government is backing export growth, trade access, and practical reform while trying to manage global volatility.

QUOTE:

"We remain fully committed to backing the food and fibre sector."

KEY INSIGHTS:

- He described the food and fibre sector as central to New Zealand's economy, citing 360,000 jobs, about \$62 billion in export income, and 15.3 percent of GDP.
- He highlighted trade and market access work, including progress with India and the UAE, as key levers for export growth and regional prosperity.
- He said RMA replacement remains a major priority, with fewer plans, fewer consent categories, and transitional extensions intended to reduce uncertainty through the changeover.

Tangi Utikere | Labour Party Spokesperson for Local Government | Reform needs funding and partnership

Tangi's update focused on the pressure councils are under from financial strain, structural reform, and what he sees as a poor central-local relationship. His main message was that reform without bipartisanship, proper engagement, or sustainable funding will create more instability for councils and communities.

QUOTE:

"It's a thou shalt approach."

KEY INSIGHTS:

- He criticised the government's reform programme, especially rates capping and regional council restructuring, arguing it has been advanced without genuine partnership or bipartisan support.
- He said a Labour government would avoid unfunded mandates and would look for more sustainable funding arrangements between central and local government.
- He also signalled support for improving local democracy, including changes to local election administration, because current participation levels are too low.

Mike Davidson | Green Party Spokesperson for Local Government | Councils are partners, not contractors

Mike's update argued that councils should be treated as democratic partners with broad community responsibilities, not reduced to a narrow "basics only" service model. His practical message was that long-term local wellbeing, housing, transport, and climate resilience all require stronger backing from central government.

QUOTE:

"Local government should be a partner and not a contractor or delivery agent."

KEY INSIGHTS:

- He said councils are being unfairly blamed for high rates when the real issues include decades of underinvestment, inflation, and a flawed funding model.
- He criticised attempts to narrow the role of councils, arguing that social, cultural, economic, and environmental wellbeing remain essential to community outcomes.
- He emphasised climate adaptation and mitigation as major local government challenges and called for long-term funding to support resilience rather than repeated recovery spending.

Climate Remit Adaptation

The remit presentation argued that councils are already carrying growing climate risk responsibilities without a durable funding partnership with central government. Its central message was that adaptation will cost less and work better if investment is coordinated early rather than deferred until after damage occurs.

QUOTE:

“We can pay now together or later on we can pay separately.”

KEY INSIGHTS:

- The remit calls for a long-term Crown-local government co-investment framework for climate adaptation and resilience infrastructure.
- It argues that current arrangements are only a patchwork of partial mechanisms and do not provide predictable, system-wide support.
- The proposed framework is intended to give communities certainty, reduce long-term costs, and avoid fragmented, reactive responses.

Community Boards Executive Committee Update

The community board update was a short but clear reminder that boards remain a significant part of local democracy, especially in the South Island. Its message was that community boards need stronger visibility, better support, and a clearer voice within the wider sector.

QUOTE:

“We are your eyes and ears out there.”

KEY INSIGHTS:

- The speaker noted that Zones 5 and 6 account for 49 of New Zealand’s 110 community boards, nearly half of the national total.
- CBaC is working to keep community boards visible within LGNZ and will host a conference in 2027 while maintaining a presence at Super Local.
- A member survey is about to be launched to understand governance arrangements, board challenges, and what community boards want to achieve this term.

Erin Jameson | Convergence Communications | Crisis communications that protect trust

Erin, a partner at Convergence, outlined how councils can communicate effectively when crises threaten life, reputation and the ability to operate.

QUOTE:

“You cant build trust during a crisis, you can only spend it.”

KEY INSIGHTS:

- She defined a crisis as any situation that threatens life, trust, reputation or operations and demands fast, high-stakes decisions under intense scrutiny.
- Issues become crises when they leave council control and enter the public domain at speed, driven by social media, community concern and media interest.
- Councils that invest early in visible leadership, engagement and consistent communication perform far better under pressure, where speed of response initially matters more than perfection.

Marika Hill | Local Democracy Reporting | local democracy reporting and trust

Marika outlined how the Local Democracy Reporting scheme is trying to rebuild coverage of councils and strengthen local democratic engagement as traditional newsrooms shrink.

QUOTE:

“When local news disappears, accountability drops and engagement can fall.”

KEY INSIGHTS:

- Local Democracy Reporting has grown from 8 to 21 reporters across Aotearoa, acting as a free public-interest news wire embedded in host newsrooms from Northland to Invercargill.
- The scheme exists to fill “news deserts” so council meetings and decisions are still covered, helping maintain accountability, voter turnout and informed submissions.
- Marika stressed that councils and journalists share a goal: helping the public understand the value of local government amid rising disinformation, time pressure and declining trust in media.

Jenna Silcock | Buddle Finlay Lawyers | planning reforms and national direction

Jennas session focused on how the new planning regime, fast-track processes and national direction will shape local government's resource management environment.

QUOTE:

“There's no direction in the legislation, so that is a matter that will be up for different regions to work through.”

KEY INSIGHTS:

- She noted that legislation gives little prescription on how councils should work together on regional spatial plans, leaving governance and representation models to be worked out region by region.
- Fast-track processes will likely continue alongside new planning frameworks, creating tension between long-term plans and project-by-project decisions.
- Future national standards and policy direction could bring benefits and consistency but also risk more swings with changes of government, making long-term stability harder to secure.

Chris Mene | Engagement Specialist | engagement, trust and social licence

Chris shared practical frameworks for how councils can strengthen engagement and relationships to maintain social licence in a high-change environment.

QUOTE:

“If you get your quality engagement right, perceived risks and community concerns will diminish.”

KEY INSIGHTS:

- Research he cited shows poor stakeholder and community engagement is one of the top reasons major infrastructure projects stall, alongside funding and regulatory constraints.
- He argued that in times of reform, councils need to focus on relationship quality, deliberate engagement and clear narratives, not just policies, practices and budgets.
- Chris encouraged councils to combine broad reach with deeper, deliberative processes, so smaller groups can work through complex issues and support elected members' decisions.

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6.1 Democracy

6.1 Appointment of DLC members

Date of meeting	28 May 2026
Agenda item number	6.1
Author	Colleen Clearwater

Purpose

To seek Council's appointment of a Chairperson, a Commissioner, and a list member to the Chatham Islands District Licensing Committee.

Recommendation

That Council:

- 1. That Council appoint Nigel Ryan and Ross Murphy as Commissioners of the Chatham Islands District Licensing Committee for a term of five years.**
- 2. That Council appoint Councillor Jacqui Southcombe and Elizabeth M Day as a list member of the Chatham Islands District Licensing Committee for a term of five years.**
- 3. That Council delegate authority to the Chief Executive to appoint additional Commissioners to the Chatham Islands District Licensing Committee if required.**
- 4. That Council direct the Chief Executive to commence recruitment for two additional list members of the Chatham Islands District Licensing Committee, with a report and recommendations for appointment to be presented to Council.**
- 5. That Council note that remuneration for the District Licensing Committee Chairperson and list members is set by the Minister of Justice in accordance with the Cabinet Fees Framework.**

Background

The Performance, Audit and Risk Committee (PARC) considered the status of the District Licensing Committee (DLC) at its meeting on 16 March 2026 and noted that the current appointments had lapsed. As a result, the DLC requires reconstitution to ensure Council can continue to meet its statutory responsibilities under the Sale and Supply of Alcohol Act 2012.

PARC discussed the importance of maintaining a balance between legislative expertise and local representation when appointing members to the DLC. The Committee recommended that Council appoint a minimum of four commissioners, including at least two members with significant experience and knowledge of DLC processes and legislation, and at least two members who are residents of the

Chatham Islands to provide local community knowledge. The Committee also suggested Council consider appointing additional members to ensure sufficient operational capacity and resilience where conflicts of interest or member availability may arise.

Discussion

Every territorial authority is required to appoint a DLC, which includes a Chair and/or Commissioner and a 'pool' of list members maintained under section 192(1) of the Act who can be called upon to consider matters at a hearing, if required.

In line with Section 186 of the Sale and Supply of Alcohol Act 2012 (the 'Act'), Council, as a territorial authority, is required to appoint a District Licensing Committee (DLC) to deal with alcohol licensing matters for its district. The DLC includes a Chair or Commissioner and a 'pool' of list members maintained under section 192(1) of the Act who can be called upon to consider matters at a hearing, if required.

Under Section 189 of the Act, Council must appoint *one member as the Chairperson and that person must be a member of that territorial authority or a Commissioner appointed to the licensing committee*. The Chairperson of the DLC therefore can either be an elected representative of Council or an appointed commissioner.

In line with good practice guidance (attached as Appendix 1) provided to Council by Te Whatu Ora, Local Government New Zealand and Taituarā, when making an appointment to the role, Councils should consider relevant knowledge, skills and experience so the appointee can carry out their role effectively. Pages 6 - 9 of the guidance document details the relevant expertise that Councils should consider when appointing a Chairperson (elected member or Commissioner) and includes expertise in law or legal processes, Tikanga Māori and Te Tiriti o Waitangi, hearing processes, community concerns, communication and relationship management.

Appointment of a Commissioner

In relation to appointing a Commissioner, section 193(1) of the Act states: *The Chief Executive of a territorial authority may, on the recommendation of the territorial authority, appoint a Commissioner or commissioners to any of the territorial authority's licensing committees and any person so appointed has all the functions, powers, and duties of the chairperson of the licensing committee.*

A commissioner may hold this office for up to five years and may be reappointed for one or more further terms of up to five years. This allows for continuity across triennia which is administratively efficient.

A commissioner must also be suitably qualified. The Act sets out the criteria at s.193(1) the Commissioner must meet in order to be appointed: *The Chief Executive may only appoint a person as a commissioner if that person is of good standing in the community and has the necessary knowledge, skill, and experience relating to matters that are likely to come before the committee.*

The appointment of a commissioner also provides the opportunity to enter into a contract for service with the appointee which sets service standards around

availability, timeliness of decisions, continuous professional development and other matters to ensure the delivery of timely accurate hearing processes and decisions.

Recruitment of additional Members

At present, only one proposed member is an elected member of Council. It is proposed that advertisement for additional committee members be commenced to ensure there is sufficient coverage for any required hearings in this triennium and to ensure continuity. Section 192(3) of the Act provides that a person may be included on the list of DLC members for a period of up to five years and that appointment can be approved for one further period of up to five years.

Council officers recommend that recruitment for two additional list members be undertaken, as maintaining a pool of four list members provides an appropriate balance between ensuring sufficient members are available to convene hearings and allowing each member to participate regularly in committee proceedings.

Council officers recommend that any additional Commissioners be appointed by the Chief Executive of the Chatham Islands Council (CIC) as required to support hearings and other statutory functions.

In relation to the appointment of Commissioners, section 193(1) of the Act provides that the Chief Executive of a territorial authority may, on the recommendation of the territorial authority, appoint a Commissioner or Commissioners to any of the territorial authority's licensing committees. Any person so appointed has all the functions, powers, and duties of the Chairperson of the licensing committee.

Financial and resourcing

Chairs, Commissioners and list members are remunerated for their work in relation to the DLC. The remuneration is set by the Minister of Justice in accordance with the Cabinet fees framework and is summarised in the 'Selecting and Appointing District Licensing Committees – a Guide for Councils' (attached as Appendix 1) document which was last issued in 2023.

The DLC chair will be remunerated at a rate of \$624.00 per day or \$78.00 per hour for part days.

DLC list members will be remunerated at a rate of \$408.00 per day or \$51.00 per hour for part days.

Attachments

1. Selecting and appointing district licensing committees – A guide for councils.

10. Policies & Bylaws

10.1 Adoption of the draft Donation and Koha Policy 2026

Date of meeting	28 May 2026
Agenda item number	10.1
Author	Bob Penter, Interim Chief Executive

Purpose

To present the reviewed Donations and Koha Policy 2026 for adoption, replacing the existing policy adopted in 2014.

Recommendation

That Council:

1. Receives the report *Adoption of Donations and Koha Policy 2026*; and
2. Adopts the Donations and Koha Policy 2026 (Attachment 1); and
3. Revokes the Donations and Koha Policy 2014.

Background

The current Donations and Koha Policy was adopted in 2014 and has not been formally reviewed since that time.

Over the past decade, expectations around transparency, accountability, and appropriate use of public funds have increased. There is also a stronger expectation that councils recognise and apply tikanga Māori appropriately in their operations, including the use of koha.

A review of the policy has therefore been undertaken to ensure it remains practical, relevant to the Chatham Islands context, and aligned with current local government practice.

Discussion

Local Context

The use of koha and donations on the Chatham Islands differs from larger mainland councils due to:

- The small, close-knit nature of the community
- Frequent reliance on informal community support and contributions
- Strong relationships with iwi / imi and the importance of tikanga Māori / tikane Moriori

- Limited access to services, where koha can play a practical role in enabling engagement

The updated policy recognises this context while ensuring appropriate safeguards are in place.

Key Updates in the 2026 Policy

The revised policy:

- Clarifies the difference between koha, donations, grants, and sponsorship
- Provides practical guidance on when koha is appropriate, particularly in cultural and community settings
- Introduces clear approval thresholds and delegations suited to Council's size and structure
- Strengthens record-keeping and accountability requirements
- Aligns with Council's financial delegations and audit expectations
- Reflects tikanga Māori / tikane Moriori considerations, ensuring koha is used respectfully and appropriately

Why This Matters for Chatham Islands Council

Updating the policy will:

- Support consistent decision-making across staff and elected members
- Provide clarity in situations where koha is expected or appropriate
- Ensure Council can continue to operate in a culturally appropriate way
- Strengthen public trust through clear and transparent processes
- Reduce risk of misuse or perception of misuse of public funds

Consultation

This is an internal operational policy.

Input has been sought from relevant staff, and the policy reflects common practice across New Zealand councils, adapted to suit the Chatham Islands environment.

Options

Option 1 – Adopt the Policy (Recommended)

Provides Council with an updated, practical framework aligned to current expectations and local context.

Option 2 – Retain the 2014 Policy

Would leave Council operating under an outdated framework that does not reflect current practice or expectations.

Significance and Engagement

This matter is considered low significance under Council's Significance and Engagement Policy, as it relates to internal governance and does not directly affect levels of service.

Financial Implications

There are no additional costs associated with adopting the policy.

The policy provides clearer guidance for existing expenditure and may improve consistency and oversight.

Legal Considerations

The policy supports Council in meeting its obligations under the Local Government Act 2002, particularly in relation to:

- Accountability
- Transparency
- Responsible financial management

It also aligns with expectations of the Office of the Auditor-General.

Risk Assessment

Risk

Inconsistent use of koha or donations
Lack of transparency
Cultural misunderstandings

Mitigation

Clear guidance and approval processes
Improved documentation and reporting
Inclusion of tikanga Māori / tikane Moriori guidance

Conclusion

The revised Donations and Koha Policy 2026 has been developed to reflect both current best practice and the unique operating environment of the Chatham Islands.

Adopting the policy will ensure Council continues to act in a transparent, consistent, and culturally appropriate manner.

Attachments

- Attachment 1: Donations and Koha Policy 2026



Chatham Islands Council

DONATIONS AND KOHA POLICY 2026

Donations and Koha Policy

The purpose of this policy is to provide a consistent, transparent, and accountable framework for the provision and receipt of donations and koha by the Chatham Islands Council ("the Council").

This policy aligns with good practice guidance from Local Government New Zealand (LGNZ) and reflects the Council's obligations to act prudently, fairly, and in the best interests of the Chatham Islands community.

1. Contents

1. Purpose
2. Objectives
3. Scope
4. Definitions
5. Policy Principles
6. Council Providing Donations or Koha
 - 6.1 Eligibility
 - 6.2 Exclusions
 - 6.3 Assessment Criteria
 - 6.4 Approval Levels (Delegations)
 - 6.5 Budget Requirements
 - 6.6 Emergency or Exceptional Circumstances
7. Koha-Specific Guidance
8. Council Receiving Donations or Koha
 - 8.1 Acceptance Criteria
 - 8.2 Prohibited Donations
 - 8.3 Recording and Acknowledgement
9. Conflicts of Interest
10. Monitoring, Reporting and Transparency
11. Legislative and Good Practice Framework
12. Roles and Responsibilities
13. Review
14. Related Documents

Date	Version	Council Adoption	Description
June 2009	1.0	10 June 2009	Initial Policy
October 2014	2.0	November 2014	Policy Review 2014
May 2026	2.0	28 May 2026	Policy Review 2026

2. Objectives

This policy aims to:

- Ensure equitable and transparent decision-making
- Support initiatives that deliver clear community benefit
- Recognise and respect tikanga Māori / tikane Moriori through appropriate use of koha
- Protect the integrity and reputation of the Council

3. Scope

This policy applies to:

- Elected members
- Council staff
- Council-controlled activities
- All donations and koha provided or received by the Council

This policy does **not** apply to:

- Grants administered under formal funding programmes (covered by separate policies)
- Procurement or contract payments
- Sponsorship arrangements (unless treated as a donation)

4. Definitions

Donation

A voluntary transfer of money, goods, or services made without expectation of direct commercial return.

Koha

A customary offering given in accordance with tikanga Māori / tikane Moriori, reflecting respect, reciprocity, and relationship-building.

Ex gratia payment

A discretionary payment made without admission of liability (covered under separate policy if applicable).

5. Policy Principles

Consistent with LGNZ and Office of the Auditor-General expectations, the Council will ensure:

Public Value

Expenditure must deliver a clear benefit to the Chatham Islands community.

Transparency

All decisions are documented, justifiable, and open to scrutiny.

Accountability

Public funds are used responsibly and within approved budgets.

Equity and Fairness

Requests are assessed consistently using defined criteria.

Cultural Integrity

Koha is provided in a manner that respects tikanga Māori / tikane Moriori and local practice.

Independence

6. Council Providing Donations or Koha

6.1 Eligibility

The Council may provide donations or koha to:

- Community organisations, clubs, and charitable entities
- Cultural, environmental, heritage, and social initiatives
- Events that promote community wellbeing or identity
- Marae, iwi/imi, and hapū in appropriate cultural contexts
- Individuals in exceptional circumstances (with appropriate approvals)

6.2 Exclusions

The Council will not provide donations or koha to:

- Political parties, candidates, or lobbying groups
- Commercial entities for private profit (unless there is a clear public benefit)
- Organisations or activities outside the Chatham Islands without direct local benefit

- Requests that duplicate other Council funding mechanisms

6.3 Assessment Criteria

Applications will be assessed against:

- Alignment with Council's Long-Term Plan and community outcomes
- Demonstrated community benefit
- Level of need and availability of other funding
- Ability to deliver and report on outcomes
- Cultural appropriateness (for koha)
- Reputation and risks to Council

6.4 Approval Levels (Delegations)

To align with common LGNZ council practice:

- **Up to \$500** – Chief Executive (or delegated manager)
- **\$501 to \$5,000** – Chief Executive in consultation with the Mayor
- **Over \$5,000** – Council resolution

All approvals must be recorded and auditable.

6.5 Budget Requirements

- Donations and koha must be provided within an approved budget
- Unbudgeted expenditure requires formal Council approval
- Annual budget allocations should be set through the Annual Plan or Long Term Plan process

6.6 Emergency or Exceptional Circumstances

The Chief Executive may approve urgent donations (e.g., disaster response) within delegated limits, with retrospective reporting to Council.

7. Koha-Specific Guidance

- Koha may be monetary or in-kind (e.g., food, gifts, services)

- Amounts should be reasonable, proportionate, and culturally appropriate
- Common situations include:
 - Pōwhiri and formal welcomes
 - Tangihanga
 - Cultural ceremonies or acknowledgements
- Staff should seek cultural advice where required
- Koha should not be used to circumvent procurement or funding processes

8. Council Receiving Donations or Koha

8.1 Acceptance Criteria

The Council may accept donations or koha where:

- The source is lawful and ethical
- There are no conditions compromising Council independence
- Acceptance aligns with Council values and community expectations

8.2 Prohibited Donations

The Council will not accept donations or koha that:

- Create actual or perceived conflicts of interest
- Influence (or appear to influence) decision-making or procurement
- Pose reputational or legal risk

8.3 Recording and Acknowledgement

- All donations and koha must be formally recorded
- Financial contributions must be receipted and accounted for
- Appropriate acknowledgements will be made, respecting cultural expectations

9. Conflicts of Interest

- Elected members and staff must declare any actual, potential, or perceived conflicts
- Conflicted individuals must not participate in decisions
- Conflicts must be recorded in accordance with Council policies and the Local Authorities (Members' Interests) Act 1968

10. Monitoring, Reporting, and Transparency

- A register of all donations and koha must be maintained
- An annual summary will be reported to Council
- Information may be publicly disclosed in line with LGOIMA requirements
- All records must meet audit standards

11. Legislative and Good Practice Framework

This policy aligns with:

- Local Government Act 2002
- Local Authorities (Members' Interests) Act 1968
- Public Records Act 2005
- LGOIMA 1987
- Office of the Auditor-General guidance on sensitive expenditure
- Local Government New Zealand (LGNZ) good practice guidance

12. Roles and Responsibilities

Council

- Approves policy and high-value donations
- Provides oversight and accountability

Chief Executive

- Ensures implementation and compliance
- Exercises delegated authority

Staff

- Apply policy consistently
- Maintain accurate records
- Seek guidance where required

13. Review

This policy will be reviewed every three years, or earlier if required by legislative or operational changes.

14. Related Documents

- Sensitive Expenditure Policy
- Procurement Policy
- Conflicts of Interest Policy
- Grants and Funding Policy

10. Policies & Bylaws

10.2 Adoption of the draft Donation and Koha Policy 2026

Date of meeting	28 May 2026
Agenda item number	10.2
Author	Bob Penter, Interim Chief Executive

Purpose

To present the Draft Grants and Funding Policy 2026 for adoption as a new Council policy.

Recommendation

That Council:

1. Receives the report Adoption of Grants and Funding Policy 2026; and
2. Adopts the Grants and Funding Policy 2026 (Attachment 1).

Background

Chatham Islands Council does not currently have a standalone Grants and Funding Policy to guide the allocation of discretionary funding to community groups, organisations, and initiatives.

Historically, funding decisions have been made on a case-by-case basis through Council resolutions, annual planning processes, or informal practices. While this has worked in a small community context, it can lead to inconsistency and a lack of transparency.

The development of a formal Grants and Funding Policy provides a clear, consistent framework for how Council considers and allocates funding.

Discussion

Local Context

The Chatham Islands community relies heavily on local initiatives, volunteer groups, and community-led projects. Access to external funding is often limited due to remoteness and scale.

Council funding therefore plays an important role in:

- Supporting community wellbeing and resilience

- Enabling local events and services
- Assisting groups that may not otherwise meet external funding criteria
- Strengthening community partnerships

The policy has been developed to reflect this unique environment while maintaining appropriate accountability for public funds.

Benefits to Council and Community

Adopting the policy will:

- Improve fairness and consistency in funding decisions
- Increase transparency and accountability
- Provide clarity for community groups on how to apply for funding
- Support alignment with Council priorities and outcomes
- Reduce administrative uncertainty for staff and elected members

Consultation

As a new internal policy guiding Council decision-making, no formal public consultation has been undertaken at this stage.

However, the policy reflects:

- Common approaches used by other New Zealand councils
- Internal staff input
- The practical realities of the Chatham Islands community

Council may choose to review the policy after an initial period of implementation.

Significance and Engagement

This decision is assessed as low to moderate significance under Council's Significance and Engagement Policy.

While the policy itself is internal, it influences how funding is distributed within the community. Future funding decisions will continue to be made transparently.

Financial Implications

The policy itself does not allocate additional funding.

All grants and funding will continue to be subject to:

- Annual Plan and Long Term Plan budget allocations
- Council approval processes

The policy provides a framework for managing existing funding more effectively.

Legal Considerations

The policy supports Council in meeting its obligations under the Local Government Act 2002, particularly:

- Promoting community wellbeing
- Acting in a transparent and accountable manner
- Ensuring prudent financial management

No legal issues have been identified.

Risk Assessment

Risk

Perceived unfairness in funding decisions

Inconsistent decision-making

Misuse of funds by recipients

Mitigation

Clear criteria and transparent processes

Standardised framework and delegations

Reporting and accountability requirements

Options

Option 1 – Adopt the Policy (Recommended)

Provides a clear, consistent, and transparent framework for funding decisions.

Option 2 – Do Not Adopt the Policy

Council continues with ad hoc processes, increasing risk of inconsistency and lack of transparency.

Conclusion

The Draft Grants and Funding Policy 2026 provides a practical and transparent framework for allocating Council funding in a way that reflects the needs and realities of the Chatham Islands community.

Adoption of the policy will support fair, consistent, and accountable funding decisions moving forward.

Attachments

- Attachment 1: Grants and Funding Policy 2026



Chatham Islands Council

GRANTS AND FUNDING POLICY 2026

Grants and Funding Policy

The purpose of this policy is to establish a clear, consistent, and transparent framework for the allocation and management of grants and funding by the Chatham Islands Council ("the Council").

This policy reflects good practice guidance from Local Government New Zealand (LGNZ) and ensures that public funds are distributed in a fair, accountable, and strategically aligned manner to support the wellbeing of the Chatham Islands community.

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16. Legislative and Good Practice Framework
17. Roles and Responsibilities
18. Review
19. Related Documents and Resources

Date	Version	Council Adoption	Description
May 2026	1.0	28 May 2026	Initial Policy

2. Objectives

This policy aims to:

- Support initiatives that contribute to community wellbeing, resilience, and development
- Ensure fair and equitable access to Council funding
- Provide transparency and accountability in decision-making
- Align funding decisions with Council's Long Term Plan (LTP) and community outcomes
- Ensure effective monitoring and reporting of funded activities

3. Scope

This policy applies to all discretionary grant and funding programmes administered by the Council, including:

- Community grants
- Event funding
- Cultural and heritage funding
- Environmental and sustainability funding
- Community development initiatives

This policy does **not** apply to:

- Donations or koha (covered under separate policy)
- Procurement contracts or service agreements
- Statutory funding obligations
- Rates remissions

4. Definitions

In this policy:

Grant

A financial contribution provided by the Council to support a specific project, activity, or initiative, with defined conditions and accountability requirements.

Funding Programme

A structured allocation of funds administered by the Council for specific purposes or outcomes.

Applicant

An individual, group, organisation, or entity applying for Council funding.

5. Guiding Principles

In line with LGNZ and Office of the Auditor-General expectations, the Council will ensure:

Strategic Alignment

Funding supports outcomes identified in the Long-Term Plan and other Council strategies.

Community Benefit

Funding delivers clear, demonstrable benefits to the Chatham Islands community.

Equity and Accessibility

Funding opportunities are accessible and assessed fairly.

Transparency

Processes and decisions are open, documented, and defensible.

Accountability

Recipients are responsible for the appropriate use of funds and reporting on outcomes.

Value for Money

Funding achieves the greatest possible benefit relative to cost.

6. Funding Categories

The Council may establish funding programmes such as:

- **Community Grants** – Supporting local groups and initiatives
- **Event Funding** – Supporting events that enhance community wellbeing and identity
- **Environmental Grants** – Supporting conservation and sustainability projects
- **Cultural and Heritage Grants** – Supporting cultural expression, heritage protection, and iwi/imi hapū initiatives
- **Capacity Building Grants** – Supporting organisational development and capability

Each programme may have specific criteria and guidelines consistent with this policy.

7. Eligibility

Applicants must:

- Be based on, or deliver direct benefit to, the Chatham Islands community
- Be a legal entity or have appropriate governance arrangements
- Demonstrate the ability to deliver the proposed activity
- Meet any programme-specific criteria

8. Ineligible Activities

Funding will not generally be provided for:

- Activities that primarily benefit individuals without wider community impact
- Retrospective funding (costs already incurred)
- Political or lobbying activities
- Commercial ventures for private profit (unless there is clear public benefit)
- Activities that duplicate existing Council services or funding

9. Application Process

- Funding rounds will be publicly advertised where practicable
- Applicants must complete the required application form
- Applications must include:
 - Project description and objectives
 - Budget and funding request
 - Evidence of other funding sources (if applicable)
 - Expected outcomes and benefits
- Council staff will assess applications against the criteria

10. Assessment Criteria

Applications will be assessed based on:

- Alignment with Council strategic priorities
- Level of community benefit
- Financial need and sustainability
- Organisational capability and governance

- Value for money
- Risk (financial, reputational, delivery)

11. Decision-Making Delegations

To align with common LGNZ council practice:

- **Up to \$5,000** – Chief Executive (or delegated officer)
- **\$5,001 to \$20,000** – Chief Executive in consultation with Mayor and/or Committee Chair
- **Over \$20,000** – Council or delegated committee resolution

Decisions must be documented and auditable.

12. Funding Agreements

Successful applicants must enter into a funding agreement that outlines:

- Purpose and scope of funding
- Payment terms
- Reporting requirements
- Timeframes
- Conditions of use
- Repayment provisions (if conditions are not met)

13. Monitoring and Reporting

Funding recipients must:

- Use funds for the approved purpose
- Provide reports on outcomes and expenditure
- Return unspent or misused funds where required

The Council will:

- Monitor funded projects proportionate to risk and value
- Maintain a register of grants and funding allocations
- Report annually on funding outcomes

14. Conflicts of Interest

- Elected members and staff must declare any conflicts of interest
- Conflicted individuals must not participate in assessment or decision-making
- All conflicts must be recorded in accordance with Council policies and legislation

15. Transparency and Public Accountability

- Funding decisions may be publicly disclosed
- Information will be made available in accordance with LGOIMA
- Processes will be subject to audit and review

16. Legislative and Good Practice Framework

This policy aligns with:

- Local Government Act 2002
- Local Authorities (Members' Interests) Act 1968
- Local Government Official Information and Meetings Act 1987 (LGOIMA)
- Public Records Act 2005
- Office of the Auditor-General guidance
- Local Government New Zealand (LGNZ) good practice

17. Roles and Responsibilities

Council

- Approves policy and high-value funding decisions
- Provides oversight and governance

Chief Executive

- Ensures implementation and compliance
- Exercises delegated authority

Staff

- Administer funding programmes

- Assess applications and monitor outcomes
- Maintain accurate records

18. Review

This policy will be reviewed every three years, or earlier if required.

19. Related Documents and Resources

The following documents set out further information relevant to this policy:

- Donations and Koha Policy
- Sensitive Expenditure Policy
- Procurement Policy
- Conflicts of Interest Policy

10. Policies & Bylaws

10.3 Adoption of the draft Delegations Register 2026

Date of meeting	28 May 2026
Agenda item number	10.3
Author	Mereraina Hemara, Operations Manager

Purpose

The purpose of this report is to seek Council approval to adopt the Draft Delegations Register 2026, which consolidates and updates delegations of authority from the Council to the Chief Executive, staff, and committees.

Recommendation

That Council:

1. **Adopt** the Draft Delegations Register 2026 as attached to this report;
2. **Authorise** the Chief Executive to make minor editorial or formatting amendments that do not alter the intent of the delegations; and
3. **Revoke** all previous delegations registers upon the commencement date of the 2026 Delegations Register.

Executive Summary

The Delegations Register provides a clear and structured framework for decision-making authority within the Council. The 2026 update reflects legislative requirements, organisational restructuring, improved operational efficiency, and clarity of accountability.

Adoption of the updated register will ensure decision-making remains efficient, legally compliant, and aligned with best practice governance principles.

Background

The Council maintains a Delegations Register to enable efficient governance and operational decision-making. Delegations allow for routine and statutory decisions to be made at appropriate levels within the organisation while reserving significant or strategic decisions for elected members.

The existing Delegations Register has been reviewed to ensure it remains current and reflects:

- Legislative changes affecting local government functions
- Updated organisational structure and role responsibilities
- Streamlined decision-making pathways
- Improved clarity and consistency in delegations wording

Discussion

Key Changes in the 2026 Register

The Draft Delegations Register 2026 includes the following key updates:

- Alignment with current legislative requirements and statutory responsibilities
- Revised financial delegation thresholds to reflect inflation and operational needs
- Clarification of sub-delegation provisions
- Updated committee and staff position titles
- Consolidation of duplicative or overlapping delegations
- Improved formatting for usability and transparency

Governance Considerations

The delegations framework ensures:

- Clear separation between governance and operational management
- Efficient decision-making processes
- Accountability through defined authority levels
- Compliance with relevant legislation and Council policies

Risk Considerations

Failure to update the Delegations Register may result in:

- Ambiguity in decision-making authority
- Increased risk of unauthorised decision-making and legal non-compliance
- Operational delays
- Reduced governance clarity

The updated register mitigates these risks through improved clarity and legal alignment.

Legal and Statutory Compliance

The Delegations Register is developed in accordance with relevant provisions of the Local Government Act 2002 and other applicable legislation.

Delegations do not remove Council's ultimate responsibility for decisions but enable lawful and efficient operational delivery.

Financial Implications

There are no direct financial implications associated with adopting the Delegations Register. Any financial delegations contained within the register are operational in nature and support efficient budget management.

Consultation

No external public consultation is required for this procedural governance document.

Next Steps

If adopted, the Delegations Register 2026 will:

- Come into effect on immediately on 28 May 2026
- Be communicated to all staff and relevant stakeholders
- Be incorporated into governance manuals and internal systems
- Be reviewed periodically or as required by legislative change

Conclusion

The updated Delegations Register 2026 provides a clear, legally compliant, and efficient framework for Council and staff decision-making. Adoption of the register will support improved governance, operational efficiency, and accountability across the organisation.

Attachments

- Attachment 1: Draft Delegations Register 2026



Chatham Islands Council

Delegation Register

Chatham Islands Council – Delegations Register

Aligned with good practice guidance from Local Government New Zealand.

In the event of any inconsistency between governance delegations, management delegations, and Council policies (including financial and sensitive expenditure policies), the more restrictive interpretation shall apply unless Council resolves otherwise.

1. KEY ALIGNMENT PRINCIPLES

To ensure consistency across governance, management, and financial decision-making, all delegations should be interpreted in accordance with the following principles:

1.1 Separation of Governance and Management

- Council sets direction, policy, and strategic priorities.
- The Chief Executive is responsible for operational delivery.
- Staff exercise delegated authority within clear limits set by Council.

1.2 Consistency with Policies

All delegations must be exercised in accordance with:

- Sensitive Expenditure Policy
- Procurement Policy
- Financial Delegations Framework
- Code of Conduct
- Long Term Plan and Annual Plan

No delegation overrides approved Council policy.

1.3 Financial Prudence and Accountability

All financial decisions must:

- Be within approved budgets (unless explicitly authorised otherwise);
- Demonstrate value for money;
- Be consistent with prudent financial management; and
- Be able to withstand audit and public scrutiny.

1.4 “One-Up” Principle

Where expenditure may confer a personal benefit or perception of benefit:

- Approval must be by a person senior to the beneficiary;
- No person may approve their own expenditure; and
- Reciprocal approvals must be avoided.

This principle applies across:

- Credit cards
- Travel
- Entertainment
- Allowances
- Reimbursements

1.5 Delegations Attach to Roles, Not Individuals

- Delegations apply to positions, not named individuals.
- Delegations continue when personnel change.
- Acting arrangements automatically assume delegated authority.

2. GOVERNANCE VS MANAGEMENT BOUNDARY

- Council and elected members must not involve themselves in operational decisions except where specifically delegated.
- The Chief Executive has full authority for operational management unless explicitly limited by Council resolution or statute.
- Committees may only act within their terms of reference and delegated authority.

3. FINANCIAL DELEGATIONS INTEGRITY RULE

All financial delegations must comply with:

- Approved budgets (Annual Plan / Long Term Plan)
- Delegation limits set by Council resolution

- Procurement rules
- Sensitive expenditure policy controls

No financial delegation may be exercised where:

- It creates or could be perceived to create personal benefit;
- It is outside budget without prior approval;
- It conflicts with policy intent or statutory limits.

4. CONFLICTS OF INTEREST

Before exercising any delegation, the delegate must:

- Identify any actual, potential, or perceived conflict of interest;
- Remove themselves from decision-making where appropriate; and
- Escalate the matter to the Chief Executive or Mayor if required.

This applies to all elected members and staff.

5. EMERGENCY DELEGATIONS

In urgent situations affecting public safety or continuity of services:

The Chief Executive (or delegated emergency authority) may:

- Authorise unbudgeted expenditure;
- Override normal procurement processes where necessary; and
- Make operational decisions required to protect life, property, or essential services.

Conditions:

- Decisions must be reasonable in the circumstances;
- Full documentation must be completed as soon as practicable;
- Council must be informed retrospectively.

6. FINANCIAL DELEGATION GOVERNANCE CONTROL

- All high-risk or sensitive expenditure categories remain subject to the Sensitive Expenditure Policy regardless of delegation level.
- Delegation does not remove the requirement for:
 - Documentation
 - Receipts
 - Business justification
 - Post-expenditure review (where required)

7. REVIEW AND ASSURANCE FRAMEWORK

To align with good governance practice:

The Delegations Register will be:

- Reviewed at least every 3 years;
- Reviewed following any legislative change; and
- Reviewed following audit findings or governance review.

Council may also commission independent review where required.

8. PRACTICAL INTEGRATION RULE

Where there is any inconsistency between this Delegations Register and any Council policy, the more restrictive interpretation shall apply unless Council expressly resolves otherwise.

Part Two – Governance

1. MAYORAL DELEGATIONS

The Mayor holds statutory responsibilities under the Local Government Act 2002. The delegations set out below are additional operational delegations provided by Council to support effective governance and leadership.

All delegations must be exercised in accordance with:

- Relevant legislation;
- Council policies and procedures; and
- Approved budgets and financial controls.

1.1 GENERAL DELEGATIONS

The Mayor is authorised to:

1.1.1 Councillor Development and Attendance

Approve attendance by elected members at conferences, training courses, seminars, and similar development opportunities, including approval of:

- Leave of absence; and
- Payment of reasonable associated expenses, provided that:
 - Budget provision exists; and
 - The attendance is consistent with Council priorities and governance development needs.

1.1.2 LGNZ Representation

Nominate a presiding delegate or alternate representative to attend meetings of Local Government New Zealand where the Mayor is unable to attend.

1.2 USE OF COUNCIL COMMON SEAL

The Common Seal of Chatham Islands Council shall only be affixed in accordance with Council resolution and must be witnessed as follows:

- Mayor (or Deputy Mayor in the Mayor's absence); and

- Chief Executive (or Acting Chief Executive in their absence).

All use of the Common Seal must comply with the Chief Executive's delegations and Council's legal documentation requirements.

1.3 EXECUTION OF DEEDS

Authority to execute deeds on behalf of Council is delegated as follows:

- The Mayor, or in the Mayor's absence the Deputy Mayor; and
- One elected Councillor;

in accordance with section 9 of the Property Law Act 2007, requiring two signatures for execution.

1.4 CHIEF EXECUTIVE EMPLOYMENT MATTERS

The Mayor is authorised, acting on behalf of the employer (Council), to manage routine employment-related matters in relation to the Chief Executive, including:

- Approval of leave;
- Routine administrative matters; and
- Other non-substantive employment arrangements,

provided these matters are consistent with the Chief Executive's employment agreement and Council resolutions.

All substantive employment matters remain reserved to Council.

1.5 MAYORAL DISCRETIONARY FUND

The Mayor is authorised to approve expenditure from the Mayoral Discretionary Fund within:

- Approved annual budget limits; and
- Council's Sensitive Expenditure and financial policies.

All expenditure must:

- Have a clear community or civic purpose; and
- Be properly documented and reported in accordance with Council requirements.

1.6 CIVIL DEFENCE EMERGENCY POWERS

The Mayor is authorised to declare a State of Emergency under relevant civil defence legislation.

In the absence or unavailability of the Mayor:

- The Deputy Mayor is authorised to exercise this power; and
- If both the Mayor and Deputy Mayor are unavailable, any elected Councillor may exercise this authority in accordance with statutory requirements.

All emergency declarations must be:

- Undertaken in accordance with applicable legislation; and
- Reported to Council as soon as practicable.

2. COUNCILLORS' DELEGATIONS

2.1 DEPUTY MAYOR

The Deputy Mayor is appointed by the Mayor or, where the Mayor does not exercise that power, elected by Council at its first meeting in accordance with legislative requirements.

The Deputy Mayor:

- Retains all rights and responsibilities of an elected Councillor; and
- Acts in place of the Mayor when the Mayor is absent, incapacitated, or otherwise unable to perform the role.

When acting in the role of Mayor, the Deputy Mayor may exercise all statutory powers of the Mayor in accordance with Schedule 7, clause 17 of the Local Government Act 2002.

2.2 HEARINGS COMMISSIONER ACCREDITATION

All Councillors may act as Hearings Commissioners for resource management hearings, provided they hold current accreditation in accordance with relevant legislation and Council requirements.

Accredited Councillors may:

- Hear and consider submissions relating to the Resource Management Plan or plan changes under Schedule 1 of the Resource Management framework; and
- Make recommendations to the relevant Council committee, including the Environment and Planning Committee (or equivalent).

All hearings functions must be carried out in accordance with principles of natural justice, independence, and procedural fairness.

2.3 OBJECTIONS AND DELEGATED DECISIONS (RMA)

Accredited members have authority to hear and determine objections lodged under section 357 of the Resource Management Act 1991 relating to decisions made under delegated authority by Council staff.

In exercising this function, members must:

- Act independently and without bias;
- Apply statutory decision-making requirements; and
- Ensure decisions are consistent with Council policy and legal obligations.

3.0 COMMITTEE STRUCTURE AND APPOINTMENTS

The committee structure is established under Schedule 7 of the Local Government Act 2002 and may be amended by resolution of Council from time to time.

The Mayor may exercise powers under section 41A of the Local Government Act 2002 to establish committees and appoint chairpersons where applicable.

This section records the governance structure for the 2025–2028 triennium, including any amendments made by Council resolution.

3.1 GOVERNANCE APPOINTMENTS

Council Leadership

- Mayor: Greg Horler
- Deputy Mayor: Celine Gregory-Hunt

3.2 COUNCIL COMMITTEES

Performance, Audit and Risk Committee (PARC)

- Independent Chair: Mr P Jones
- Mayor G Horler
- Cr Celine Gregory-Hunt
- Cr G Hoare
- Cr J Hoverd

Grants Subcommittee

- Chair: Cr Celine Gregory-Hunt
- Cr G Hoare

- Cr J Southcombe

Civil Defence Emergency Management (CDEM) Group Committee

- Cr Celine Gregory-Hunt
- Cr J Hoverd
- Cr B Gibb

Chief Executive Review Committee

- Mayor Greg Horler
- Cr Celine Gregory-Hunt
- Cr B Gibb
- Cr N Whaitiri
- Cr G Hoare

3.3 EXTERNAL REPRESENTATION

Council appoints representatives to external organisations and stakeholder groups including:

- Chatham Islands Housing Partnership Trust (CIHPT)
- Tourism Chathams
- Community Fisheries Forum
- Port Liaison Group
- Chatham Islands Stakeholders Forum
- Manaaki Whānau o Wharekauri Trust
- Pitt Island representation
- District Licensing Committee

Appointments may be amended by Council resolution.

3.4 PERFORMANCE, AUDIT AND RISK COMMITTEE (PARC)

3.4.1 Purpose

The Performance, Audit and Risk Committee provides independent oversight and assurance to Council in relation to:

- Financial governance and reporting
- Audit and assurance functions
- Risk management frameworks
- Organisational performance monitoring

The Committee also provides advisory input to Council on Chief Executive performance and remuneration matters.

3.4.2 Delegated Authority

The Committee is delegated authority to:

1. Review and recommend to Council financial management frameworks and funding policies;
2. Review and recommend performance monitoring frameworks (financial and non-financial);
3. Approve internal audit plans and receive audit reports;
4. Review external audit reports, management letters, and findings;
5. Review Council's Annual Report prior to adoption;
6. Monitor the Council risk management framework and risk register;
7. Provide annual performance and remuneration review advice regarding the Chief Executive.

3.4.3 Limitations of Authority

The Committee does not have authority to:

- Approve financial policies or funding decisions (Council only);
- Approve strategic policy or direction;
- Approve operational policies outside audit and risk scope.

All outputs are advisory unless explicitly resolved by Council.

3.4.4 Membership

- Mayor
- Deputy Mayor
- Two Councillors
- Independent Chairperson

3.4.5 Reporting

The Committee reports directly to Council.

3.4.6 Term

Established for the 2022–2025 triennium unless amended by Council resolution.

3.5 CHIEF EXECUTIVE REVIEW COMMITTEE

3.5.1 Purpose

The Committee supports Council in its role as employer of the Chief Executive by overseeing recruitment processes, performance review processes, and related employment matters.

3.5.2 Delegated Authority

The Committee may:

- Develop and recommend Chief Executive recruitment and appointment processes;
- Oversee Council-approved recruitment processes;
- Provide recommendations to Council on appointment matters;
- Manage performance review processes for the Chief Executive;
- Engage independent advisors where required.

3.5.3 Authority Limitations

The Committee does not have delegated authority to:

- Appoint the Chief Executive;
- Approve remuneration or employment terms;
- Determine appointment outcomes.

All employment decisions remain reserved to Council.

3.5.4 Membership

- Mayor
- Deputy Mayor
- Two Councillors

3.5.5 Reporting

Reports and recommendations are provided to full Council.

3.5.6 Term

2025–2028 triennium unless amended by Council resolution.

3.6 GRANTS SUBCOMMITTEE

3.6.1 Purpose

To assess and allocate community funding in accordance with Council policy and approved budgets.

3.6.2 Delegated Authority

The Subcommittee may approve grants for:

- Creative Communities funding (NZ)
- NZ Rural Travel Fund
- Council Community Grants
- Other Council-approved grant schemes

3.6.3 Financial Controls

All decisions must:

- Be within approved budget limits;
- Comply with Council financial delegation thresholds;
- Be consistent with Council policies; and
- Be documented and reported appropriately.

Where a funding decision exceeds delegated financial authority, it must be referred to Council for approval.

3.6.4 Membership

- Mayor
- Three Councillors

3.6.5 Term

2025–2028 triennium unless amended by Council.

3.7 DISTRICT LICENSING COMMITTEE (DLC)

The District Licensing Committee is established under the Sale and Supply of Alcohol Act 2012.

3.7.1 Functions

The Committee is responsible for:

- Granting, renewing, and varying licences
- Issuing manager's certificates
- Processing temporary authorities
- Considering objections and hearings

- Conducting inquiries under the Act
- Performing all statutory licensing functions

3.7.2 Procedure

- The Chair presides; Deputy Chair acts in their absence
- Quorum: three members unless otherwise permitted by legislation
- Meets as required
- Governed by LGOIMA 1987 and SSAA 2012 procedural requirements
- Independent commissioners may be appointed where required

3.7.3 Legal Compliance

The Committee must operate in accordance with:

- Sale and Supply of Alcohol Act 2012
- Principles of natural justice and procedural fairness

3.8 Cross-Reference To Financial And Sensitive Expenditure Controls

All delegations in this Part must be read together with:

- Council Financial Delegation Register
- Council Sensitive Expenditure Policy
- Procurement Policy
- Code of Conduct
- Applicable legislation

In the event of inconsistency:

The more restrictive interpretation shall apply unless Council resolves otherwise.

3.9 CHATHAM ISLANDS CIVIL DEFENCE EMERGENCY MANAGEMENT GROUP (CDEM)

3.9.1 Status And Establishment

The Chatham Islands Civil Defence Emergency Management Group ("CDEM Group") is a statutory joint committee established under the Civil Defence Emergency Management Act 2002.

The CDEM Group functions as a committee of Council with statutory responsibilities and decision-making powers under the Act and operates in accordance with national direction from the National Emergency Management Agency (NEMA).

The Group provides governance oversight for civil defence emergency management across the Chatham Islands.

3.9.2 Purpose and Goals

The purpose of the CDEM Group is to provide coordinated governance and strategic direction for civil defence emergency management in order to:

1. Reduce risk from natural and human-made hazards through effective mitigation and preparedness;
2. Minimise the social, economic, infrastructural, and environmental impacts of emergencies; and
3. Promote efficient, cost-effective, and collaborative emergency management with partner agencies.

3.9.3 Objectives

The CDEM Group will:

(a) Risk Management

- Identify, assess, and manage hazards and associated risks;
- Promote community awareness of emergency risks;
- Implement cost-effective risk reduction initiatives where practicable.

(b) Readiness and Capability

- Maintain an effective emergency management structure for the Chatham Islands;
- Ensure training, capability development, and appointment of suitably qualified personnel;
- Maintain operational readiness across partner agencies.

(c) Response and Recovery

- Coordinate response to emergencies affecting the Chatham Islands;
- Support recovery operations following emergency events;
- Ensure effective coordination of resources during emergencies.

(d) Governance and Planning

- Establish and maintain a Coordinating Executive Group (CEG) under section 20 of the Act;
- Oversee the development, maintenance, and review of the CDEM Group Plan;
- Ensure compliance with statutory obligations under the Act.

3.9.4 Delegated Authority

The CDEM Group exercises statutory functions under legislation.

Any financial or operational delegations beyond statutory functions must be:

- Expressly granted by resolution of Council; and
- Exercised in accordance with Council's financial delegation framework and policies.

The CDEM Group does not have authority to commit Council expenditure unless explicitly authorised.

3.9.5 Membership

The Civil Defence Emergency Management Group consists of:

- Deputy Mayor (Chair)
- Two Councillors appointed by Council
- Emergency Management Manager/Officer (ex officio)
- Representative of the National Emergency Management Agency (ex officio)

The Deputy Mayor acts as Chair of the CDEM Group unless otherwise resolved by Council.

3.9.6 Coordinating Executive Group (CEG)

The Coordinating Executive Group ("CEG") is established under section 20 of the Civil Defence Emergency Management Act 2002 to provide executive-level coordination, technical advice, and operational support to the Civil Defence Emergency Management Group.

The CEG is an operational and advisory body and does not exercise governance decision-making powers reserved for the CDEM Group.

3.9.6.1 Purpose

The purpose of the CEG is to:

- Provide coordinated inter-agency leadership for civil defence emergency management operations;
- Support the implementation of decisions made by the CDEM Group;
- Provide technical, operational, and sector-specific advice; and
- Ensure integrated planning, readiness, response, and recovery across all partner agencies.

3.9.6.2 Role and Functions

The CEG will:

1. Coordinate the development, implementation, and maintenance of the CDEM Group Plan;
2. Provide advice and recommendations to the CDEM Group on risks, readiness, response, and recovery;
3. Support operational coordination during emergencies, including activation of response arrangements;
4. Facilitate inter-agency cooperation and resource sharing;
5. Oversee continuous improvement of civil defence emergency management capability; and
6. Support recovery planning and transition following emergency events.

3.9.6.3 Membership

The CEG is composed of senior representatives from key agencies with emergency management responsibilities on the Chatham Islands, including:

- Chief Executive, Chatham Islands Council (Chair)
- Chief Fire Officer (or nominated representative)
- Senior Police Officer stationed on the Islands
- Medical Officer in charge of the hospital
- Chief Executive Officer, Chatham Islands Enterprise Trust
- Area Manager, Department of Conservation
- Emergency Management Manager/Officer (Executive Officer – ex officio)
- Representatives of:

- Hokotehi Moriori Trust
- Ngāti Mutunga o Wharekauri Iwi Trust
- Ministry for Primary Industries representative
- St John representative
- CDEM Controllers and Recovery Managers (as appointed)
- National Emergency Management Agency representative (ex officio, advisory role)

3.9.6.4 Governance Relationship

- The CEG is accountable to the CDEM Group.
- The CEG does not make governance decisions or allocate Council funding unless expressly delegated.
- All strategic decisions, policy direction, and funding approvals remain with the CDEM Group or Council as applicable.
- The CEG operates as the technical and operational advisory arm of the CDEM structure.

3.9.6.5 Meetings

- The CEG meets as required to support readiness, response, recovery, and planning functions.
- Meetings may be convened urgently during emergencies by the Chair or Emergency Management Manager/Officer.
- The CEG may operate in activated emergency mode under agreed response structures when required.

3.9.6.6 Reporting

The CEG will:

- Report regularly to the CDEM Group;
- Provide situational updates during emergencies and response operations; and
- Maintain records of decisions, actions, and operational coordination activities.

3.9.7 Meetings

- The CDEM Group meets as required, as determined by the Chair in consultation with Council.
- Meetings are publicly notified and open to the public unless lawful grounds exist for exclusion under the Local Government Official Information and Meetings Act 1987.
- Emergency meetings may be convened where required.

3.9.8 Standing Orders

The CDEM Group will conduct meetings in accordance with:

- New Zealand Standard Standing Orders NZS 9202:2001 (or updated standard adopted by Council); and
- Any additional procedural rules adopted by Council or the Group.

3.9.9 Reporting and Accountability

The CDEM Group:

- Reports regularly to full Council;
- Maintains transparency with partner agencies and stakeholders; and
- Ensures Council is kept informed of risks, readiness, and response activities.

3.9.10 Funding and Costs

- Administrative costs are met by Chatham Islands Council.
- Partner agencies bear their own participation costs unless otherwise agreed.
- All expenditure must comply with Council's financial delegations and Sensitive Expenditure Policy.

3.9.11 Life of the Group

The CDEM Group is a permanent statutory requirement under the Civil Defence Emergency Management Act 2002 and continues unless altered by legislation or Council resolution.

3.9.12 Governance Principles

The CDEM Group will operate in accordance with the following principles:

- Protection of life and safety is the highest priority;
- Decisions must be proportionate to risk and urgency;
- Coordination with partner agencies is essential;
- Transparency and accountability to Council and the community; and
- Compliance with all statutory obligations and national frameworks.

PART THREE – MANAGEMENT

1.0 CHIEF EXECUTIVE'S DELEGATIONS

1.1 GENERAL PROVISIONS

1.1.1 Reporting

The Chief Executive will report the exercise of delegated authority to Council as required by this Delegations Register, Council resolutions, or where material or significant decisions have been made.

1.1.2 Delegations Register Maintenance

The Chief Executive may update the Delegations Register to reflect:

- approved organisational structure changes; and
- administrative corrections that do not alter substantive delegation intent.

Any material change to delegations requires Council approval.

1.2 ACTING CHIEF EXECUTIVE

The Chief Executive may appoint the Operations Manager (or another senior officer) to act as Chief Executive during periods of absence.

The Acting Chief Executive may exercise delegated powers as specified in writing by the Chief Executive, subject to any limitations imposed.

1.3 EMPLOYMENT OF STAFF

In accordance with section 42 of the Local Government Act 2002, the Chief Executive is responsible for:

- appointing, managing, and employing all Council staff;
- determining terms and conditions of employment within approved budgets and policy; and
- ensuring effective and efficient organisational management.

All employment decisions must comply with Council policy, including remuneration frameworks and Sensitive Expenditure Policy requirements.

1.4 COMMON SEAL

1.4.1 Custody and Use

The Common Seal is held under the control of the Chief Executive.

1.4.2 Authority to Affix Seal

The Common Seal may only be affixed following Council resolution, except where delegated otherwise by this Register.

1.4.3 Attestation

All sealed documents must be attested by:

- Mayor or Deputy Mayor; and
- Chief Executive or Acting Chief Executive.

1.4.4 Routine or Urgent Use

Where sealing is required urgently or for routine matters:

- Council approval may be obtained retrospectively at the next meeting.

1.4.5 Documents Requiring Seal

The Common Seal will be used for (but not limited to):

- statutory warrants (RMA, Building Act, Biosecurity Act, LGA);
- rating and land transfer documents;
- bylaws;
- statutory plans;
- covenants, caveats, and consent notices where required.

1.4.6 Deeds

Execution of deeds is governed by section 9 of the Property Law Act 2007 and requires:

- Mayor or Deputy Mayor; and
- one Councillor.

1.5 OFFICIAL INFORMATION

The Chief Executive is delegated authority under the Local Government Official Information and Meetings Act 1987 to:

- administer requests under Parts 2–5 of the Act;
- refuse requests under sections 6, 7, and 17 where appropriate; and
- ensure statutory compliance in processing requests.

1.6 PRIVACY ACT REQUESTS

The Chief Executive may determine requests under the Privacy Act 2020 (successor to 1993 Act) including:

- release or withholding of personal information;
- correction of personal information; and
- compliance with procedural requirements.

1.7 COMMUNICATIONS AND PUBLIC STATEMENTS

The Chief Executive is authorised to:

- make official statements on behalf of Council;
- approve public notices and advertisements; and
- manage Council communications through media and digital platforms.

All communications must align with Council policy and governance direction.

1.8 RECORDS MANAGEMENT

The Chief Executive is responsible for ensuring Council records are:

- maintained in accordance with statutory requirements;
- securely stored; and
- disposed of in accordance with approved retention schedules.

1.9 FINANCIAL MANAGEMENT

The Chief Executive may:

1.9.1 Contracting

Enter into contracts within approved budgets and delegated financial limits.

1.9.2 Tendering

Approve contracts up to:

- \$300,000 (standard procurement); or
- \$500,000 (approved panel suppliers only).

1.9.3 Expenditure Authority

Approve:

- operating expenditure up to \$1,000,000 per transaction within budget;
- unbudgeted capital expenditure up to the greater of 10% of project budget or \$50,000;
- contract progress payments for approved work;
- internal budget reallocations provided:
 - service delivery is maintained;
 - overall budget outcome is not compromised; and
 - policy compliance is maintained.

All reallocations exceeding material thresholds must be reported to Council.

1.9.4 Emergency Expenditure

Approve emergency expenditure up to \$100,000 per event where required for:

- civil defence emergencies;
- infrastructure failure;
- environmental or biosecurity incidents.

All emergency expenditure must be reported to Council as soon as practicable.

1.9.5 Debt Management

The Chief Executive may:

- recover debts through legal or external agencies;
- initiate court proceedings (excluding High Court unless authorised); and
- write off debts up to \$5,000 following consultation with PARC.

1.9.6 Fees and Charges

Approve amendments to fees and charges where:

- consistent with Council policy; and
- subject to appropriate public notification requirements.

1.10 BANKING AND FINANCIAL OPERATIONS

The Chief Executive may:

- operate Council bank accounts;
- authorise payments, transfers, and investments;
- approve payroll and tax obligations; and
- sign financial instruments on behalf of Council.

All payments require dual authorisation in accordance with Council financial controls.

1.11 UNBUDGETED CAPITAL EXPENDITURE

The Chief Executive may approve unbudgeted capital expenditure where:

- it does not exceed the greater of 10% of project budget or \$50,000; and
- it can be contained within overall capital budgets.

All such expenditure must be reported to Council.

Expenditure above thresholds requires prior Council approval unless:

- emergency circumstances apply; or
- delay would be imprudent or inefficient.

1.12 CREDIT CARD EXPENDITURE

All credit card expenditure must:

- comply with Council Sensitive Expenditure Policy;
- be supported by valid receipts; and
- be reviewed through PARC reporting processes.

1.13 FUNCTIONAL DELEGATIONS

The Chief Executive may:

- extend objection deadlines under rating legislation where justified;
- administer external grants and funding agreements on behalf of Council.

1.14 COUNCIL PROPERTY AND LAND

The Chief Executive may:

- manage leases, licences, and occupancy agreements;
- approve maintenance and property management contracts;
- execute property transactions approved under Council plans or resolutions; and
- manage surplus property disposal up to delegated thresholds.

All property transactions must align with Council strategy and financial controls.

1.15 USE OF COUNCIL ASSETS

The Chief Executive may:

- approve use of Council facilities by third parties;
- dispose of assets in accordance with replacement programmes;
- dispose of surplus assets up to \$10,000 book value; and
- hire out Council assets and services where appropriate.

1.16 LEGAL MATTERS AND PROCEEDINGS

The Chief Executive may:

- obtain legal advice;

- sign routine legal documents;
- settle claims up to \$10,000 or insurance excess limits;
- initiate or defend legal proceedings where urgent and necessary; and
- issue trespass notices on Council property.

Court proceedings may only be initiated where:

- urgent circumstances exist; and
- Council consideration is not practicable; and
- the Mayor has been consulted.

All other proceedings require Council approval.

2.0 OPERATIONS MANAGER DELEGATIONS

2.0 General Principles

The Operations Manager must not exercise any delegation:

- outside Council policy;
- outside Council or Committee resolutions; or
- contrary to the Chief Executive's delegated authority or direction.

All delegations are subject to:

- approved budgets;
- relevant Council policies (including financial and sensitive expenditure policies); and
- statutory obligations.

2.1 Employment and Staff Management

The Operations Manager is authorised, within their area of responsibility and in accordance with Council policy, to:

- 2.1.1 determine staff hours of work and attendance arrangements;
- 2.1.2 approve temporary reallocation of duties where no change to position description is required.
- 2.1.3 approve overtime and time in lieu;

- 2.1.4 approve leave (excluding leave without pay exceeding two weeks and any leave reserved to the Chief Executive); 2.1.5 approve staff attendance at training, conferences and seminars within approved budgets.

2.2 Submissions and External Representation

2.2.1 The Operations Manager may lodge submissions on matters of operational or technical Council interest where time does not allow referral to Council or Committee.

2.2.2 All such submissions must be reported to Council or the relevant Committee at the next available meeting.

2.3 Official Information and Privacy

2.3.1 The Chief Executive retains overall responsibility for the exercise of powers under the Local Government Official Information and Meetings Act 1987 (LGOIMA), including refusal of requests under sections 6, 7 and 17.

2.3.2 The Operations Manager is delegated authority to:

- coordinate and manage responses to LGOIMA requests within their area of responsibility; and
- provide information required to enable statutory compliance.

2.3.3 The Council Executive Assistant (or equivalent role) may administer LGOIMA requests and coordinate responses across Council staff.

2.3.4 Any refusal of information or application of withholding grounds must be escalated to the Chief Executive for decision.

2.4 Media and Public Communication

2.4.1 The Mayor and Chief Executive are the primary authorised spokespeople for Council.

2.4.2 The Operations Manager may provide operational or factual information to media where:

- authorised by the Chief Executive; or
- it relates to their functional area and is consistent with Council media protocols.

2.5 Financial Management (Operational Level Delegation)

The Operations Manager is authorised to:

- 2.5.1 approve operating expenditure within approved budgets up to \$20,000 (GST exclusive) per transaction;

2.5.2 approve contract progress payments for Council-approved contracts;

2.5.3 administer budget reallocations within an activity area where:

- service delivery is maintained;
- overall budget outcome is not adversely affected; and
- the Revenue and Financing Policy is not breached;

2.5.4 approve contingency expenditure for operational emergencies up to \$20,000 (GST exclusive) per event, subject to reporting to the Chief Executive as soon as practicable.

Note: This delegation must be exercised in accordance with Council's Sensitive Expenditure Policy and cannot be used to circumvent higher financial authority thresholds.

2.6 Banking, Payments and Financial Operations

2.6.1 The Operations Manager may:

- authorise electronic payments and financial transactions within delegated limits;
- approve payroll processing and related statutory obligations; and
- approve tax payments.

2.6.2 All payments must be:

- supported by appropriate documentation; and
- countersigned or independently verified in accordance with Treasury and Risk Management Policy.

2.7 Debt Management

2.7.1 The Operations Manager may initiate debt recovery processes including legal recovery (excluding High Court proceedings) and debt collection agency action.

2.7.2 The Operations Manager may write off or compromise non-rating debts up to \$100, provided this is consistent with Council policy.

2.8 Grants and External Funding

The Operations Manager may administer external funding and grants where:

- funding has been approved by Council or delegated authority; and
- contractual arrangements are consistent with Council requirements.

2.9 Council Property, Leases and Licences (Operational Only)

The Operations Manager is authorised to:

- 2.9.1 administer leases, licences to occupy, and tenancies within Council-approved frameworks and policies;
- 2.9.2 recommend variations or terminations for approval under delegated authority;
- 2.9.3 manage maintenance and operational contracts for Council property.

Note: Strategic property decisions remain reserved for Council or Chief Executive.

2.10 Council Assets, Facilities and Operational Use

The Operations Manager may:

- 2.10.1 approve use of Council facilities in accordance with established guidelines;
- 2.10.2 dispose of plant and vehicles under approved replacement programmes;
- 2.10.3 dispose of surplus assets up to \$10,000 (GST exclusive) per item;
- 2.10.4 hire out Council assets where consistent with Council policy and cost recovery principles;
- 2.10.5 sign operational easements and related documents where Council has already resolved to proceed.

2.11 Resource Management Act Functions

The Operations Manager may act as Council's operational delegate under the Resource Management Act 1991 for administrative and procedural functions, excluding those reserved under section 168A.

2.12 Council as Landowner / Affected Party

The Operations Manager may provide landowner approval for applications affecting Council land where:

- Council policy criteria are met; and
- no strategic property decision is required.

2.13 Legal and Proceedings

The Operations Manager may:

- 2.13.1 obtain legal advice for operational matters;
- 2.13.2 sign routine legal administrative documents;

2.13.3 file or respond to court proceedings (excluding High Court initiation unless authorised by Chief Executive or Council);

2.13.4 settle claims up to **\$10,000 (GST exclusive)** or within insurance excess limits;

2.13.5 initiate recovery of awarded costs;

2.13.6 manage statutory land charges within operational authority limits.

2.14 Records Management

The Operations Manager must ensure Council records are maintained and disposed of in accordance with approved retention schedules and statutory requirements.

2.15 Rating Valuations (Administrative Support Only)

The Operations Manager may:

- grant reasonable extensions for objection deadlines under rating valuation regulations; and
- coordinate operational aspects of valuation objection processes.

2.16 Rates Remissions (Operational Processing Only)

The Operations Manager may process applications under Council-approved Rates Remission Policies.

Where:

- criteria are unclear; or
- discretion is required,

the matter must be referred to Council for decision.

2.17 Valuation Roll Amendments

The Operations Manager may make administrative corrections to valuation records under the Valuations Act 1998, where permitted by statute and consistent with valuation service provider processes.

3.0 SUB-DELEGATIONS TO STAFF BELOW OPERATIONS MANAGER LEVEL

These delegations are made by the Chief Executive and Operations Manager in accordance with the Local Government Act 2002 and Council policy.

They are operational only, and must be exercised:

- within approved budgets;
- in accordance with Council policies (including Sensitive Expenditure Policy); and
- without overriding any decision of Council, Committee, Chief Executive, or Operations Manager.

3.1 Privacy Act and Personal Information Requests

Delegated staff may assist in the administration and processing of requests under the Privacy Act 2020.

The following authority is delegated to the Operations Manager or delegated senior staff:

- 3.1.1 coordinate responses to requests for personal information;
- 3.1.2 make recommendations on release or withholding of information;
- 3.1.3 identify and apply withholding grounds for approval by the Chief Executive where required;
- 3.1.4 process requests for correction of personal information; and
- 3.1.5 ensure all statutory timeframes and administrative requirements are met.

Note: Final decisions on refusal or withholding of information remain with the Chief Executive.

3.2 Media, Public Statements, Notices and Publications

3.2.1 The following staff are authorised to make factual or operational statements to media in accordance with Council's media policy:

- Chief Executive

- Operations Manager
- Civil Defence Controller (civil defence matters only, during activations)

3.2.2 Only the following staff may authorise or place public notices, advertisements, or official Council publications:

- Chief Executive
- Operations Manager
- Communications or Executive Support staff as specifically delegated in writing

All communications must be:

- factual;
- consistent with Council policy; and
- not imply Council decisions unless formally resolved.

3.3 Electoral Officer and Electoral Functions

3.3.1 In accordance with the Local Electoral Act 2001, Council must appoint an Electoral Officer who is independent of Council decision-making.

3.3.2 The Electoral Officer:

- is a statutory officer appointed by Council;
- is not the Chief Executive; and
- operates independently for the conduct of local elections and polls.

3.3.3 The Electoral Officer has full statutory authority under the Local Electoral Act 2001 while appointed and in office.

3.4 Emergency Expenditure (Operational Response Only)

3.4.1 Emergency expenditure may be authorised during an operational response by:

- the Civil Defence Controller (CDEM events); and
- the On-Scene Commander (marine oil spill response or equivalent incident command structure)

3.4.2 Maximum authority under this delegation is \$50,000 per event, subject to:

- alignment with declared emergency response arrangements; and

- available Council emergency funding provisions.

3.4.3 All expenditure must be:

- recorded contemporaneously where practicable; and
- reported to the Chief Executive and Council as soon as practicable after the event.

Note: This delegation is strictly operational and does not override Council financial policy or procurement rules.

3.5 Banking, Payments and Financial Processing

3.5.1 The following staff are authorised to assist with financial operations:

- Chief Executive
- Operations Manager
- Finance Technical Lead (or equivalent role)

3.5.2 Delegated authority includes:

- processing electronic payments;
- assisting with payroll processing;
- assisting with tax payments; and
- supporting treasury operations.

3.5.3 All financial transactions must:

- comply with Council Treasury and Risk Management Policy;
- be supported by appropriate documentation; and
- be subject to segregation of duties.

3.5.4 Dual authorisation rule:

No payment or financial transaction may be approved without two appropriately delegated staff members (one initiates and one independently authorises).

3.5.5 Investment decisions remain solely with the Chief Executive or as delegated by Council.

3.6 Debt Recovery

- 3.6.1 The Operations Manager may authorise operational debt recovery processes, including referral to approved debt collection agencies.
- 3.6.2 Legal proceedings for debt recovery beyond standard processes require Chief Executive approval.

3.7 Elected Member Remuneration and Expenses (Administrative Processing Only)

- 3.7.1 The Operations Manager (or delegated finance staff) may:
- process elected member expense claims; and
 - verify compliance with the Remuneration Authority determinations and Council policy.
- 3.7.2 Final approval authority for elected member remuneration remains as determined by Council policy and applicable statutory determinations.

PART FOUR – FINANCIAL DELEGATIONS TO STAFF

4.0 Financial Delegations Framework

Financial delegations are issued by Council in accordance with:

- the Local Government Act 2002
- Council's Long-Term Plan and Annual Plan
- Council's Treasury and Risk Management Policy
- Council's Sensitive Expenditure Policy
- Council's Delegations Register (Parts One to Three)

All financial delegations:

- apply only within approved budgets unless otherwise specified;
- must be exercised in accordance with Council procurement and financial policies;
and
- do not override any statutory or Council reserved powers.

4.1 Current Financial Delegations by Position

The following financial delegation limits apply at the time of adoption of this Register and are subject to amendment by Council resolution.

Financial Delegations by Position

Position	Financial Delegation Limit (GST exclusive)	Scope of Authority
Chief Executive Officer	Up to \$1,000,000 per operating transaction	Organisation-wide financial authority for operational expenditure within Council-approved budgets
Operations Manager	Up to \$20,000 per operating transaction	Operational expenditure authority within approved budgets and Council policy parameters
Emergency Management Controller / Equivalent Role	Up to \$50,000 per emergency event	Civil defence and emergency response expenditure only, exercised during formally recognised emergency events

Notes on Financial Delegations

4.1.1 The Chief Executive retains authority for:

- banking and investment activities
- organisational financial systems control
- contract approvals within delegated limits
- emergency expenditure above operational thresholds (subject to Council policy)

4.1.2 The Operations Manager delegation:

- applies only to operational expenditure
- excludes strategic financial commitments, borrowing, or capital programme changes unless expressly delegated

4.1.3 Emergency financial delegations:

- apply only during formally recognised emergency events
- are limited to response activities only
- must be reported to Council as soon as practicable

4.2 Controls and Compliance Requirements

All financial delegations must comply with the following controls:

- separation of duties (initiation vs approval vs payment);
- dual authorisation for electronic payments;
- compliance with procurement policy thresholds;
- compliance with Sensitive Expenditure Policy principles;
- no self-approval of expenditure where personal benefit is actual or perceived; and
- full documentation and audit trail requirements.

4.3 Financial Delegation Reviews

4.3.1 Financial delegations are reviewed:

- following each triennial election; or

- when organisational structure changes; or
- by resolution of Council.

4.3.2 Council may amend, revoke, or suspend any financial delegation at any time by resolution.

4.4 Schedule of Delegation Amendments (Council Resolutions Register)

The following table records Council decisions relating to delegations.

Date of Resolution	Description of Delegation	Resolution Number
10 November 2022	Establishment of Performance, Audit and Risk Committee (PARC) and membership adjustment	2.5
10 November 2022	Appointment of additional member to PARC	2.6
15 December 2022	Establishment of Chief Executive Recruitment Committee	PE.2

4.5 Governance Integrity Statement

All delegations recorded in this Register:

- are subordinate to Council authority
- must be exercised in accordance with Council policy
- do not create independent decision-making authority outside the Local Government Act 2002 framework
- remain valid until amended or revoked by Council resolution

5. COUNCIL-OWNED RESIDENTIAL PROPERTIES

5.1 Purpose

This section sets out the delegated authority for decision-making in relation to Council-owned residential properties, including the Chief Executive residence and any Council-owned community housing properties.

It ensures clear separation between governance and operational management, appropriate financial control, and protection of Council assets. The Council-Owned Residential Properties section should be read in conjunction with the Council-Owned Residential Terms of Reference.

5.2 Council Reserved Powers (No Delegation)

The following decisions are reserved to Council and cannot be delegated:

- Acquisition or disposal of any Council-owned residential property
- Any change in the classification or intended use of Council-owned housing assets
- Approval of capital expenditure exceeding Council-approved financial delegation thresholds
- Approval of the provision, continuation, or variation of the Chief Executive residence arrangement
- Any decision involving significant financial, legal, or reputational risk associated with Council-owned housing assets

5.3 Chief Executive Delegations

The Chief Executive is delegated authority for the operational management of Council-owned residential properties, including:

- Day-to-day management of Council-owned housing assets
- Approval and administration of tenancy or occupancy agreements in accordance with Council policy
- Management of occupancy arrangements for community housing properties
- Approval of routine maintenance and repairs within approved operational budgets and financial delegation limits
- Procurement and engagement of contractors and service providers for maintenance and property management
- Ensuring compliance with relevant legislative, health, safety, and housing standards (where applicable)
- Maintenance of accurate asset records, tenancy documentation, and property registers

- Reporting to Council on the status, performance, and risks relating to Council-owned residential properties

5.4 Financial Delegations

All expenditure relating to Council-owned residential properties must comply with Council's general financial delegation framework.

In addition:

- Routine maintenance and operating expenditure may be approved by the Chief Executive or delegated officers within approved budgets
- Non-routine or unbudgeted repairs must be approved by the Chief Executive within delegated financial limits
- Capital expenditure exceeding delegated thresholds must be approved by Council prior to commitment

(Note: Specific dollar thresholds are to be inserted in accordance with Council's adopted financial delegation schedule.)

5.5 Delegation to Officers

The Chief Executive may sub-delegate operational responsibilities for Council-owned residential properties to appropriate staff positions, provided that:

- Sub-delegations are made in writing
- Sub-delegations remain within the limits of this Delegations Policy
- Council-reserved powers cannot be sub-delegated
- Accountability remains with the Chief Executive

Typical delegated functions may include:

- tenancy administration
- property maintenance coordination
- contractor management
- property compliance monitoring

5.6 Chief Executive Residence – Additional Controls

Due to the unique nature of the Chief Executive residence, the following additional provisions apply:

- Council retains full governance control over the provision and terms of the residence
- Any decision relating to the Chief Executive residence that could confer personal benefit is reserved to Council
- The Chief Executive must not participate in any decision-making regarding:
 - their own accommodation terms or conditions
 - review, variation, or termination of the residence arrangement
- Any changes to the use or status of the residence require formal Council resolution

5.7 Compliance and Accountability

All delegated activities under this section must:

- Comply with applicable legislation, Council policies, and this Delegations Policy
- Be recorded in accordance with Council's record-keeping requirements
- Be subject to audit and periodic review
- Be reported to Council as part of regular property and asset reporting

5.8 Review

This delegation framework for Council-owned residential properties will be reviewed:

- as part of any review of Council's Delegations Register, or
- when there is a material change in the scale, use, or governance of Council-owned housing assets

Amendments

August 2020

December 2021

March 2023

10. Policies & Bylaws

10.4 Adoption of the Draft Sensitive Expenditure 2026

Date of meeting	28 May 2026
Agenda item number	10.4
Author	Mereraina Hemara, Operations Manager

Purpose

The purpose of this report is to seek Council adoption of the Draft Sensitive Expenditure Policy 2026.

The policy establishes the principles, controls, approval requirements, and accountability measures for expenditure that could be considered sensitive due to its nature, purpose, or public perception.

Recommendation

That Council:

- 1. Adopts the Draft Sensitive Expenditure Policy 2026 attached to this report;**
- 2. Authorises the Chief Executive to make minor editorial or formatting amendments that do not alter the intent of the policy; and**
- 3. Revokes all previous Sensitive Expenditure Policies effective from the commencement date of the 2026 policy.**

Executive Summary

The Sensitive Expenditure Policy provides a framework to ensure Council expenditure is lawful, reasonable, transparent, and defensible to the community.

The updated 2026 policy strengthens financial controls and aligns with:

- Council's Delegations Register 2026
- Current procurement and financial management practices
- Office of the Auditor-General guidance
- Good governance and public accountability expectations

The policy also reflects the operational realities of the Chatham Islands, including remote service delivery, emergency response requirements, and limited supplier availability.

Background

Sensitive expenditure includes spending that could be subject to greater public scrutiny or present reputational risk if not properly managed. Examples include:

- Travel and accommodation
- Hospitality and entertainment
- Gifts, koha, and donations
- Fuel cards and vehicle use
- Procurement cards and reimbursements
- Emergency expenditure

Council is required to ensure all expenditure is incurred prudently, for legitimate Council purposes, and with appropriate authorisation and oversight.

The existing policy has been reviewed to ensure consistency with updated delegations, procurement practices, and audit expectations.

Discussion

Key Updates in the 2026 Policy

1. The Draft Sensitive Expenditure Policy 2026 includes:
 - Alignment with the Delegations Register 2026
 - Clearer approval and expenditure thresholds
 - Strengthened controls for fuel cards and vehicle use
 - Clarified requirements for travel, accommodation, and hospitality expenditure
 - Enhanced emergency expenditure provisions for CDEM events
 - Improved documentation and audit trail requirements
 - Stronger conflict of interest and reimbursement controls

Chatham Islands Context

The policy recognises the unique operational environment of the Chatham Islands, including:

- Geographic isolation and freight constraints
- Limited supplier availability
- Requirement for responsive emergency expenditure capability
- Higher travel and operational costs associated with remote island service delivery

The policy balances appropriate financial controls with the practical realities of operating in a remote community.

Governance and Accountability

The policy supports:

- Transparency in the use of public funds
- Consistent financial decision-making
- Clear accountability and approval pathways
- Protection of Council's reputation and public trust
- Compliance with audit and legislative requirements

Legal and Policy Considerations

The policy has been developed having regard to:

- Local Government Act 2002
- Public accountability principles
- Office of the Auditor-General guidance on sensitive expenditure
- Council's procurement and financial delegation framework

The policy operates alongside:

- Delegations Register 2026
- Procurement Policy
- Financial Management policies
- Code of Conduct
- Fraud Policy and internal controls

Financial Implications

There are no direct financial implications arising from adoption of the policy.

The policy strengthens existing financial controls and supports prudent expenditure management within approved Council budgets.

Risks

Risk

Inappropriate or unauthorised expenditure

Reputational risk

Inconsistent application of rules

Audit findings or compliance issues

Weak emergency expenditure controls

Mitigation

Clear approval thresholds and controls

Transparent and documented expenditure processes

Defined policy guidance and delegations

Alignment with Auditor-General expectations

Defined CDEM emergency spending provisions

Consultation

Internal consultation has been undertaken with:

- Chief Executive
- Operations Manager
- Governance staff
- Emergency Management personnel

External consultation is not required as this is an internal governance and operational policy.

Next Steps

If adopted, the Sensitive Expenditure Policy 2026 will:

- Take effect from 28 May 2026
- Be circulated to all staff and elected members
- Be incorporated into staff induction and financial procedures
- Be referenced within procurement and delegation processes
- Be reviewed periodically or following legislative or organisational change

Conclusion

The Draft Sensitive Expenditure Policy 2026 provides a clear and robust framework for the responsible use of public funds.

The policy strengthens governance oversight, supports operational practicality in the Chatham Islands environment, and aligns expenditure controls with Council's Delegations Register and financial management framework.

Attachments

- Draft Sensitive Expenditure Policy 2026



CHATHAM ISLANDS COUNCIL
SENSITIVE EXPENDITURE POLICY

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1. Purpose

This policy provides guidance and controls for the approval, management, and monitoring of sensitive expenditure incurred by or on behalf of Chatham Islands Council. The policy supports prudent stewardship of public funds and promotes transparency, accountability, and public confidence in Council decision-making.

2. Definition, Rationale and Applicability

Definition of Sensitive Expenditure

Sensitive expenditure is expenditure by Council that could be perceived to provide a private benefit to an elected member, employee, contractor, or other individual, in addition to achieving a legitimate Council business purpose.

Examples may include, but are not limited to:

- Travel and accommodation
- Hospitality and entertainment
- Meals and alcohol
- Gifts, koha, and sponsorship
- Conferences and training
- Use of Council credit cards
- Purchase or disposal of assets
- Staff welfare and recognition expenditure

Sensitive expenditure is not necessarily inappropriate expenditure. However, because it may attract public scrutiny, it requires careful consideration, appropriate approval, and clear documentation demonstrating a legitimate business purpose and value to Council.

A useful guiding principle is:

"Would this expenditure withstand public scrutiny and represent prudent use of public funds?"

Policy Objectives

The objectives of this policy are to:

- Ensure public funds are used responsibly, lawfully, and for legitimate Council purposes;
- Protect the reputation and integrity of Council;
- Provide clear guidance to elected members and staff;
- Promote consistency and transparency in expenditure decisions;
- Ensure appropriate authorisation, accountability, and record keeping;

and

- Align Council practice with guidance issued by the Office of the Auditor-General and good practice standards across the local government sector.

Principles

All sensitive expenditure must:

- Have a clear and justifiable business purpose;
- Be moderate, conservative, and appropriate in the circumstances;
- Represent value for money;
- Be approved at the appropriate delegated level;
- Be supported by adequate documentation and receipts;
- Comply with Council procurement, delegation, and financial policies;
- Avoid actual, potential, or perceived conflicts of interest; and
- Be able to withstand public and audit scrutiny.

Council funds must not be used for personal benefit except where specifically authorised under employment agreements, Council policy, or legislative requirements.

Approval and Accountability

No person may approve their own expenditure or the expenditure of a person to whom they directly report where a conflict of interest may arise or be perceived.

Approval responsibilities are as follows:

- The Mayor approves expenditure relating to the Chief Executive;
- The Chief Executive approves expenditure relating to staff;
- Council approves elected member expenditure where required under delegations or policy;
- Managers approve expenditure within their delegated authority limits.

All expenditure must comply with Council delegations and financial authority limits.

Applicability

This policy applies to:

- All elected members;
- All employees, including permanent, fixed-term, and casual staff;
- Contractors and consultants where Council funds are used; and
- Any individual incurring expenditure on behalf of Council.

This policy should be read alongside:

- Council Delegations Register;
- Procurement Policy;
- Credit Card Policy;
- Donations and Koha Policy;
- Travel and Vehicle Policies;
- Code of Conduct; and
- Relevant employment agreements and legislative obligations.

Legislative and Best Practice Framework

This policy has been developed with reference to:

- Guidance issued by the Office of the Auditor-General regarding sensitive expenditure;
- Good practice guidance used across the New Zealand local government sector, including policies adopted by councils associated with Local Government New Zealand;
- Principles of public accountability and prudent financial management under the Local Government Act 2002.

Council recognises that maintaining high standards of integrity and stewardship begins with governance leadership and applies throughout the organisation. Accordingly, this policy applies equally to elected members and staff undertaking Council business.

3. General Principles

Principles of Sensitive Expenditure

All sensitive expenditure incurred on behalf of Chatham Islands Council must be lawful, reasonable, transparent, and directly related to a legitimate Council business purpose.

Individuals approving or incurring expenditure are expected to exercise careful judgement and act in a manner consistent with the principles of public accountability and prudent stewardship of public funds.

Monitoring and Reimbursement of Expenses

The following requirements apply to all reimbursements and claims for expenses:

- Original tax invoices, GST receipts, or supporting documentation must be provided for all expenditure claims, except where exceptional circumstances prevent this and adequate alternative evidence is supplied.
- Reimbursements will only be made where expenditure has been properly authorised and supported by appropriate documentation.
- GST receipts must be retained to enable Council to recover GST where applicable.
- Reimbursement of expenses must be on a "one-up" approval basis, meaning the claim is approved by a person with delegated authority senior to the claimant.
- Claims should be submitted as soon as practicable after the expenditure is incurred.

Approval of Sensitive Expenditure

Approval of sensitive expenditure:

- Must only be granted where the approving person is satisfied that:
 - the expenditure has a legitimate and justifiable Council business purpose;
 - the expenditure is moderate and reasonable in the circumstances;
 - the expenditure represents value for money; and
 - the expenditure complies with this policy and Council delegations.
- Should, wherever practicable, be approved prior to the expenditure being incurred.
- Must be approved by a person with the appropriate delegated financial authority.
- Must not be approved by the person who will directly benefit from the expenditure.

Assessment of Appropriateness

When considering whether sensitive expenditure is appropriate and reasonable, the approving person must consider:

- Whether the expenditure supports Council's strategic objectives, community outcomes, or operational responsibilities;
- Whether the expenditure could be publicly justified as prudent use of ratepayer funds;
- Whether the expenditure could adversely affect Council's reputation if publicly disclosed;
- Whether a more cost-effective option is reasonably available; and
- Whether the expenditure aligns with the principles and intent of this policy.

A useful test is:

"Would this expenditure be considered reasonable and appropriate by an informed member of the public?"

Approval Requirements for Senior Roles

The "one-up" approval principle is to be applied to the maximum extent practicable for all staff and elected members.

Because there is no more senior position than the Mayor or Chief Executive, additional safeguards are required to avoid reciprocal approval arrangements.

Accordingly:

- The Mayor approves sensitive expenditure relating to the Chief Executive;
- The Chief Executive does not approve the Mayor's expenditure;
- Sensitive expenditure relating to the Mayor should be approved by the Deputy Mayor or Chair of the Performance, Audit and Risk Committee (or equivalent delegated authority);
- All expenditure relating to the Mayor and Chief Executive remains subject to review through Council's audit and financial oversight processes, including review by the Performance, Audit and Risk Committee where applicable.

Record Keeping and Audit

All sensitive expenditure must be:

- Accurately recorded in Council financial systems;
- Supported by sufficient documentation to demonstrate business purpose and approval;
- Available for audit and public accountability purposes; and
- Managed in accordance with Council record retention requirements.

The following sections of this policy provide additional guidance for specific categories of sensitive expenditure.

4. Entertainment and Alcohol

Purpose

Entertainment and hospitality expenditure may be incurred where it supports legitimate Council business objectives, including community engagement,

relationship management, civic functions, stakeholder meetings, staff recognition, or official hosting responsibilities.

Such expenditure must always be moderate, appropriate to the occasion, and capable of withstanding public scrutiny.

General Principles

Entertainment expenditure must:

- Have a clear and legitimate Council business purpose;
- Be reasonable and conservative in nature;
- Represent prudent use of public funds;
- Be proportionate to the benefit received by Council;
- Avoid perceptions of extravagance, personal benefit, or impropriety; and
- Be supported by sufficient documentation, including attendees and business purpose where appropriate.

Examples of acceptable entertainment expenditure may include:

- Official civic receptions and community events;
- Meetings with external stakeholders, iwi, government agencies, or business partners;
- Modest refreshments provided during Council meetings, workshops, or training;
- Staff recognition events approved by the Chief Executive;
- Catering associated with Council-hosted events or emergencies.

Alcohol Expenditure

Council recognises that, on limited occasions, the provision of alcohol may be appropriate in a civic or business context. However, because alcohol expenditure is particularly sensitive, a high standard of judgement must be applied.

Alcohol expenditure:

- Must be moderate, reasonable, and secondary to the primary purpose of the event or function;
- Must not be incurred for private consumption or personal entertainment;
- Must only occur where there is a legitimate business, civic, cultural, or hosting purpose;

- Should generally be limited to official functions, civic events, or recognised hospitality occasions;
- Must not be excessive in quantity or cost;
- Must comply with all legal obligations and host responsibility requirements.

Council funds must not be used:

- For minibar purchases;
- For alcohol consumed during ordinary internal staff functions unless specifically approved;
- To purchase alcohol as gifts for staff or elected members; or
- For any expenditure that could reasonably be perceived as extravagant or inappropriate.

Staff Functions and Recognition Events

Council may contribute to modest staff functions or recognition events where these support organisational culture, wellbeing, or recognition of service.

Such events:

- Must be appropriately budgeted and approved;
- Should be modest in scale and cost;
- Must not create significant personal benefit; and
- Should occur infrequently and in proportion to the occasion.

Examples may include:

- End-of-year staff functions;
- Farewell or retirement acknowledgements;
- Recognition of significant service milestones;
- Staff wellbeing events approved by management.

Documentation and Approval

Entertainment and alcohol expenditure must:

- Be approved in accordance with Council delegations;
- Include receipts and supporting documentation;
- Clearly record the business purpose of the expenditure; and

- Where appropriate, identify attendees or the event associated with the expenditure.

The approving person must be satisfied that the expenditure:

- Meets the principles of this policy;
- Represents reasonable value for money; and
- Could be publicly justified as appropriate expenditure of ratepayer funds.

Business Purpose for Entertainment and Hospitality

Expenditure on entertainment and hospitality is considered sensitive due to:

- The potential for personal or private benefit;
- The broad range of activities it may cover; and
- Public expectations regarding prudent use of ratepayer funds.

Accordingly, all entertainment and hospitality expenditure incurred by Chatham Islands Council must have a clear and demonstrable Council business purpose and must be moderate, reasonable, and conservative in nature.

Entertainment expenditure should:

- Support legitimate Council objectives;
- Be proportionate to the business outcome sought; and
- Be capable of withstanding public and audit scrutiny.

Where practicable, entertainment and hospitality expenditure should:

- Be provided for within an approved budget;
- Relate to a pre-approved activity, function, or event; and
- Be approved prior to the expenditure being incurred.

Acceptable Business Purposes

Examples of legitimate business purposes may include:

- Maintaining, strengthening, or developing relationships that provide a clear benefit to the Chatham Islands community;
- Supporting economic development, investment, or revenue opportunities;
- Official hosting responsibilities or reciprocation of hospitality;
- Recognition or acknowledgement of contributions, partnerships, or service;
- Civic, cultural, or community engagement purposes; or
- Other approved Council business purposes.

Meals and Refreshments

Reimbursement for meals and refreshments, including non-alcoholic and alcoholic beverages where permitted under this policy, is limited to:

- Actual and reasonable costs incurred; and
- Expenditure supported by valid receipts or tax invoices.

Council will not reimburse:

- Personal or excessive expenditure;
- Tips or gratuities unless culturally appropriate and reasonable in the circumstances; or
- Costs not supported by adequate documentation.

Attendance and Payment Arrangements

- Where entertainment or hospitality expenditure involves Council staff or elected members:
- There should generally be a mix of external attendees and Council representatives;
- Attendance by Council personnel should be limited to those with a legitimate business reason to attend; and
- The most senior Council representative present should ordinarily pay the account or arrange payment.

This approach supports transparency and avoids situations where:

- A subordinate incurs expenditure on behalf of a senior staff member or elected member; or
- A person is involved in approving expenditure from an event they attended and personally benefited from.

All entertainment expenditure remains subject to Council approval, audit, and record keeping requirements under this policy.

5. Retirements, Farewells and Recognition

Chatham Islands Council may acknowledge the service and contribution of employees and elected members through modest retirement, farewell, or recognition arrangements.

Any expenditure associated with retirements, farewells, or service recognition must:

- Reflect the individual's contribution to Council and the community;
- Be moderate, reasonable, and conservative in nature;
- Represent prudent use of public funds; and
- Be capable of withstanding public scrutiny.

Expenditure must not be extravagant or create the perception of excessive personal benefit.

Examples of acceptable recognition expenditure may include:

- Modest farewell functions;
- Light catering or refreshments;
- Acknowledgement gifts of reasonable value;
- Recognition of significant service milestones or retirement.

All retirement and farewell expenditure:

- Must be approved in advance by the Chief Executive, or by the Mayor in the case of the Chief Executive;
- Must be within approved budgets where practicable; and
- Must comply with Council delegations and procurement requirements.

6. Salary Related Expenditure and Benefits

General Principles

Salary-related expenditure includes employment-related costs, allowances, memberships, and benefits provided to employees or elected members as part of remuneration arrangements or operational requirements.

Such expenditure must:

- Be transparent, justifiable, and appropriately authorised;
- Be consistent with employment agreements and Council policy;
- Support legitimate operational or professional requirements; and
- Avoid unnecessary or excessive private benefit.

Salary-related expenditure may include:

- Remuneration and employment benefits negotiated through employment agreements;
- Professional memberships and subscriptions;
- Mobile phones and communication devices;
- Vehicle provisions;
- Insurance associated with Council business travel; and
- Other approved employment-related benefits.

Professional Memberships and Subscriptions

Council may pay for memberships, registrations, or subscriptions to professional organisations where:

- The membership is directly relevant to the employee's role;
- The membership supports professional competency or organisational capability; and
- There is a clear benefit to Council.

Memberships primarily for personal benefit or unrelated professional interests will not be funded by Council.

Airline and Travel Club Memberships

Airline lounge memberships or similar travel-related memberships will only be funded where:

- Frequent travel is required as part of the role;
- Membership provides operational efficiency or wellbeing benefits during work-related travel; and
- Approval is provided by the Chief Executive, or by the Mayor in the case of the Chief Executive.

Any such membership forms part of the employee's overall remuneration arrangements and must be reasonable and justifiable.

Communication Devices and Reimbursements

Council may provide communication devices or reimburse communication costs where required for Council business purposes.

This may include:

- Mobile phones;
- Mobile data services;
- Internet or communication allowances; or
- Reimbursement of actual work-related costs.

Reimbursement:

- Must be based on actual and reasonable business-related expenditure;
- Must be supported by invoices or account records where practicable; and
- Must exclude private expenditure unless specifically authorised.

Council-issued devices remain the property of Council.

Travel Insurance

Council may provide travel insurance for employees or elected members travelling on approved Council business.

Insurance arrangements should:

- Be appropriate to the level of travel undertaken;
- Protect Council against financial and operational risk; and
- Be approved through normal procurement and financial processes.

Vehicles, Fuel and Repairs

Provision and use of Council vehicles must comply with Council's Vehicle Use Policy.

Fuel, maintenance, and repair costs incurred for authorised Council vehicles may be paid by Council where:

- The expenditure relates to approved Council business use; and
- Appropriate records and approvals are maintained.

Private use of Council vehicles must comply with employment agreements, taxation requirements, and Council policy.

Salary Package Vehicles

A vehicle may be provided as part of an approved remuneration package where justified by operational requirements or employment arrangements.

Any vehicle provided:

- Must be appropriate to the role and operational needs;
- Must not be excessive or extravagant;
- Must represent prudent value for money; and
- Must comply with Council procurement and asset management requirements.

For the Chief Executive, vehicle provision and replacement arrangements are determined and approved by Council.

7. Travel, Accommodation and Related Expenditure

Purpose

Elected members and employees of Chatham Islands Council may be required to travel within New Zealand or overseas to undertake approved Council business.

Travel-related expenditure is recognised as sensitive expenditure because it may provide an incidental private benefit and can attract public scrutiny. Accordingly, all travel expenditure must demonstrate:

- A clear and legitimate business purpose;
- Prudent and cost-effective decision making; and
- Moderate and conservative use of public funds.

Travel should only occur where it is necessary to support Council operations, governance responsibilities, training, professional development, stakeholder engagement, or community outcomes.

General Travel Principles

All travel expenditure must:

- Be approved in accordance with Council delegations prior to travel, wherever practicable;
- Be consistent with approved budgets;
- Be economical and reasonable in the circumstances;
- Consider available discounts, package rates, or Council arrangements;
- Be supported by appropriate documentation and receipts; and
- Avoid unnecessary or excessive costs.

Council recognises the unique transport arrangements associated with the Chatham Islands, including the limited flight schedules operated by Air Chathams.

Where travel schedules require extended stays due to transport availability, employees and elected members may use discretionary time privately, provided:

- The primary purpose of the travel remains Council business; and
- Council's costs are limited to the equivalent reasonable cost associated with the approved business travel requirements.

Accommodation

Accommodation when travelling on Council business must:

- Be of a moderate and reasonable standard appropriate to the location and purpose of the travel;
- Represent prudent value for money;
- Utilise available government, corporate, or negotiated discount arrangements where possible; and
- Be booked as early as practicable to secure lower costs.

Council will not reimburse:

- Mini bar purchases;
- In-room entertainment charges; or
- Personal expenses unrelated to Council business.

Meals and Refreshments

Reasonable meal costs incurred while travelling on approved Council business may be reimbursed.

Reimbursement:

- Will be based on actual and reasonable expenditure;
- Must be supported by receipts where practicable; and
- Must exclude personal or excessive expenditure.

Alcohol consumption while travelling remains subject to the requirements of this policy relating to entertainment and alcohol.

Air Travel

Air travel must:

- Relate directly to approved Council business;
- Be booked as early as practicable to obtain the best available fares;
- Utilise prepaid fares, travel credits, or negotiated arrangements where available; and
- Be economy class unless exceptional circumstances are approved in advance.

Travel itineraries should be practical, cost effective, and minimise unnecessary expenditure.

Council will not fund travel for accompanying spouses, partners, or family members unless specifically approved under the spousal travel provisions of this policy.

Hire Vehicles

Hire vehicles may be used where they represent the most practical, efficient, or cost-effective transport option.

Hire vehicles:

- Must be of an economical size and type appropriate for the business purpose;
 - Should be booked using available Council or government rates where possible; and
 - Must primarily be used for Council business purposes.
- Where private travel is undertaken in conjunction with business travel:
- Any additional hire costs attributable to private use are the responsibility of the individual; and
 - Council must not incur additional costs associated with private use.

Taxis and Ground Transport

Taxi, rideshare, shuttle, or similar transport costs must:

- Be reasonable and cost effective relative to alternative transport options;
- Relate directly to Council business travel requirements; and
- Be supported by receipts or electronic records.

Individuals are expected to exercise reasonable judgement and consider alternatives where practical.

Private Travel and Annual Leave During Business Travel

Employees and elected members may, with prior approval from the Chief Executive or Mayor (as applicable), combine approved Council travel with private travel or annual leave where:

- The Council travel has a clear and primary business purpose;
- No additional cost is incurred by Council;

- The private component is incidental to the business travel; and
- The arrangement is transparent and appropriately documented.

Any additional accommodation, transport, meals, leave costs, or other expenses associated with private travel are the responsibility of the individual.

Overseas Travel

Overseas travel is expected to occur infrequently and only where there is a clear strategic, operational, governance, or economic benefit to Council and the community.

All overseas travel:

- Must be approved in advance through the appropriate delegated authority;
- Must include a documented business case and itinerary;
- Must identify the purpose, expected outcomes, meetings, events, and estimated costs;
- Must align with approved budgets unless exceptional circumstances exist; and
- Must comply with the "one-up" approval principle.

Following overseas travel, Council may require a report outlining outcomes achieved and benefits to Council.

Spousal or Accompanying Person Travel

As a general principle, travel costs for spouses, partners, family members, or accompanying persons are a personal expense and will not be funded by Council.

In exceptional circumstances, Council may contribute to additional costs where:

- The participation of the accompanying person directly supports an approved business or civic purpose;
- The rationale is clearly documented; and
- Prior approval has been obtained through the appropriate delegated authority.

Fines and Infringements

Individuals are personally responsible for:

- Traffic infringements;
- Parking fines;
- Tolls incurred through unauthorised use; and
- Any penalties arising from unlawful or inappropriate conduct.

Council will not reimburse fines or infringement costs under any circumstances.

8. Credit Cards

Purpose

Corporate credit cards provide an efficient method for purchasing approved goods and services required for Council business. While the use of credit cards is not, in itself, considered sensitive expenditure, credit cards are commonly used to incur sensitive expenditure and therefore require strong controls and oversight.

This policy is intended to minimise the risk of:

- Inappropriate or excessive expenditure;
- Poorly documented or unjustified spending;
- Personal or private use of Council funds;
- Fraudulent or unauthorised transactions; and
- Reputational risk to Chatham Islands Council.

Issue and Approval of Credit Cards

The issue of a Council credit card must:

- Be approved by the Chief Executive;
- Be limited to employees or elected members with a demonstrated business need;
- Include an approved credit limit appropriate to operational requirements; and
- Be subject to periodic review.

Standard credit limits will generally not exceed \$5,000 unless otherwise approved by the Chief Executive for operational reasons.

Credit cards remain the property of Council and must be returned immediately upon:

- Termination of employment or office;
- Change in role rendering the card unnecessary; or
- Request by Council.

Permitted Use

Council credit cards may only be used for legitimate and approved Council business purposes.

Cardholders must ensure:

- Expenditure is reasonable, necessary, and appropriately authorised;
- Purchases comply with Council procurement and financial policies; and
- Appropriate records and receipts are retained for all transactions.

Under no circumstances may Council credit cards be used for:

- Personal or private expenditure;

- Cash withdrawals or cash advances, except in genuine emergencies and with prior approval from the Chief Executive;
- Unauthorised purchases; or
- Any expenditure inconsistent with this policy.

Where expenditure includes a private component, such as private use associated with a business trip, the individual must promptly reimburse Council for the private portion of the cost.

Documentation and Reconciliation

All credit card transactions must:

- Be supported by valid tax invoices or receipts;
- Clearly identify the business purpose of the expenditure;
- Be reconciled promptly in accordance with Council financial procedures; and
- Be approved on a “one-up” basis.

Lost or missing receipts must be explained and documented.

Repeated failure to provide supporting documentation may result in withdrawal of credit card privileges.

Monitoring and Oversight

All credit card expenditure is subject to review and oversight through Council's financial control and audit processes.

Credit card expenditure relating to the Chief Executive, Mayor, or other senior roles may be reviewed by the Performance, Audit and Risk Committee or equivalent governance oversight body.

Council reserves the right to audit any credit card transactions at any time.

Misuse of a Council credit card may result in:

- Withdrawal of card privileges;
- Requirement for reimbursement;
- Disciplinary action; and/or
- Referral to external authorities where appropriate.

9. Fuel Cards

Purpose

Council fuel cards are provided to support approved Council business and operational activities where the purchase of fuel and associated vehicle expenses is required.

Fuel cards are considered a form of sensitive expenditure and must be managed responsibly, transparently, and in accordance with this Policy.

Principles

The use of Council fuel cards must:

- Be for legitimate Council business purposes only;
- Demonstrate prudent stewardship of public funds;
- Be appropriately authorised and monitored;
- Be capable of withstanding public scrutiny;
- Avoid any actual or perceived personal benefit.

Authorised Users

Fuel cards may only be issued to:

- Council vehicles;
- Designated staff whose roles require regular vehicle use;
- Approved contractors or emergency response personnel where authorised by the Chief Executive Officer.

All fuel cards remain the property of Chatham Islands Council.

Permitted Use

Fuel cards may only be used for:

- Fuel purchases for Council-owned or approved vehicles and equipment;
- Essential vehicle-related operational expenses approved by management, including oil or minor emergency consumables.

Prohibited Use

Fuel cards must not be used for:

- Personal vehicles or private use;

- Food, beverages, alcohol, tobacco, or non-vehicle related items;
- Cash withdrawals;
- Any expenditure not directly related to Council business.

Unauthorised personal use may result in repayment requirements, disciplinary action, and/or referral for investigation.

Security and Card Management

Cardholders are responsible for ensuring fuel cards are stored securely and used appropriately.

Lost, stolen, or compromised cards must be reported immediately to:

- The fuel card provider; and
- The Operations Manager or delegated supervisor.

Fuel cards must be returned immediately upon:

- Cessation of employment;
- Change in role;
- Request by Council.

Monitoring and Reconciliation

All fuel card transactions must:

- Be supported by valid tax invoices or receipts where available;
- Be regularly reviewed and reconciled;
- Be subject to management oversight and random audit checks.

The Operations Manager is responsible for monitoring fuel card expenditure and identifying any unusual or unauthorised transactions.

Private Use of Council Vehicles

Where limited private use of a Council vehicle has been expressly authorised under a separate agreement or employment arrangement, any associated fuel expenditure must comply with Inland Revenue requirements and Council policy.

Breaches

Any misuse, fraudulent activity, or repeated non-compliance involving fuel cards may result in:

- Withdrawal of fuel card privileges;

- Recovery of costs;
- Disciplinary action;
- Referral to law enforcement where appropriate.

Delegations

Authority to approve the issue, cancellation, and monitoring of fuel cards is delegated to the Chief Executive Officer, with day-to-day administration delegated to the Operations Manager.

10. Disposal of Assets

From time to time Council assets may become surplus, obsolete, uneconomic to repair, or otherwise no longer required for operational purposes.

Examples may include:

- Vehicles;
- Computers and electronic equipment;
- Office furniture;
- Plant and equipment; or
- Accommodation assets.

The disposal of Council assets must be undertaken in a transparent, fair, and accountable manner that achieves appropriate value for Council and protects public confidence.

Disposal Principles

Asset disposal processes must:

- Comply with Council procurement and financial policies;
- Be appropriately documented and approved;
- Avoid actual or perceived conflicts of interest; and
- Ensure fairness and transparency for staff and the wider community.

Staff Purchases

Where surplus assets are made available for purchase by employees:

- The process must be fair and transparent;
- The asset must be appropriately valued or priced;
- The staff member must not be involved in determining the disposal value; and
- Approval must occur on a "one-up" basis.

Where appropriate, Council may:

- Offer items internally to staff;
- Dispose of assets through public sale, tender, auction, trade-in, recycling, or donation; or
- Use other disposal methods approved by the Chief Executive.

The Chief Executive will determine the most appropriate disposal method where assets are not otherwise addressed through Council policy or approved processes.

11. Purchase of Assets

The purchase of assets using Council funds must:

- Serve a legitimate Council purpose;
- Represent prudent value for money;
- Be within approved budgets unless urgent and specifically authorised; and
- Comply with Council procurement and delegation requirements.

Where the purchase of an asset may confer a private or incidental benefit to an employee or elected member, additional scrutiny and approval requirements apply.

Examples may include:

- Council-provided accommodation;
- Vehicles with approved private use;
- Communication devices; or
- Other employment-related assets.

In these circumstances:

- The “one-up” approval principle must apply;
- The expenditure must be clearly documented and justified;
- Any private benefit must be incidental and authorised; and
- The purchase must align with employment agreements and Council policy.

12. Sponsorships, Community Grants and Christmas Functions

Sponsorships and Community Grants

Council may provide sponsorships, grants, or community contributions where these:

- Support community wellbeing, cultural outcomes, economic development, or strategic objectives;
- Align with approved Council policies and budgets; and
- Deliver a clear public or community benefit.

All sponsorship and grant expenditure must:

- Be transparent and appropriately authorised;
- Be allocated fairly and consistently;
- Avoid conflicts of interest; and
- Comply with Council's grants, donations, and funding policies.

Christmas and Staff Functions

Council may fund modest Christmas functions or staff recognition events as part of organisational wellbeing and staff engagement.

Such functions:

- Must be moderate and reasonable in scale and cost;
- Must not be extravagant;
- Must be approved within budget provisions; and
- Must comply with the principles of this policy, including public accountability and prudent use of funds.

Alcohol provided at any Council-funded function remains subject to the requirements outlined in the Entertainment and Alcohol section of this policy.

13. Gifts, Benefits and Hospitality

Employees and elected members of Chatham Islands Council must act with integrity and impartiality and avoid situations where gifts, benefits, or hospitality could improperly influence, or be perceived to influence, Council decision-making.

General Principles

Gifts, benefits, or hospitality:

- Must not compromise, or appear to compromise, an individual's objectivity or independence;
- Must not create an actual, potential, or perceived conflict of interest;
- Must be modest and reasonable in value;
- Must relate to legitimate business, civic, cultural, or community relationships; and
- Must comply with Council's Code of Conduct and applicable policies.

Employees and elected members must not:

- Solicit gifts, benefits, favours, or hospitality;

- Accept cash gifts or personal payments;
- Accept gifts or hospitality that could reasonably be perceived as influencing Council decisions; or
- Accept personal discounts or preferential treatment arising from their Council role.

Gift Register

Council may maintain a Gifts and Hospitality Register for the recording of gifts, hospitality, or benefits above a nominal value determined by the Chief Executive.

Where there is uncertainty regarding acceptance of a gift or benefit, guidance should be sought from the Chief Executive, Mayor, or appropriate manager.

Koha and culturally appropriate exchanges remain subject to Council's Koha Policy.

14. Procurement and Personal Purchases

Council procurement processes and supplier arrangements must only be used for legitimate Council purposes.

Employees and elected members must not:

- Use Council supplier accounts for personal purchases;
- Use Council purchasing arrangements to obtain private discounts or benefits;
- Order goods or services for private use through Council systems; or
- Allow Council purchasing processes to be used in a manner that could create reputational risk or perceived favouritism.

Where an incidental private purchase is specifically authorised:

- The cost must be reimbursed immediately to Council; and
- Full documentation must be retained.

All procurement activity must comply with Council procurement policies, delegated authorities, and principles of fairness, transparency, and value for money.

15. Fraud, Misuse and Non-Compliance

Any misuse of Council funds, assets, purchasing arrangements, or sensitive expenditure provisions is considered serious misconduct.

Examples may include:

- Deliberate personal use of Council funds or assets;
- False or misleading reimbursement claims;
- Unauthorised expenditure;
- Failure to disclose conflicts of interest;
- Misuse of Council credit cards; or
- Circumvention of approval processes.

Where misuse or non-compliance is identified, Council may:

- Require reimbursement of expenditure;
- Withdraw delegated authority or credit card access;
- Initiate disciplinary processes;
- Refer matters for audit investigation; and/or
- Refer matters to external authorities where appropriate.

Suspected fraud or serious misconduct must be reported promptly in accordance with Council policies and procedures.

16. Delegations and Approval Limits

All expenditure incurred by or on behalf of Chatham Islands Council must comply with:

- Council's Delegations Manual;
- Approved budgets;
- Procurement requirements; and
- This policy.

Financial delegation limits do not override the requirement for expenditure to:

- Have a legitimate business purpose;
- Be moderate and reasonable; and
- Avoid actual or perceived personal benefit.

No person may approve expenditure where:

- They are the direct beneficiary; or
- A conflict of interest exists or may reasonably be perceived to exist.

Council reserves the right to withdraw delegated authority where expenditure practices are inconsistent with this policy.

17. Conference, Training and Professional Development

Council recognises the importance of professional development, governance training, and industry participation in supporting effective local government services and decision-making.

Attendance at conferences, training courses, seminars, workshops, and professional development activities must:

- Have a clear business or governance purpose;
- Be relevant to the individual's role or responsibilities;
- Provide identifiable benefit to Council and the community;
- Be approved in advance through the appropriate delegated authority; and
- Be within approved budget provisions.

When considering attendance, the approving person should consider:

- Relevance to Council priorities and operational needs;
- Availability of online or lower-cost alternatives;
- Total travel and accommodation costs; and
- Opportunities to maximise value from attendance.

Attendance should be moderate and cost effective, particularly where travel from the Chatham Islands is involved.

Council may require attendees to:

- Share learnings or key information with other staff or elected members; or
- Provide a brief report on outcomes achieved.

18. Conflicts of Interest

Employees and elected members must avoid situations where personal interests conflict, or could reasonably be perceived to conflict, with their Council responsibilities.

Any actual, potential, or perceived conflict of interest relating to expenditure decisions must be:

- Declared as soon as practicable; and
- Managed in accordance with Council policy and applicable legislation.

Individuals with a conflict of interest must not:

- Participate in approval decisions relating to the matter; or
- Influence expenditure decisions for personal benefit.

Transparency and proper disclosure are essential to maintaining public trust and confidence.

19. Emergency Expenditure

Council recognises that emergency situations may require urgent expenditure outside normal approval processes.

Examples may include:

- Civil defence emergencies;
- Severe weather events;
- Infrastructure failures;
- Public health or safety incidents; or
- Urgent transport or operational disruptions affecting the Chatham Islands.

In emergency situations:

- Expenditure may be authorised by the Chief Executive or delegated emergency management authority;
- Decisions must prioritise public safety, continuity of essential services, and protection of Council assets; and
- Expenditure should remain reasonable and proportionate to the circumstances.

All emergency expenditure must:

- Be documented as soon as practicable;
- Be reported through normal financial oversight processes; and
- Be retrospectively approved where required under Council delegations.

20. Policy Review

This policy will be reviewed at least every three years, or earlier if required due to:

- Legislative or regulatory change;
- Audit recommendations;
- Organisational change;
- Best practice guidance updates; or
- Resolution of Council.

The policy remains subject to ongoing monitoring and review to ensure it reflects good governance practice and the expectations of the community.

21. Definitions

Term	Definition
Sensitive Expenditure	Expenditure that could provide a private benefit to an individual in addition to achieving a Council business purpose.
Private Benefit	Any personal advantage, gain, or benefit received by an individual that is not primarily for Council purposes.
One-Up Approval	Approval provided by a person with delegated authority senior to the person incurring the expenditure.
Hospitality	Provision of meals, refreshments, entertainment, or hosting associated with Council business.
Koha	A gift, contribution, or offering made in accordance with tikanga Māori and Council's Koha Policy.
Council Business	Activities directly related to Council governance, operations, service delivery, community outcomes, or strategic objectives.
Emergency Expenditure	Urgent expenditure required to respond to unforeseen events affecting public safety, essential services, or Council operations.

History of Changes

Date	Version	Council Adoption	Description
27/5/2010	1.0	19/4/2012	Initial Policy
24/1/2023	2.0	29/3/2023	Review and update Policy
12/5/2026	3.0		Review and update Policy

Public Excluded Agenda

28 May 2026

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.12.1	PE Minutes 23 April 2026	Good reason to withhold exists under Section 7	Section 48(1)(a)
PE 12.2	Chief Executive Report Pt2	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
PE.12.1	PE Minutes 23 April 2026	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 12.2	Chief Executive Report Pt 2	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.