



**chatham islands council**

# Chatham Islands Council

## BOARD PACK

for

### Council Meeting

Thursday, 25 June 2026

9:00 am (+1245)

Held at:

Chatham Islands Council

13 Tuku Road, Chatham Islands

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# AGENDA

## COUNCIL MEETING



|                       |                                                                                                                                                                                                                 |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>          | Chatham Islands Council                                                                                                                                                                                         |
| <b>Date:</b>          | Thursday, 25 June 2026                                                                                                                                                                                          |
| <b>Time:</b>          | 9:00 am to 11:00 am (+1245)                                                                                                                                                                                     |
| <b>Location:</b>      | Chatham Islands Council, 13 Tuku Road, Chatham Islands<br><a href="https://teams.microsoft.com/meet/4888599050979?p=Sh7yBKK1gyKvFi3iEa">https://teams.microsoft.com/meet/4888599050979?p=Sh7yBKK1gyKvFi3iEa</a> |
| <b>Board Members:</b> | 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                                                          |
| <b>Attendees:</b>     | Mr Bob Penter, Ms Mereraina Hemara, Ms Jo Guise                                                                                                                                                                 |
| <b>Guests/Notes:</b>  | Nolwenn Lagadec, Watercare Services Ltd                                                                                                                                                                         |

### 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 |
|--------------------------|---|

#### 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 |
|-------------------|----|

## 2. Democracy

### 2.1 Ordinary Meeting Minutes 28 May 2026

9:14 am (3 min)

#### For Decision

Review and confirm the minutes of the previous meeting.

Supporting Documents:

|       |                                                |    |
|-------|------------------------------------------------|----|
| 2.1.a | 2.1 Minutes 28 May 2026.pdf                    | 13 |
| 2.1.b | Public Minutes 28 May 2026 Council Meeting.pdf | 14 |

## 3. Finance

### 3.1 Financial Report

9:17 am (10 min)

Mr Bob Pentter

#### For Noting

To present to Council the financial report as at 31 May 2026

Supporting Documents:

|       |                              |    |
|-------|------------------------------|----|
| 3.1.a | 3.1 Financial Report.pdf     | 26 |
| 3.1.b | Council May 2026 updated.pdf | 27 |

### 3.2 CIC 2026/27 Annual Plan Adoption

9:27 am (10 min)

#### 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 Council 2026/27 Annual Plan June.pdf | 30 |
| 3.2.b | CIC Annual Plan 2026/27.pdf              | 33 |

### 3.3 Rates Setting 2026/27

9:37 am (5 min)

Mr Bob Pentter

#### For Decision

To enable Council to set rates for the 2026/27 financial year, following adoption of the 2026/27 Annual Plan.

Council must formally adopt a rates resolution for the period 1 July 2026 to 30 June 2027 in accordance with the Local Government (Rating) Act 2002.

Supporting Documents:

|       |                               |    |
|-------|-------------------------------|----|
| 3.3.a | 3.3 Rates Setting 2026-27.pdf | 66 |
|-------|-------------------------------|----|

## 4. Works & Services

### 4.1 Stantec Report

9:42 am (5 min)

#### For Information

Information to be received.

Supporting Documents:

|       |                         |    |
|-------|-------------------------|----|
| 4.1.a | 4.1 Stantec Report1.pdf | 70 |
| 4.1.b | Stantec Report.pdf      | 71 |

### 4.2 Fulton Hogan Road Maintenance Report

9:47 am (5 min)

#### For Noting

Information to be received.

Supporting Documents:

|       |                                               |    |
|-------|-----------------------------------------------|----|
| 4.2.a | 4.2 Fulton Hogan Road Maintenance Report .pdf | 80 |
| 4.2.b | 2026 Road Maintenance -SP1 June 2026.pdf      | 81 |

### 4.3 Fulton Hogan Water & Wastewater report

9:52 am (5 min)

#### For Noting

Information to be received.

Supporting Documents:

|       |                                                   |    |
|-------|---------------------------------------------------|----|
| 4.3.a | 4.3 Fulton Hogan Water & Wastewater Contract .pdf | 89 |
| 4.3.b | Water and Wastewater -June 2026 SP2.pdf           | 90 |

### 4.4 Fulton Hogan Waste Management report

9:57 am (5 min)

#### For Noting

Information to be received.

Supporting Documents:

|       |                                      |    |
|-------|--------------------------------------|----|
| 4.4.a | 4.4 FH Waste Management Report.pdf   | 95 |
| 4.4.b | Waste Management Report- June 26.pdf | 96 |

### 4.5 Water Services Delivery Plan update

10:02 am (10 min)

Mr Bob Penter

#### For Decision

This report is seeking Council to approve the submission of the Water Services Condition Assessment Report June 2026 (WSCA Report) to the Department of Internal affairs (DIA) to meet the requirements of the Local Government (Water Services Preliminary Arrangements) Act. Ms Nolwenn Lagadec (Watercare Services Ltd) will join the meeting to discuss the report.

Supporting Documents:

|       |                                                                   |     |
|-------|-------------------------------------------------------------------|-----|
| 4.5.a | 4.5 Water Services Delivery Plan update.pdf                       | 102 |
| 4.5.b | AppendixA- Water Services Condition Assessment Report - Final.pdf | 107 |

5. Community
6. Regulatory
7. Emergency Management
8. Government
9. Chatham Islands
10. Bylaws & Policies

#### **10.1 Adoption of the Draft CIC Conflict of Interest Policy 2026 (Staff)**

10:12 am (5 min)

Ms Mereraina Hemara

##### **For Decision**

The purpose of this report is to present the CIC Conflicts of Interest Policy (Staff) 2026 to Council for adoption following consideration by the Performance, Audit and Risk Committee.

Supporting Documents:

|        |                                                                   |     |
|--------|-------------------------------------------------------------------|-----|
| 10.1.a | 10.1 Adoption of Draft Staff Conflict of Interest Policy 2026.pdf | 129 |
| 10.1.b | Draft CIC Conflict of Interests Policy 2026 Staff.pdf             | 131 |

#### **11. Move to Public Excluded**

##### **11.1 Move to Public Excluded**

Supporting Documents:

|        |                                |     |
|--------|--------------------------------|-----|
| 11.1.a | PE Cover Page 25 June 2026.pdf | 139 |
|--------|--------------------------------|-----|

#### **12. Public Excluded**

##### **12.1 Public Excluded Minutes 28 May 2026**

10:17 am (5 min)

##### **For Decision**

Confirmation of Minutes from the previous meeting.

Supporting Documents:

|        |                                            |     |
|--------|--------------------------------------------|-----|
| 12.1.a | PE 12.1 Minutes PE Meeting 28 May 2026.pdf | 140 |
| 12.1.b | PE Minutes 28 May 2026 Council Meeting.pdf | 141 |

##### **12.2 Interim Chief Executive Report**

10:22 am (10 min)

Mr Bob Pentter

##### **For Noting**

To provide Council with an update on key organisational activities, performance, and emerging issues.

Supporting Documents:

12.2.a PE 12.2 Interim Chief Executive Report .pdf

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**12.3 Close the meeting**

10:32 am

**Next meeting:** Council Meeting - 13 Aug 2026, 9:00 am

There being no further business the meeting closed.

# Interests Register

## Chatham Islands Council



As of: 25 Jun 2026

| Person                        | Organisation                                                 | Active Interests                                      | Notice Date  |
|-------------------------------|--------------------------------------------------------------|-------------------------------------------------------|--------------|
| <b>Cr Bridget Gibb</b>        | CIC                                                          | Distant whanau link to proposed Interim CE            | 4 Mar 2026   |
| <b>Cr Cèline Gregory-Hunt</b> | CIC                                                          | 6.4 Applicant                                         | 27 Sept 2024 |
| <b>Cr Jenna Hoverd</b>        | CI Shipping                                                  | Employee of CI Shipping                               | 28 May 2026  |
| <b>Cr Keri Day</b>            | Chatham Islands Council                                      | Interested party - Item 7.1 Water Tank Project Update | 1 Feb 2024   |
| <b>Cr Nathaniel Whaitiri</b>  | CIC                                                          | Distant whanau links to suggested Interim CE          | 27 Feb 2026  |
|                               | x                                                            | x                                                     | 4 Mar 2026   |
| <b>Mayor Greg Horler</b>      | 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 |
| <b>Mr Bob Penter</b>          | 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 | 26 Mar 2026 |
|                                  | - Board of Governors, Rangi Ruru Girls School                            |             |
|                                  | - Advisory Board Chair, Tambo Limited                                    |             |
|                                  | - Recruit Firefighter, Chatham Islands Volunteer Fire Brigade            |             |
|                                  | - CI Landscape Restoration Trust - Board Member                          |             |

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# Action List

## Chatham Islands Council



As of: 19 Jun 2026

### Options for Speed Reduction 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

#### **Latest Update:**

Schedule workshop with Stantec regarding Te One School traffic options.

Ms Jo Guise | 3 Jun 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 Penter

**Meeting:** 26 Mar 2026 Council Meeting, 3.5 Annual Plan 2026/27 – draft budget

#### **Latest Update:**

Continue development of the Community Engagement Document following budget finalisation.

Ms Jo Guise | 3 Jun 2026

### Community wharf meeting at Owenga

**In Progress**

Schedule Community wharf meeting at Owenga including engagement with the fishing sector.

**Due Date:** 31 Jul 2026

**Owners:** Mr Bob Penter, Ms Jo Guise

**Meeting:** 28 May 2026 Council Meeting, 1.4 Action List

### Council Asset inspection

**In Progress**

Progress planning for the Council asset inspection trip.

**Due Date:** 31 Jul 2026

**Owners:** Mr Bob Penter, Ms Jo Guise

**Meeting:** 28 May 2026 Council Meeting, 1.4 Action List

### Council CCTV Assessment

**Not Started**

Arrange inspection and assessment of Council CCTV cameras and report back on required repairs or upgrades.

**Due Date:** 31 Jul 2026

**Owner:** Mr Bob Penter

**Meeting:** 28 May 2026 Council Meeting, 1.4 Action List

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**Dark Sky & Bird-friendly lighting****In Progress**

Staff to consider dark-sky and bird-friendly lighting principles when planning and implementing future lighting projects.

**Due Date:** 31 Jul 2026

**Owner:** Mr Bob Penter

**Meeting:** 28 May 2026 Council Meeting, 2.3 Chief Executive Report

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**Waste Management****In Progress**

Schedule a Council workshop on waste management and waste minimisation initiatives.

**Due Date:** 31 Jul 2026

**Owner:** Mr Bob Penter

**Meeting:** 28 May 2026 Council Meeting, 4.4 Fulton Hogan Waste Management report



## 2. Democracy

### 2.1 Minutes of Ordinary Meeting 28 May 2026

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|                           |                               |
|---------------------------|-------------------------------|
| <b>Date of meeting</b>    | 25 June 2026                  |
| <b>Agenda item number</b> | 2.1                           |
| <b>Author/s</b>           | Jo Guise, Executive Assistant |

#### Purpose

For the Council to receive and confirm the minutes of the Ordinary Meeting held on 28 May 2026.

#### Recommendations

1. **THAT the minutes from the Ordinary meeting held on 28 May 2026 be a true and accurate record.**

# MINUTES (in Review)

## COUNCIL MEETING



|                       |                                                                                                                                     |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name:</b>          | Chatham Islands Council                                                                                                             |
| <b>Date:</b>          | Thursday, 28 May 2026                                                                                                               |
| <b>Time:</b>          | 9:00 am to 11:02 am (+1245)                                                                                                         |
| <b>Location:</b>      | Chatham Islands Council, 13 Tuku Road, Chatham Islands                                                                              |
| <b>Board Members:</b> | Cr Celine Gregory-Hunt, Cr Keri Day, Cr Bridget Gibb, Cr Graeme Hoare, Cr Jenna Hoverd, Cr Jacqui Southcombe, Cr Nathaniel Whaitiri |
| <b>Attendees:</b>     | Mr Bob Penter, Ms Mereraina Hemara, Ms Jo Guise, Mr Jack Boyd, Ms Tanya Clifford, Mr Shingy Torga                                   |
| <b>Apologies:</b>     | Mayor Greg Horler                                                                                                                   |

### 1. Opening Meeting

#### 1.1 Meeting Opening

Deputy Mayor Celine Gregory-Hunt chaired the meeting in the absence of Mayor Horler. She opened the meeting acknowledging the passing of both Sandy Goomes and Naomi Goomes.

#### 1.2 Apologies



##### Apologies

THAT the apologies be received.

|                       |                      |
|-----------------------|----------------------|
| <b>Decision Date:</b> | 28 May 2026          |
| <b>Mover:</b>         | Cr Jacqui Southcombe |
| <b>Seconder:</b>      | Cr Jenna Hoverd      |
| <b>Outcome:</b>       | Approved             |

#### 1.3 Interests Register

#### 1.4 Action List

| Due Date    | Action Title                                                                    | Owner(s)            |
|-------------|---------------------------------------------------------------------------------|---------------------|
| 31 Mar 2026 | Options for Speed Reduction outside Te One School<br><b>Status:</b> In Progress | Ms Mereraina Hemara |
| 30 Jun 2026 | Contact NKMR re Project<br><b>Status:</b> Completed on 10 Jun 2026              | Mr Bob Penter       |
| 30 Jun 2026 | Community Engagement Document<br><b>Status:</b> In Progress                     | Mr Bob Penter       |



##### Community wharf meeting at Owenga

Schedule Community wharf meeting at Owenga including engagement with the fishing sector.

|                  |                            |
|------------------|----------------------------|
| <b>Due Date:</b> | 31 Jul 2026                |
| <b>Owners:</b>   | Mr Bob Penter, Ms Jo Guise |

**Council Asset inspection**

Progress planning for the Council asset inspection trip.

**Due Date:** 31 Jul 2026

**Owners:** Mr Bob Penter, Ms Jo Guise

**Council CCTV Assessment**

Arrange inspection and assessment of Council CCTV cameras and report back on required repairs or upgrades.

**Due Date:** 31 Jul 2026

**Owner:** Mr Bob Penter

**2. Democracy****2.1 Ordinary Meeting Minutes 23 April 2026****Ordinary Meeting Minutes 23 April 2026**

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

**Decision Date:** 28 May 2026

**Mover:** Cr Jenna Hoverd

**Second:** Cr Graeme Hoare

**Outcome:** Approved

**2.2 Memorandum of Understanding - Chatham Islands Shipping Service****Memorandum of Understanding - Chatham Islands Shipping Service**

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.

**Decision Date:** 28 May 2026

**Mover:** Cr Jacqui Southcombe

**Second:** Cr Graeme Hoare

**Outcome:** Approved

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

It was noted that the MOU was intended to formalise communication and collaboration between the parties during the vessel build phase and once the service becomes operational. The agreement will provide a structured forum for discussing service performance, operational matters, and community feedback.

Members discussed the importance of maintaining Ministry of Transport engagement in the shipping service and ensuring Council has a formal mechanism to represent community concerns and experiences. Concerns were raised regarding the proposed sailing frequency and the potential impacts of weather-related disruptions on service reliability.

It was noted that the MOU does not create significant legal obligations but provides a framework for cooperation and information sharing between the parties.

## 2.3 Chief Executive Report



### Chief Executive Report

That Council receives the Chief Executive's report.

**Decision Date:** 28 May 2026  
**Mover:** Cr Graeme Hoare  
**Seconders:** Cr Jenna Hoverd  
**Outcome:** Approved



### Online Webinars - SFO

THAT

1. All councillors and council staff attend the online webinars;
2. All Councillors and staff encouraged to complete the e-learning modules; and
3. The Interim CE attends the Teams based LG CoP forum and this forms part of the transition to the permanent CE.

**Decision Date:** 28 May 2026  
**Mover:** Cr Jenna Hoverd  
**Seconders:** Cr Bridget Gibb  
**Outcome:** Approved

### Governance Reform Proposal

The report included an update on the governance reform proposal, which was formally submitted to Ministers Patterson and Jones on 27 March. It was noted that ongoing engagement with Crown officials continues, and that the proposal has been generally well received at official level. Officials have indicated support for the intent of the proposal, particularly its focus on strengthening and simplifying governance arrangements rather than creating an additional separate entity.

It was noted that ministerial feedback included some concern regarding the perception of a "third entity." In response, it was clarified that the proposal is intended to streamline and consolidate existing arrangements between Council and the Trust, rather than introduce a new governance structure, and to support joint planning, including the development of an economic development strategy. While generally well received, further engagement with Ministers is required and the matter remains under active consideration.

### Regional Infrastructure Fund Proposal

The report also outlined that a Regional Infrastructure Funding (RIF) proposal is currently progressing through a Crown due diligence process. This process includes assessment of the scope, funding levels, and viability of proposed projects. Council staff are working alongside Crown agencies and regional development partners to support this assessment.

Members were advised that a reduced funding package was currently under consideration following earlier revisions to the original proposal, and clarification was sought regarding which projects remain in scope and whether others may be considered in future. It was explained that the current assessment reflects a narrowed set of priorities following earlier decisions by central government.

It was further noted that conflict of interest declarations have been completed by relevant parties involved in the process to ensure transparency in relation to potential contractors or service providers.

During discussion of the Wharf Upgrades members discussed the importance of ensuring that any future lighting installations are both dark-sky compliant and bird-friendly.

**Action:** Staff to consider dark-sky and bird-friendly lighting principles when planning and implementing future lighting projects.

Members discussed port infrastructure priorities, including improvements at Pitt Island, livestock handling facilities, fuel storage, and port operations. The importance of supporting the fishing industry was emphasised, given its contribution to funding shipping and airport operations.

Council considered the need for increased fuel storage capacity, particularly in light of the proposed shipping service operating less frequently. It was noted that additional fuel storage would improve fuel security, assist in managing price fluctuations, and strengthen resilience during supply disruptions. Concerns were also raised regarding storage capacity for freight and livestock handling as shipping schedules change.

### **Water Services**

Council received an update on water services and noted positive progress, including support from the Department of Internal Affairs (DIA) and assessment work being undertaken with assistance from Stantec. It was noted that water infrastructure planning and upgrades were progressing in the right direction.

### **Attendance at LGNZ Zone 5 & 6 Conference**

Council also received a report on attendance at the Local Government New Zealand conference, where advocacy was undertaken on a range of issues affecting the Chatham Islands, including the timely delivery of the replacement shipping vessel.

Members noted concerns regarding the age and condition of the Southern Tiare and the importance of avoiding delays to the new shipping service. It was noted that a major survey is due in 2028, with significant cost implications, and that timely vessel replacement would support continuity of service and maximise the residual value of the existing vessel.

Members were advised of ongoing discussion regarding the Head Start pathways reform programme and its relevance to Council's operating environment, including commentary on whether the Council is considered within scope of broader local government reform settings. Advice received from the Council's auditor confirmed that all councils are able to participate in the programme, and it was noted that Council is continuing to engage with this process while also progressing its own reform initiatives.

### **DOC Tenancy Agreement**

An update was also provided regarding tenancy and property management matters. It was noted that issues had arisen in relation to occupancy arrangements and the absence of a fully executed tenancy agreement in one instance, resulting in unpaid amounts and legal advice being sought. Members were advised that the matter had been resolved in principle, with outstanding payments being pursued, and that future management of tenancy arrangements will require clearer documentation and processes. It was further noted that Council will need to consider how best to re-let available space and manage ongoing tenancy demand, including the condition of Council-owned buildings and responsibilities for maintenance and repair under existing lease arrangements.

### **OAG Report - Next Steps**

The report also outlined Council's approach to training and governance development for elected members and staff. It was recommended that Council adopt a combination of online webinars and e-learning modules covering topics such as fraud awareness, procurement, and governance obligations. Members discussed how and when training would be undertaken, including the option of attending sessions collectively or completing modules individually at a time that suits each member.

An upcoming session was noted for 20 August, with arrangements to circulate calendar invitations to Councillors via Council email to support attendance and engagement. It was also noted that further governance and audit-related discussions will continue to form part of Council's ongoing development programme, with a focus on strengthening decision-making and compliance processes.

### **Food Safety Support Services**

Members were advised that Council is continuing to work with Wellington City Council to provide food safety verification and compliance support on a cost-recovery basis, noting that this arrangement is more cost-effective than procuring private services and that Wellington City Council has existing familiarity with Council requirements and audit processes.

It was suggested that Council consider publishing information on its website to raise awareness of available food safety support services and to clearly outline the process for businesses seeking assistance. Members noted that such services are generally targeted toward higher-risk or larger-scale food operations, rather than smaller informal operators, and agreed that improved public information would be beneficial.

### **Terms of Reference - Council Owned Residential Property**

Further discussion took place regarding Council housing tenancy management. Members emphasised the importance of ensuring continuity of tenancies and avoiding gaps where properties become vacant. It was noted that clearer internal processes are required to manage tenant transitions proactively and ensure timely re-letting of properties.

### **Council Bi-election**

It was also noted that preparations were underway for the upcoming local elections, including the nomination process, and that relevant operational updates will continue to be provided as required.



#### **Webinars**

Send out invites to councillors to attend the SFO webinars.

**Due Date:** 30 Jun 2026

**Owner:** Ms Jo Guise



#### **Dark Sky & Bird-friendly lighting**

Staff to consider dark-sky and bird-friendly lighting principles when planning and implementing future lighting projects.

**Due Date:** 31 Jul 2026

**Owner:** Mr Bob Penter

## **3. Finance**

### **3.1 Financial Report**



#### **Finance Report**

THAT the Council receives the report.

**Decision Date:** 28 May 2026

**Mover:** Cr Graeme Hoare

**Second:** Cr Jenna Hoverd

**Outcome:** Approved

Council also received an update indicating that overall financial management has improved, supported by reduced expenditure across several areas including external advice and consultancy. It was noted that this had contributed to improved financial oversight and outcomes.

## 3.2 Operational and Capital expenditure approval



### Operational and Capital Expenditure Approval

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.
  - 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),
3. Approve adjustments to waste management budgets, including increased operational and capital expenditure to support:
  - 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.

**Decision Date:** 28 May 2026  
**Mover:** Cr Jacqui Southcombe  
**Seconded:** Cr Jenna Hoverd  
**Outcome:** Approved

Council considered proposed capital expenditure and operational matters relating to water services and waste management.

It was noted that reallocation of “Local Water Done Well” funding was proposed to support priority water infrastructure projects, with work being progressed by Stantec. Approval was sought to enable planned works to proceed, noting the requirement that funding be applied to capital works within the agreed timeframe.

Council also noted that forecast water and wastewater expenditure may exceed current budget allocations, and approval was sought to cover any shortfall through existing underspends within other Council budgets.

In relation to waste management, Council considered proposals to procure additional skip bins (with potential grant support) and to replace an existing excavator with a larger unit to improve landfill operations and compaction capacity. It was noted that associated costs include transport and contract adjustments, with the excavator intended to remain on-island for operational use.

Members also discussed landfill management practices, including measures to reduce soil contamination of waste streams and improve efficiency of landfill operations.

## 4. Works & Services

### 4.1 Stantec Report



#### Stantec Report

THAT Chatham Islands Council receives the report.

**Decision Date:** 28 May 2026  
**Mover:** Cr Graeme Hoare  
**Seconded:** Cr Bridget Gibb  
**Outcome:** Approved

Mr Jack Boyd gave an update on water and wastewater network performance and recent operational issues.

It was noted that the network experienced a series of incidents, including elevated fluoride levels and the detection of E. coli at Kaingaroa, followed by a plant maintenance issue that caused sediment to impact filtration and resulted in a temporary water conservation notice. Monitoring has since returned to normal levels.

Members were advised of ongoing infrastructure faults, including a leak in the chlorine contact tank and a recurring failure of the Kaingaroa intake pump. Temporary solutions have been implemented to maintain supply, and permanent repairs are being progressed as parts become available.

Council acknowledged the work of staff and contractors in responding to these issues and maintaining service continuity.

An update was also provided on planned capital works funded through reallocated Department of Internal Affairs (DIA) funding. These works include upgrades to water intake systems, improvements to critical infrastructure, and network monitoring enhancements such as remote level reading, tank monitoring, and installation of flow meters to improve operational visibility and performance.

## 4.2 Fulton Hogan Road Maintenance Report



### Fulton Hogan Road Maintenance Report

THAT Chatham Islands Council receives the report.

|                       |                 |
|-----------------------|-----------------|
| <b>Decision Date:</b> | 28 May 2026     |
| <b>Mover:</b>         | Cr Graeme Hoare |
| <b>Seconder:</b>      | Cr Bridget Gibb |
| <b>Outcome:</b>       | Approved        |

Mr Shingy Torga provided an update on road maintenance activities, including ongoing inspections and implementation of the maintenance programme. Works undertaken included improved signage and safety marking at critical locations such as cattle stops and sharp bends, drainage improvements through culvert installation, and targeted maintenance of unsealed roads. It was noted that further culvert installations are planned.

Members were advised that routine maintenance activities, including mowing and road inspections, were continuing across the network, with work also undertaken to address priority safety areas.

Council acknowledged progress on the Maipito Bridge upgrade and noted positive community feedback regarding the response to safety concerns during the works. The contractor advised that the bridge replacement works were progressing as planned, with safety remaining a key priority.

## 4.3 Fulton Hogan Water & Wastewater report



### Fulton Hogan Water and Wastewater Report

THAT Chatham Islands Council receives the report.

|                       |                 |
|-----------------------|-----------------|
| <b>Decision Date:</b> | 28 May 2026     |
| <b>Mover:</b>         | Cr Jenna Hoverd |
| <b>Seconder:</b>      | Cr Graeme Hoare |
| <b>Outcome:</b>       | Approved        |

Mr Shingy Torga advised that a recent critical failure at the pump station required an immediate operational response, including the implementation of temporary measures to maintain service

continuity and support water supply while repairs were undertaken. Council was further advised that these interim arrangements were stable and that there was currently no risk to supply.

Members were informed that replacement parts and equipment were being sourced and expected to arrive shortly, with planned installation works scheduled to restore full functionality of the affected infrastructure early in the following week.

It was further noted that additional operational measures were being implemented to reduce contamination risks and maintain treatment performance, and that essential consumables have been secured to support ongoing operations.

Council acknowledged the work undertaken to manage the incident and maintain continuity of service while longer-term repairs are completed.

#### 4.4 Fulton Hogan Waste Management report



##### Fulton Hogan Waste Management Report

THAT Chatham Islands Council receives the report.

**Decision Date:** 28 May 2026  
**Mover:** Cr Graeme Hoare  
**Seconder:** Cr Jenna Hoverd  
**Outcome:** Approved



##### Waste Management

Schedule a Council workshop on waste management and waste minimisation initiatives.

**Due Date:** 31 Jul 2026  
**Owner:** Mr Bob Penter

Mr Shingy Torga gave a verbal updat on waste management. It was noted that work is underway to reorganise and improve operations at the transit station, including clearing and resetting the facility to support more efficient waste handling and improve site functionality. Further site improvements were planned, including upgrades to access areas and operational layout to support safer and more effective use by the public.

Members discussed opportunities to improve waste management services, including potential changes to operating arrangements and hours, as well as the importance of community education and engagement to support waste reduction and recycling outcomes. It was noted that education initiatives, including targeted messaging and school-based engagement, were identified as important areas for future focus.

Council acknowledged that waste management improvements will be developed in consultation with Council prior to implementation, with an emphasis on community input and practical delivery.

## 5. Community

## 6. Regulatory

### 6.1 Appointment of DLC Committee



#### Appointment of DLC members

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.

**Decision Date:** 28 May 2026  
**Mover:** Cr Graeme Hoare  
**Seconder:** Cr Jenna Hoverd  
**Outcome:** Approved

***The Chair left the meeting at 10.43am and returned at 10.46am. Cr Keri Day took over the Chair in her absence.***

Council considered the appointment of members to the District Licensing Committee (DLC).

Members discussed the role and operation of the DLC, noting that hearings are only required when objections, complaints, or other issues arise in relation to licence applications. The value of retaining experienced commissioners with local knowledge and relevant expertise was acknowledged, along with the benefits of having a mix of skills across the committee.

Council noted the importance of maintaining sufficient committee membership to manage potential conflicts of interest and ensure availability when required. It was agreed that additional members or commissioners could be considered in the future if needed.

The recommendations relating to the appointment of the District Licensing Committee were approved.

## 7. Emergency Management

## 8. Government

## 9. Chatham Islands

## 10. Bylaws & Policies

### 10.1 Adoption of the Draft Donation and Koha Policy 2026



#### Adoption of the Draft Donation and Koha Policy 2026

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.

**Decision Date:** 28 May 2026  
**Mover:** Cr Bridget Gibb  
**Seconder:** Cr Jacqui Southcombe  
**Outcome:** Approved

Council considered a suite of policy and governance matters, including the adoption of the Donations and Koha Policy 2026, Grants and Funding Policy, Delegations Register 2026, and Sensitive Expenditure Policy 2026.

It was noted that the updated policies and registers were part of routine governance review and were intended to replace outdated versions to ensure alignment with current Council practice and legislative requirements.

Members discussed the Grants and Funding Policy, noting that it provides flexibility for the Grants Committee to consider applications on a case-by-case basis, including smaller community groups that may not meet more formal funding criteria but provide local benefit.

Council also approved the Delegations Register 2026, including authority for the Chief Executive to make minor editorial or formatting amendments, and the revocation of previous delegations upon commencement of the new register.

The Sensitive Expenditure Policy 2026 was also adopted, with Members noting the importance of clear guidance and accountability around expenditure practices.

## 10.2 Adoption of the Draft Grants and Funding Policy 2026



### Adoption of the Draft Grants and Funding Policy 2026

That Council:

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

**Decision Date:** 28 May 2026  
**Mover:** Cr Graeme Hoare  
**Seconder:** Cr Bridget Gibb  
**Outcome:** Approved

## 10.3 Adoption of the Draft Delegations Policy 2026



### Adoption of the Draft Delegations Register 2026

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.

**Decision Date:** 28 May 2026  
**Mover:** Cr Graeme Hoare  
**Seconder:** Cr Jacqui Southcombe  
**Outcome:** Approved

## 10.4 Adoption of Draft Sensitive Expenditure Policy 2026



### Adoption of the Draft Sensitive Expenditure Policy 2026

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.

**Decision Date:** 28 May 2026  
**Mover:** Cr Graeme Hoare

**Seconded:** Cr Jenna Hoverd  
**Outcome:** Approved

## 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.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)<br><br>7(2)(h)<br>7(2)(i) | Would be likely to prejudice the commercial position of the person or persons who are the subject of the information<br><br>To maintain legal professional privilege.<br>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)<br><br>7(2)(h)            | Would be likely to prejudice the commercial position of the person or persons who are the subject of the information<br><br>To maintain legal professional privilege.                                                                                                                          |

|  |  |              |                                                                                                                       |
|--|--|--------------|-----------------------------------------------------------------------------------------------------------------------|
|  |  | 7(2)(i)<br>) | 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:** 28 May 2026  
**Mover:** Cr Bridget Gibb  
**Seconder:** Cr Graeme Hoare  
**Outcome:** Approved

**Signature:**\_\_\_\_\_

**Date:**\_\_\_\_\_

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

There being no further business the meeting closed.



## 3. Finance

### 3.1 Financial Report

|                           |                                                            |
|---------------------------|------------------------------------------------------------|
| <b>Date of meeting</b>    | 25 June 2026                                               |
| <b>Agenda item number</b> | 3.1                                                        |
| <b>Author/s</b>           | Bob Penter, Interim Chief Executive / Tanya Clifford, ECan |

#### Purpose

To present to the financial report as at 31 May 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                               | 470,747           | 624,098          | (153,351)           | -                | (153,351)            |
| Petrol                                           | 470,347           | 347,347          | 123,001             | -                | 123,001              |
| 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            |
| <b>Totals</b>                                    | <b>10,559,751</b> | <b>6,394,962</b> | <b>4,164,790</b>    | <b>2,807,735</b> | <b>1,357,054</b>     |

*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             | 400,654           | 203,440          | 197,215             | 254,279          | (57,064)             |
| Roading                                                | 364,681           | 157,540          | 207,141             | 254,279          | (47,138)             |
| Coasts                                                 | 35,973            | 45,899           | (9,926)             | -                | (9,926)              |
| Three waters supply & treatment - potable water        | -                 | 10,632           | (10,632)            | -                | (10,632)             |
| 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             | 120,737           | 260,302          | (139,565)           | -                | (139,565)            |
| Community services                                     | -                 | 19,490           | (19,490)            | -                | (19,490)             |
| Petrol                                                 | 83,122            | 179,767          | (96,646)            | -                | (96,646)             |
| 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                                   | -                 | -                | -                   | -                | -                    |
| <b>Totals</b>                                          | <b>669,905</b>    | <b>1,062,223</b> | <b>(392,318)</b>    | <b>254,279</b>   | <b>(646,597)</b>     |
| <b>Expected annual transactions</b>                    | <b>11,229,656</b> | <b>7,457,185</b> | <b>3,772,471</b>    | <b>3,062,015</b> | <b>710,457</b>       |
| <b>Annual Plan/Budget</b>                              | <b>11,891,073</b> | <b>8,139,792</b> | <b>3,751,281</b>    | <b>4,075,000</b> | <b>(323,719)</b>     |

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 |  | Adjustment not made for committed grants: NKMR, TIF & water tanks           |
|                                                 |  | Local water done well expenditure \$115k - included in above 'actual' table |
|                                                 |  | 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 | (646,597) | We expect to spend more than we receive for the next three months |
| Estimated overall cash movement to 30 June 2026  | 710,457   | We expect to spend less than we receive for the year              |

|                                                |                    |                                                                                                         |
|------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------|
| <b>Change to originally estimated movement</b> | <b>(1,034,176)</b> | <b>Favourable impact, but some grants to be paid out in 2026/27, which will impact on cash position</b> |
|------------------------------------------------|--------------------|---------------------------------------------------------------------------------------------------------|

### 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 | 1,133,632 | 1,737,882 | 198,761 |
| Total cash/ (overdraft)                          | Yes       | > \$200k  | 1,474,996 | 2,079,246 | 586,997 |
| Working capital ratio (ability to pay our bills) | Yes       | > 1       | 2.05      | 5.36      | 0.85    |
| <i>Operating cash performance:</i>               |           |           |           |           |         |
| Net cash movement for period (2024/25)           | Yes       | > \$0     | 1,276,235 | 1,880,485 | 698,241 |
| Operating performance (cash flow) ratio          | Yes       | > 5%      | 14%       | 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) | $=(SUM(cash\ and\ debtor\ assets,\ excluding\ IV))/(SUM(creditors,\ excluding\ loan\ balances\ \&\ year\ end))$ |
| Net cash movement for period (2023/24)           | $=(Total\ current\ bank\ balance)-(Total\ bank\ balance\ 2022/23)$                                              |
| Operating performance (cash flow) ratio          | $=(Total\ current\ bank\ balance)/(Total\ operating\ revenue\ for\ the\ period)$                                |
| Adjusted balanced budget (cash) ratio            | $=(Total\ operating\ revenue\ for\ the\ period)/(Total\ operating\ expenditure\ \&\ capital\ for\ the\ period)$ |
| Asset sustainability ratio                       | $=(Total\ capital\ expenditure\ for\ the\ period)/(Total\ depreciation\ for\ the\ period)$                      |

### Highlighting rules:

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



## 3. Finance

### 3.2 Annual Plan 2026/27

|                           |                                            |
|---------------------------|--------------------------------------------|
| <b>Date of meeting</b>    | 25 June 2026                               |
| <b>Agenda item number</b> | 3.2                                        |
| <b>Author/s</b>           | Tanya Clifford – Ecan corporate accountant |

#### Purpose

Having regard to the decision-making provisions of the Local Government Act 2002, for Council to approve the draft 2026/27 Annual Plan for adoption.

This report also seeks Council approval of the budget approach and key assumptions, noting the improved 2025/26 financial position has strengthened opening balances, while future uncertainties may result in additional compliance costs not yet reflected in the budget

For clarity:

- Through prudent cash management in 2025/26, Council's forecast opening cash balance as at 1 July 2026 has improved compared to previous projections.
- A small positive cash movement is forecast for 2026/27, resulting in a positive closing cash balance, supporting improved short-term financial sustainability.
- A modest surplus is expected, meaning the balanced budget requirement is achieved.
- The budget has been prepared based on the assumptions set out in the 2026/27 Annual Plan document.
- Capital expenditure for 2026/27 remains limited and prioritised, primarily focused on core infrastructure and essential services that receive funding support.
- There is a significant programme of legislative reform underway (including waters reform and other sector changes). The financial and operational impacts on Council remain uncertain at this stage.

#### Recommendations

That the Council:

1. **Receives** the draft 2026/27 Annual Plan.
2. **Approves** the underlying assumptions applied in the 2026/27 Annual Plan.
3. **Approves** the proposed capital expenditure programme for 2026/27, noting that additional expenditure may occur where external funding is secured.
4. **Notes** that a financial surplus is expected and **confirms** the balanced budget requirement is met in accordance with section 100(1) of the Local Government Act 2002.
5. **Approves** the 2026/27 Annual Plan and budget.
6. **Delegates** authority to the Chief Executive to approve and implement minor editorial amendments to the final document.

## Background information

The Long-Term Plan (LTP), prepared under the Local Government Act 2002, sets out Council's direction over a 10-year period and is updated every three years. Its purpose is to:

- Describe Council's activities and intended community outcomes.
- Support integrated decision-making and resource allocation.
- Provide a long-term strategic focus.
- Ensure accountability to the community.
- Enable public participation in decision-making.

An Annual Plan is prepared in the intervening years between LTP updates and outlines Council's intended activities and budget for the next financial year. These must be adopted prior to 1 July.

## Information communicated previously

The draft budget was presented to the Performance, Audit and Risk Committee (PARC) and Council in March to assess whether differences from the equivalent year in the Long-Term Plan were significant or material. Council determined the variation was not significant; therefore, no formal consultation was required. Limited informal community engagement was undertaken, with no feedback received.

The 2026/27 budget has been updated to reflect minor changes in assumptions since it was last presented to PARC and Council, including an improved cash position and increased investment in water and wastewater activities.

The Annual Plan reflects this process and has been prepared in accordance with:

- Local Government Act 2002
- Local Government (Rating) Act 2002
- Applicable financial reporting standards

## Balanced budget

Section 100(1) of the Local Government Act 2002 requires Council to ensure projected operating revenues are sufficient to meet projected operating expenses.

For 2026/27, a small operating surplus of **\$407,000** is forecast, meaning the balanced budget requirement is met. Council considers this position financially prudent, while continuing to monitor affordability and service levels.

## Financial Position and Outlook

### Improved Cash Position

Council's financial position has strengthened compared with the prior year:

- The opening cash balance of **\$645,000** reflects reduced expenditure during 2025/26, primarily due to lower service delivery in the regional council work programme and waste management activities following staffing changes, along with minor reductions in corporate expenditure.
- A small cash surplus of **\$23,000** is forecast, reflecting a prudent budget approach for the year.

The 2026/27 budget assumes expenditure will increase to more typical levels, including regional council activities returning to expenditure levels of around \$1 million.

Spending on water and wastewater is expected to exceed historical levels, reflecting additional compliance costs from new regulations and the need to invest in infrastructure following deferred maintenance.

At the current budget level, this is considered affordable and supports a stable short-term liquidity position.

### **Ongoing Considerations**

While the position has improved, several risks and uncertainties remain:

- Legislative reforms (including waters reform and other sector changes) may significantly impact Council's future responsibilities, costs, and funding structures. The full implications are currently unknown.
- The annual appropriation from the Department of Internal Affairs is assumed to remain at \$4.2 million. This funding has not increased for some time and limits Council's ability to respond to legislative change and inflationary pressures.
- Continued discipline will be required to ensure Council remains financially sustainable over the medium to long term.
- External funding and central government support will continue to be important in maintaining service delivery and infrastructure investment.

Council will continue to monitor financial performance closely, with updates provided through regular reporting and governance processes.

Chatham Islands Council

# Annual Plan 2026/27



chatham islands council

*Our people, our Islands, our future*



## About the Chatham Islands

The Chatham Islands are a remote archipelago located about 800 kilometres east of New Zealand's South Island, made up of two main inhabited islands and several smaller surrounding islands. Their isolation has given rise to a uniquely rich natural environment and a strong local culture that exists nowhere else.

The Chatham Islands community is small, resilient, and closely connected to the land and sea. The Council, as New Zealand's most isolated unitary authority, faces significant challenges delivering services and infrastructure, with costs far higher than on the mainland.

The Islands extend New Zealand's coastal and marine boundaries, adding significantly to the country's exclusive economic zone and supporting valuable industries such as fisheries. While this generates considerable economic benefit nationally, the flow-on support to the local community is more limited.

The Islands are home to some of the world's rarest birds and plants, many of which are found only here. Protected areas such as Mangere and Rangatira Islands play a vital role in safeguarding these species and restoring native habitats.

Beyond their ecological significance, the Islands' natural landscapes and wildlife hold strong cultural value for local communities and present carefully managed opportunities for sustainable tourism. Without continued investment and protection, these irreplaceable environmental and cultural assets face the risk of permanent loss.

The Chatham Islands are home to a distinctive cultural identity, shaped by centuries of isolation and strongly influenced by both Moriori and Māori heritage. This culture, closely connected to the natural environment, is integral to the Islands' identity and resilience. Supporting the community to maintain and strengthen these cultural connections is essential to preserving the social fabric of the Islands for future generations.



Protecting the Chatham Islands' unique environment and culture, and ensuring the community is properly supported, is essential; not only for those who live here today, but for future generations who deserve the chance to continue caring for this special place.

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## Message from the Mayor

### Kia ora, Kioranga

We're pleased to share our Annual Plan for 2026/27. This Plan explains what the Chatham Islands Council plans to focus on over the coming year and how we will use rates and other funding to support these works in our community.

The Annual Plan updates our 2024–34 Long-Term Plan, which set the overall direction for our Council projects, services, and spending. This update reflects what we can realistically deliver in the year ahead.

Our goals remain unchanged: to support a strong, resilient, and thriving Chatham Islands community. While progress has been made, there is still more work to do to provide what our community relies on every day. Safe drinking water, workable waste systems, reliable shipping, good roads, and enough housing, are all essential for our people to live well on the Islands and allow for future opportunities.

Financial sustainability continues to be a key focus for Council. Providing services on the Chatham Islands costs much more than on the mainland, and our small number of ratepayers cannot fund everything on their own. We rely heavily on Crown funding to help cover these costs, but this funding does not align with cost movements and is not always certain. This means we must make careful choices about what we can afford and accept that not everything the community needs can be delivered straight away.

We also know that the cost of rates is a real concern for many households and businesses. Like councils across the country, we face rising costs and more regulatory requirements.

Council is committed to keeping spending under close control and focusing on what matters most. In the last Long-Term Plan, Council agreed to a modest rates increase above inflation to help meet our essential costs, and a similar approach has been approved for 2026/27.

Council is also placing a strong emphasis on good governance and sound financial management. We are working to ensure that clear systems and processes are in place, so spending is transparent and well managed. We want our community to have confidence that every dollar is used carefully and in the best interests of the Islands.

Over the coming year, Council will continue to work with Central Government to seek fair and ongoing funding for our day-to-day activities and critical infrastructure. Without additional support, some essential work will need to be delayed, which can increase the risk of asset failure over time. Services like water and wastewater are vital for our community health and the environment. Protecting these remains a key priority to Council.

We know the year ahead will bring challenges. But by working together, being clear about what we can and cannot do, and focusing on what is best for the community, we will continue to move forward as a resilient and connected Islands community.

Ngā mihi, Me Rongo

**Greg Horler, Mayor**

## Our current operating environment

### Our reliance on external support

The Chatham Islands play an important role for New Zealand. Through their location, the Islands extend New Zealand's coastal and marine boundaries, supporting fishing activity that generates income and tax revenue at a national level.

At the same time, the Chatham Islands community is small and cannot fund all Council services on its own. The cost of delivering services here is much higher than on the mainland because of distance, scale, and isolation. For this reason, the Chatham Islands Council relies on ongoing financial support from the New Zealand Government to operate.

The Government has agreed to provide operational funding to Council, but there is no clear agreement about what this funding covers. At present, the level of support is not enough for Council to consistently meet all current legal and regulatory requirements.

This leaves Council with difficult choices. One option is to continue advocating for more Government funding so that services on the Islands can be closer to those provided on the mainland. This funding, however, is not guaranteed. The other option is to seek changes to the scope of work Council is required to deliver under the Chatham Islands Council Act 1995. This could mean fewer services or lower service levels over time, which may have unintended impacts on the community.

A key concern for Council and the community is whether our statutory obligations can be met. At present, Council is not fully compliant with some areas of legislation, largely due to our funding constraints. Without additional financial support, it is unlikely this situation will change. If new or higher

standards are introduced in the future, Council will not be able to meet them without extra funding.

These issues highlight the need for fair, reliable support that recognises both the value the Chatham Islands provide to New Zealand and the realities faced by the community that lives and works here.

### Our non-compliance with legislation

#### Local Water Done Well

We have made several key assumptions about our future water services:

- For now, Chatham Islands Council will continue to own all three water assets and remain responsible for service delivery, compliance, and operating costs.
- External support was received to help develop a water services delivery plan by September 2025. However, this plan was not accepted, and Council are currently working through a process to create a compliant plan.
- If any change is proposed, Council will meet its consultation obligations under the Local Government Act 2002 and seek community input before decisions are made.
- Council is currently assessing the impact future service arrangements, regulations, and costs required to comply with these new standards.

Funding for this work has not been confirmed, and has therefore not been included in the budget. In the past, Government support has been provided

through annual appropriations or one-off grants, but such future funding remains uncertain.

Assuming Council continues to own and manage our water assets, there is a high risk that we will not be available to complete this extra work, including the ongoing costs of running a compliant service. This would leave Council with limited choices, *either*:

- Do not carry out the required work, which would mean our water services do not meet the standards set under the Water Services Act 2021.
- or*
- Seek changes to reduce the scope of work required of Chatham Islands Council under the Chatham Islands Council Act 1995. While this may lower costs in the short term, it could result in a gradual decline in service levels compared with mainland New Zealand. Over time, this approach could increase the risk of infrastructure failures, unsafe drinking water, and potential health impacts for our community.

### Freshwater

Current farming and freshwater management practices on the Chatham Islands are not as up to date as those used in mainland New Zealand.

To meet today's standards, Council would need to work closely with the community through a large engagement and education programme. This would support farmers and residents to understand freshwater issues, while being included in the journey together, allowing farmers and residents to gradually adopt improved on-farm management practices.

At present, Chatham Islands Council does not have enough funding or staff capacity to lead this work. As a result, it is unlikely Council will be able to meet the requirements of the National Policy Statement for Freshwater Management within the required timeframes.

This leaves Council with two practical options, *either*:

- Identify parts of the freshwater policy that are not achievable and seek agreement from central Government to reduce how the policy applies on the Chatham Islands.
- or*
- Not comply with the freshwater policy, acknowledging that this may have longer-term consequences for freshwater health and future regulatory expectations.

### Our non-investment in critical infrastructure

In the past, major investment in our water, wastewater and stormwater infrastructure has only been possible when substantial support was provided from central Government. As a result, Council has focused on what could be afforded at the time, rather than what would best meet long-term good practice standards.

Many of our three waters assets are now nearing the end of their useful life and are in poor condition. This increases the risk of breakdowns, failures and raises concerns about public health and environmental impacts for our community. At the same time, expectations and compliance requirements for water infrastructure continue to increase, meaning that replacing or upgrading assets is becoming more expensive.

Council has not been successful recently in securing external funding for essential infrastructure upgrades. Without this support, the condition of our assets has continued to decline.

Council has identified several critical infrastructure projects that are needed to reduce these risks. However, because funding has not been secured, these projects have not been included in the 2026/27 financial forecast. More information about these unfunded but necessary investments are set out in the 2024-2034 Long-Term Plan.

- **Waitangi and Te One wastewater upgrade**  
The existing wastewater system has reached the end of its life and the land area used to safely dispose of treated wastewater needs to be expanded. Without these improvements, there is an increased risk to public health and the environment. Upgrading this system will help protect our land, waterways, and community wellbeing.
- **Sludge receival and disposal facility**  
This project would provide a proper, shared facility for collecting, treating, and disposing of septic waste. It would replace the current practice of pit burial with a safer, engineered process that better protects the environment. This is an urgent need for the community.
- **Kaingaroa water renewals (pipes and treatment plant)**  
Much of Kaingaroa's water pipe network is very old and prone to leaks and breakages, which can lead to water loss and contamination risks. Replacing the network will make the water supply more reliable, protect water quality, and help conserve our limited freshwater resources. Upgrades to the treatment plant are also needed to meet current standards and best practice.
- **Waitangi and Te One water supply upgrade**  
In recent summers, water levels in the Waitangi reservoirs have dropped due to leaks and high demand, leading to water restrictions. This project would improve water security by developing a new water source, building a new treatment plant, and adding storage. It would also extend the water network to Te One, connecting key facilities

such as the Islands' main school and other community services that currently do not have access to a public water supply.

- **Alternative water source investigation and planning (Waitangi, Kaingaroa, and Te One)**  
Demand for freshwater is increasing due to tourism, temporary workers, and population pressures, while climate change and drought are reducing the reliability of some existing water sources. This work would identify and plan for alternative drinking water sources, helping to improve resilience and ensure enough safe water for the future.
- **New Works Yard facility**  
The current works yard is no longer fit for purpose and is in a low-lying coastal area that is vulnerable to flooding, storms, and sea-level rise. Council proposes to build a new, purpose-built facility in a safer location in Waitangi to better support essential services and emergency response.
- **New landfill space**  
The landfill is developed in stages, and based on current use, an additional stage is expected to be needed around 2030/31. Planning ahead will ensure the Islands can continue to manage waste safely and responsibly.
- **Kaingaroa wharf**  
The Kaingaroa wharf is in poor condition and currently closed. While Council has secured funding for urgent safety repairs, the structure remains at risk of serious failure. Council has sought further support from central Government and wharf users to help stabilise and preserve this important piece of community infrastructure.

## Climate change

Rising temperatures and sea levels mean we are likely to see more frequent droughts and floods, an increased risk of wildfires, and growing pressures on our environment, biodiversity, and biosecurity. These changes can also have social, cultural, and economic impacts on our community.

Council recognises the importance of acting now to plan for and adapt to climate change and drought risks, while also continuing to reduce emissions where possible and take advantage of any opportunities that may come with a changing climate. Some of this work is already built into this budget and across Council's work programmes. But, we must carefully balance what we would like to do with what is affordable for our community.

To manage costs, Council currently self-insures its infrastructure assets. This means that in the event of a natural disaster, Council expects support from central Government to help repair and rebuild damaged infrastructure. For example, it is assumed that the NZ Transport Agency Waka Kotahi would contribute to repairs to roading assets, and that central Government would fund the repair or replacement of other key infrastructure such as water, wastewater, drainage, and waste facilities.

Council does not currently hold cash reserves specifically for emergency response costs. However, if required, Council can access an overdraft facility (if available) to cover immediate expenses, with the expectation that these costs would be recovered from central Government following the event.

## Cost pressures on the organisation

Council continues to face increasing cost pressures. These come from rising prices due to inflation, new and changing legislative requirements, higher expectations from central Government, and the need to invest in responding to climate change, drought, and other environmental challenges.

Through the Long-Term Plan consultation and our community surveys, Council has listened carefully to feedback from the community. In response, Council

considered a combination of increasing income and reducing spending as the most responsible way to manage these pressures.

For 2026/27, Council has increased rates by 6.75%, which includes an additional 3.5% above standard inflation adjustments to our rates. While any increase is challenging, this rate rise helps keep Council broadly aligned with other councils over time.

Historically, Council's spending has been higher than its income. The 2026/27 Budget is forecasting a small positive cash result. However, this outcome relies on there being no significant unexpected costs during the year. If unplanned expenditure does arise, Council's cash position could deteriorate further and place additional pressure on its long-term financial sustainability. This risk is heightened by the fact that Council has little to no cash reserves available to respond to emergency events. As a result, Council may face challenges managing cash flow, which may require use of Council's overdraft facility. To help manage this risk, Council is adopting a conservative approach to spending and actively seeking alternative sources of cash to support its ongoing activities.

## Our key capital projects

### Roading infrastructure

Council has agreed a three-year programme of roading improvements through to 2027 in partnership with NZ Transport Agency Waka Kotahi (NZTA). Under this programme, NZTA will fund 88% of the cost, with Council covering the remaining share.

Because funding is limited, these roading works are the only capital projects planned for the 2026/27 year. This includes important safety and resilience upgrades, such as strengthening work on Maipito Bridge, which helps ensure safer and more reliable transport for our community.

## Key changes from our 2024-34 Long-Term Plan

There have been no major changes between year 3 of the 2024-34 Long-Term Plan and the proposed 2026/27 budget. Most differences reflect rising costs due to inflation and higher operating expenses.

Ongoing cost pressures and limited financial support mean Council has had to look carefully at its spending. The 2026/27 budget currently represents the cost of providing only basic day-to-day services on the Islands. Even at this level.

To help manage financial risk and protect Council's overall financial position, Council will continue to take a careful and conservative approach to spending during the 2026/27 year. While the budget is forecasting a small positive cash result, maintaining disciplined spending is important to ensure affordable services can be sustained throughout the year.

This approach recognises that Council has limited cash reserves and little capacity to absorb unexpected costs. Being prudent with expenditure helps Council remain responsive to unforeseen events and supports its ability to continue delivering services and outcomes that the community relies on, both now and into the future.

## Our values

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

## Community outcomes

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

### Social: resilient community

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

### Cultural: embracing diversity

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

### Environmental: sustainable action

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

### Economic: building growth

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

## Our financial information

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

### **Our significant forecasting assumptions**

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

### **Accounting policies**

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

### **Reserve funds**

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

### **Our prospective financial statements**

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

The purpose of these prospective Financial Statements is:

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

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

### **Annual Plan disclosure statement**

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

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

**All estimates within the 2026/27 Annual Plan comply with these financial limits.**

### Statement concerning balancing the budget

For the 2026/27 financial year, Council is forecasting that revenue will exceed recognised operational expenditure. This means an after-tax surplus is expected and the budget is considered balanced.

However, planned capital expenditure is higher than depreciation, which places pressure on Council's overall cash position for the year. To manage this and ensure funds are used responsibly, Council will continue to take a cautious and disciplined approach to spending, while also exploring alternative sources of funding to support its activities.

By carefully managing expenditure and working to strengthen income streams, including through rates, Council considers the balanced budget position to be achievable while supporting its ongoing commitment to the community.

### Responsibility for financial statements

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

They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and service performance reporting data.

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

### Significant forecasting assumptions

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

#### Annual Crown contribution

In recent years, Council has received an annual Crown contribution of \$4.2 million to help cover the cost of meeting its statutory responsibilities. This funding is provided through a Deed of Funding and is an important part of how Council delivers services to the community. However, the amount is confirmed each year and is uncertain, making long-term planning difficult.

For the 2026/27 financial year, the budget assumes this funding will remain at **\$4.2 million**, consistent with previous years. The contribution does not increase to cover inflation, new legislative requirements, or the rising costs of maintaining and replacing Council assets.

As a result, the available funding is not enough to fully meet all legal obligations while also delivering the level and range of services the community expects. Council must make careful choices about how limited funding is used, which means some services may be reduced, delayed, or provided at a lower level. In some cases, Council may not be able to fully meet legislative requirements or respond to all community needs until more sustainable and adequate funding is available to support improved outcomes for the community.

#### NZ Transport Agency Waka Kotahi (NZTA) subsidy rates

Council receives financial support from NZTA to help fund the cost of maintaining and improving local roads. Currently, NZTA funds 88% of total roading expenditure, and it is assumed this level of support will continue over the period of the Annual Plan. The remaining cost of our transportation

requirements are funded by targeted rates and general Council funds, which include the annual Crown contribution.

Planned roading spending for the next three years is based on the programme of work approved by NZTA through to 2027. While this programme sets out the intended projects, some works may be delayed or change over time due to funding availability, weather, or other unforeseen factors. Any projects not completed within the year will be carried forward and considered as part of future funding applications.

#### **Contracts with external service providers**

Council contracts specialist organisations to deliver roading, water, and wastewater, waste management and regional council services on behalf of the community, ensuring these essential infrastructure services are maintained safely and reliably. Some of these contracts are due for renewal during the 2026/27 financial year. At this stage, Council expects service costs to remain broadly similar, apart from normal inflation and any changes required to meet updated compliance standards.

This approach helps Council continue to provide vital infrastructure services to the community while managing costs carefully and making the best use of available funding.

#### **Growth and other price changes**

Council has based its planning on the assumption that the local population will remain broadly stable in the coming years, and that the number of rateable properties will not change significantly.

Budget projections consider expected changes in prices, such as inflation and interest rates. These assumptions are based on forecasts recommended to local government by Business and Economic Research (BERL).

Living and operating costs on the Chatham Islands are higher than in most other parts of New Zealand due to isolation and a small population. The cost of transporting goods from the mainland, along with higher utility and transport costs, affects both households and Council services. To reflect these realities, Council has included an additional allowance of 0.75% in its budget assumptions to better account for higher local costs.

#### **Legislative change**

Council's day-to-day operations and long-term investments are guided by government legislation, regulations, and Council planning documents, such as the Resource Management Document. Council's current approach is to maintain existing service levels for the community. The Annual Plan does not include additional funding to cover the potential impact of new or changing legislation, including any increased compliance costs.

At present, Council does not have the financial capacity to absorb higher costs resulting from legislative changes unless additional funding is provided by central government. Without this support, Council may be unable to fully meet new or expanded legislative requirements, which could affect the services and outcomes delivered to the community.

### Economic uncertainty for the community and cost pressures on the organisation

Council continues to face financial pressure as costs increase due to inflation, changing legislative requirements, expectations from central government, and the need to invest in climate resilience, drought response, and other environmental challenges.

Based on current forecasts and known commitments, Council expects to achieve a small positive cash balance (excluding any funds held in Trust) at the end of the 2026/27 financial year. While this is a positive position, it leaves Council with very limited flexibility. As a result, careful and conservative management of funds will be essential throughout the year.

The budget has been prepared based on current service delivery costs, and no additional capacity has been built in to absorb unexpected expenditure. Any unplanned costs or delays in receiving income could quickly place pressure on Council's cash position and impact the services delivered to the community.

A key focus for Council is ensuring cash is managed prudently so that the overdraft limit is not exceeded at year end. Council's overdraft facility is limited to \$500,000, and maintaining funds within this limit is critical to Council's financial sustainability.

Given Council's tight cash position, the overdraft facility may still be required on a short-term basis during the year to manage timing differences between income received and payments due. Maintaining a cautious approach to spending will be important to support Council's ability to continue delivering services to the community while remaining financially stable.

### Climate change

No specific financial impacts related to climate change have been included in the current financial forecast. However, Council recognises that planning for climate change is increasingly important for the future of our Islands. Over time, temperatures and rainfall levels are expected to increase. These changes may lead to a range of impacts for the Chatham Islands, including:

- **Flooding:** More frequent and intense rainfall could increase the risk of flooding. For example, higher water levels in Te Whanga Lagoon after heavy rain may lead to surface flooding on nearby roads.
- **Coastal hazards:** Coastal roads and infrastructure may become more vulnerable to erosion, storm damage and sea-level rise, increasing the risk of damage or service disruption.
- **Biosecurity:** Warmer and wetter conditions may allow pests and weeds to spread more easily, posing risks to agriculture and the natural environment.
- **Drought:** Higher temperatures can increase evaporation and reduce available surface water, raising the likelihood of water shortages or restrictions.

As a group of islands, we are increasingly vulnerable to the impacts of climate change. Any change to the land or water level poses a threat to our way of life for current and future generations. Council is committed to taking a collaborative approach to addressing any identified local causes and impacts of climate change, which includes strategically varying our core Council infrastructure and internal policies to reduce or mitigate any greenhouse gas emissions. We are also working to protect and enhance our natural environment to ensure we meet our obligations. We take these steps to enable our community to remain buoyant in response to any climate changes. Such costs of meeting our climate change obligations are expected to be absorbed into our current financial projections.

### Resilience of infrastructure related to natural hazards

The financial forecasts do not include the potential costs of a major natural disaster, as it is not possible to reliably predict the timing, scale, or financial impact of such an event. While Council holds insurance, it is important to note that not all costs associated with a natural disaster would be fully covered.

Like many remote island communities, much of the Chatham Islands' essential infrastructure is located close to the coastline. This makes it more vulnerable to natural events linked to the ocean and severe weather.

The types of natural disasters the Islands are most likely to face include cyclones, tsunamis, and localised flooding. Because the roading network radiates out from central areas to surrounding townships, there is a risk that some communities could become temporarily cut off if roads are damaged or become impassable. For this reason, Council places strong emphasis on community preparedness, including ensuring households are appropriately provisioned, supported through community development initiatives and emergency response planning.

Key infrastructure assets that could be affected by natural disasters include wharves, bridges, seawalls, roads, pipelines, and pump stations, particularly where these are located near the coast. If damage occurs:

- Roothing repairs would generally be managed through the NZ Transport Agency Waka Kotahi programme.
- Water and wastewater repairs would be addressed through existing operations and maintenance contracts.
- Any additional repair costs may be supported through the Chatham Islands Mayoral Relief Fund.

Council has limited funds to respond to emergency events. However, most major recovery and rebuild efforts would require significant support from central government.

Privately owned assets, such as privately operated wharves, are the responsibility of their owners and would need to be repaired at the owner's expense.

### The Local Water Done Well plan

Legislative changes giving effect to the Government's reform of New Zealand's drinking water, wastewater and stormwater services have now been confirmed. While the direction of reform is clear, the full implications, including costs, responsibilities, and future service delivery requirements, are still being assessed.

At this stage, Council has assumed that ownership and management of its three water assets will remain with the Council. It is also expected that additional funding will be provided through the annual Crown appropriation over time to help meet increased compliance and regulatory costs arising from the new legislation.

However, as the detailed financial and operational impacts have not yet been fully determined, any additional compliance costs or related funding have not been included in the 2026/27 financial forecasts. Council will continue to assess the impacts as further information becomes available and update future plans accordingly.

## Accounting policies

### Reporting entity

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

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

The prospective financial statements of Chatham Islands Council are for the period 1 July 2026 to 30 June 2027. They were authorised for issue by Chatham Islands Council on 25 June 2026. The prospective financial information will next be reviewed as part of the 2027-37 Long-Term Plan process.

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

### Basis of preparation

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

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

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

### Changes in accounting policies

Council has identified no substantive differences between new standards and those currently applied by Council. New standards may become effective during the year ending 30 June 2027, which may have a minor impact to information reported in the current Annual Plan and prior Annual Reports.

**Measurement base**

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

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

**Critical financial assumptions, judgements and estimations**

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

The financial statements require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. These estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and, if applicable, future periods if the revision affects both current and future periods.

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

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

## Reserve fund disclosure

### Public equity and capital management

The Local Government Act 2002 requires Council to manage its finances carefully and in a way that supports both current and future generations. In practice, Council's general funds are managed as part of its overall financial activities, rather than as a separate pool of money.

A key principle that guides Council's financial decisions is intergenerational equity. This means that today's ratepayers should pay the day-to-day costs of using Council assets, such as roads, water services, and buildings. However, they should not be expected to fund the full cost of long-term assets that will also benefit future generations.

To support this approach, Council has asset management plans in place for major groups of assets. These plans set out how assets will be maintained, renewed, and replaced over time. This helps ensure that necessary maintenance and renewals are carried out when needed, rather than being delayed and passed on to future ratepayers at a higher cost.

Council's equity represents the community's overall interest in the Chatham Islands Council. It is calculated as the difference between what Council owns (its assets) and what it owes (its liabilities). Equity is made up of three main components:

- Retained earnings
- Restricted reserves
- Asset revaluation reserves.

Restricted reserves are funds that Council can only use for particular purposes. Some of these reserves are legally restricted or subject to conditions set by external parties, meaning they can only be used when certain requirements are met. Other restricted reserves are created by Council decisions and can be changed by Council if circumstances require. Any transfers into or out of these reserves are formally considered and approved by Council.

This structure helps ensure Council manages public money responsibly, balances current needs with future impacts, and uses funding in a way that best supports the long-term wellbeing of the community.

|                                                                                      | Opening<br>1 July 2026<br>\$000 | Movements<br>\$000 | Closing<br>30 June 2027<br>\$000 |
|--------------------------------------------------------------------------------------|---------------------------------|--------------------|----------------------------------|
| <b>General Funds</b>                                                                 |                                 |                    |                                  |
| Income appropriation account to fund future development                              | 22,863                          | 407                | 23,270                           |
| <b>Mayoral Relief Reserve</b>                                                        |                                 |                    |                                  |
| Funds are set aside for emergency relief                                             | 25                              | -                  | 25                               |
| <b>Asset Revaluation Reserve</b>                                                     |                                 |                    |                                  |
| Reserves generated by revaluations in property, plant and equipment and other assets | 99,678                          | -                  | 99,678                           |
| <b>Total Equity</b>                                                                  | <b>122,566</b>                  | <b>407</b>         | <b>122,973</b>                   |

## Financial statements

### Statement of comprehensive revenue and expense For the year endingd 30 June 2027

|                                          | Long-Term Plan<br>2025/26 | Annual Plan<br>2026/27 |
|------------------------------------------|---------------------------|------------------------|
| <b>Revenue</b>                           |                           |                        |
| General rates                            | 406                       | 437                    |
| Targeted rates                           | 463                       | 497                    |
| Grants & subsidies                       | 9,761                     | 8,806                  |
| Council dues                             | 318                       | 281                    |
| User pays, fees and other income         | 388                       | 467                    |
| Interest                                 | 44                        | 40                     |
| <b>Total revenue</b>                     | <b>11,380</b>             | <b>10,528</b>          |
| <b>Expenditure</b>                       |                           |                        |
| Depreciation and amortisation            | 2,317                     | 2,573                  |
| Employment benefits                      | 1,091                     | 1,286                  |
| Financial costs                          | -                         | -                      |
| Other expenditure                        | 6,400                     | 6,262                  |
| <b>Total expenditure</b>                 | <b>9,808</b>              | <b>10,121</b>          |
| <b>Total surplus/deficit</b>             | <b>1,572</b>              | <b>407</b>             |
| <b>Comprehensive Income</b>              |                           |                        |
| Increase/decrease in Revaluation Reserve | -                         | -                      |
| Share of surplus of associate            | 112                       | -                      |
| <b>Total other comprehensive income</b>  | <b>112</b>                | <b>-</b>               |
| <b>Total comprehensive income</b>        | <b>1,684</b>              | <b>407</b>             |

### Statement of changes in net assets For the year ending 30 June 2027

|                                        | Long-Term Plan<br>2025/26 | Annual Plan<br>2026/27 |
|----------------------------------------|---------------------------|------------------------|
| <b>Equity at the start of the year</b> | <b>102,202</b>            | <b>122,566</b>         |
| <b>Total comprehensive income</b>      | <b>1,684</b>              | <b>407</b>             |
| <b>Equity at the end of the year</b>   | <b>103,886</b>            | <b>122,973</b>         |

## Statement of financial position as at 30 June 2027

|                                          | Long-Term Plan<br>2025/26 | Annual Plan<br>2026/27 |
|------------------------------------------|---------------------------|------------------------|
| <b>Current assets</b>                    |                           |                        |
| Cash & cash equivalents                  | -                         | 322                    |
| Cash investments                         | 193                       | 345                    |
| Current trade and other receivables      | 774                       | 627                    |
| <b>Total current assets</b>              | <b>967</b>                | <b>1,294</b>           |
| <b>Non-current assets</b>                |                           |                        |
| Investment in associate                  | 463                       | 131                    |
| Property, Plant & Equipment              | 104,267                   | 123,397                |
| <b>Total non-current assets</b>          | <b>104,730</b>            | <b>123,528</b>         |
| <b>Total assets</b>                      | <b>105,697</b>            | <b>124,822</b>         |
| <b>Current liabilities</b>               |                           |                        |
| Bank overdraft                           | 402                       | -                      |
| Payables and other financial liabilities | 1,319                     | 1,759                  |
| <b>Total current liabilities</b>         | <b>1,721</b>              | <b>1,759</b>           |
| <b>Non-current liabilities</b>           |                           |                        |
| Term liabilities                         | 90                        | 90                     |
| <b>Total non-current liabilities</b>     | <b>90</b>                 | <b>90</b>              |
| <b>Total liabilities</b>                 | <b>1,811</b>              | <b>1,849</b>           |
| <b>Net assets</b>                        | <b>103,886</b>            | <b>122,973</b>         |
| <b>Public equity</b>                     |                           |                        |
| Accumulated funds & reserves             | 103,886                   | 122,973                |
| <b>Total public equity</b>               | <b>103,886</b>            | <b>122,973</b>         |

## Statement of cash flows as at 30 June 2027

|                                                | Long-Term Plan<br>2025/26 | Annual Plan<br>2026/27 |
|------------------------------------------------|---------------------------|------------------------|
| <b>Cash flow from operating activities</b>     |                           |                        |
| Receipts from rates revenue                    | 865                       | 919                    |
| Receipts from grants and subsidies             | 9,726                     | 8,821                  |
| Receipts from Council Dues                     | 316                       | 280                    |
| Interest received                              | 44                        | 40                     |
| Receipts from other revenue                    | 380                       | 592                    |
| <b>Cash provided from operating activities</b> | <b>11,332</b>             | <b>10,652</b>          |
| Payments made to employees                     | (1,091)                   | (1,265)                |
| Interest paid                                  | -                         | -                      |
| Other payments to suppliers                    | (6,367)                   | (6,375)                |
| <b>Cash required for operating activities</b>  | <b>(7,458)</b>            | <b>(7,640)</b>         |
| <b>Net cash flow from operating activities</b> | <b>3,874</b>              | <b>3,012</b>           |
| <b>Cash flow from investing activities</b>     |                           |                        |
| Purchase of Fixed assets                       | (4,075)                   | (2,989)                |
| Sale / (purchase) of other assets              | -                         | -                      |
| <b>Net cash flow from investing activities</b> | <b>(4,075)</b>            | <b>(2,989)</b>         |
| <b>Cash flow from financial activities</b>     |                           |                        |
| Loans raised                                   | -                         | -                      |
| Repayment of loans                             | (5)                       | -                      |
| <b>Net cash flow from financial activities</b> | <b>(5)</b>                | <b>-</b>               |
| <b>Increase/(decrease) in cash held</b>        | <b>(206)</b>              | <b>23</b>              |
| Opening cash balance                           | (3)                       | 645                    |
| <b>Closing cash balance</b>                    | <b>(209)</b>              | <b>668</b>             |

## Council funding impact statement for 30 June 2027

The Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 require Council to prepare a Funding Impact Statement. This statement explains how Council plans to fund its activities. The Funding Impact Statement sets out:

- where Council's funding comes from
- how much income is expected from each source
- how this funding will be used to deliver services and projects.

The way income and expenditure are shown in the Funding Impact Statement is consistent with the forecast financial statements. However, items that do

|                                                                | Long-Term<br>Plan<br>2024/25 | Long-Term<br>Plan<br>2025/26 | Annual Plan<br>2026/27 |
|----------------------------------------------------------------|------------------------------|------------------------------|------------------------|
| <b>Source of Operating Funding</b>                             |                              |                              |                        |
| General rates and rates penalties                              | 381                          | 406                          | 437                    |
| Targeted rates                                                 | 436                          | 463                          | 497                    |
| Subsidies and grants for operating purposes                    | 5,916                        | 6,175                        | 6,164                  |
| Interest from investments                                      | 42                           | 44                           | 40                     |
| Local Authorities fines, infringement fees, and other receipts | 683                          | 706                          | 733                    |
| <b>Total operating funding</b>                                 | <b>7,458</b>                 | <b>7,794</b>                 | <b>7,871</b>           |
| <b>Applications of operating funding</b>                       |                              |                              |                        |
| Payments to staff and suppliers                                | 7,393                        | 7,491                        | 7,533                  |
| Finance costs                                                  | 1                            | -                            | -                      |
| <b>Total application of operating funding</b>                  | <b>7,394</b>                 | <b>7,491</b>                 | <b>7,533</b>           |
| <b>Surplus/(deficit) of operating funding</b>                  | <b>64</b>                    | <b>303</b>                   | <b>338</b>             |

not involve actual cash funding, such as depreciation, are excluded so the focus remains on how money is raised and spent.

More detailed information about how Council funds its activities, and why particular funding sources are used, is included in the Revenue and Financing Policy in Council's 2024–34 Long-Term Plan.

To help ratepayers understand what this means in practice, examples showing how the proposed rates may affect different types of properties are provided on page 28.

|                                              | Long-Term<br>Plan<br>2024/25 | Long-Term<br>Plan<br>2025/26 | Annual Plan<br>2026/27 |
|----------------------------------------------|------------------------------|------------------------------|------------------------|
| <b>Source of capital funding</b>             |                              |                              |                        |
| Subsidies and grants for capital expenditure | 3,298                        | 3,586                        | 2,642                  |
| Increase/(decrease) in debt                  | (22)                         | (5)                          | -                      |
| <b>Total source of capital funding</b>       | <b>3,276</b>                 | <b>3,581</b>                 | <b>2,642</b>           |
| <b>Application of capital funding</b>        |                              |                              |                        |
| Capital expenditure                          |                              |                              |                        |
| -- to improve the level of service           | 1,045                        | 350                          | -                      |
| -- to replace existing assets                | 2,703                        | 3,725                        | 3,003                  |
| Increase/(decrease) in reserves              | (408)                        | (191)                        | (23)                   |
| <b>Total applications of capital funding</b> | <b>3,340</b>                 | <b>3,884</b>                 | <b>2,980</b>           |
| <b>Surplus/(deficit) of capital funding</b>  | <b>(64)</b>                  | <b>(303)</b>                 | <b>(338)</b>           |
| <b>Funding balance</b>                       |                              |                              |                        |
|                                              | -                            | -                            | -                      |

Reconciliation of operating funding to statement of comprehensive revenue and expense

|                                                                             | Long-Term Plan<br>2024/25 | Long-Term Plan<br>2025/26 | Annual Plan<br>2026/27 |
|-----------------------------------------------------------------------------|---------------------------|---------------------------|------------------------|
| <b>Surplus/(deficit) of operating funding</b>                               | <b>64</b>                 | <b>303</b>                | <b>338</b>             |
| Subsidies and grants for capital expenditure                                | 3,298                     | 3,586                     | 2,642                  |
| Depreciation                                                                | (2,210)                   | (2,317)                   | (2,573)                |
| Share of surplus of associate                                               | -                         | -                         | -                      |
| <b>Surplus/(deficit) per statement of comprehensive revenue and expense</b> | <b>1,152</b>              | <b>1,572</b>              | <b>407</b>             |

# Annual Plan disclosure statement

## Annual Plan disclosure statement for the year ending 30 June 2027

### What is the purpose of this statement?

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

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

|                                                 | Benchmark | Planned |
|-------------------------------------------------|-----------|---------|
| <b>Rates affordability benchmark - Increase</b> | 15%       | 6.75%   |
| <b>Debt affordability benchmark</b>             | -         | -       |
| <b>Debt servicing benchmark</b>                 | 10%       | 0%      |
| <b>Balanced budget benchmark</b>                | 100%      | 104.0%  |
| <b>Essential services benchmark</b>             | 100%      | 116.7%  |

### Rates (increases) affordability

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

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

### Debt affordability benchmark

For this benchmark, the Council's planned borrowing is assessed against the borrowing limits set out in the financial strategy of the Long-Term Plan.

The Council meets the debt affordability benchmark when its planned borrowing remains within each of these limits. The Council's long-term borrowing limit is set at 0%, unless a funding arrangement is in place to support repayment.

During the year, the Council's cash balance may move between a positive balance and an overdraft. This is most common at year end, when supplier payments may be delayed and interest charges are incurred on the overdraft facility. The reported borrowing therefore includes any year-end cash overdraft. As this overdraft is temporary and the Council expects a significant inflow of cash in July, the Council considers that the borrowing limit will be complied with.

**Debt servicing benchmark**

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

A local authority meets the debt servicing benchmark for a year if its borrowing costs for the year equals or are less than 10% of its revenue. Council does not enter into debt, unless a funding arrangement is in place to enable Council to make repayments. However, interest on the Council's bank overdraft may occur.

**Balanced budget benchmark**

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

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

**Essential services benchmark**

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

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

## Council funding impact statement and rating information

The funding impact statement consists of two parts:

- Rating information for 2026/27,
- Rating samples for 2026/27

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

### Rating information for 2026/27

Council sets and assess the following rates under the Local Government (Rating) Act 2002:

- General rates
- Targeted rates, including:
  - Service use – roading
  - Service use – drinking water
  - Service use – wastewater
  - Service use – solid waste

#### General rates

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

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

The objective of including differentials in the general rate is to achieve a fair distribution of the general rate, ensuring our rates are affordable among other considerations by Council.

This funding mechanism is used to fund all the services we provide.

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

| Differential categories     | Percentage of total general rates | Rate in the dollar of capital value | Rates revenue    |
|-----------------------------|-----------------------------------|-------------------------------------|------------------|
| Infrastructure              | 5.0%                              | 0.00396799                          | \$25,109         |
| Industrial                  | 14.5%                             | 0.00460724                          | \$72,817         |
| Commercial                  | 11.0%                             | 0.00231075                          | \$55,241         |
| Rural Residential           | 69.5%                             | 0.00159055                          | \$349,022        |
| <b>Total revenue sought</b> |                                   |                                     | <b>\$502,189</b> |

*All quoted figures include GST*

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

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

### Targeted rates

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

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

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

| Activity for setting a targeted rate | Category for setting targeted rate                              | Calculation factor                                                                                   | Factor used |                                                                | Revenue sought 2026/27 |
|--------------------------------------|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------|-------------|----------------------------------------------------------------|------------------------|
| <b>Roading</b>                       | The provision or availability of a roading service.             | A per rating unit charge for roading activities.                                                     | \$326.28    | Fixed amount per unit                                          | \$180,107              |
| <b>Potable water supply</b>          | The provision or availability of a public water supply service. | The number of connections for water supply activities – for both Kaingaroa and Waitangi connections. | \$1,058.92  | Fixed amount per connection                                    | \$119,658              |
| <b>Wastewater</b>                    | The provision or availability of a sewage disposal service.     | A per pan rate for sewage disposal activities.                                                       | \$1,100.70  | Fixed amount per pan                                           | \$138,688              |
| <b>Waste management</b>              | The provision or availability of a waste management service.    | A per rating unit charge for waste management activities.                                            | \$340.84    | Fixed amount per rural or residential unit                     | \$107,365              |
|                                      |                                                                 |                                                                                                      | \$429.10    | Fixed amount per Infrastructure, Industrial or Commercial unit | \$25,317               |
|                                      |                                                                 |                                                                                                      |             |                                                                | <b>\$571,135</b>       |

*All quoted figures include GST*

**Rates instalment and penalty dates**

The following instalment and penalty dates apply for the 2026/27 set rates:

| Instalment | Due date          | Penalty date      |
|------------|-------------------|-------------------|
| 1          | 14 September 2026 | 15 September 2026 |
| 2          | 14 November 2026  | 15 November 2026  |
| 3          | 14 February 2027  | 15 February 2027  |
| 4          | 14 May 2027       | 15 May 2027       |

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

**Inspection of the rating information database**

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

**Rating base**

At the end of the 2025/26 financial year, it is projected Council will have 698 rating units within the region. Council assumes minimal growth and expects the number of rating units to remain stable over the year.

The total capital value at the end of the 2025/26 financial year is estimated at \$369,620,350 and total land value estimated at \$140,082,400.

Projections are based on the latest QV for valuation data valued in 2024 for the 2025/26 financial year.

## Rate changes for sample rates properties

| Sample property   | District Capital Value of Property | 2026/27 general rate | 2026/27 targeted rate | 2026/27 total rate | Movement in total rates from 2026/27 compared with 2025/26 |
|-------------------|------------------------------------|----------------------|-----------------------|--------------------|------------------------------------------------------------|
| Infrastructure    | \$1,540,000                        | \$6,111              | \$326                 | \$6,437            | \$407                                                      |
| Industrial        | \$255,000                          | \$1,175              | \$1,814               | \$2,989            | (\$207)                                                    |
| Commercial        | \$335,000                          | \$774                | \$2,915               | \$3,689            | \$105                                                      |
| Rural residential | \$500,000                          | \$795                | \$2,827               | \$3,622            | \$226                                                      |
| Sample property   | District Capital Value of Property | 2025/26 general rate | 2025/26 targeted rate | 2025/26 total rate |                                                            |
| Infrastructure    | \$1,540,000                        | \$5,724              | \$306                 | \$6,030            |                                                            |
| Industrial        | \$255,000                          | \$1,496              | \$1,700               | \$3,196            |                                                            |
| Commercial        | \$335,000                          | \$854                | \$2,731               | \$3,584            |                                                            |
| Rural residential | \$500,000                          | \$748                | \$2,648               | \$3,396            |                                                            |

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

Council completed a revaluation of all property capital values on the island last year. A capital value assessment reflects the market value of the land plus improvements, as recorded on the valuation roll for all properties.

## Statement of fees and charges 2026/27

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

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

### Council dues

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

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

| Carriage by air                          | Quantity | 2026/27 Fee<br>GST Exclusive |
|------------------------------------------|----------|------------------------------|
| Rock Lobster, Paua, Scallops and Oysters | Tonne    | \$200                        |
| Other fish meat and fish bait            | Tonne    | \$18                         |
| General Cargo                            | kg       | \$18                         |

| Carriage by sea                                             | Quantity               | 2026/27 Fee<br>GST Exclusive |
|-------------------------------------------------------------|------------------------|------------------------------|
| Fish meat and fish bait (frozen or fresh)                   | Tonne                  | \$18                         |
| Cooler goods (fruit, vege, etc.)                            | m <sup>3</sup>         | \$5                          |
| General Cargo                                               | m <sup>3</sup> /Tonne* | \$18                         |
| Diesel, Oil in bulk                                         | 1,000 litres           | \$24                         |
| Petrol/Avgas in bulk tanks                                  | 1,500 litres           | \$36                         |
| Petrol/Avgas in 200 litre drums                             | Drum                   | \$5                          |
| Small vehicles (including small trailers, motorbikes, etc.) | m <sup>3</sup>         | \$5                          |
| Large vehicles (including cars, boats, trailers, etc.)      | m <sup>3</sup>         | \$50                         |
| Timber                                                      | m <sup>3</sup>         | \$12                         |
| Dry Bulk (cement, fertiliser, coal, animal feed)            | m <sup>3</sup> /Tonne* | \$12                         |
| Wool                                                        | Bale                   | \$12                         |
| Animals, large (cattle/horses)                              | Each                   | \$5                          |
| Animals, small (sheep, pigs, dogs, fowls, chickens)         | Each                   | \$1                          |

\*m<sup>3</sup>/Tonne - whichever is the greatest

### Council fees and charges for 2026/27

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

| Activity                     | Fee Type                               | Description                                                                                                   | 2025/26                                                                                                                                                                                                                                                                                                                                                                                                                    | 2026/27         |
|------------------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>Building Consents*</b>    | Building Consents Fees                 | External service provider, a deposit is required based on the estimated Building Consent application charges. | Costs outlined on <a href="https://wellington.govt.nz/property-rates-and-building/building-and-resource-consents/building-consents/building-consent-fees/all-building-consent-fees">https://wellington.govt.nz/property-rates-and-building/building-and-resource-consents/building-consents/building-consent-fees/all-building-consent-fees</a><br>Further fees may be required based on actual Inspection costs incurred. |                 |
| <b>Resource Consents*</b>    | Land Information Memorandums (LIM's)   |                                                                                                               | \$285                                                                                                                                                                                                                                                                                                                                                                                                                      | \$294           |
|                              | Urgent LIM's                           |                                                                                                               | \$411                                                                                                                                                                                                                                                                                                                                                                                                                      | \$424           |
|                              | Project Information Memorandum (PIM's) | Single residential                                                                                            | \$491                                                                                                                                                                                                                                                                                                                                                                                                                      | \$507           |
|                              |                                        | All other buildings                                                                                           | \$588                                                                                                                                                                                                                                                                                                                                                                                                                      | \$607           |
| <b>Land Use Consents*</b>    | Notified Consent                       |                                                                                                               | \$2,000 deposit                                                                                                                                                                                                                                                                                                                                                                                                            | \$2,000 deposit |
|                              | Charge out rates                       | Recovery of actual planner costs charged to Council                                                           | An administration fee charged at cost                                                                                                                                                                                                                                                                                                                                                                                      |                 |
|                              | Non Notified Consents                  |                                                                                                               | \$586                                                                                                                                                                                                                                                                                                                                                                                                                      | \$605           |
|                              | Controlled Activity Consents           |                                                                                                               | \$880                                                                                                                                                                                                                                                                                                                                                                                                                      | \$909           |
| <b>Subdivision Consents*</b> | Non Notified – Boundary Adjustments    |                                                                                                               | \$750                                                                                                                                                                                                                                                                                                                                                                                                                      | \$774           |
|                              | Non Notified – 2 lots or less          |                                                                                                               | \$849                                                                                                                                                                                                                                                                                                                                                                                                                      | \$877           |
|                              | Non Notified – 3 to 5 lots             |                                                                                                               | \$1,957                                                                                                                                                                                                                                                                                                                                                                                                                    | \$2,021         |
|                              | S 223 Certificate                      |                                                                                                               | \$391                                                                                                                                                                                                                                                                                                                                                                                                                      | \$404           |
|                              | S 224 Certificate                      |                                                                                                               | \$391                                                                                                                                                                                                                                                                                                                                                                                                                      | \$404           |
|                              | S 226 Certificate                      |                                                                                                               | \$522                                                                                                                                                                                                                                                                                                                                                                                                                      | \$539           |
|                              | S 139 Certificate of Compliance        |                                                                                                               | \$618                                                                                                                                                                                                                                                                                                                                                                                                                      | \$638           |

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

| Activity                    | Fee Type                                       | Description                                                                              | 2025/26                                                                                                                                                                                       | 2026/27                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------|------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Liquor Licensing*</b>    | Club License                                   | Liquor Licensing                                                                         | To comply with the Sale and Supply of Alcohol Act 2012                                                                                                                                        | <a href="https://www.justice.govt.nz/justice-sector-policy/key-initiatives/key-initiatives-archive/sale-and-supply-of-alcohol/licensing/fee-system-for-alcohol-licensing">https://www.justice.govt.nz/justice-sector-policy/key-initiatives/key-initiatives-archive/sale-and-supply-of-alcohol/licensing/fee-system-for-alcohol-licensing</a> |
|                             | On Licence                                     |                                                                                          |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                               |
|                             | Off Licence                                    |                                                                                          |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                               |
|                             | Managers Certificate                           |                                                                                          |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                               |
|                             | Annual Fees                                    |                                                                                          |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                               |
|                             | Special Licence                                |                                                                                          |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                               |
| <b>Food licencing fees*</b> | New Registration                               |                                                                                          | <a href="https://wellington.govt.nz/services/consents-and-licences/selling-food/food-safety-fees">https://wellington.govt.nz/services/consents-and-licences/selling-food/food-safety-fees</a> | Plus an additional \$12.65 (including GST) per application                                                                                                                                                                                                                                                                                    |
|                             | Inspection Fee                                 |                                                                                          |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                               |
|                             | Food control plan registration fee (annually)  |                                                                                          |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                               |
|                             | National programme registration fee (biennial) |                                                                                          |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                               |
| <b>Animal Control</b>       | Dog registration                               |                                                                                          | \$78                                                                                                                                                                                          | \$81                                                                                                                                                                                                                                                                                                                                          |
|                             | Dog registration – Early                       |                                                                                          | \$50                                                                                                                                                                                          | \$52                                                                                                                                                                                                                                                                                                                                          |
|                             | Replacement dog tag                            | To replace lost dog tag or as an administration fee for dog transfer from other Councils | \$5                                                                                                                                                                                           | \$5                                                                                                                                                                                                                                                                                                                                           |
|                             | Fines under Dog Control Act 1996               | Vary per offence, (Per Sch. 1 of the Dog Control Act)                                    | From \$100 up to \$750                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                               |
|                             | Impounding Fees                                |                                                                                          | \$132                                                                                                                                                                                         | \$136                                                                                                                                                                                                                                                                                                                                         |
|                             |                                                |                                                                                          |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                               |
| <b>Cemetery</b>             | Burial plot purchase                           |                                                                                          | \$694                                                                                                                                                                                         | \$717                                                                                                                                                                                                                                                                                                                                         |
|                             | Cremation plot purchase                        |                                                                                          | \$376                                                                                                                                                                                         | \$388                                                                                                                                                                                                                                                                                                                                         |
| <b>Community Housing</b>    | Rentals – 3 Bedroom                            | Per week (effective from 1 January)                                                      | \$162                                                                                                                                                                                         | \$167                                                                                                                                                                                                                                                                                                                                         |
|                             | Rentals – 2 Bedroom                            | Per week (effective from 1 January)                                                      | \$130                                                                                                                                                                                         | \$134                                                                                                                                                                                                                                                                                                                                         |
| <b>Staff Housing</b>        | Rental – 3 bedrooms                            | Per week (effective from 1 January)                                                      | By negotiation                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                               |

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

| Activity                                 | Fee Type                                       | Description                 | 2025/26                                           | 2026/27                            |
|------------------------------------------|------------------------------------------------|-----------------------------|---------------------------------------------------|------------------------------------|
| <b>Coasts, Harbours &amp; Navigation</b> | Swing Mooring Fees – Registration and Transfer | Per year                    | \$95                                              | \$98                               |
|                                          | Waitangi                                       | Per year                    | \$3,911                                           | \$4,038                            |
|                                          | Owenga                                         | Per year                    | \$3,259                                           | \$3,365                            |
|                                          | Kaingaroa                                      | Per year                    | \$2,605                                           | \$2,690                            |
|                                          | Port Hutt                                      | Per year                    | \$2,605                                           | \$2,690                            |
|                                          | Flower Pot                                     | Per year                    | \$654                                             | \$675                              |
|                                          | Permission of Harbourmaster – Oil Tanker       |                             | \$132                                             | \$136                              |
|                                          | Application for Exemption                      |                             | \$79                                              | \$82                               |
|                                          | Application for Suspension                     |                             | \$327                                             | \$338                              |
|                                          | Application for Reservation                    |                             | \$327                                             | \$338                              |
|                                          | Cruise ship fee                                | Per visit                   | \$48 per passenger                                | \$50 per passenger                 |
|                                          | Information Requests                           | Staff time                  | \$48 per half hour or part thereof                | \$50 per half hour or part thereof |
|                                          | Printed Council agenda                         |                             | \$5 per copy                                      |                                    |
| <b>Administration Requests</b>           | Photocopying                                   | Black and white photocopies | From 20 cents per copy                            |                                    |
|                                          |                                                | Colour photocopies          | From \$2.50 per copy                              |                                    |
|                                          |                                                |                             | Other photocopying services, price by negotiation |                                    |
|                                          | Laminating                                     | Per page                    | \$3                                               | \$3                                |
|                                          | Stationery                                     | A4 paper and envelopes      | Cost price                                        |                                    |
| <b>Library</b>                           | Book rentals                                   | Per book                    | Free                                              |                                    |

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R26/1

PUIC/9054



chatham islands council

***Our people, our Islands, our future***





## 3. Finance

### 3.3 Rates Setting 2026/27

|                    |                                            |
|--------------------|--------------------------------------------|
| Date of meeting    |                                            |
| Agenda item number | 3.3                                        |
| Author/s           | Tanya Clifford – ECan corporate accountant |

#### Purpose

To enable Council to set rates for the 2026/27 financial year, following adoption of the 2026/27 Annual Plan.

Council must formally adopt a rates resolution for the period 1 July 2026 to 30 June 2027 in accordance with the Local Government (Rating) Act 2002.

#### Recommendations

##### That Council:

1. **Sets** the rates (inclusive of GST) for the financial year commencing 1 July 2026 and ending 30 June 2027, in accordance with the Local Government (Rating) Act 2002 and as set out in the Funding Impact Statement of the 2026/27 Annual Plan.
2. **Sets** the due dates for payment of rates by four instalments, in accordance with section 24 of the Local Government (Rating) Act 2002.
3. **Authorises** the application of penalties on unpaid rates, in accordance with sections 57 and 58 of the Local Government (Rating) Act 2002.
4. **Approves** rates postponements and remissions in accordance with Council's adopted policies.
5. **Delegates** authority to the Chief Executive to:
  - Implement and administer this rates resolution;
  - Apply penalties in accordance with legislation and Council policy; and
  - Carry out all administrative functions necessary to give effect to this resolution.

## Rates for 2026/27

Rates are set in accordance with the 2026/27 Annual Plan and the Funding Impact statement.

### a. General rates

A general rate is set on all rateable land based on capital value, and applied on a differential basis by land use category.

The categories and proportions are included in the table below and set in accordance with Council's Revenue and Financing Policy (LTP 2024–34).

| Land Use                       | Differential              | Rate (GST Inclusive) | Total collected  |
|--------------------------------|---------------------------|----------------------|------------------|
| <b>Infrastructure</b>          | 5.0% of the General Rate  | 0.00396799           | \$25,109         |
| <b>Industrial</b>              | 14.5% of the General Rate | 0.00460724           | \$72,817         |
| <b>Commercial</b>              | 11.0% of the General Rate | 0.00231075           | \$55,241         |
| <b>Rural &amp; Residential</b> | 69.5% of the General Rate | 0.00159055           | \$349,022        |
| Total general rates collected  |                           |                      | <b>\$502,189</b> |

*Rates based on the capital value of each rating unit (per \$1 of capital value)*

### b. Targeted rates

Targeted rates fund services that benefit specific users and are applied as follows:

- Roading: Fixed charge per rating unit
- Water supply: Fixed charge per connection
- Wastewater: Fixed charge per pan
- Waste management: Fixed charge per rating unit (varies by land use)

These rates will be set in line with the activity funding requirements detailed in the 2026/27 Annual Plan.

Targeted rates cannot be applied to purposes other than for which they were raised.

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

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

| Activity for setting a targeted rate  | Category for setting targeted rate                           | Calculation factor                                                                                           | Rate       | Factor used                                                    | Revenue sought in 2026/27 (including GST) |
|---------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------------------------|-------------------------------------------|
| <b>Roading</b>                        | The provision of a roading service.                          | A per rating unit charge for roading activities.                                                             | \$326.28   | Fixed amount per unit                                          | \$180,107                                 |
| <b>Potable water supply</b>           | The provision of a public water supply service.              | The number of connections for potable water supply activities – for both Kaingaroa and Waitangi connections. | \$1,058.92 | Fixed amount per connection                                    | \$119,658                                 |
| <b>Wastewater</b>                     | The provision of a wastewater service.                       | A per pan rate for wastewater activities.                                                                    | \$1,100.70 | Fixed amount per pan                                           | \$138,688                                 |
| <b>Waste management</b>               | The provision or availability of a waste management service. | All rating units on Chatham Islands with improvements are charged for waste management activities.           | \$340.84   | Fixed amount per rural or residential unit                     | \$107,365                                 |
|                                       |                                                              |                                                                                                              | \$429.10   | Fixed amount per Infrastructure, Industrial or Commercial unit | \$25,317                                  |
| <b>Total targeted rates collected</b> |                                                              |                                                                                                              |            |                                                                | <b>\$571,135</b>                          |

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

**c. Rates by instalments**

Rates will be collected in four instalments, issued approximately:

- 14 September 2026
- 14 November 2026
- 14 February 2027
- 14 May 2027

**d. Penalties**

In accordance with Sections 57 and 58 of the Local Government (Rating) Act 2002, a 10% penalty will be applied to any instalment (or part thereof) not paid by the due date. The penalty dates are 15 September 2026, 15 November 2026, 15 February 2027 and 15 May 2027.

A further 10% penalty will be applied to any prior year rates remaining unpaid on 10 July 2027.

These rates and penalties to be set on rating units in the region for the financial year which commences on 1 July 2026 and ends on the 30th day of June 2027.

*This information is extracted from the Chatham Islands Council's 2026/27 Annual Plan.*

**Legislative Compliance**

The rating basis and approach are consistent with:

- Local Government Act 2002
- Local Government (Rating) Act 2002
- Council's Revenue and Financing Policy (within the 2024-34 Long-Term Plan)



## 4. Works & Services

### 4.1 Stantec Report – May 2026

---

|                           |                     |
|---------------------------|---------------------|
| <b>Date of meeting</b>    | 25 June 2026        |
| <b>Agenda item number</b> | 4.1                 |
| <b>Author/s</b>           | Stantec New Zealand |

#### Purpose

To update and inform Council about its Engineering Services contract.

#### Recommendations

**THAT the reports be received.**

#### Background

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

#### Attachments

1. Stantec Monthly Report May 2026



# CIC Engineering Services Contract: Monthly Report

## Financial update – May 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.

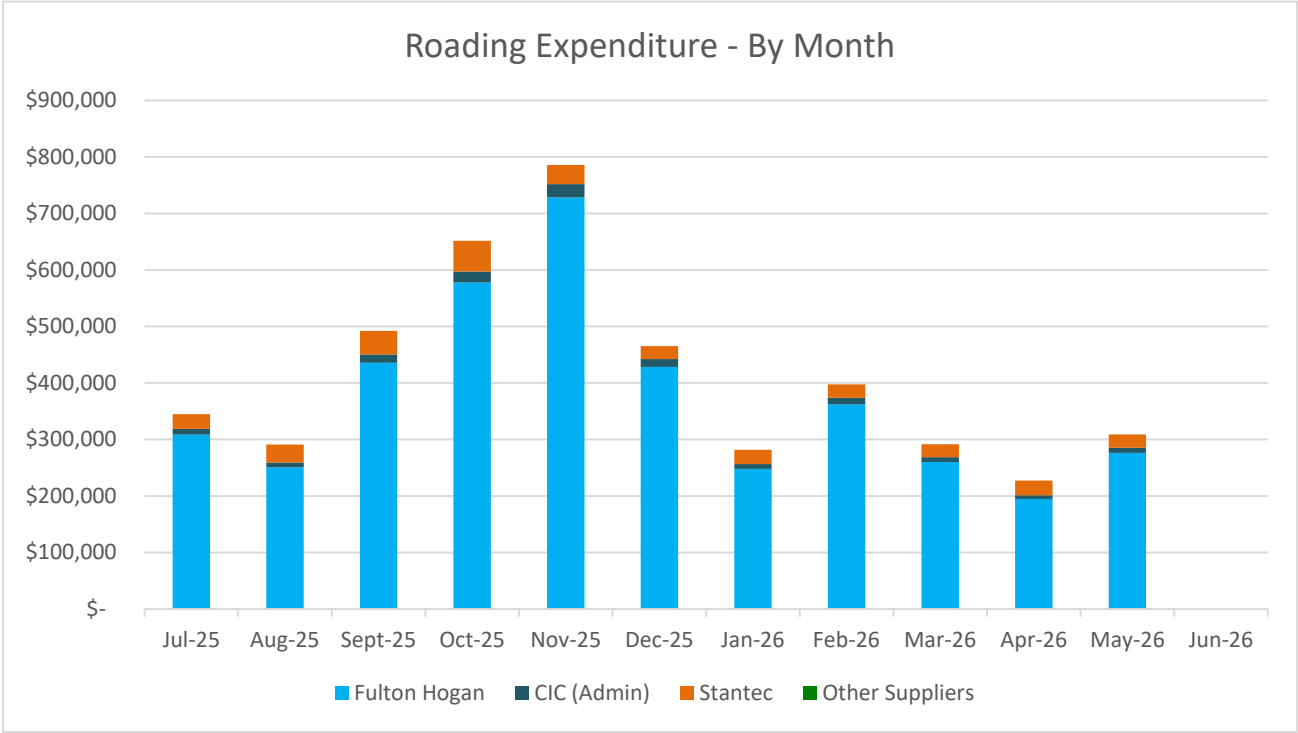
The May roading claim totalled \$309k.

Expenditure of the Continuous Maintenance Programme has used 81% of the funding allocated for 25/26 and we are 92% of the way through the 2025/26 financial year.

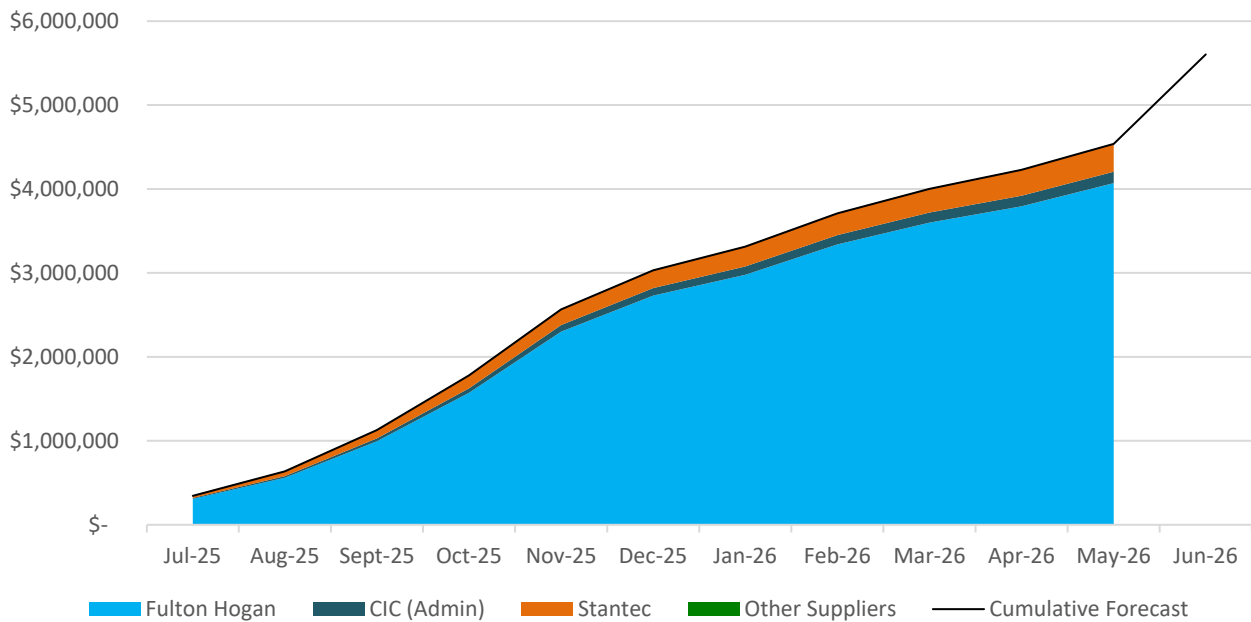
The largest construction costs in May were for the replacement of the Maipito Bridge deck and beam components, and the largest engineering cost was for the remaining Asset Valuation queries from Audit New Zealand.

### Expenditure Tracking of Waka Kotahi Funding

Tracking graphs for roading expenditure are presented below.



### Roading Expenditure - Cumulative



### Financial Position: Water and Wastewater

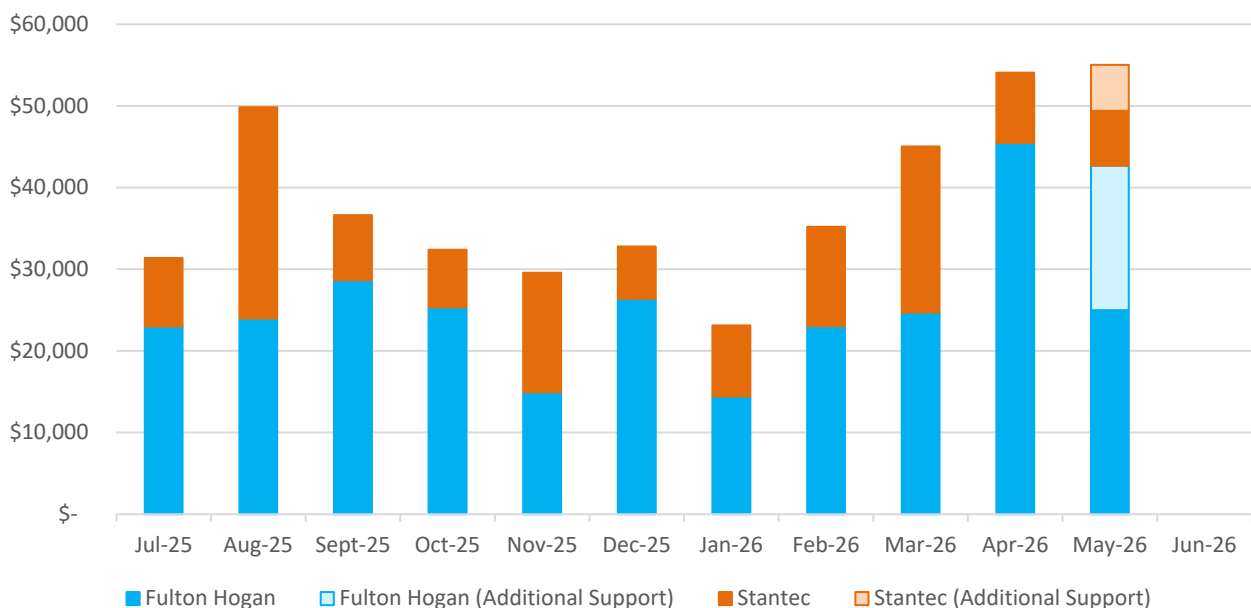
The May water claim totalled \$55k

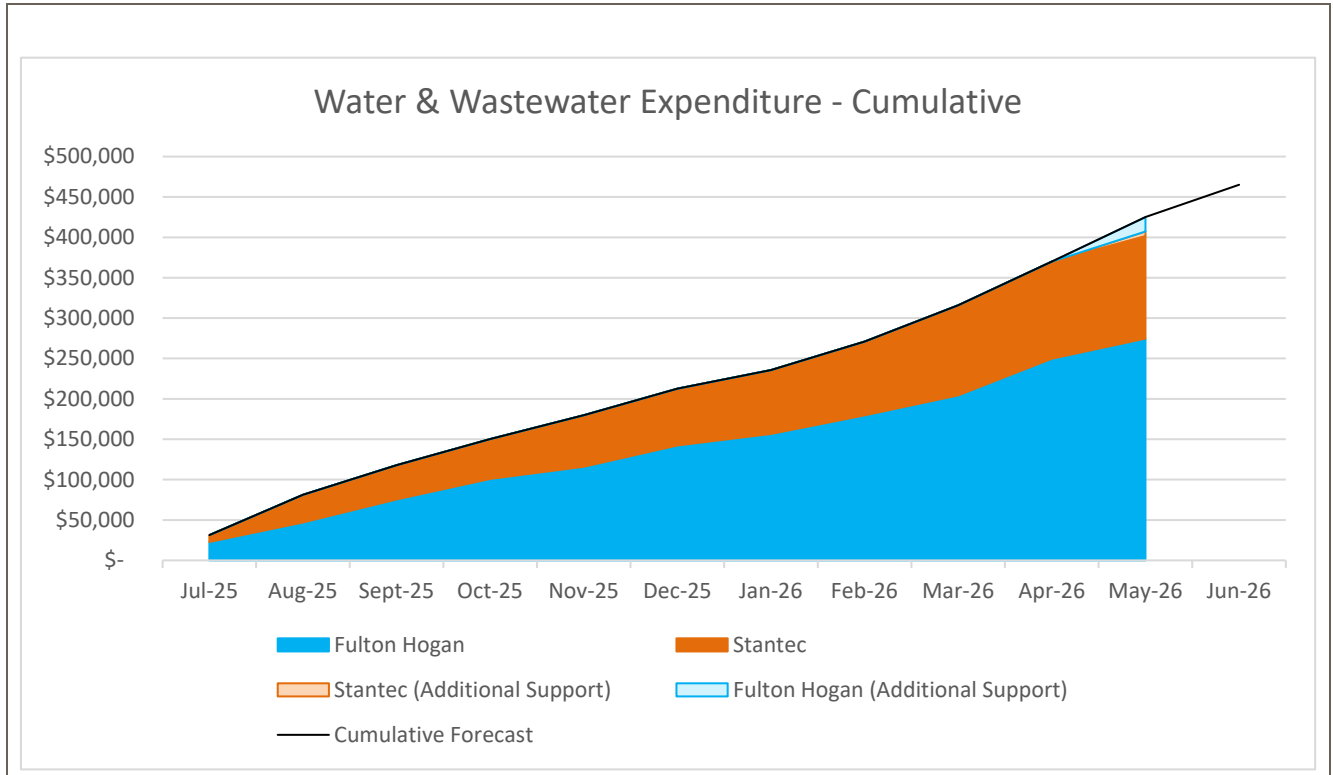
The largest engineering costs were for the newly funded Critical Works package. The largest construction cost was for the delivery of a number of critical spare parts for the water and wastewater treatment and distribution networks.

### Expenditure Tracking of Water & Wastewater Funding

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

### Water & Wastewater Expenditure - By Month





## Roading Update – May 2026

| Short- & Medium-Term Roothing Forward Work Programme |                                                                                                                                                                                                                              |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bridges and Structures</b>                        | <ul style="list-style-type: none"> <li>Minor and non-invasive Bridge maintenance items will continue after Maipito is completed</li> </ul>                                                                                   |
| <b>Drainage</b>                                      | <ul style="list-style-type: none"> <li>Winter drainage maintenance including clearing swales and replacing damaged and undersized culverts</li> </ul>                                                                        |
| <b>Network &amp; Asset management</b>                | <ul style="list-style-type: none"> <li>Submission of funding support application to NZTA for the NLTP 2027-30 investment period</li> </ul>                                                                                   |
| Long Term Roothing Forward Work Programme            |                                                                                                                                                                                                                              |
| <b>Network &amp; Asset management</b>                | <ul style="list-style-type: none"> <li>Clarify how NZTA's One Network Framework will apply to the Chathams Islands</li> <li>Begin transition of CIC's asset data to the new Asset Management Data Standard (AMDS)</li> </ul> |
| <b>Pavement Renewals</b>                             | <ul style="list-style-type: none"> <li>The next round of unsealed pavement strengthening will start after winter is finished, to avoid half-finished work being rained off</li> </ul>                                        |
| <b>Maintenance Contract</b>                          | <ul style="list-style-type: none"> <li>Tender for New Maintenance Contract in Mid 2027.</li> </ul>                                                                                                                           |

| Pavement Maintenance                                                                                                                                                              |                                                                                                                                                       |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Previous Status:</b> <ul style="list-style-type: none"> <li>Ongoing monitoring of sealed pavement; grading and wearing course placement on unsealed roads on-going.</li> </ul> | <b>Updates:</b> <ul style="list-style-type: none"> <li>Unsealed rehabilitations will carry on after winter when conditions are more stable</li> </ul> |

| Drainage Maintenance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Previous Status:</b> <ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul> | <b>Updates:</b> <ul style="list-style-type: none"> <li>Swale maintenance and culvert replacements will continue over winter to ensure that road damage from rain events is minimised or avoided</li> </ul> |

| Bridge & Structures Maintenance                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Previous Status:</b> <ul style="list-style-type: none"> <li>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</li> <li>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</li> </ul> | <b>Updates:</b> <ul style="list-style-type: none"> <li>Some minor non-invasive bridge maintenance items were identified in the last biennial bridge inspections, and independently by FH recently, for completion</li> <li>Maipito bridge beams in place, with the replacement works expected to be complete by end of June.</li> </ul> |

| Kaingaroa & Owenga Wharves |                 |
|----------------------------|-----------------|
| <b>Previous Status:</b>    | <b>Updates:</b> |

|                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Stantec are pricing options for the remaining Better Off funding to be directed towards Kaingaroa wharf.</li> <li>• We are working through some lighting options, renewal of the fenders and mooring facilities, some structural member replacements, and considerations for the crane</li> <li>• Nothing will be committed until the RIF application outcome is known.</li> </ul> | <ul style="list-style-type: none"> <li>• No Updates for May</li> </ul> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------|

### Network & Asset Management

|                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Previous Status:</b></p> <ul style="list-style-type: none"> <li>• Audit queries for the Asset Valuation are ongoing</li> </ul> | <p><b>Updates:</b></p> <ul style="list-style-type: none"> <li>• Rebecca attended a Roothing Efficiency Group workshop in early June, to help develop the funding bid and business case for the 2027-30 investment period</li> <li>• The traffic counting programme has resumed and there is noticeable growth in travel on the Chathams in the past few years</li> </ul> |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### NZTA Waka Kotahi Updates

|                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Previous Status:</b></p> <ul style="list-style-type: none"> <li>• 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.</li> </ul> | <p><b>Updates:</b></p> <ul style="list-style-type: none"> <li>• NZTA are looking into alternative freight options for later stages of the national fuel plan, this is unlikely to affect the Chathams given vehicle sizes are below the sizes NZTA are considering</li> <li>• NZTA do not expect a Government Policy Statement on transport to be released before the next election</li> <li>• They expect very little capital investment co-funding to be available for 2027-30, so the next three years of roading investment and management will likely be limited to maintenance and operation</li> </ul> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

### Stantec Site Visits

|                                                                                                                                                                                                                          |                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <p><b>Previous Status:</b></p> <ul style="list-style-type: none"> <li>• Kirsten Norquay visited 24<sup>th</sup> – 27<sup>th</sup> March, Rebecca and Nigel visited from 25<sup>th</sup> – 28<sup>th</sup> May</li> </ul> | <p><b>Updates:</b></p> <ul style="list-style-type: none"> <li>• Next Stantec visit will be in August</li> </ul> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|

## CIC Water and Wastewater O& M meeting – May 2026

| Three Waters Funding                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                   |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|
| Item                                 | Current Status:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Action                                            |
| <b>General</b>                       | <ul style="list-style-type: none"> <li>As briefly raised at the April Council meeting, Council staff are working through a discrepancy recently identified in the 3W O&amp;M budget. Until this is resolved, all financial reporting will not be included in these monthly reports.</li> <li>The ship is currently operating on scheduled. No concerns.</li> <li>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.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                   |
| <b>Opportunities</b>                 | <p><i>Opportunities:</i></p> <ul style="list-style-type: none"> <li>Utilizing full potential of Water Outlook for monitoring and reporting.</li> <li>Asset condition assessment in progress as arranged by Watercare. It will not require Council funding. Fulton Hogan and Stantec will support as requested.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   |
| <b>Water Supply</b>                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                   |
| <b>Project:</b>                      | <b>Current Status:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                   |
| <b>Kaingaroa Water Supply Scheme</b> | <ul style="list-style-type: none"> <li><b>New Issues:</b> <ul style="list-style-type: none"> <li>o</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                   |
|                                      | <ul style="list-style-type: none"> <li><b>Ongoing Issues</b> <ul style="list-style-type: none"> <li>o New sampling tap – RP and MP to discuss on site. The new sampling tap shall be outside the treatment plant. In progress, need a connection adaptor.</li> <li>o 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. RP/PG to write methodology for chlorine dilution.</li> <li>o 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 &amp; can be done by one person (ideally) on island.</li> <li>o Kaingaroa school (MoE) plans to remove their 30m<sup>3</sup> tanks and add a direct connection to the Kaingaroa scheme. Stantec to keep in touch with school and track progress.</li> </ul> </li> </ul> | <p>RP, MP</p> <p>RP/PG</p> <p>MP/PG</p> <p>JB</p> |
|                                      | <ul style="list-style-type: none"> <li><b>Work in Progress:</b> <ul style="list-style-type: none"> <li>o <b>Key critical works item.</b> Lake Rangitai intake extension (not invoiced). Approval to install when lake levels allow. Methodology reviewed. Next step is for FH to find the end of the existing pipe which is planned for next week.</li> <li>o New intake structure has been shipped. This is due to arrive late this week/ early next week.</li> <li>o Order critical spare for WTP pump. JB to talk to Andrew – there might already be a pump on island that is sized for additional GAC units.</li> <li>o FH to confirm diesel motor type for critical spare and liaise with pump and valve. Currently paused due to funding.</li> <li>o New critical spares to be stored in Waitangi and labelled. FH having a tidy and preparing a register to record what is on island.</li> </ul> </li> </ul>                                                                                                                                                                                                        | <p>MP/TM</p> <p>JB</p> <p>ST</p>                  |

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |        |
|---------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
|                                             | <ul style="list-style-type: none"> <li>• <b>Completed:</b> <ul style="list-style-type: none"> <li>o New chlorine, supplied by Ixom, has arrived on island. First batch made last Thursday.</li> <li>o Sampling tap installed awaiting final connection</li> <li>o Ongoing operations and maintenance</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |        |
|                                             | <ul style="list-style-type: none"> <li>• <b>Critical Works Updates</b> <ul style="list-style-type: none"> <li>o All critical works currently paused due to funding constraints.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |        |
| <b>Waitangi Water Supply Scheme</b>         | <ul style="list-style-type: none"> <li>• <b>New Issues:</b> <ul style="list-style-type: none"> <li>o The chlorine contact tank is leaking at a rate of around 5,000 L/day. Discussed options to drain and repair tank or find a replacement tank on island. RP/TM to send repair methodology to JB.</li> <li>o None</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | RP/TM  |
|                                             | <ul style="list-style-type: none"> <li>• <b>Ongoing Issues:</b> <ul style="list-style-type: none"> <li>o Waitangi reservoir sensor and level alarms added to critical works list.</li> <li>o Water usage is around 50 m<sup>3</sup>. No major leaks found this month.</li> <li>o FH have turned off the water supply at Nairn house to reduce water loss. Awaiting property owner to fix.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |        |
|                                             | <ul style="list-style-type: none"> <li>• <b>Work in Progress:</b> <ul style="list-style-type: none"> <li>o 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.</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | RP, JB |
|                                             | <ul style="list-style-type: none"> <li>• <b>Completed:</b> <ul style="list-style-type: none"> <li>o Ongoing operations and maintenance</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |        |
|                                             | <ul style="list-style-type: none"> <li>• <b>Critical Works Updates</b> <ul style="list-style-type: none"> <li>o None</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |        |
| <b>Compliance Monitoring<br/>April 2026</b> | <p><b>April 2026 Monthly Water Quality Compliance:</b></p> <ul style="list-style-type: none"> <li>• <i>Waitangi (22-04-2026)</i> <ul style="list-style-type: none"> <li>o No E. coli or Total Coliforms detected in raw, treated, or network samples.</li> <li>o Treated water turbidity (0.12 NTU) was below the operational target (0.3 NTU).</li> <li>o The UVT for treated water was satisfactory at 98.3%. <ul style="list-style-type: none"> <li>▪ Protozoa compliance is being met.</li> </ul> </li> </ul> </li> <li>• <i>Kaingaroa (30-03-2026)</i> <ul style="list-style-type: none"> <li>o Chlorate measured at 0.199 mg/L, below the 0.8 mg/L MAV.</li> <li>o Treated water turbidity (0.43 NTU) was above the operational target (0.3 NTU).</li> <li>o The UVT for treated water was not satisfactory on the day of sampling at 91.7%. <ul style="list-style-type: none"> <li>▪ Protozoa compliance is being met.</li> </ul> </li> </ul> </li> <li>• <i>Kaingaroa (14-04-2026)</i> <ul style="list-style-type: none"> <li>o Low levels of Total Coliforms and E.coli were detected in the raw sample, but as expected with a lake water source.</li> <li>o No E. coli detected in the treated water or network samples.</li> <li>o Low level of total coliforms detected in one network sample (8 MPN/100mL).</li> </ul> </li> <li>• <i>Recycling Center Supply (22-04-2026)</i> <ul style="list-style-type: none"> <li>o No E. coli or Total Coliforms detected in treated sample</li> </ul> </li> <li>• <i>Council Office Supply (not a CIC supply) 22-04-2026</i></li> </ul> |        |

|                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                        |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|
|                                         | <ul style="list-style-type: none"> <li>o No E. coli or Total Coliforms detected in treated sample.</li> <li>o The UVT was good at 97.1%</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                        |
| <b>Wastewater</b>                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                        |
| <b>Project:</b>                         | <b>Current Status:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                        |
| <b>Waitangi Wastewater Scheme</b>       | <ul style="list-style-type: none"> <li>• <b>New Issues:</b> <ul style="list-style-type: none"> <li>o None</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        |
|                                         | <ul style="list-style-type: none"> <li>• <b>Ongoing Issues:</b> <ul style="list-style-type: none"> <li>o 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.</li> <li>o 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. 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.</li> </ul> </li> </ul> | PG                     |
|                                         | <ul style="list-style-type: none"> <li>• <b>Work in Progress:</b> <ul style="list-style-type: none"> <li>o Flow jumps from 20m<sup>3</sup> to 100m<sup>3</sup> 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.</li> <li>o FH to produce a list of properties which have known stormwater connections to the wastewater network no new investigations at this stage .</li> </ul> </li> </ul>                                                                                                                                                                                                   | TM / DW<br><br>TM / DW |
|                                         | <ul style="list-style-type: none"> <li>• <b>Completed:</b> <ul style="list-style-type: none"> <li>o Ongoing operations and maintenance</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                        |
|                                         | <ul style="list-style-type: none"> <li>• <b>Critical Works Update</b> <ul style="list-style-type: none"> <li>o None</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                        |
| <b>Compliance Monitoring April 2026</b> | <b>April 2026 Monthly Compliance Monitoring</b> <ul style="list-style-type: none"> <li>• 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.</li> <li>• Consent application paused.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                              |                        |
| <b>AOB</b>                              | JB to re send Pix4D link to ST                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | JB                     |

## Solid Waste Update – May 2026

| Landfill Operation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Current Status.</b></p> <ul style="list-style-type: none"> <li>CIC has approved for Fulton Hogan to hire a 20-tonne excavator for use at the landfill.</li> <li>FH staff to provide information for the Owenga Landfill Annual Report.</li> <li>Firebreaks are to be mowed when the tractor is repaired.</li> <li>A Pest &amp; Weed Survey is needed for this monitoring year.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>Actions – Stantec</b></p> <ul style="list-style-type: none"> <li>To continue working with CIC and FH on operational matters.</li> <li>Stantec to complete the Owenga Annual Report.</li> </ul> <p><b>Actions – Council</b></p> <ul style="list-style-type: none"> <li>CIC to arrange for a Pest &amp; Weed Survey of the landfill.</li> </ul> <p><b>Actions – Fulton Hogan</b></p> <ul style="list-style-type: none"> <li>FH staff to accompany ECan staffer in the field to learn where the sampling locations are.</li> <li>FH staff to provide photos and reports for the Annual Report.</li> <li>FH to mow the firebreaks.</li> </ul> |
| Te One Operations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><b>Current Status.</b></p> <ul style="list-style-type: none"> <li>CIC has accepted Fulton Hogan's prices for:             <ul style="list-style-type: none"> <li>replacement of 10 metal skip bins.</li> <li>temporary bulk waste bags as a trial.</li> </ul> </li> <li>FH to provide a quotation for supplying and installing solar-powered security cameras at Te One.</li> <li>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.</li> <li>A gantry trailer for handling skip bins has been manufactured and is due to be sent on next available ship.</li> <li>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.</li> </ul> | <p><b>Actions – Stantec</b></p> <ul style="list-style-type: none"> <li>Work with Council and Fulton Hogan staff to identify a solution for the waste scrap metal.</li> </ul> <p><b>Actions – Council</b></p> <ul style="list-style-type: none"> <li>To discuss messaging for signs required at Te One with FH.</li> </ul> <p><b>Actions – Fulton Hogan</b></p> <ul style="list-style-type: none"> <li>Follow up with recyclers in NZ about the acceptance of recyclable materials.</li> <li>To deliver the gantry trailer and metal skip bins.</li> </ul>                                                                                       |
| Other Waste Management Matters                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <p><b>Current Status:</b></p> <ul style="list-style-type: none"> <li>Monthly solid waste matters meetings have been re-scheduled for 2<sup>nd</sup> Wednesday of every second month. Next meeting is on 10 June.</li> <li>The need for a compactor truck is to be assessed by FH staff.</li> <li>Stantec have provided an updated valuation of SW assets.</li> <li>FH to find out what charges were levied previously for accepting house demolition waste.</li> </ul>                                                                                                                                                                                                                                                                                                                                                          | <p><b>Actions – Stantec</b></p> <ul style="list-style-type: none"> <li>None noted.</li> </ul> <p><b>Actions – Council</b></p> <ul style="list-style-type: none"> <li>Council to determine further action regarding Solid Waste Charging.</li> </ul> <p><b>Actions – Fulton Hogan</b></p> <ul style="list-style-type: none"> <li>To continue to identify waste sources in OWLS returns.</li> <li>To check on house demolition waste acceptance charges.</li> </ul>                                                                                                                                                                               |



## 4. Works & Services

### 4.2 Fulton Hogan Road Maintenance Report

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|                           |                               |
|---------------------------|-------------------------------|
| <b>Date of meeting</b>    | 25 June 2026                  |
| <b>Agenda item number</b> | 4.2                           |
| <b>Author/s</b>           | Fulton Hogan Contract Manager |

#### Purpose

To inform and update the Council on the Chatham Islands Road Maintenance programme.

Attached is the monthly report from Fulton Hogan.

#### Recommendation

**THAT** the report be received.



# CHATHAM ISLANDS ROAD MAINTENANCE CONTRACT MONTHLY REPORT JUNE 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

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### Outline of work carried out during the month.

During June, Fulton Hogan continued delivering key activities across the network to improve safety, asset condition, and overall infrastructure resilience.

The renewal of edge marker posts progressed throughout the month, aimed at improving visibility during night-time conditions, particularly at blind spots and on curves. Signage network inspections were completed earlier, and replacement signs have been ordered. Installation is expected to be completed toward the end of July, subject to shipping schedules.

Bridge maintenance and renewal activities also advanced well. The Maipito Bridge replacement commenced on 18 May 2026, with good progress made toward early completion. The road opening is anticipated ahead of schedule, with the official handover to be confirmed in coordination with Council.

Routine maintenance activities were carried out across the network, including mowing and trimming operations, where weather conditions allowed.

In addition, Fulton Hogan continued supporting the Council with water supply, which remains available for public collection from the Waitangi Yard.

### Maipito Bridge Photos:



### Routine Maintenance and Operations:

Maintenance grading remained a key priority during the month due to ongoing adverse weather conditions. The team worked proactively to maintain road conditions, ensuring potholes and severe corrugations were addressed promptly to keep the network safe and serviceable.

### Pavement Renewals:

N/A

### Sealed Road Resurfacing:

N/A

### Drainage Renewals:

N/A

### Bridge and Structure Renewals:

The team has remained focused on delivering the Maipito Bridge replacement project safely and efficiently. Subject to weather conditions, the bridge is expected to be opened for public use shortly, followed by the removal of the temporary road at Kapito and Maipito Roads.

### Minor Improvements:

N/A

### Vegetation Control:

Vegetation control activities, including mowing and trimming, were undertaken across the network when weather conditions permitted.

### Dayworks:

N/A

### Programmed Work for following month:

The following activities are planned for the upcoming month:

- Installation of two (2) 900mm culverts.
- Removal of the temporary road at Kapito and Maipito Roads. Recovered material will be transported to Te One Transfer Station to support yard improvements as part of the upgrade works.
- Installation of new signage, including minor safety improvements identified through Stantec requests and network inspections.
- Minor safety line marking at Te One Primary School, subject to weather conditions.

## Schedule of Work by Road Name

---

1. Maintenance Grading
- 2.

3. Unsealed Maintenance Metaling

| Road                         | Dispatch | Road ID       | Start RP | End RP            | Quantity m <sup>3</sup> |                      |
|------------------------------|----------|---------------|----------|-------------------|-------------------------|----------------------|
| HOSPITAL ROAD NORTH          | 6332     | 71            | 0        | 350               | 8                       |                      |
| KAINGAROA ROAD               | 6339     | 126           | 3000     | 5200              | 64                      |                      |
| KAINGAROA ROAD               | 6341     | 126           | 651      | 1560              | 32                      |                      |
| NORTH ROAD                   | 6340     | 21            | 7273     | 8150              | 16                      |                      |
| NORTH ROAD                   | 6343     | 21            | 45381    | 48240             | 64                      |                      |
| TUKU ROAD                    | 6370     | 111           | 10013    |                   | 8                       |                      |
| TUKU ROAD                    | 6316     | 111           | 11000    | 18061             | 152                     |                      |
| WAITANGI WHARF - OWENGA ROAD | 6330     | 21            | 13100    | 16930             | 48                      |                      |
| WAITANGI WHARF - OWENGA ROAD | 6342     | 11            | 9800     | 11571             | 240                     |                      |
|                              |          |               |          |                   |                         |                      |
|                              |          |               |          |                   |                         |                      |
|                              |          | <b>Totals</b> |          | <b>This Month</b> | <b>632</b>              | <b>M<sup>3</sup></b> |
|                              |          |               |          |                   |                         |                      |

### Next Month's Target

We have carted a total of 600 m<sup>3</sup> of metalling this month.

### Crash Damage Report Summary

N/A

### Network Inspections

| Month    | Inspection Type | Faults Identified                                | Inspected By |
|----------|-----------------|--------------------------------------------------|--------------|
| April 26 | Day             | Road corrugation North Road and Owenga Wharf Rd  | Shingy       |
| May 26   | Day             | Waitangi Wharf Road Edgemarkers post replacement | Shingy       |

### Monthly Safety Report and Statistics

1. Fulton Hogan completed the construction of a pull-over area at the top of Target Hill to provide a safer location for school children boarding and disembarking from buses.
2. Weekly safety meetings continue for the Maipito Bridge replacement project. These sessions are used to review any changes to work plans, monitor progress, and engage with engineering teams where required.
3. The project team remains committed to delivering the works safely, in full compliance with specifications, and without incident.

#### 4. Safety Engagements

| Date    | Near Miss | Incident | Lost Time Injury | Plant Damage | Depot/Worksite Inspections                             |
|---------|-----------|----------|------------------|--------------|--------------------------------------------------------|
| June 26 | N         | N        | N                | N            | a pull over area at top of target hill for school kids |
| June 26 | N         | N        | N                | N            | Waitangi- Owenga Wharf Road Wharf Inspection           |
| June 26 | N         | N        | N                | N            | Culvert inspection                                     |
|         |           |          |                  |              |                                                        |

## Environmental Compliance

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

## Stakeholder Complaints Register

| Month   | Council/ Public Complaint | Complaint                                                      | Repair Undertaken                                    | Response Time |
|---------|---------------------------|----------------------------------------------------------------|------------------------------------------------------|---------------|
| June 26 | Public                    | Numerous potholes throughout the unsealed network. Owenga Road | Very wet conditions graders doing the best they can. | Same day      |
| June 26 | Contractor                | Rubbish on the side of the road – North Road                   | Stopped and collected.                               | Same Day      |
| June 26 | Public                    | Potholes Hospital Road unsealed section                        | Graded                                               | 1 Days        |

## Public Relations & Community Involvement

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

## Innovation

### 1. Pitt Island

N/A

### 2. Wind Damage

Nil this month.





## 4. Works & Services

### 4.3 Fulton Hogan Water and Wastewater Operation Contract Report

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|                           |                                |
|---------------------------|--------------------------------|
| <b>Date of meeting</b>    | 25 June 2026                   |
| <b>Agenda item number</b> | 4.3                            |
| <b>Author/s</b>           | 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 latest Water & Wastewater report from Fulton Hogan.



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# CHATHAM ISLANDS WATER AND WASTEWATER OPERATION CONTRACT MONTHLY REPORT June 2026

## Work Summary

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### Outline of work carried out during the month:

Fulton Hogan undertook urgent repair works at the Kaingaroa Raw Water Pump Station following a failure of the pump engine.

An asset condition assessment of water infrastructure across the island was completed by Mike Perkins from Fulton Hogan Dunedin, providing a comprehensive overview of current asset performance and future requirements.

During the reporting period, a water outage occurred on the Kaingaroa network for approximately 12 hours due to issues with the lake pump. Further details are provided in subsequent sections of this report.

Our Treatment Operator, Russell, was on leave for two weeks. During this period, James Morgan, an experienced operator from the Christchurch Airport water contract, provided operational support on the island, ensuring continuity of service.

We are also pleased to report that three Fulton Hogan staff members successfully achieved their Level 4 Drinking Water Qualification. A Connexis certifier

### Water Supply Operation & Maintenance:

Overall, the water supply system is operating satisfactorily and remains compliant. A water conservation notice remains in place for the Kaingaroa water network.

#### Tiki Tiki Treatment Plant:

A significant leak has been identified in the contact tank, resulting in the loss of treated water. While this does not pose an immediate risk to supply, options to address the issue are currently being explored, taking into account funding constraints.

#### Kaingaroa Treatment Plant:

A blown UV lamp was identified and has since been replaced, restoring full functionality to the treatment process.

The raw water pump station is currently operating using its existing motor. However, due to the age and condition of the components, the system is being closely monitored. Contingency measures are in place, including the availability of an excavator to provide backup hydraulic pumping if required. Work is also progressing towards the installation of a new hydraulic power pack to improve system reliability.

### Dayworks – Water:

Emergency pumping of raw water at Kaingaroa using FH digger hydraulics.

### Dayworks – Wastewater:

No dayworks activities were carried out during this period.

### Water and Wastewater Reticulation Network:

The water and wastewater reticulation network has performed well over the past month, with no issues identified.

### Water and Wastewater Treatment Plant: Monitoring:

All treatment plants have been consistently monitored to ensure operational performance and compliance.

Following recent events at the Kaingaroa Water Treatment Plant, options are currently being considered to enhance monitoring capabilities, particularly around water level tracking, to improve system resilience and early issue detection.

### Programmed Work for the Following Month:

Mike Perkins will continue supporting the team with the delivery of DIA-funded projects, contributing technical expertise and assisting with project progress.

### Water Meter Report:

Water meter readings are scheduled to be completed on **23 June 2026**.

### Irrigation Dosing:

Ground conditions remain heavily saturated due to high rainfall over the past month. Despite this, no excessive runoff has been observed, and irrigation dosing is being managed accordingly.

### Quality Assurance:

### Site Safety Report:

## Chatham Islands Monthly Report

| Date     | Near Miss | Incident | Lost Time Injury | Plant Damage | Depot/Worksite Inspections                |
|----------|-----------|----------|------------------|--------------|-------------------------------------------|
| 01/06/26 | N         | N        | N                | N            | WWWT Plant check daily                    |
| 01/06/26 | N         | N        | N                | N            | Water & WWWT plant checks after services. |

## Environmental Non-Compliance:

## Monthly Stocktake of Supplies:

## General Supplies Stockpile – Month Ending September 2025

|          | Stock Purchased | Stock End of Previous Month | Stock Used | Stock Remaining End of Month |
|----------|-----------------|-----------------------------|------------|------------------------------|
| Salt     | 50              | 104 Bags                    | 16         | 92bags                       |
| Chlorine | 60              | 45                          | 15         | 30                           |

## PHOTOS

## Chatham Islands Monthly Report





## 4. Works & Services

### 4.4 Fulton Hogan Waste Management Operation Contract Report

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|                           |              |
|---------------------------|--------------|
| <b>Date of meeting</b>    | 25 June 2026 |
| <b>Agenda item number</b> | 4.4          |
| <b>Author/s</b>           | Fulton Hogan |

#### Purpose

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

#### Recommendations

THAT the report be received.

#### Background

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



# CHATHAM ISLANDS WASTE MANAGEMENT OPERATION CONTRACT MONTHLY REPORT JUNE 2026

# Transfer Station Monthly Report – Overview

- The transfer station operated effectively across all three sites—Te One, Kaingaroa, and Owenga—throughout the month. A significant volume of previously accumulated waste and materials stored within the MRF and surrounding areas at Te One was sorted, processed, and either transported to landfill or repurposed through Mitre 10.
- At Owenga, substantial improvement works have been undertaken to enhance site functionality, drainage, and safety. Service reliability at the Kaingaroa Transfer Station remained a key priority and was consistently achieved.

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## Operational Highlights and Achievements

### Te One Transfer Station

- Significant progress was made in clearing approximately 45 tonnes of residual and stockpiled waste. This material was either transported to landfill or repurposed through Mitre 10.
- These efforts have:
  - Reduced stockpiling
  - Improved operational efficiency
  - Ensured timely processing and removal of waste
- A strong focus was also placed on housekeeping, including organisation, cleanliness, and overall layout within the MRF. As a result, the site is now operating in a cleaner, more efficient manner, with improved access for both staff and equipment. Positive feedback has been received regarding the overall presentation of the site.



## Owenga Landfill

- During June, the Owenga Landfill received approximately 46 tonnes of waste. Significant improvement works were completed to support the long-term performance and safety of the site.
- Key improvements included:
  - Processing and clearing of existing waste
  - Installation of bale barriers to define working areas
  - Widening and strengthening of the site entrance
  - Removal of debris and enhancements to drainage systems
  - Construction of stepped terraces leading to the drainage channel
- These upgrades have improved access, reduced safety risks, and increased operational efficiency by providing clearly defined working areas and minimising disruptions caused by poor drainage.



## Kaingaroa Transfer Station

- All scheduled Friday collections were completed on time, ensuring waste volumes remained under control and the site continued to operate efficiently.
- Over 1 tonne of waste and recyclables was removed, contributing to a cleaner and safer environment for both staff and the community. Ongoing focus remains on site maintenance, safety improvements, and delivering consistent, reliable service.

## Health and Safety

- Housekeeping improvements across all sites have contributed to a reduction in potential hazards and an overall improvement in site safety.
- No significant health and safety incidents were reported during the month. Staff continue to follow safe operating procedures and use appropriate personal protective equipment (PPE).
- Additionally, Waste Management staff successfully completed and passed Dangerous Goods and Forklift certification, with a continued focus on further training and development.

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## Strategic Focus

- Efforts continue to focus on improving the quality of recyclable materials through better sorting practices and reducing contamination.
- This approach:
  - Increases the value and marketability of recovered materials
  - Supports environmental objectives
  - Reduces the volume of waste sent to landfill

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## Key Challenges

- A key challenge this month has been the temporary use of alternative vehicles while the primary truck and trailer undergo repairs.
- This required adjustments to loading practices to ensure collection and transport activities continued without disruption. Despite these constraints, the team has remained adaptable and maintained service levels.

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## Next Month's Focus and Goals

- **Shed Clearance:** Removal of a redundant vehicle from the main shed
- **Logistics Layout:** Reconfiguration of storage containers to improve accessibility and efficiency
- **Compliance and Safety:** Upgrading the Dangerous Goods storage area to meet higher safety standards

---

## Key Performance Indicators

- **Wool Packs (Sorted Recyclables):**
    - o P1: 2
    - o P2: 1
    - o Aluminium: 1
  - **Bales Produced:**
    - o General Waste: 7
    - o P1: 1
    - o Aluminium: 1
  - **Mitre 10 Intake:**
    - o Clothing and homewares: 2 wool packs
  - **Waste to Landfill:** 46,387 kg
  - **Waste Collected – Te One:** 45,207 kg
  - **Waste Collected – Kaingaroa:** 1,180 kg
-



## 4. Works & Services

### 4.5 Water Services Delivery Plan update

|                           |                                         |
|---------------------------|-----------------------------------------|
| <b>Date of meeting</b>    | 25 June 2026                            |
| <b>Agenda item number</b> | 4.5                                     |
| <b>Author/s</b>           | Nolwenn Lagadec, Watercare Services Ltd |

#### Purpose

This report is seeking Council to approve the submission of the Water Services Condition Assessment Report June 2026 (WSCA Report) to the Department of Internal affairs (DIA) to meet the requirements of the Local Government (Water Services Preliminary Arrangements) Act.

The WSCA report was requested by Secretary for Local Government in his letter to the Council 1 December 2025 and will revise the asset condition information previously submitted within the Chatham Islands Water Services Delivery Plan (WSDP) which was adopted by Council and submitted to DIA on 27 and 29 August 2025 respectively.

#### Recommendations

That Council

- a) Receives the report of Nolwenn Lagadec, Programme Manager, Watercare Services Ltd, titled "Water Services Delivery Plan Update"
- b) Approves the submission of the Water Services Condition Assessment Report to the Department of Internal affairs in response to the LG Secretary letter 1 December 2025. WSCA Report to be submitted by 30 June 2026.
- c) Notes that an assessment of implications of the WSCA Report findings on the capital programme has not been completed in Stage 1 and is to be undertaken in Stage 2.
- d) Notes that further investigation is required to confirm extent and funding of potential public health and environment risks identified in WSCA Report.
- e) Notes that further work is required as part of Stage 2 to resubmit a final WSDP to demonstrate financial sustainability. Updated Plan to be resubmitted to DIA by 30 June 2028.

## Background

Councils are required to develop and submit a Water Services Delivery Plan (WSDP), under the Local Government (Water Services Preliminary Arrangements) Act.

The WSDP enables council to demonstrate their commitment to deliver water services that meets regulatory requirements, support growth and urban development, and are financially sustainable. Through the development of the WSDP, council was required to provide an assessment of their water infrastructure and detail how much they need to invest, and how they plan to finance and deliver through their preferred water service delivery model.

Chatham Islands Council (the “Council”) submitted their WSDP on 29 August 2025. The Department of Internal Affairs (DIA), through the Local Government Secretary, asked for further information to be submitted by Council as outlined below:

- Stage 1, submit an asset condition report in accordance with the requirements of the Act and covers drinking water, wastewater, and stormwater assets. It should also include an assessment of the implications of the report's findings on the overall capital program. Report to be submitted by 30 June 2026.
- Stage 2, produce a final resubmitted Plan that demonstrates financial sustainability considering a potential source of revenue and other funding, including borrowing (for example through the Local Government Funding Agency). The final Plan to be submitted by 30 June 2028.

Watercare Services Ltd engaged ProjectMax on behalf of council to prepare the WSCA report. Watercare Services Ltd supported and coordinated technical input on behalf of the Council.

We were unable to assess the implications on the capital programme as part of Stage 1, but the WSCA report recommends determining the cost of renewing assets with short remaining useful lives and to assess which renewals should progress as the risk of not doing so is too high. The WSCA report also highlighted risks associated with breaches of resource consents and potential public health issues which the council need to prioritise and address.

It is recommended that implications of the report findings on the capital programme to be addressed as part of Stage 2, resubmitting the final Plan.

The WSCA report June 2026 authored by ProjectMax is to be submitted to DIA to meet the above requirements.

## Water Services Condition Assessment report

1. The purpose of the WSCA report is to provide a summary of the condition of council's water services assets based on existing and some new information. The approach adopted was to gather as much existing information as was possible in addition to new

information on above ground assets collated by Fulton Hogan in May 2026. The condition assessment of the above ground assets was carried out in two stages. The first stage was to undertake an inspection of the assets, and the second stage to carry out a holistic condition assessment of each of the major facilities. The assessment of below ground assets was wholly based on existing information.

2. Below paragraphs summarise the assessment. The full report is available as an attachment (see Appendix A).

## Methodology

3. This condition assessment is based on an independent review by a competent assessor, Ian Garside, from Project Max. The condition as well as the level of certainty were determined through:
  - physical inspection of above ground assets by Fulton Hogan (FH),
  - collaboration between Project Max, Stantec and FH to review records, repairs history, photos and videos (i.e.: CCTV), and other available information to determine below ground assets condition.

## Assets condition

Below provides an update to the WSDP Part B: Network performance, assets condition table (page 17). Most assets are considered critical given the limited redundancy and sole supply nature of the facilities. A more detailed list of the facilities and individual condition is available in Appendix A.

| Parameters                                                                                                                                                                                                                                                                | Drinking supply                             | Wastewater                   | Stormwater                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------------------------|---------------------------------|
| <b>Average age of Network Assets</b>                                                                                                                                                                                                                                      | 21 years – Waitangi<br>44 years - Kaingaroa | 48 years                     | 46 years                        |
| <b>Critical Assets</b>                                                                                                                                                                                                                                                    | identified                                  | identified                   | N/A                             |
| <b>Above ground assets</b> <ul style="list-style-type: none"> <li>• Treatment plant/s</li> <li>• Percentage or number of above ground assets with a condition rating</li> <li>• Percentage of above –ground assets in poor or very poor condition<br/>(Note 1)</li> </ul> | [2]<br>[100%]<br><br>[33%]                  | [1]<br>[100%]<br><br>[100%]  | [N/A]                           |
| <b>Below ground assets</b> <ul style="list-style-type: none"> <li>• Total Km of reticulation</li> <li>• Percentage of network with condition grading</li> <li>• Percentage of network in poor or very poor condition<br/>(Note 2)</li> </ul>                              | [18 Km]<br>[100%]<br><br>[55%]              | [8Km]<br>[100%]<br><br>[10%] | [<1 Km]<br>[100%]<br><br>[100%] |

*Note 1: percentage calculated based on facilities grouping, instead of individual assets, to better reflect overall risk to level of service (i.e.: 33% equates to 2 facilities out of 6 are in poor condition). The Kaingaroa non-potable water supply facility was excluded from this calculation.*

*Note 2: percentage calculated on estimated pipe length in poor condition divided by the total estimated pipe length, includes pump station wet well.*

## **Cost, compliance and communication**

### **Financial implications**

4. A final WSDP and corresponding investment plan are to be submitted by 30<sup>th</sup> June 2028. In order to finalise these documents, it is recommended council source funding to:
  - Identify need for further condition assessments versus investment in spares and upgrades,
  - Address immediate risks to supply,
  - Update the capital investment programme, and funding sources,
  - Update and finalise the WSDP.

### **Risk assessment and legal compliance**

5. Legal compliance:

To meet the requirements of the Local Government Secretary as outlined in the letter to Council on 1<sup>st</sup> December 2025, the Council is required to submit the attached WSCA Report before 30<sup>th</sup> June 2026.

To confirm direct implications on overall capital program it is recommended to undertake actions listed in paragraph 5.

6. Public Health and environmental compliance risks requiring immediate attention or contingencies:
  - Kaingaroa intake and raw water main are experiencing recurring failures and are critical to Kaingaroa water supply,
  - Waitangi Bore head is not secure increasing the risk of contamination,
  - Waitangi Wastewater disposal does not meet consent requirements.

The above list reflects key items identified but may not be exhaustive. Additional items should be confirmed as part of the capital program update and associated prioritisation.

### **Significance and engagement**

7. Ian Garside (ProjectMax) collated and reviewed assets records. Kirsten Norquay (Stantec) and Patrick Gledhill (Fulton Hogan) have contributed to this assessment through sharing of relevant information and records.
8. Due to the nature of the assessment, engagement with the community and Council has been limited. This does not supersede the engagement which has or will be taking place with development of the WSDP.

## Next steps

9. Submit the Water Services Condition Assessment Report to Department of Internal Affairs
10. Investigate and confirm funding to address potential public health and environment compliance risks.
11. Review required investment for next 2 years, to finalise WSDP and Capital investment programme by 30 June 2028 (refer to second stage requirements in Local Government Secretary letter to the Council on 1<sup>st</sup> December 2025).

## Attachments

Appendix A – Chatham Islands Council, Water Services Condition Assessment report

|                       |                                                                      |
|-----------------------|----------------------------------------------------------------------|
| <b>File reference</b> |                                                                      |
| <b>Peer reviewers</b> | Priyan Perera, Chief of Strategy and Planning Watercare Services Ltd |

**Chatham Islands Council**

# **Water Services Condition Assessment Report**

June 2026

**[projectmax.co.nz](http://projectmax.co.nz)**

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## Document Control

| Revision       | Date                       | Description                                                  | Author(s)   | Reviewed by        | Approved by        | Issued to |
|----------------|----------------------------|--------------------------------------------------------------|-------------|--------------------|--------------------|-----------|
| Draft<br>Rev01 | 12 <sup>th</sup> June 2026 | 20260607 CI Water<br>Services Condition<br>Assessment Report | Ian Garside | Steve<br>Apeldoorn | Steve<br>Apeldoorn |           |

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Client: Chatham Islands Council

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## Executive Summary

ProjectMax were approached by Watercare Services (Watercare), on behalf of the Chatham Islands Council to undertake a condition assessment of the water services assets on the island. ProjectMax have worked in conjunction with professional service providers (Stantec) and Maintenance Contractor (Fulton Hogan), being the organisations with access to data and information on the assets, in doing this.

The purpose of this report this is to provide a summary of the condition of these water services assets based on existing and some new information. This report was prompted by a request made by DIA to the Chatham Islands Council to improve the information provided in the Water Service Delivery Plan (WSDP) which was submitted to them in September 2025.

The approach adopted was to gather as much existing information as was possible, and not gather large amounts of new information, as there was some urgency to complete this report. Some new information was gathered on Island by Fulton Hogan in May 2026.

A review of data suggested that, whilst there is historical and anecdotal information, there is no coherent, up to date asset register with condition grading information available for all assets.

There was, however, some background information, some of it anecdotal, on the history of the development of the facilities and networks and materials used in the construction of the networks.

The condition assessment of the above ground assets was carried out in two stages. The first stage was to undertake an inspection of the assets, and the second stage to carry out a holistic condition assessment of each of the major facilities.

The condition assessment for the below ground assets was based on the existing CCTV inspection data gathered and historical and anecdotal information for assets which have not been inspected. For assets which have not been inspected a prediction of the likely condition has been made based on this information.

Condition grades were assigned to asset groupings (facilities and network), with confidence gradings assigned based on the quality of the information available, based on an industry standard approach.

The following table summarises the results from the condition assessment

*Overall Summary of the Assessment of Water Networks and Facilities*

| Facility                                | Condition Grade | Confidence Grade | Approximate Remaining Useful Life |
|-----------------------------------------|-----------------|------------------|-----------------------------------|
| Waitangi Wastewater Network (CCTV Part) | 2-Good          | B-Reliable       | 11-30 years, Some >30 years       |

| Facility                                                         | Condition Grade | Confidence Grade   | Approximate Remaining Useful Life                   |
|------------------------------------------------------------------|-----------------|--------------------|-----------------------------------------------------|
| Waitangi Wastewater Network (Remainder) and Network Pump Station | 2-Good          | C-Uncertain        | 11-30 years, Some >30 years. Pump station < 5 years |
| Waitangi Water Network and Network Storage                       | 2-Good          | D- Very Uncertain  | 80 years                                            |
| Waitangi WTP                                                     | 3-Moderate      | C-Uncertain        | 5-15 years                                          |
| Kaingaroa WTP and Storage                                        | 3-Moderate      | C-Uncertain        | 10 -20 years                                        |
| Te One Transfer Station Potable Water Supply                     | 3-Moderate      | C-Uncertain        | 10 -20 years                                        |
| Kaingaroa Non-potable Water System                               | 3-Moderate      | C-Uncertain        | 10 -20 years                                        |
| Owenga Landfill Non-Potable Water system                         | 3-Moderate      | C-Uncertain        | 10 -20 years                                        |
| Waitangi Wastewater Disposal                                     | 4-Poor          | B-Reliable         | < 5 years                                           |
| Waitangi Raw Water Bore                                          | 4-Poor          | C-Uncertain        | <10 years                                           |
| Waitangi Wastewater Treatment Plant                              | 4-Poor          | C-Uncertain        | < 10 years, some <2 years                           |
| Kaingaroa Raw Water Transmission Pipeline                        | 4-Poor          | E-Highly Uncertain | < 10 years                                          |
| Kaingaroa Water Network                                          | 4-Poor          | E-Highly Uncertain | < 10 years                                          |
| Kaingaroa Raw Water Intake                                       | 5-Very poor     | B-Reliable         | 1-5 Years                                           |
| Waitangi Stormwater System                                       | 5-Very poor     | E-Highly Uncertain | 11-30+ years, tank <1 year                          |

A comprehensive, accurate condition assessment could not be completed for the Chatham Islands Council water assets due to the lack of information and data on the assets and time available. Council should consider obtaining more information on the condition and in some cases the status and existence of the assets, particularly where data confidence is poor and the consequence asset failure is severe.

A logical next step would therefore be to determine the cost of renewing assets with short remaining useful lives and assessing, based on the information presented in this report, the risk Council is prepared to take in not investing in additional information to increase confidence in the condition data.

Following this a planned risk-based inspection programme could be developed to ensure that appropriate priority is given to asset inspection that would set out assets inspection over multiple years to budgets available.

At the same time Council should determine which renewals should progress as the risk of not doing so is too high.

Council should also consider risks associated with breaches of Resource Consents and the potential for Public Health issues which are highlighted in this report.

# 1 Introduction

## 1.1 Background

ProjectMax were approached by Watercare Services (Watercare), on behalf of the Chatham Islands Council to undertake a condition assessment of the water services assets on the island. ProjectMax have worked in conjunction with professional service providers (Stantec) and Maintenance Contractor (Fulton Hogan), being the organisations with access to data and information on the assets, in doing this.

The Chatham Islands Council (CIC) owns and operates water services on the Chatham Islands. Those services comprise

- 18 kilometres of water supply reticulation
- 8 kilometres of wastewater reticulation and
- less than one kilometre of stormwater reticulation.

They also operate two water treatment plants and one wastewater treatment plant, and three water supply and two wastewater pumping stations as well as several other facilities to provide water services.

The purpose of this report this is to provide a summary of the condition of these water services assets based on existing and some new information which was gathered in May 2026. This report was prompted by a request made by DIA to the Chatham Islands Council to improve the information provided in the Water Service Delivery Plan (WSDP) which was submitted to them in September 2025. Table 1 provides detail of what was submitted as part of the WSDP.

*Table 1 Condition Assessment Table from WSDP*

| Parameters                                                            | Drinking Water                               | Wastewater         | Stormwater |
|-----------------------------------------------------------------------|----------------------------------------------|--------------------|------------|
| Average Age of Network Assets                                         | 20 Years – Waitangi;<br>43 Years - Kaingaroa | 50 Years           | N/A        |
| Critical Assets                                                       | [Identified above]                           | [Identified above] | N/A        |
| <b>Above Ground Assets</b>                                            |                                              |                    | N/A        |
| • Treatment Plants                                                    | [2]                                          | [1]                |            |
| • Percentage or number of above ground assets with a condition rating | [0%]                                         | [0%]               |            |
| • Percentage of above in poor or very poor condition                  | [Not Assessed]                               | [Not Assessed]     |            |

| Parameters                                             | Drinking Water | Wastewater | Stormwater |
|--------------------------------------------------------|----------------|------------|------------|
| <b>Below Ground Assets</b>                             |                |            | N/A        |
| • Total Km of Reticulation                             | [18km]         | [3km]      |            |
| • Percentage of network with a condition rating        | [0%]           | [10%]      |            |
| • Percentage of network in poor or very poor condition | [100%]         | [90%]      |            |

## 1.2 Intent & Approach

The intent of this report is, as much as is practical, to improve on the information submitted as part of the Water Services Delivery Plan on the current condition of the assets. The intent of the report was not to make recommendations on how and when condition of the assets should be improved.

The approach adopted was to gather as much existing information as was possible, and not gather large amounts of new information, as there was some urgency to complete this report. Some new information was gathered on Island by Fulton Hogan in May 2026.

## 2 Approach

The overall approach was a four-stage process, to firstly gather existing and some new information, then set up a condition assessment framework, depending on the nature of the data to assess condition and associated data confidence, then carry out the condition assessment and finally outline some next steps for consideration by Council.

### 2.1 Data Gathering & Review

#### 2.1.1 Data Gathering

Data gathering commenced in mid-May 2026 and most of it was made available by Stantec, CIC's long term professional services provider. Much of the information provided was background and contextual information, and included

- A schedule of breaks and faults on the networks and facilities since 2023. (See Appendix A)
- CCTV inspection data for the Waitangi Wastewater network collected in December 2023.
- Information provided to DIA as part of the Water Service Delivery plan
- Information provided for the Water Industry Commission for Scotland (WICS) review carried out as part of the Three Waters Reform Process.
- Information provided for the former 'Entity C' review carried out as part of the Three Waters Reform Process.
- Various, mainly scanned historical as-built maps and drawings.
- A copy of a presentation given to elected members in March 2026 describing the water services on the Island, which provided some useful historical information.
- Some historical asset schedules with some detail on pipe diameters and materials for some of the networks

At the same time an inspection of the above ground assets by Fulton Hogan over a two-week period was carried out in the locations noted in section 4.1.1.

In total 188 assets were inspected and each assigned a condition grade. These condition grades have not been validated. The asset inspection results were uploaded to Fulton Hogan's ArcGIS based dashboard.

It was not possible in the time available to undertake any additional inspections of the underground (network) assets, using CCTV, or other means, as it would have required equipment to be mobilised to island.

### 2.1.2 Data Review

A review of data suggested that, whilst there is historical and anecdotal information, there is no coherent, up to date asset register with condition grading information available for all assets. The only condition grading data for the underground assets was limited to 'Preliminary Condition Grades' generated from the CCTV inspection reports for the 800m of wastewater network which was subject to CCTV survey in 2023.

There was, however, some background information, some of it anecdotal, on the history of the development of the facilities and networks and materials used in the construction of the networks.

### 3 Condition and Confidence Grades

A 1 to 5 scale from (very good to very poor) was to be used for assessing the condition of the assets in accordance with the Water New Zealand *Infrastructure Asset Grading Guidelines 1999* as detailed in the Figure 1:

Figure 1 Condition Grade Descriptions from Water New Zealand Infrastructure Asset Grading Guidelines 1999

| TABLE 5 CONDITION CLASSIFICATION |                |
|----------------------------------|----------------|
| Grade                            | Classification |
| 1                                | Very Good      |
| 2                                | Good           |
| 3                                | Moderate       |
| 4                                | Poor           |
| 5                                | Very Poor      |

Examples of the '1 to 5' gradings for each asset class are provided in section H of the Infrastructure Asset Grading Guidelines 1999.

Because early in the exercise it became clear that due to the lack of condition information, and that some of the condition assessment would need to be carried out subjectively and anecdotally that assigning data confidence grading to the condition scores would be necessary.

Therefore, a A-E scale (from highly reliable to highly uncertain) was applied to each condition grade for asset data confidence based on the Water New Zealand *Infrastructure Asset Grading Guidelines 1999* as detailed in Figure 2 below.

Figure 2 Data Confidence Grade Descriptions from Water New Zealand Infrastructure Asset Grading Guidelines 1999

| TABLE 7 DATA CONFIDENCE GRADING |                                                                                                                                                                                                                                                                                  |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Confidence Grade                | General Meaning                                                                                                                                                                                                                                                                  |
| A                               | <b>Highly Reliable</b><br>Data based on sound records, procedures, investigations and analysis which is properly documented and recognised as the best method of assessment.                                                                                                     |
| B                               | <b>Reliable</b><br>Data based on sound records, procedures, investigations and analysis which is properly documented but has minor shortcomings; for example the data is old, some documentation is missing and reliance is placed on unconfirmed reports or some extrapolation. |
| C                               | <b>Uncertain</b><br>Data based on sound records, procedures, investigations and analysis which is incomplete or unsupported, or extrapolation from a limited sample for which grade A or B data is available.                                                                    |
| D                               | <b>Very Uncertain</b><br>Data based on unconfirmed verbal reports and/or cursory inspection and analysis.                                                                                                                                                                        |

An additional category of E – Highly Uncertain was introduced in this case defined as “Data is largely based on guesswork, incomplete registries, or no recorded data at all.”

## 4 Condition Assessment

### 4.1 Above Ground Assets

The condition assessment of the above ground assets was carried out in two stages. The first stage was to undertake an inspection of the assets, and the second stage to carry out a holistic condition assessment of each of the major facilities.

#### 4.1.1 Asset Inspection

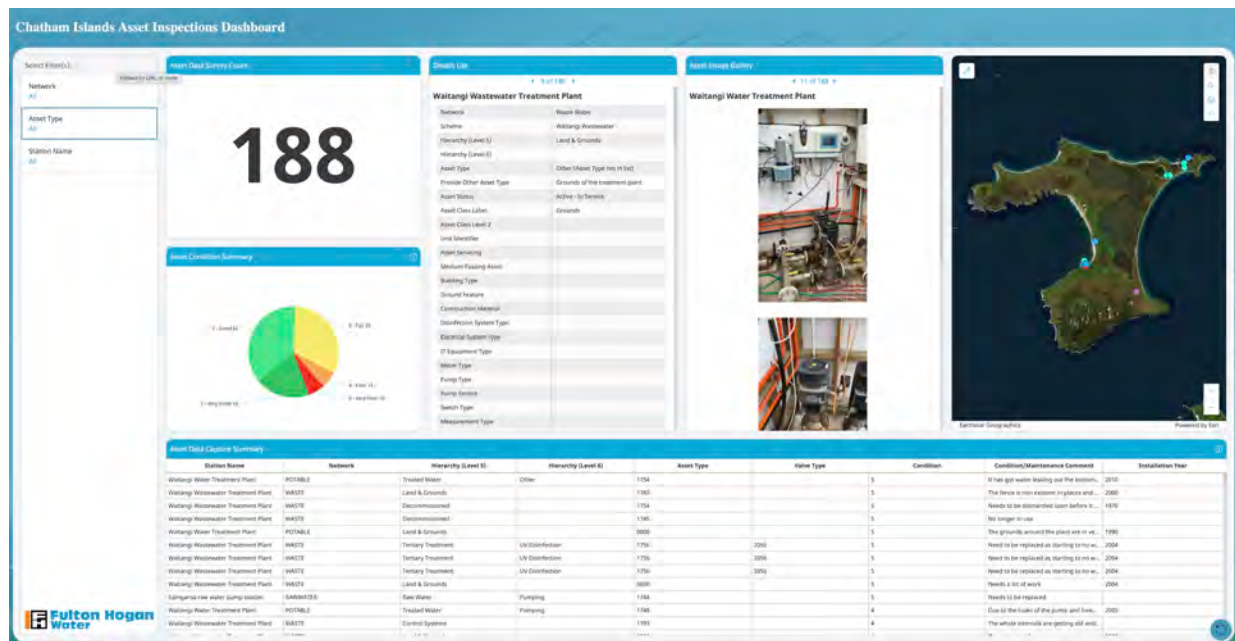
The first stage was to carry out a visual inspection of the above ground assets at the following facilities.

- Council Office/Museum Potable Water Supply
- Kaingaroa Non-Potable Water System
- Kaingaroa Water Treatment Plant
- Kaingaroa raw water intake
- Kaingaroa raw water off takes and flow meters
- Kaingaroa raw water pump station
- Kaingaroa raw water reservoirs
- Kaingaroa raw water reservoirs (at WTP site)
- Owenga Landfill Non-Potable Water system
- TeOne Transfer Station Potable Water Supply
- Waitangi Stormwater System (note scope includes tanks, outlet)
- Waitangi Wastewater Land Application
- Waitangi Wastewater Network Pump Station
- Waitangi Wastewater Treatment Plant
- Waitangi Network Other
- Waitangi Network Backflow preventers
- Waitangi Treated Water Filling Station
- Waitangi Water Treatment Plant
- Waitangi Treated Water Reservoirs
- Waitangi Raw Water Bore

These inspections were carried out by Fulton Hogan between the 18<sup>th</sup> and 22<sup>nd</sup> May 2026. A total of 188 individual assets were inspected. These assessments have not been verified or validated by ProjectMax.

The information was loaded on to an ArcGIS based dashboard which is held by Fulton Hogan. This is available through Fulton Hogan for council access. A screenshot of the dashboard is presented in Figure 3.

Figure 3 Image of the Fulton Hogan ArcGIS Dashboard



The overall summary of this inspection was that of the 188 assets above ground assets, 95 (50%) were in good or very good condition, 20 assets (11%) were in poor or very poor condition, the balance (39%) were found to be in fair or moderate condition.

#### 4.1.2 Assessment of overall above ground facility condition

The inspection did not tell the full story of the condition of the above ground facilities as consideration of the facilities' overall operability and remaining useful life of the whole facility was not made. For this reason, a second stage of assessment was carried out, using mainly anecdotal information, supplied by Stantec and Fulton Hogan supported by the asset inspection data.

In this assessment an overall condition grading of each of the facilities was carried out with an assessment of the confidence of the data and information supporting the grading. As part of this exercise an estimate of the remaining useful life of each of the facilities were made. In addition, relevant information concerning the operability of the facility in respect of Resource Consent compliance or the potential for a public health risk was gathered.

The findings from this assessment are provided in the table below.

Table 2 Summary of the Assessment of Above Ground Facilities

| Facility     | Condition Grade | Confidence Grade | Primary Data Source | Secondary Data Source            | Comment                                                                                                                                                                     | Approximate Remaining Useful Life |
|--------------|-----------------|------------------|---------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
| Waitangi WTP | 3-Moderate      | C-Uncertain      | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | The treatment plant is in an overall moderate condition. Installed in 2005. The building is secure; the majority of process equipment is 21 years old (except UV and online | 5-15 years                        |

| Facility                                     | Condition Grade | Confidence Grade | Primary Data Source | Secondary Data Source            | Comment                                                                                                                                                                                                                                                                                                                                                                                             | Approximate Remaining Useful Life |
|----------------------------------------------|-----------------|------------------|---------------------|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|
|                                              |                 |                  |                     |                                  | instruments are 4 years old) and operational. Some critical equipment is older than 5 years and repairs are required. The plastic 30m3 contact tank requires immediate attention.                                                                                                                                                                                                                   |                                   |
| Kaingaroa WTP and Storage                    | 3-Moderate      | C-Uncertain      | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | The treatment plant is in an overall moderate condition. Installed in 2014. The building is secure; the majority of process equipment is 12 years old (except for GAC filters and chlorine dosing which is 4 years) and is operational; GAC upgrade required to address drinking water compliance risks. Some critical equipment is older than 5 years and will need repair or replacement shortly. | 10 -20 years                      |
| Te One Transfer Station Potable Water Supply | 3-Moderate      | C-Uncertain      | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | The building supply system (rainwater harvesting via roof, tanks, treatment, pipework) is in an overall moderate condition. Rainwater tanks and pipework installed less than 10 years ago, with treatment system installed 3 years ago.                                                                                                                                                             | 10 -20 years                      |
| Kaingaroa Non-potable Water System           | 3-Moderate      | C-Uncertain      | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | The non-potable community system (rainwater harvesting via private roof, tanks, filling point) is in an overall moderate condition. Installed 4 years ago.                                                                                                                                                                                                                                          | 10 -20 years                      |
| Owenga Landfill Non-Potable Water system     | 3-Moderate      | C-Uncertain      | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | The building non-potable supply (rainwater harvesting via roof, tank, pipework, tap) is in an overall moderate condition. Installed around 10 years ago.                                                                                                                                                                                                                                            | 10 -20 years                      |
| Waitangi Wastewater Disposal                 | 4-Poor          | B-Reliable       | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | The wastewater disposal system is in an overall poor condition. Installed in 2005. The irrigation field is undersized, and the consent is not being met. Several of sprinklers are broken and are needing repair, however replacement parts no longer available.                                                                                                                                    | < 5 years                         |
| Waitangi Raw Water Bore                      | 4-Poor          | C-Uncertain      | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | The bore is in overall poor condition. The age, construction details and condition of the bore is unknown (was an existing bore used for the 2005 upgrade). Bore head area is fenced with perimeter swale. The bore head enclosure is in poor condition and requires attention.                                                                                                                     | <10 years                         |
| Waitangi Wastewater Treatment Plant          | 4-Poor          | C-Uncertain      | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | The plant is in overall poor condition. Installed in 2005. The critical treatment assets are operating beyond their design life, and the consent is not being met. The balance tank was replaced 4 years ago, however outstanding aspects need urgent attention, including removing old tank, installing permanent pipework and reinstating site fencing to secure the site.                        | < 10 years, some <2 years         |
| Kaingaroa Raw Water Intake                   | 5-Very poor     | B-Reliable       | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | The raw water intake from the lake is in overall very poor condition. Intake was installed in 2014 when lake levels had been relatively constant, however not designed for very low lake levels seen in recent years. Intake extension works urgently need to be completed. All assets are beyond their service life and need urgent attention, with recurring critical failures.                   | 1-5 Years                         |

As is highlighted above the Waitangi Wastewater disposal field and wastewater treatment plant are understood to be operating in breach of their Resource Consents and the bore for the Waitangi Raw Water Supply is not secure and could give rise to a public health issue.

In addition the Kaingaroa Raw Water Intake is identified as requiring urgent attention with recurring critical failures.

Overall, the condition of the above ground facilities is moderate to very poor with significant investment required to ensure adequate service provision currently and within the short-term period.

## 4.2 Below Ground Assets

The condition assessment for the below ground assets was based on the existing CCTV inspection data gathered and historical and anecdotal information for assets which have not been inspected. For assets which have not been inspected a prediction of the likely condition has been made based on this information.

### 4.2.1 CCTV Results

An internal CCTV inspection was carried out during late 2023 on the wastewater network in Waitangi. Inspections were carried out on approximately 800m of the network in accordance with the 4<sup>th</sup> Edition of the gravity pipe inspection manual. An engineering assessment of the inspection was undertaken by ProjectMax to determine structural and service condition grades. The result from this analysis indicates that the pipes are in **Good Condition (grade 2)** and have an estimated residual remaining life of at least 30 years. Which is in line with expectations for pipes of this vintage and material.

The results from the engineering assessment are presented in Appendix B to this report.

These results can be considered to be **Reliable (Confidence Grade B)**. They are not Highly Reliable (Confidence Grade A), as the CCTV inspection was carried out over 2 years ago.

### 4.2.2 Condition prediction for remaining networks

#### 4.2.2.1 Waitangi Wastewater Network

Informal asset registers and as built drawings indicate that the Waitangi wastewater and stormwater networks were constructed in 1978 and this was predominantly constructed of Asbestos Cement pipes, but with also some earthenware pipes. These networks total approximately 8 km. A section of the network on Waitangi Wharf Owenga Road collapsed in the last 2 years and was repaired with a patch repair.

As they were constructed at the same time as the assets which were subject to CCTV inspection these networks are likely to be in a similar condition (i.e. **Good Condition (Grade 2)**).

With an expected life of approximately 80 years for Asbestos Cement pipes (more for Earthenware), it's likely that there is more than 30 years of residual life remaining.

The exception to this is the network pump station, which was installed in 1978 as septic tank, modified to pump station in 2005 and is in poor condition, with significant corrosion.

These results can be considered to be **Uncertain (Confidence Grade C)**. They are not Reliable (confidence grade B), as the condition is extrapolated and they have not been inspected by CCTV.

#### 4.2.2.2 *Waitangi potable water network*

The Waitangi potable water network was constructed in 2005 using PE pipes of between 25mm and 110mm diameter with a 110mm diameter 'trunk' main constructed from PVC. Such pipes constructed at this time (post 1997) would have a base life of 100 years and hence is expected to have 80 years of useful remaining life and are most likely to be in **Good Condition (Grade 2)**.

There is a possibility of leaks, most likely from the fittings particularly with the PE pipes and joints on the PVC materials if not constructed properly. This won't affect the structural remaining life, but service wise if they continue to be an issue may end up needing to be renewed sooner than the structural remaining life to solve the leakage and water loss issue.

These results can be considered to be **Very Uncertain (Confidence Grade D)**, as they have been assumed from the condition of other PE and PVC pipes of same vintage elsewhere and they not been inspected in the field.

#### 4.2.2.3 *Kaingaroa Raw Water Transmission Pipeline*

The pipeline is understood to be overall poor condition. Limited information is available on the pipe material other than it is constructed from 6m lengths of plastic pipe. The age and condition of the raw water supply pipeline is older than 30 years and its location and condition is unknown. Sections of pipe have blown out due to ground material structural failure.

It has been assumed that the pipeline is in **Poor condition (Grade 4)**. These results can be considered to be **Highly Uncertain (Confidence Grade E)**.

#### 4.2.2.4 *Kaingaroa Water Network*

This small diameter network was constructed in 1982 of an unknown plastic material. The location of the network is unknown. There was a significant break in north end of network in last 5 years.

The network is thought to be in an overall **Poor Condition. (Grade 4)**. These results can be considered to be **Highly Uncertain (Confidence Grade E)**.

#### 4.2.2.5 Waitangi Stormwater Network

The stormwater system is in overall very poor condition. Originally installed in 1979-1980 as part of a former water supply for part of Waitangi. When current Waitangi water supply was installed in 2005, old water supply was decommissioned with the stormwater pipelines and tank kept but not maintained. Construction details and condition of pipeline unknown and the tank in very poor condition.

The network is thought to be in an overall **Very Poor Condition. (Grade 5)**. These results can be considered to be **Highly Uncertain (Confidence Grade E)**.

### 4.3 Summary of condition assessment results

The following table summarises the results from the condition assessment

Table 3 Overall Summary of the Assessment of Water Networks and Facilities

| Facility                                                         | Condition Grade | Confidence Grade   | Primary Data Source | Secondary Data Source            | Approximate Remaining Useful Life                   |
|------------------------------------------------------------------|-----------------|--------------------|---------------------|----------------------------------|-----------------------------------------------------|
| Waitangi Wastewater Network (CCTV Part)                          | 2-Good          | B-Reliable         | CCTV Survey         | Engineering Assessment           | 11-30 years, Some >30 years                         |
| Waitangi Wastewater Network (Remainder) and Network Pump Station | 2-Good          | C-Uncertain        | Pipe Material, Age  | Likely condition prediction      | 11-30 years, Some >30 years. Pump station < 5 years |
| Waitangi Water Network and Network Storage                       | 2-Good          | D- Very Uncertain  | Pipe Material, Age  | Likely condition prediction      | 80 years                                            |
| Waitangi WTP                                                     | 3-Moderate      | C-Uncertain        | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | 5-15 years                                          |
| Kaingaroa WTP and Storage                                        | 3-Moderate      | C-Uncertain        | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | 10 -20 years                                        |
| Te One Transfer Station Potable Water Supply                     | 3-Moderate      | C-Uncertain        | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | 10 -20 years                                        |
| Kaingaroa Non-potable Water System                               | 3-Moderate      | C-Uncertain        | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | 10 -20 years                                        |
| Owenga Landfill Non-Potable Water system                         | 3-Moderate      | C-Uncertain        | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | 10 -20 years                                        |
| Waitangi Wastewater Disposal                                     | 4-Poor          | B-Reliable         | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | < 5 years                                           |
| Waitangi Raw Water Bore                                          | 4-Poor          | C-Uncertain        | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | <10 years                                           |
| Waitangi Wastewater Treatment Plant                              | 4-Poor          | C-Uncertain        | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | < 10 years, some <2 years                           |
| Kaingaroa Raw Water Transmission Pipeline                        | 4-Poor          | E-Highly Uncertain | Anecdotal           | None                             | < 10 years                                          |
| Kaingaroa Water Network                                          | 4-Poor          | E-Highly Uncertain | Anecdotal           | None                             | < 10 years                                          |
| Kaingaroa Raw Water Intake                                       | 5-Very poor     | B-Reliable         | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | 1-5 Years                                           |

| Facility                   | Condition Grade | Confidence Grade   | Primary Data Source | Secondary Data Source            | Approximate Remaining Useful Life |
|----------------------------|-----------------|--------------------|---------------------|----------------------------------|-----------------------------------|
| Waitangi Stormwater System | 5-Very poor     | E-Highly Uncertain | Asset Inspection    | Anecdotal(Stantec, Fulton Hogan) | 11-30+ years, tank <1 year        |

## 5 Next Steps

A comprehensive condition assessment could not be completed for the Chatham Islands Council water assets due to the lack of information and data on the assets and time available. Council should consider obtaining more information on the condition and in some cases the status and existence of the assets, particularly where data confidence is poor and the consequence of asset failure is severe.

The cost of gathering more data should be balanced against that of investing in renewals, particularly if that investment is modest.

A logical next step would therefore be to determine the cost of renewing assets with short remaining useful lives and assessing, based on the information presented in this report, the risk Council is prepared to take in not investing in additional information to increase confidence in the condition data.

Following this a planned risk-based inspection programme could be developed to ensure that appropriate priority is given to asset inspection that would set out assets inspection over multiple years to budgets available.

At the same time Council should determine which renewals should progress as the risk of not doing so is too high.

Council should also consider risks associated with breaches of Resource Consents and the potential for Public Health issues which are highlighted in this report.

## Appendix A Schedule of Faults from 2023 to the present day

### Waitangi Drinking Water Supply

| Date                        | Breaks, faults (Dayworks claims)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January to June 2023        | <ul style="list-style-type: none"> <li>Broken and/or leaking valves were repaired/replaced in the water network.</li> <li>Air in raw water sampling line was artificially increasing turbidity meter readings; issue resolved April 2023.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| July to December 2023       | <ul style="list-style-type: none"> <li>Bore pump failed on 27<sup>th</sup> October 2023 due to electrical issues, shutting down the plant and, as a result, some residents notified FH they had run out of water. Water restriction notice issued on 28 October. Treatment plant restarted on 29<sup>th</sup> October, however ongoing electrical issues. Issue fully resolved in November 2023.</li> <li>Replaced 3 water meters and leaking valves in October 2023.</li> <li>Issues with the softener backwash in November 2023. Resolved by stripping, cleaning, and resetting the equipment.</li> <li>Major leak identified on 3 November. Location isolated to Kapito Road and repaired the following week. Valves were installed on the Kapito and Mapito Road branches to enable future isolation. Once fully resolved, water restrictions were lifted.</li> </ul> |
| January to June 2024        | <ul style="list-style-type: none"> <li>Island almost ran out of diesel in June 2024. The water supply scheme is unable to operate without diesel.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| July to December 2024       | <ul style="list-style-type: none"> <li></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| January to June 2025        | <ul style="list-style-type: none"> <li>Completed annual water treatment plant service</li> <li>Fixed water network leak near river</li> <li>Fixed water network leak near the council houses</li> <li>Fixed failed chlorine pump</li> <li>Replaced failed UV fan</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| July to December 2025       | <ul style="list-style-type: none"> <li>Fixed network leaks</li> <li>Replaced pipe supports under the Waitangi bridge</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| January to June 2026 (part) | <ul style="list-style-type: none"> <li>Significant leak in Waitangi contact tank (current issue)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## Kaingaroa Drinking Water Supply

| Date                        | Breaks, faults (Dayworks claims)                                                                                                                                                                                                                                                    |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January to June 2023        | <ul style="list-style-type: none"> <li>The motor of the raw water intake failed and had to be replaced.</li> <li>FAC meter readings were spiking; issue was resolved by installing new float switches in the treated water tank in June 2023.</li> </ul>                            |
| July to December 2023       | <ul style="list-style-type: none"> <li>Chlorine dosing pump malfunctioned and was replaced.</li> </ul>                                                                                                                                                                              |
| January to June 2024        | <ul style="list-style-type: none"> <li>UV lamp faulted in June 2024. Replacement parts and surge protector ordered</li> <li>February 2024, issue with WTP chlorine dosing pump, and operators had to dose manually until resolved.</li> </ul>                                       |
| July to December 2024       | <ul style="list-style-type: none"> <li>UV lamp arrived and installed in July 2024.</li> <li>July 2024, issue with WTP float switch that was not allowing the plant to start automatically.</li> </ul>                                                                               |
| January to June 2025        | <ul style="list-style-type: none"> <li>Replaced two failed turbidity meters</li> <li>Fixed faulty FAC probe.</li> <li>Fixed UV fault at the water treatment plant</li> <li>Installed flow meters at raw water tanks to monitor usage</li> <li>Repaired raw water pump</li> </ul>    |
| July to December 2025       | <ul style="list-style-type: none"> <li>Cleaned lake Rangitai inlet screen</li> <li>Fixed FAC probe</li> <li>Installed flow meters at raw water tanks to monitor usage</li> <li>Replaced failed hydraulic motor and procured critical spare.</li> <li>Fixed network leaks</li> </ul> |
| January to June 2026 (part) | <ul style="list-style-type: none"> <li>Multiple issues at Kaingaroa water treatment plant in March</li> <li>Kaingaroa intake pump fault (current issue)</li> </ul>                                                                                                                  |

## Waitangi Wastewater Scheme

| Date                  | Breaks, faults (Dayworks claims)                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| January to June 2023  | <ul style="list-style-type: none"> <li>New balance tank construction continues (electrical and pipework installation)</li> <li>Additional cleaning and monitoring of network pump station and WWTP during heavy rain events.</li> <li>Appropriate plants are being propagated locally; once mature they will be planted to mitigate risk of surface water ponding/runoff from land application system</li> </ul>           |
| July to December 2023 | <ul style="list-style-type: none"> <li>New balance tank is operating, however the in-tank mixer is not commissioned.</li> <li>UV reactor controller identified as due for replacement. New control panel has been ordered.</li> <li>CCTV carried out on targeted areas of Waitangi sewerage network to try and identify points of excessive stormwater ingress during heavy rain and assess pipeline condition.</li> </ul> |
| January to June 2024  | <ul style="list-style-type: none"> <li>UV reactor controller and UV sleeves have been replaced.</li> </ul>                                                                                                                                                                                                                                                                                                                 |

| Date                        | Breaks, faults (Dayworks claims)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July to December 2024       | <ul style="list-style-type: none"> <li>• A dry weather overflow occurred at the network pump station in September due to a pump failure</li> <li>• A wet weather overflow occurred at the network pump station in September due to a pump failure and high network infiltration</li> <li>• Appropriate plants propagated locally have been planted to mitigate risk of surface water ponding/runoff from land application system.</li> <li>• New UV sleeves and UV tubes were installed.</li> <li>• In October 2024, two new pumps arrived and were installed in the network pump station.</li> </ul> |
| January to June 2025        | <ul style="list-style-type: none"> <li>• Repaired electrical circuit breaks and cutouts at the network pump station</li> <li>• Sludge return, solids and irrigation tanks have been cleaned out.</li> <li>• Removed and replaced four broken irrigation sprinklers</li> <li>• Cleaned UV sleeves</li> <li>• Council issued a letter to residents requesting they disconnect stormwater connections to the wastewater system.</li> </ul>                                                                                                                                                               |
| July to December 2025       | <ul style="list-style-type: none"> <li>• Network overflow July 2025 due to collapsed pipe about 50m upstream of network pump station, broken section of pipe removed, repaired</li> <li>• Repaired electrical circuit breaks and cutouts at the pump station by the bridge</li> <li>• Sludge return, solids and irrigation tanks have been cleaned out.</li> <li>• Replaced the irrigation pump</li> <li>• Retrofitted the inlet screen to a basket</li> <li>• Serviced pumps at the pump station by the bridge.</li> </ul>                                                                           |
| January to June 2026 (part) | <ul style="list-style-type: none"> <li>•</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

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## 10. Policies & Bylaws

### 10.1 Adoption of the draft Conflicts of Interest Policy 2026 (Staff)

|                           |                                      |
|---------------------------|--------------------------------------|
| <b>Date of meeting</b>    | 25 June 2026                         |
| <b>Agenda item number</b> | 10.1                                 |
| <b>Author</b>             | Mereraina Hemara, Operations Manager |

#### Purpose

The purpose of this report is to present the CIC Conflicts of Interest Policy (Staff) 2026 to Council for adoption following consideration by the Performance, Audit and Risk Committee.

#### Recommendation

1. That Council:
2. Receives the report titled *CIC Conflicts of Interest Policy (Staff) 2026*.
3. Notes the recommendation of the Performance, Audit and Risk Committee that Council adopt the CIC Conflicts of Interest Policy (Staff) 2026.
4. Adopts the CIC Conflicts of Interest Policy (Staff) 2026.

#### Background

The CIC Conflicts of Interest Policy (Staff) 2026 has been developed to provide a clear framework for identifying, disclosing and managing actual, potential and perceived conflicts of interest involving Council staff.

The policy supports Council's commitment to transparency, accountability and ethical conduct and assists in ensuring that staff decisions and actions are undertaken in the best interests of the Council and community.

#### Performance, Audit and Risk Committee Consideration

The Performance, Audit and Risk Committee considered the policy at its meeting on 15 June 2026 and resolved:

**That the Performance, Audit and Risk Committee recommends the CIC Conflicts of Interest Policy (Staff) to Council for adoption.**

The Committee was satisfied that the policy provides an appropriate framework for managing conflicts of interest and supports good governance and organisational integrity.

## Discussion

The policy establishes expectations and procedures for staff to:

- Identify and disclose conflicts of interest;
- Manage actual, potential and perceived conflicts appropriately;
- Maintain public confidence in Council decision-making processes; and
- Ensure compliance with Council's standards of conduct and governance requirements.

Adoption of the policy will provide a consistent approach across the organisation and support best-practice risk management.

## Financial Implications

There are no direct financial implications arising from the adoption of this policy.

## Significance and Engagement

This matter is considered administrative in nature and does not trigger the Council's Significance and Engagement Policy.

## Conclusion

The Performance, Audit and Risk Committee has reviewed the CIC Conflicts of Interest Policy (Staff) 2026 and recommends that Council adopt the policy.

## Attachments

1. CIC Conflicts of Interest Policy (Staff) 2026.



# **CHATHAM ISLANDS COUNCIL**

## **STAFF CONFLICTS OF INTEREST POLICY**

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# Chatham Islands Council – Staff Conflicts of Interest Policy

## Aligned to the Local Government Act 2002

### 1. Purpose

This policy ensures that staff of Chatham Islands Council act in accordance with their legal and ethical obligations under the Local Government Act 2002 (LGA 2002), maintaining public trust through transparent identification and management of conflicts of interest.

This policy supports:

- Section 14(1)(a) – acting in accordance with principles of transparency and accountability
- Section 14(1)(h) – prudent stewardship and efficient use of resources
- Section 14(1)(e) – openness and public participation in local decision-making

### 2. Scope

This policy applies to:

- All employees (permanent, fixed-term, casual, and temporary)
- Contractors and consultants engaged by Council
- Any person acting on behalf of Council

It applies to staff conduct only and complements obligations placed on elected members under:

- Sections 41–42 LGA 2002 (disclosure and conduct of elected members)

### 3. Legislative Context

#### 3.1 Local Government Act 2002 – Key Provisions

This policy is designed to support compliance with the following provisions:

- Section 14 – Principles relating to local authorities
  - Transparency, accountability, and open decision-making
  - Ethical and responsible behaviour in governance and operations
- Section 76 – Decisions and decision-making processes
  - Decisions must be made in a manner that is lawful, rational, and transparent
  - Conflicts of interest must not compromise decision integrity
- Section 77 – Requirements in relation to decisions

- o Consideration of alternatives and impacts must be undertaken fairly and without bias
- Section 78 – Community views in relation to decisions
  - o Decision processes must not be influenced by personal interests

While the LGA 2002 does not prescribe detailed conflict rules for staff, this policy ensures Council meets its good employer obligations (s. 42, s. 108) and maintains integrity in delegated decision-making processes.

#### **4. Policy Statement**

All staff must:

- Act in the best interests of the Council and the public
- Avoid situations where personal interests could improperly influence duties
- Declare any actual, potential, or perceived conflict of interest immediately

Where a conflict arises, it must be:

- Declared in writing
- Recorded in the Council's Conflicts of Interest Register
- Managed in accordance with this policy and delegated authority under the LGA 2002

#### **5. Definitions (Aligned to Public Sector Standards)**

##### **5.1 Conflict of Interest**

A conflict exists where a staff member's personal, financial, or relational interests may:

- Influence, or be perceived to influence, their ability to perform duties impartially under delegated authority from Council (LGA 2002, s. 76 decision-making obligations)

##### **5.2 Types of Conflict**

- Actual conflict – direct conflict between duty and personal interest
- Potential conflict – a conflict that may arise in future circumstances
- Perceived conflict – where a reasonable person could believe impartiality is compromised

## 6. Legal Duty to Declare Conflicts

While the LGA 2002 does not impose direct statutory declaration duties on staff, Council requires disclosure to ensure compliance with:

- Section 14 principles (transparency and integrity)
- Delegated authority under Sections 76–81
- Council's obligations as a good employer (s. 108)

Staff must therefore:

- Declare conflicts as soon as they arise or are identified
- Ensure they do not participate in decisions where impartiality may be compromised

## 7. Sources of Conflict of Interest

Conflicts may arise from:

- Family or close personal relationships
- Secondary employment or business interests
- Financial interests in suppliers or contractors
- Involvement in funding or grant recipients
- Gifts, hospitality, or benefits
- Participation in decision-making under delegated authority (LGA 2002 s. 76)

## 8. Declaration and Recording

Staff must:

- Immediately notify their manager or the Chief Executive
- Complete a 'Conflict of Interest' Declaration Form
- Ensure the conflict is recorded in the Council Conflicts Register

Records support Council's compliance with:

- Section 14 transparency principles
- Section 76 decision integrity requirements

## 9. Management of Conflicts

Management actions may include:

- No further action (low-risk or immaterial conflicts)

- Exclusion from delegated decision-making processes (s. 76 compliance safeguard)
- Removal from procurement or evaluation activity
- Transfer of responsibility
- Oversight by a senior officer or Chief Executive
- In extreme cases, restriction of external activity

The Chief Executive (or delegate under Council's delegations register) determines management actions.

## **10. Gifts, Benefits and Hospitality**

To maintain compliance with:

- Section 14 principles of integrity and transparency

Staff must:

- Not accept gifts or benefits that could influence decision-making
- Declare all gifts above a nominal threshold (e.g. \$50)
- Record all gifts in the Gifts Register

Cash gifts must not be accepted under any circumstances.

## **11. Secondary Employment and External Interests**

Staff must:

- Disclose all external employment or business interests
- Ensure external work does not conflict with duties under delegated authority (s. 76)
- Obtain written approval where a conflict is identified

## **12. Procurement and Contracting**

To ensure compliance with:

- Section 14 (integrity and prudent stewardship)
- Section 76 (fair decision-making processes)

Staff must:

- Declare any interest in suppliers or contractors
- Withdraw from evaluation or approval processes where a conflict exists

- Avoid influencing procurement outcomes where conflicted

### **13. Breaches of Policy**

Breaches may result in:

- Disciplinary action under Council employment policies
- Removal from delegated authority roles
- Termination of employment
- Referral to external authorities where required

### **14. Responsibilities**

#### **Employees**

- Identify and declare conflicts
- Comply with management directions

#### **Managers**

- Identify, escalate, and manage conflicts appropriately
- Ensure decisions remain compliant with LGA 2002 principles

#### **Chief Executive**

- Overall responsibility for compliance
- Final decision-maker on complex conflicts
- Ensures alignment with delegated authority framework

### **15. Record Keeping**

Council will maintain:

- Conflicts of Interest Register
- Gifts and Hospitality Register
- Supporting declaration forms

Records support accountability under LGA 2002 section 14 principles of transparency and stewardship.

### **16. Policy Review**

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

- Amendments to the Local Government Act 2002 occur
- Audit findings require updates
- Operational risks are identified

### History of Changes

| DATE        | POLICY ADOPTION | DESCRIPTION    |
|-------------|-----------------|----------------|
| 28 May 2026 | 28 May 2026     | Initial Policy |

## Public Excluded Agenda

25 June 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 28 May 2026                          | Good reason to withhold exists under Section 7                | Section 48(1)(a)                                                 |
| PE 12.2  | Chief Executive 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.12.1  | PE Minutes 23 April 2026                        | 7(2)(b)(ii)<br>7(2)(h)<br>7(2)(i) | Would be likely to prejudice the commercial position of the person or persons who are the subject of the information<br>To maintain legal professional privilege.<br>To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities. |
| PE 12.2  | Chief Executive Report                          | 7(2)(b)(ii)<br>7(2)(h)<br>7(2)(i) | Would be likely to prejudice the commercial position of the person or persons who are the subject of the information<br>To maintain legal professional privilege.<br>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.