



chatham islands council

Chatham Islands Council

BOARD PACK

for

Council Meeting

Thursday, 31 October 2024

9:00 am (+1345)

Held at:

Chatham Islands Council

13 Tuku Road, Chatham Islands

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AGENDA

COUNCIL MEETING



Name:	Chatham Islands Council
Date:	Thursday, 31 October 2024
Time:	9:00 am to 11:00 am (+1345)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands
Board Members:	Cr Amanda Seymour, Cr Celine Gregory-Hunt, Cr Graeme Hoare, Cr Greg Horler, Cr Judy Kamo, Cr Keri Day, Mayor Monique Croon, Cr Nigel Ryan, Cr Steve Joyce
Attendees:	Mr Andrew Wong, Ms Colette Peni, Ms Jo Guise, Ms Kirsten Norquay, Mr Nigel Lister, Paul Eagle, Mr Phil Holt, Ms Tanya Clifford
Guests/Notes:	Alex McKinnon (Koau), Rachel Tutty (ECan)

1. Opening Meeting

1.1 Meeting Opening

1.2 Apologies

1.3 Interests Register

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

Supporting Documents:

1.3.a Interests Register	7
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1.4 Action List

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

Supporting Documents:

1.4.a Action List	8
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2. Confirmation of Minutes

2.1 Minutes 27 September 2024

Review and confirm the minutes of the previous meeting.

Supporting Documents:

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2.2 Minutes 2 October 2024

Supporting Documents:

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2.3 Draft KMT Minutes 9 October 2024

Supporting Documents:

2.3.a	2.3 Draft KMT Minutes 9 October 2024.pdf	20
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3. Finance

3.1 Financial Report

Ms Tanya Clifford

For Information

Information to be received.

Supporting Documents:

3.1.a	3.1 Financial Report.pdf	24
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3.2 Annual Report Adoption 2024

For Decision

Supporting Documents:

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3.2.b	CIC10289 Annual Report 2023-24 DRAFT PROOF v1.pdf	30

4. Works & Services

4.1 Stantec Report

Information to be received.

Supporting Documents:

4.1.a	4.1 Stantec Report1.pdf	98
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4.2 Fulton Hogan Road Maintenance Report

Information to be received.

Supporting Documents:

4.2.a	4.2 Fulton Hogan Road Maintenance Report .pdf	109
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4.3 Fulton Hogan Water & Wastewater Report

Information to be received.

Supporting Documents:

4.3.a	4.3 Fulton Hogan Water & Wastewater Contract .pdf	123
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5. Community

6. Regulatory

6.1 ECan Biosecurity Report

Paul Eagle

For information.

6.2 Annual Dog Control Report as at 30 June 2024

For Information

Supporting Documents:

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6.3 Biosecurity Act Submission

This report will be available before the meeting.

Supporting Documents:

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7. Emergency Management

8. Government

8.1 Ministerial Correspondence

Supporting Documents:

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8.1.b	MIN-CB-80 Letter from Hon Bishop and Brown regarding the National Infrastructure Plan.eml	137
8.1.c	CB-COR0836 - Letter from Minister Bishop.pdf	138

9. Chatham Islands

10. Public Excluded

10.1 Move to Public Excluded

Supporting Documents:

10.1.a	PE Cover Page 15 December 2022.pdf	148
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10.2 Public Excluded Minutes 27 September 2024

For Approval

Supporting Documents:

10.2.a PE.1 PE Minutes 7 October 2024.pdf	149
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10.3 Minutes PE Extraordinary - 7 October 2024

Supporting Documents:

10.3.a PE.1 PE Minutes 7 October 2024.pdf	153
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10.4 CIHPT Update

For Information

Alex Mckinnon will join the meeting to give an update from CIHPT.

Supporting Documents:

10.4.a PE 3 CIHPT Update.pdf	157
10.4.b (PE) CIHPT Update - Oct 24.docx	158

10.5 Close the meeting 9:00 am

Next meeting: Council Meeting - 28 Nov 2024, 9:00 am

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

Interests Register

Chatham Islands Council



As of: 31 Oct 2024

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

Action List

Chatham Islands Council



As of: 25 Oct 2024

CIHPT Information

Done

When CIHPT information is available, circulate to full Council.

Due Date: 1 Aug 2024

Owner: Paul Eagle

Meeting: 2 May 2024 2 May 2024 Council Meeting, 10.4 Chatham Islands Housing Partnership Trust Update

Conflicts of interest

Done

Get clarity on conflicts of interest for CIET / CIC Review

Due Date: 15 Aug 2024

Owner: Paul Eagle

Meeting: 4 Jul 2024 Council Meeting, 10.3 Late Item - Report on Review of CIET & CIC

Asset List

Done

Operations Manager to supply asset list to CE to take to Philip Jones for insurance discussion.

Due Date: 19 Aug 2024

Owner: Ms Colette Peni

Meeting: 15 Aug 2024 Council Meeting, 3.2 Insurance

Insurance

Done

Paul Eagle to meet with PARC Chairperson next week to discuss the Material Damage and Business Interruption Insurance.

Due Date: 26 Sept 2024

Owner: Paul Eagle

Meeting: 15 Aug 2024 Council Meeting, 3.2 Insurance

Waitangi Hall

In Progress

Meet with interested parties to explain unfavourable legal advice.

Due Date: 26 Sept 2024

Owner: Paul Eagle

Meeting: 15 Aug 2024 Council Meeting, 5.3 Waitangi Hall

Stormwater

Done

Message to homeowners to check their stormwater run-offs did now go into the sewer system.

Also memo to households of obligations of homeowners to contact Council.

Due Date: 24 Oct 2024

Owner: Paul Eagle
Meeting: 27 Sept 2024 Council Meeting, 4.3 Fulton Hogan Water & Wastewater Report

Petrol Resolution**In Progress**

Work with CIET on fuel resilience.

Due Date: 31 Oct 2024

Owner: Paul Eagle

Meeting: 27 Sept 2024 Council Meeting, 3.1 Financial Report



2. Democracy

2.1 Minutes of an Ordinary Meeting 27 September 2024

Date of meeting	31 October 2024
Agenda item number	2.1
Author/s	Jo Guise, Executive Assistant

Purpose

For the Council to receive and confirm the minutes of the Ordinary Meeting of Council held on 27 September 2024.

Recommendations

1. **THAT the minutes from the meeting of the Chatham Islands Council held on 27 September 2024 be a true and accurate record.**

MINUTES (in Review)

COUNCIL MEETING



Name:	Chatham Islands Council
Date:	Friday, 27 September 2024
Time:	9:00 am to 10:28 am (+1245)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands
Board Members:	Cr Amanda Seymour, Cr Celine Gregory-Hunt, Cr Greg Horler, Cr Keri Day, Mayor Monique Croon
Attendees:	Ms Colette Peni, Ms Jo Guise, Paul Eagle, Ms Rebecca Tinga, Mr Jack Boyd, Mr Phil Holt
Apologies:	Cr Judy Kamo, Cr Steve Joyce, Cr Graeme Hoare, Cr Nigel Ryan
Guests/Notes:	Susan Freeman-Greene (Local Government Chief Executive), Colette Devlin-Perrott (Rau Panga), Kate Graham (Beca)

1. Opening Meeting

1.1 Meeting Opening

The meeting opened with a Karakia. Mayor Croon acknowledged the passing of Tanya Clifford's father, and Clara-Leigh Hough.

1.2 Apologies

1.3 Interests Register

1.4 Action List

Due Date	Action Title	Owner
1 Aug 2024	CIHPT Information Status: In Progress	Paul Eagle
15 Aug 2024	Conflicts of interest Status: In Progress	Paul Eagle
19 Aug 2024	Asset List Status: In Progress	Ms Colette Peni
26 Sept 2024	Insurance Status: In Progress	Paul Eagle
26 Sept 2024	Waitangi Hall Status: In Progress	Paul Eagle

2. Confirmation of Minutes

2.1 Minutes 15 August 2024



Previous Minutes

THAT the minutes from the meeting held on 15 August 2024 be a true and accurate record.

Decision Date: 26 Sept 2024
Mover: Cr Celine Gregory-Hunt
Second: Cr Greg Horler
Outcome: Approved

3. Finance

3.1 Financial Report



Financial Report

THAT the financial report for August 2024 be received.

Decision Date: 26 Sept 2024
Mover: Cr Celine Gregory-Hunt
Second: Cr Amanda Seymour
Outcome: Approved

In the absence of Tanya Clifford the Chief Executive gave an update to the report.

3 Waters Better-off funding - The DIA had approved all projects that the Council had reallocated funds to in February, but the August 7 date had passed the deadline for the 30 June 2024 financial year. Funding from that process would be included in the 2025 year.

A storage solution was needed for petrol as the certification for the storage tank had expired and an extension had been granted until ??.



Petrol Resolution

Work with CIET on fuel resilience.

Due Date: 31 Oct 2024
Owner: Paul Eagle

4. Works & Services

4.1 Stantec Report



Stantec Report

THAT the report be received.

Decision Date: 26 Sept 2024
Mover: Cr Celine Gregory-Hunt
Second: Cr Greg Horler
Outcome: Approved

Rebecca Tinga gave an update to the Stantec report. She confirmed funding had been confirmed from NZTA, which was 96% of what they had requested for maintenance. They are now confident all maintenance work proposed can be undertaken. Funding of \$960,000 had also been approved for completion of the Owenga loading facility.

4.2 Fulton Hogan Road Maintenance Report



Fulton Hogan Road Maintenance Report

THAT the report be received.

Decision Date: 26 Sept 2024
Mover: Cr Amanda Seymour
Seconders: Cr Greg Horler
Outcome: Approved

Phil Holt gave an update to his report.

The focus had been on strengthening of the unsealed network this year and next year their focus would be on sealing.

4.3 Fulton Hogan Water & Wastewater Report



Fulton Hogan Water & Wastewater Report

THAT the report be received.

Decision Date: 26 Sept 2024
Mover: Cr Celine Gregory-Hunt
Seconders: Cr Amanda Seymour
Outcome: Approved

Jack Boyd advised they were still monitoring chlorate levels in Kaingaroa which was trending down. The 'Do not drink' notice was still in place but they were assessing that.

Waste water - Both of the 2 pumps had failed in the solids tank - currently operating at reduced capacity with only 1 pump working. New pumps have been ordered.

There was a request for Council's support to ask homeowners to check that their stormwater run-offs did not go into the sewer system.



Stormwater

Message to homeowners to check their stormwater run-offs did now go into the sewer system.

Also memo to households of obligations of homeowners to contact Council.

Due Date: 24 Oct 2024
Owner: Paul Eagle

4.4 Fulton Hogan Waste Management Report



Fulton Hogan Waste Management Report

THAT the report be received.

Decision Date: 26 Sept 2024
Mover: Cr Amanda Seymour
Seconders: Cr Greg Horler
Outcome: Approved

5. Community

5.1 Chatham Islands Emergency Services Hub



Chatham Islands Emergency Services Hub

THAT:

1. Rau Paenga Limited, the Government's specialist infrastructure delivery agency, will now lead the development of a business case on behalf of the Chatham Islands Council.
2. Rau Paenga Limited will deliver the business case by early 2025, funded by Council.

Decision Date: 26 Sept 2024
Mover: Cr Celine Gregory-Hunt
Seconded: Cr Amanda Seymour
Outcome: Approved

Colette Devlin-Perrott joined the meeting and gave a presentation on Rau Paenga Ltd and what they do.

6. Regulatory

6.1 ECan Quarterly Report



ECAN Quarterly Report

THAT the verbal report be received.

Decision Date: 26 Sept 2024
Mover: Cr Celine Gregory-Hunt
Seconded: Cr Greg Horler
Outcome: Approved

The Chief Executive advised a new ECan Project Manager had been put in place and there had been intense conversations about the future structure of the ECan contract.

6.2 Resource Consent Application - CIC/2024/002 - A Fraser



Subdivision Consent (CIC/2024/002)(i) That pursuant to Section 95...

Subdivision Consent (CIC/2024/002)

- (i) That pursuant to Section 95A-G of the RMA the application does not require public notification or limited notification.
- (ii) That pursuant to sections 104, 104B and 108 of the RMA Chatham Islands Council grants consent:

To subdivide Lot 9 DP 68352 (Record of Title WM46C/462) into proposed Lots 1 -3 and two erosion parcels subject to the following conditions:

1. The proposed activity must be undertaken in general accordance with the information and plans provided with the resource consent application received by the Council.
2. All easements shown shall be duly granted and reserved.
3. Pursuant to 221 of the Resource Management Act 1991 a consent notice shall be imposed on the record of title for Lots 1 and 2 advising as follows: -

All future earthworks and building development on Lots 1 and 2 shall be consistent with a geotechnical report prepared by a suitably qualified geotechnical engineer that is to be provided at the time of the development on the site.

4. Accessways

a) Access to the formed road for Proposed Lots 1 and 2 shall be located beside the shared boundary between Lots 1 and 2. For the removal of doubt, this is:

- i. At the northeast corner of Lot 1, and
- ii. At the northwest corner of Lot 2.

b) The design and construction of the accessways to Lots 1 and 2 shall be in general accordance with Council's standard drawing 005 (attached).

c) That any accessway to new Lots 1 and 2 shall have side slopes battered at a maximum gradient of 1 in 3 (33%) or as agreed by the Council Engineer prior to construction.

d) Any culvert crossings and inlet / outlet structure to be constructed for each lot must adhere to Council's standard drawings for rural accessways, with culvert pipe size and length to be agreed with the Council Engineer prior to construction.

Culvert construction shall be in general accordance with Council's standard drawings 004 and 005 (attached).

e) The existing access to Lot 3 shall be retained in its current location.

Advice Note: Parcels shown as

"erosion" on the subdivision plan shall be part of the riverbed.

Decision Date:	27 Sept 2024
Mover:	Mayor Monique Croon
Seconder:	Cr Amanda Seymour
Outcome:	Approved

6.3 Resource Consent Application - CIC/2024/003 - Kaingaroa Station

This item was deferred to a later date.

6.4 Resource Consent Application - CIC/2024/004 - Cannister Farming

This item was deferred to a later date.

6.5 Resource Consent Application - CIC/2024/005 - Henga Lodge

This item was deferred to a later date.

6.6 Resource Consent Application - CIC/2024/006 - T Page Farm

This item was deferred to a later date.

6.7 Resource Consent Application - CIC/2024/007 - Kevan Clarke & Carey Rohloff

This item was deferred to a later date.

6.8 Resource Consent Application - CIC/2024/008 - Quintin & Tessa Horler

This item was deferred to a later date.

7. Emergency Management

8. Government

9. Chatham Islands

10. Policies and Bylaws

10.1 Class 4 - Gambling Venue and Totalisator Agency Board Venue Policy



Class 4 - Gambling Venue and Totalisator Agency Board Venue Policy

THAT the Chatham Islands Council:

1. Approves the Draft Class 4 – Gambling and Totalisator Agency Board Venue Policy.

Decision Date:	26 Sept 2024
Mover:	Cr Amanda Seymour
Seconders:	Cr Celine Gregory-Hunt
Outcome:	Approved

The Mayor noted there were currently no pokie machines on the island, or a TAB venue. She also noted that in the past the community had benefited from pokie machines funds via NZCT.

After consideration of the submissions, it was agreed to adopt the Policy as presented, and not adopt the recommendations from the two submitters.

11. Public Excluded

11.1 Move to Public Excluded



Move to Public Excluded

THAT the meeting move to Public Excluded.

Decision Date:	26 Sept 2024
Mover:	Mayor Monique Croon
Seconders:	Cr Amanda Seymour
Outcome:	Approved

The meeting moved in to public excluded at 10.15am and out at 10.29am.

Signature: _____

Date: _____



2. Democracy

2.1 Minutes of an Ordinary Meeting 2 October 2024

Date of meeting	31 October 2024
Agenda item number	2.1
Author/s	Jo Guise, Executive Assistant

Purpose

For the Council to receive and confirm the minutes of the Ordinary Meeting of Council held on 2 October 2024.

Recommendations

1. **THAT the minutes from the meeting of the Chatham Islands Council held on 2 October 2024 be a true and accurate record.**

Background

The meeting was held to hear those submitters who wished to be heard in relation to the CIC stock Control and Keeping of Poultry, Bees & Pigs and Boundary Fencing Bylaw 2023.

MINUTES (in Review)

COUNCIL MEETING



Name:	Chatham Islands Council
Date:	Wednesday, 2 October 2024
Time:	10:00 am to 10:43 am (+1345)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands
Board Members:	Cr Amanda Seymour, Cr Greg Horler, Cr Judy Kamo, Cr Keri Day, Mayor Monique Croon
Attendees:	Ms Colette Peni, Ms Jo Guise
Apologies:	Cr Celine Gregory-Hunt, Cr Graeme Hoare, Cr Steve Joyce, Cr Nigel Ryan
Guests/Notes:	George Goomes, Jack Daymond

1. Opening Meeting

1.1 Meeting Opening

Mayor Croon opened the meeting with a Karakia and welcomed submitters.

1.2 Apologies

Apologies were also received from Richard Seymour (submitter) and Paul Eagle (Chief Executive).

2. Submission Summary

2.1 Submission Summary

Both submitters were confused over some wording in the proposed bylaw. After discussion, it was established that they had not collected a copy of the bylaw with their submission pack.

George Goomes asked for more kanohi ki te kanohi consultation and engagement on bylaws.

Jack Daymond referred to the title of the bylaw and suggested separate bylaws, especially for fencing, would be clearer.

After hearing from submitters, Mayor Croon closed the meeting. Council would consider the submissions and information heard and either amend or approved the bylaw at the next Council meeting on 31 October 2024.

3. Close the Meeting

3.1 Close the meeting

Next meeting: Council Meeting - 31 Oct 2024, 9:00 am

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

Signature:_____

Date:_____

2. Democracy

2.3 Draft Minutes - Kāhui Manu Tāiko Meeting 9 October 2024

Date of meeting	31 October 2024
Agenda item number	2.3
Author/s	Jo Guise, Executive Assistant

Purpose

For the Council to receive the draft minutes from the Kāhui Manu Tāiko Meeting held on 9 October 2024.

Recommendations

THAT the information be received.



MINUTES (in Review)

KAHUI MANU TĀIKO

Name:	Kāhui Manu Tāiko
Date:	Wednesday, 9 October 2024
Time:	11:00 am to 12:18 pm (NZDT)
Location:	Default Location, Chatham Islands, New Zealand
Board Members:	Mayor Monique Croon (Chair), Hayden Preece, Hamish Chisholm, Paul Eagle, Ricki Hapi, Toni Gregory-Hunt, Ward Kamo, Deena Whaitiri
Attendees:	Barby Joyce, Ms Colette Peni, Ms Jo Guise, Levi Lanauze, Marie Ward, Philippa Casagrande, Rebecca Hibbert, Toni Gregory-Hunt, Ruth Kibble

1. Opening Meeting

1.1 Karakia / Welcome

Kāhui Manu Taiko 12 Sept 2024, the minutes were confirmed as presented.

The meeting opened with a Karakia from Ricki Hapi.

1.2 Apologies

2. Conflict of Interests

2.1 Interests Register

3. Actions from Previous Meetings

3.1 Action List

Due Date	Action Title	Owner
8 Oct 2024	Terms of Reference for KMT Status: Completed on 9 Oct 2024	Philippa Casagrande
8 Oct 2024	Remaining funding of \$19,429.43 Status: In Progress	Hone Tibble
8 Oct 2024	Write as an entity to PM and ask for a Ministerial portfolio to be allocated to the Chatham Islands Status: In Progress	Paul Eagle
8 Oct 2024	Working Groups – Additional houses (NMOWIT) – Insulation & heating (Warmer Kiwi Homes Initiatives) Status: In Progress	Marie Ward
8 Oct 2024	Circulate template for reporting for Working Groups to adopt in terms of reporting. Status: In Progress	Marie Ward
8 Oct 2024	Letter of support from KMT for invitation to Governor General - Monique also to discuss with HMT Status: In Progress	Mayor Monique Croon

Due Date	Action Title	Owner
8 Oct 2024	Circulate Stakeholders Forum ToR Status: Completed on 4 Oct 2024	Rebecca Hibbert
8 Oct 2024	Photos from Forum to be circulated Status: In Progress	Rebecca Hibbert
9 Oct 2024	‘Lessons Learned’ session in calendar yearly – due October 2024 – add to ToR Status: In Progress	Marie Ward

4. Agenda Items

4.1 Ruth Kibble (Te Whatu Ora)

Ruth advised her exit from Te Whatu Ora at the end of the month but could not name her replacement at this time, but it was good timing with the IMPB establishment and she would meet with NMOWIT prior to her leaving.

IMPB taking on the leadership role with Health NZ sitting on the shoulder to support so there was an overall plan for the island that looked strategically to the future and what health services should look like for the island.

Ruth also noted they had \$50,000 development money, currently sitting with Council, to be used in the current financial year. KMT to be the approval group.

4.2 Iwi Maori Partnership Board

Ward reported that NMOWIT had secured a contract to establish an Independent Māori Partnership Board, tasked with developing a health plan tailored to the island’s needs. This board will function as a charitable company and consist of five members: two from NMOWIT, two from HMT, and one independent member, preferably with a background in health. Although NMOWIT currently held the shareholding, it would be shared equally with HMT once the board was established. The creation of a comprehensive health plan for the island was essential.

It was fortunate that the IMPB had been given to the island for itself and not combined with another district.

Paul Eagle also noted that the funding from DIA had ended, and an application had been completed for funding to tailor a job description based on a role to assist with projects across all agencies and entities. It would be for a total of 25 hours.

4.3 Working Group Updates

Rebecca Hibbert shared a Working Groups reporting summary template to the group and would be run through at the next meeting.

4.4 Agenda for KMT Bi-annual Forum 20 November 2024

Toni Gregory-Hunt presented the itinerary for the Stakeholders Forum and clarified a few of the details. Toni inquired if there was any money left in the KMT budget, and if it could be used for catering - Ward/Nat to respond.

4.5 Finalising the Terms of Reference

4.5 and 4.7 - Joint Terms of Reference

Amendments to the ToR were noted.

4.6 Replacement Shipping Solution Update

The current process for the replacement ship is focused on a shipping solution versus the Crown purchasing a ship outright. A ROI had been put out to interested shipping companies, with one provider visiting the island for a firsthand look.

March 2026 is the retirement date of the Southern Tiare.

4.7 Stakeholder Forum Terms of Reference

This item was combined with Item 4.5.

5. Close Meeting

5.1 Close the meeting

Next meeting: No date for the next meeting has been set.

The meeting closed with a karakia from Ward Kamo.

Signature: _____

Date: _____



3. Finance

3.1 Financial Report

Date of meeting	31 October 2024
Agenda item number	3.1
Author/s	Tanya Clifford, ECan

Purpose

To present to the Performance, Audit & Risk Committee the financial report as at 30 September 2024.

Recommendations

That the Chatham Islands Council receives the report.

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

Report to 30 September 2024

Year to date 'cash' transactions for twelve months	Revenue	Expenditure	Net surplus/ (loss)	Capital	Cash surplus/ (loss)
Leadership & community partnerships	-	63,011	(63,011)	-	(63,011)
Transportation, roading & coastal networks	1,097,381	310,986	786,396	362,997	423,399
Roothing	1,088,315	300,805	787,510	362,997	424,513
Coasts	9,067	10,181	(1,114)	-	(1,114)
Three waters supply & treatment - potable water	364,902	43,743	321,158	-	321,158
Three waters supply & treatment - wastewater	105,336	16,189	89,147	-	89,147
Waste management & minimisation	97,397	126,415	(29,018)	-	(29,018)
Community development & emergency response	249,275	316,438	(67,163)	64,351	(131,514)
Community services	168,492	153,935	14,557	64,351	(49,794)
Petrol	80,783	114,915	(34,132)	-	(34,132)
Emergency services	-	47,588	(47,588)	-	(47,588)
Environmental protection, compliance & planning	41,500	190,579	(149,079)	-	(149,079)
Biosecurity and animal control	14,934	164,562	(149,628)	-	(149,628)
Resource management and regulatory	26,566	26,017	549	-	549
Corporate services and other overheads	4,632,469	516,225	4,116,244	16,587	4,099,657
Corporate services	429,469	516,225	(86,756)	16,587	(103,343)
Annual appropriation	4,203,000	-	4,203,000	-	4,203,000
Totals	6,588,261	1,583,586	5,004,675	443,934	4,560,740

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

Notes:

Leadership & community partnerships	Predominately includes costs related to Councillor honorarium. No issues of note.
Transportation, roading & coastal networks	Roothing projects primarily on track. NZTA subsidy rate remains at 88%.
Three waters supply & treatment - potable water	Three waters - better off funding grants have been received, and primarily spent in community services areas, predominately related to 2024 expenditure.
Three waters supply & treatment - wastewater	Expenditure on three water operational and capital costs, appears low compared with budget estimates. Some of this is reflective of Council's funding restrictions, this will 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. There remains a significant level of uncertainty related to how the Local Water Done Well plan will apply to Council and how the expected work will be funded.
Waste management & minimisation	Waste management expenditure tracking well against budget. The prior financial year expenditure was significantly higher than budget, which could be a reflection of this activity being relatively new, but Council would benefit from reviewing for additional cost efficiencies that could be achieved as part of the cost reduction plan.
Community development & emergency response	Ongoing expenditure related to better off funding and Tourism Infrastructure funded projects. Emergency Management water tank project remains ongoing, these costs were not incorporated into the budget for 2024/25.
Environmental protection, compliance & planning	No issues of note to report, primarily related to works performed by ECan. Works by ECan currently being provided on an as agreed basis, given service agreement remains in negotiation, there is an expectation that cost savings will be achieved by reducing the scope of works to be provided.
Corporate services and other overheads	Annual budget was \$1.9 million, some overhead expenses have increased significantly, such as audit fees and insurance costs, these are likely to continue into the future.

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

Report to 30 September 2024

Remaining 'cash' difference to budget for nine months	Revenue	Expenditure	Net Surplus/ (loss)	Capital	Cash surplus/ (loss)
Leadership & community partnerships	-	218,018	(218,018)	-	(218,018)
Transportation, roading & coastal networks	3,967,682	1,561,605	2,406,076	3,385,003	(978,927)
Roothing	3,917,672	1,478,029	2,439,643	3,385,003	(945,360)
Coasts	50,009	83,576	(33,567)	-	(33,567)
Three waters supply & treatment - potable water	-	299,751	(299,751)	-	(299,751)
Three waters supply & treatment - wastewater	3,344	181,287	(177,943)	-	(177,943)
Waste management & minimisation	7,152	627,239	(620,087)	-	(620,087)
Community development & emergency response	85,616	1,276,974	(1,191,358)	-	(1,191,358)
Community services	66,017	937,218	(871,201)	-	(871,201)
Petrol	-	-	-	-	-
Emergency services	19,599	339,756	(320,157)	-	(320,157)
Environmental protection, compliance & planning	147,754	894,732	(746,978)	-	(746,978)
Biosecurity and animal control	106,617	542,572	(435,955)	-	(435,955)
Resource management and regulatory	41,137	352,160	(311,023)	-	(311,023)
Corporate services and other overheads	733,327	1,473,434	(740,107)	(16,587)	(723,520)
Corporate services	-	1,473,434	(1,473,434)	(16,587)	(1,456,847)
Annual appropriation	733,327	-	733,327	-	733,327
Totals	4,944,874	6,533,040	(1,588,166)	3,368,417	(4,956,582)
Expected annual transactions	11,533,135	8,116,626	3,416,509	3,812,351	(395,842)
Annual Plan/Budget	10,755,756	7,392,776	3,362,980	3,748,000	(385,020)

Highlighted cells indicate instances where the actual transactions exceed budget, purple colours reforecast for timing adjustments - NKMR grant held in Trust and EM water tank insulation project.

Chatham Islands Council - Council financial report benchmarks (continued)

Report to 30 September 2024

Ratio or measure of sustainability	Achieved?	Target	September	June	March
<i>Cash management:</i>					
Available cash (overdraft)	Yes	> -\$150k	2,792,886	(152,988)	Not disclosed
Total cash (overdraft)	Yes	> \$200k	2,848,578	(109,752)	576,214
Working capital ratio (ability to pay our bills)	Yes	> 1	21	0.69	6.34
<i>Operating cash performance:</i>					
Net cash movement for period (2024/25)	Yes	> \$0	2,959,822	(240,867)	445,100
Operating performance (cash flow) ratio	Yes	> 5%	43%	-1%	6%
Adjusted balanced budget (cash) ratio	Yes	> 100%	325%	99%	131%
<i>Asset replacement:</i>					
Asset sustainability ratio	No	> 85%	80%	119%	71%

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 2024/25 financial year. As the comparative results for June 2024 demonstrate, the year-end position is less rosy, with all sustainability ratios below targeted levels.

Future 'committed' projects - such as the water tank project and some better off funded projects, are also likely to pull further on Council's resources.

Both the budget and the revised cash estimate show expected cash outflows to exceed cash inflows by approximately \$400k for the year ended 30 June 2025. If no further adjustments are made, either by reducing expenditure or increasing revenues, Council will face serious cashflow pressures in the future; especially given year two of the 2024 Long-Term Plan required further expenditure reductions if additional funding could not be secured. Audit NZ have recommended and PARC have requested of the Chief Executive a cost savings plan be produced identifying areas to reduce expenditure for consideration and implementation by Council.

The Council currently has no cash 'savings', with the Council's emergency management investment fund allocated on design of a new emergency management facility.

Council received significant financial support from three waters funding in 2024, which will no longer be available in 2025.

Formulas:

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

Highlighting rules:

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

3. Finance

3.2 Annual Report Adoption 2024

Date of meeting	31 October 2024
Agenda item number	3.2
Author/s	Tanya Clifford, ECan

Purpose

To present Council with the draft Annual Report for the year ended 30 June 2024 and summary, with a recommendation that it be adopted, along with the audit opinions contained therein.

A non-standard audit opinion has been proposed related to the going concern assumption (that the Council will be operational one year after the signing of the Annual Report). Due to the review process associated with issuing such an opinion within Audit New Zealand and the Office of the Auditor-General (OAG), and Councils later adoption date, there is a risk the opinion will not be released before Council's deadline. Meaning Council will be unable to adopt its Audited Annual Report on 31st October and a special meeting will need to be held to adopt the document instead. This agenda has been prepared with the assumption the opinion and the summary Annual Report for the year ended 30 June 2024 are available, amendments to the recommendations may be required.

Recommendations

That the Council:

- 1. Receives the draft Annual Report and summary Annual Report for 2023/24,**
- 2. Receives the Audit New Zealand Audit opinion for the full and summary versions of the Annual Report for 2023/24,**
- 3. Adopts the Audited Annual Report for 2023/24 and the summary Audited Annual Report for 2023/24**
- 4. Approve the publication of the Annual Report and summary Annual Report for 2023/24 (both in print & online).**
- 5. Delegate to the Chief Executive the power to approve minor editorial changes.**

Background information

The Council is required by the Local Government Act 2002 to annually prepare and adopt an Annual Report. This report must include several mandatory disclosures (including compliance with reporting standards) and be adopted by 31 October in that year, if adoption does not occur by this date, additional disclosures are required to be made in the document.

Discussion

The purpose of the Annual Report is to:

- compare the actual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the long-term plan and the annual plan; and
- promote the local authority's accountability to the community for the decisions made throughout the year by the local authority.

A copy of the draft Annual Report for the year ended 30 June 2024 proposed for adoption is attached. The Annual Report outlines the achievements of Council and the financial and non-financial performance against the comparative years of the Council's Long-Term Plan 2021-31.

The Annual Report has been reviewed by Audit New Zealand, who are expected to issue a modified audit opinion highlighting Council's lack of funding and the impact this has had on its ability to operate in the future (going concern assumption) and the services it can offer to the community (levels of service and compliance with statutory obligations).

Attachments

1. Chatham Islands Council Annual Report for the year ended 30 June 2024 (updated version to be tabled)
2. The summary Annual Report for the year ended 30 June 2024 will be tabled at the meeting if available, or if not, will be included in the next Council agenda papers for adoption, such a process complies with legislated statutory deadlines.

Chatham Islands Council

Annual Report 2023/24



chatham islands council

Our people, our Islands, our future

DRAFT





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UPDATE LAST

DRAFT



Hear from the Mayor

Kioranga, kia ora, greetings,

Chatham Islands Council is pleased to present the 2023/24 Annual Report. Thank you for taking the time to read it.

Once again, we have done our best to provide a great service to the community in the face of many challenges. We are grateful that we have all worked together despite fuel shortages and our main connection with New Zealand being out of service for several months during the year.

Alongside these challenges, a lack of funding continues to be an ongoing barrier to offering comparable services to that of mainland New Zealand. As always, the Council relies heavily on funding from Central Government to operate, as we don't have the population to fund our work through rates. We are always careful not to unfairly burden our ratepayers, but in doing so our funding situation remains unpredictable and may delay desired projects, including infrastructure upgrades.

The election of the new Coalition Government has been an unsettling period for Council and the first 100 days changed a number of pieces of legislation. Government reforms have continued to be plentiful, all providing different challenges for the community including reforms in the resource management space and as a response to climate change. These have been both challenging and costly.

We do not yet have certainty about what the Local Water Done Well space will look like for us going forward. We continue to fight for what is right and what is fair for the people of the Chatham Islands.

The Island partners including Ngati Mutunga o Wharekauri Iwi Trust was the host of the stakeholders forum. Together we welcomed to the Island a large number of personnel from government agencies. It was a successful event with many connections made and an opportunity for the Island to build stronger working relationships with many. These important relationships support the five pou in our Investment Strategy and will help us progress to implementing a number of priority projects. Positive feedback was that the leaders of Wharekauri, Rekohu and Chatham Islands were working together for the betterment of our Island and community.

It is also great to host many visitors to our Council Hub. It is an excellent Island venue for on and off Island meetings.

We have continued to build relationships with our regional partners, and with our treaty partners Hokotehi Moriori Trust and Ngati Mutunga O Wharekauri Iwi Trust, and Island partner Chatham Islands Enterprise Trust. Together we have completed the refresh of the Chatham Islands Investment Strategy.

Despite some uncertainty, we have also continued to maintain good relationships with the Government and its officials and have welcomed former local MP Paul Eagle as our new Chief Executive late last year. We farewelled our former CE Owen Pickles, who gave so much of his time to the Island. We wish him well.

There are many changes being imposed by the Government that will affect the way the Council operates. We continue to advocate for the Islands interests where we can.

Finally, we thank Councillors, staff and our external support providers. All have worked hard for the betterment of the Chatham Islands community. We greatly appreciate the dedication and support of all.



Monique Croon
Mayor

Moriori and Māori engagement

The Council has an obligation to take into account the principles of the Treaty of Waitangi/ Te Tiriti o Waitangi – and to recognise and provide for the special relationship between and with Moriori, Māori, their culture, traditions, land and miheke or taonga.

The obligation to consult includes recognising those who hold t'chakat henu or mana whenua or ancestral rights of land ownership. Within the Chatham Islands, the Council recognises the t'chakat henu and Hokotehi Moriori Trust and Ngāti Mutunga o Wharekauri Iwi Trust as groups that represent mana whenua within the territory. The Council recognises the obligation to actively promote Moriori and Māori participation in the decision-making process.

The key goals of the Council in progressing relationships with imi/iwi are:

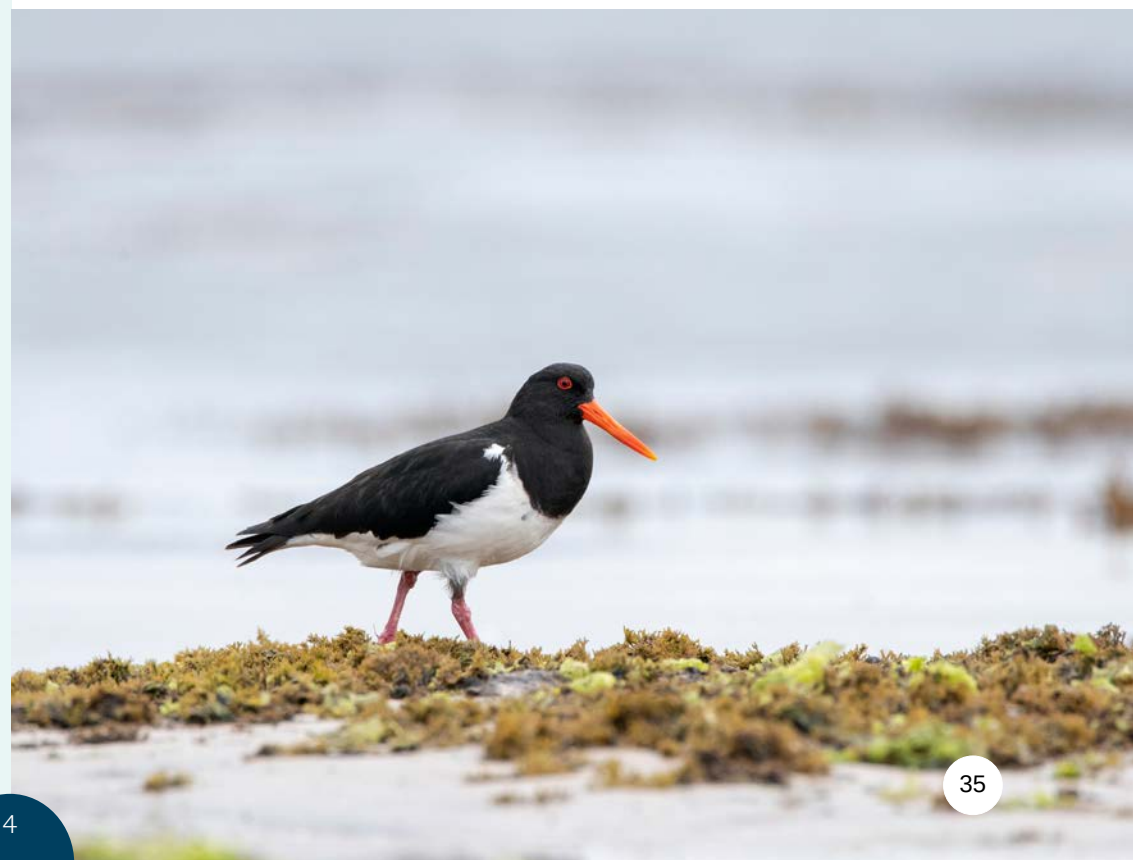
- Working towards formalising working relationships.
- Building capacity to enhance participation in the decision-making process.
- Providing information to assist Moriori and Māori to effectively contribute to the decision-making process.
- Providing education and raising awareness among staff and elected members so that they can gain an appreciation of the Moriori and Māori values and traditions in relation to the Local Government Act 2002 and the Resource Management Act 1991.
- Consulting with Moriori and Māori on key decisions. The Council also recognises an obligation to the Chatham Islands community under the Long-Term Plan 2024-34 in enhancing and acknowledging the importance of t'chakat henu/ tangata whenua.

The Council's vision

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

These are the Council's priorities for ensuring that:

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



What we delivered

In the following section you will find the year that was. We highlight what we have achieved and what hasn't quite gone according to plan. We set out our Levels of Service, targets and measures for the work we do and how we performed against those. We compare this year's result to what happened last year. We also have the opportunity to share stories of the work we have been involved in. We are proud to deliver this mahi for the people of the Chatham Islands.





Council activities

Leadership and community partnerships

Transportation, roading and coastal networks

Three waters supply and treatment

Waste management and minimisation

Community services and emergency management

Environmental management, protection and monitoring

Leadership and community partnerships

The aim of the leadership and community partnerships group of activities is to meet our statutory responsibilities and provide effective governance and leadership.

Our leadership and governance function comprises of elected representatives from the Island. They are provided with guidance and other support to enable them to carry out their legislative responsibilities, making informed decisions on behalf of our people.

Key activities and why we provide this service

- Informing residents about issues or challenges and listening to residents’ views and other feedback
- Making decisions on behalf of our community
- Managing partnerships with t’chakat henu, tangata whenua and other groups
- Producing agendas and minutes for Council and other meetings
- Managing local elections.

These activities enable the interests of our Islanders to be represented in a fair and equitable manner and provides opportunities for the community to partner in our decision-making processes.

Community outcomes

Leadership and community partnerships contribute to the resilient community and embracing diversity community outcomes by ensuring the principles of the Te Tiriti o Waitangi/Treaty of Waitangi are recognised, and that relationships with Moriori and Māori are strengthened and maintained.

These areas also contribute to the building growth community outcome by advocating for funding or other contributions from the Government to benefit the Island, and fostering strong relationships with the Chatham Islands Enterprise Trust and other organisations to provide development opportunities on-Island.

What we delivered

Council met all the targets set for 2023/34 regarding leadership and community partnerships. Community satisfaction with the level of communication provided by Council, trust in their decision making and the community’s ability to contact Council and Councillors were all high scoring areas in our annual resident’s satisfaction survey.

As a result of feedback from last year’s survey, Council made some adjustments to engaging with the community, trialling a few different methods. This included more offers of online engagement, through surveys and online drop-in sessions. This has had mixed success; we did see some higher levels of engagement from the community, specifically regarding a consultation regarding the future of Waitangi Hall. An online drop-in session for the Long-Term Plan also had some attendance, though we did notice a decrease in responses to the residents’ survey.

Council is committed to trying new methods to keep growing community engagement, as providing the community these opportunities to have their say on our work is important to us. Monthly meetings of the “Four Entity” group ensure Moriori and Māori participation and engagement, and Council continually actively engages with Central Government, advocating for the Island. Council recognises the unique needs of the Chatham Islands and fights for the community when government legislation is impractical for our way of life. Current conversations with Central Government include challenges with our reliance on air and shipping services, and the impacts of the Local Water Done Well scheme.

ALL	TARGETS ACHIEVED
81%	OF RESIDENTS FELT INFORMATION SUPPLIED BY COUNCIL IS SUFFICIENT
97%	OF RESIDENTS KNOW HOW TO CONTACT COUNCIL OR COUNCILLORS
79%	OF RESIDENTS ARE CONFIDENT THAT COUNCIL DECISIONS ARE MADE IN THE BEST INTERESTS OF THE COMMUNITY

LEVEL OF SERVICE 1:

Ensure Council decision-making is informed by community participation

MEASURE	TARGETS	RESULT
Engage with and provide opportunities for community voices to be heard ACHIEVED 	Survey residents annually on whether the information supplied by Council was sufficient 2022/23: 63% Survey residents annually on whether they know how to contact the Council and Councillors (80% know how to contact the Council and Councillors) Publish Council agendas and meeting information at least three working days before a meeting, with key stakeholder organisations contacted and asked to participate in significant discussions	In 2023/24, the annual residents' satisfaction survey showed 81% of the respondents agreed or strongly agreed that the information provided by Council to the community was sufficient. This is consistent with last year's result of 76%. In addition, 97% of respondents know how to contact the Council and Councillors. This result is consistent with the prior year's result of 95%. This year's survey highlighted that better communication, through hui and greater visibility of our Councillors, along with improved transparency by engaging with our community more on our decisions is recognised by our residents. Council makes meeting agendas publicly available on our website and advertised these meetings through Facebook, allowing the public to be informed and participate in our decisions where there is interest.
Enable Moriori and Māori to participate in Council decision-making ACHIEVED 	Establish a hui with Council, imi and iwi at least three times a year, to provide opportunities for imi and iwi to contribute to the decision-making processes of the Council (target for 2021/22) Identify and appoint a staff member to engage with imi and iwi and develop relationships (target for 2021/22) Develop and implement processes for imi and iwi to be supported to participate in Council decision-making (ongoing target)	Council, imi, iwi and Chatham Islands Enterprise Trust meet monthly as part of the Kahui Manu Taiko group. This group supports locally led aspirations, including co-operatively advancing goals set in the Chathams Islands Investment Strategy. Any matters considered relevant to imi and iwi, including resource consent applications, provides an opportunity for cultural considerations to be incorporated in the decision-making process. The Chatham Islands Council Chief Executive engages with imi and iwi on an as needed basis. This result is consistent with that in the prior financial year.

MEASURE	TARGETS	RESULT
Ensure residents are confident that Council decisions are well-informed and made in the best interests of the community ACHIEVED 	Survey residents annually on whether they are confident that Council decisions are made in the best interests of the community, including consideration of imi and iwi matters 2022/23: 63% confident or very confident ¹	In 2023/24, the annual residents' satisfaction survey showed 79% of the respondents agreed or strongly agreed that the Council decisions were made in the best interest of the community, an increase on last year's result of 68%. Council has listened to community feedback from last year recommending Council engage more with the community with a greater physical presence – including hui and through various media, and responded accordingly. Engagement with the Council's e-newsletter based on open rate is high, with open rates above 50%, demonstrating the level of community interest, especially with the Mayor's column. Council will continue to investigate other methods to reach out to those residents not connected to the internet, such as information afternoons and newsletter drops to mailboxes to better inform the community on issues impacting Council.
Maintain and build strong relationships with Government and Island partners to advocate for opportunities and outcomes that benefit the Chatham Islands ACHIEVED 	Engage with one or more Government agencies at least annually, to advocate for funding allocation or other benefits for imi, iwi and other Island communities	Council regularly meets with representatives of the Department of Internal Affairs to advocate for additional funding to meet our operational obligations. An island representatives stakeholder hui is held twice a year, with interested local and Central Government organisations with the intention of progressing the Chatham Islands Investment Strategy and identifying other island needs which require further support to address. Funding for these initiatives is likely to be supported by the Department of Internal Affairs. This result is consistent with that in the prior financial year.

LEADERSHIP & COMMUNITY PARTNERSHIPS	Actual 2023/24 \$000	LTP 2023/24 \$000	LTP 2022/23 \$000
Source of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	-	-	-
Subsidies and grants for operating purposes	925	877	912
Local authorities fuel tax, fines, infringement fees, and other receipts	174	121	124
Total operating funding	1,099	998	1,036
Applications of operating funding			
Payments to staff and suppliers	294	320	330
Finance costs	-	-	-
Internal charges and overheads applied	818	698	648
Total application of operating funding	1,113	1,018	978
Surplus (deficit) of operating funding	(14)	(20)	58
Source of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Total source of capital funding	-	-	-
Application of capital funding			
Capital expenditure			
-- to improve the level of service	-	-	-
-- to replace existing assets	76	-	120
Increase (decrease) in reserves	(90)	(20)	(62)
Total applications of capital funding	(14)	(20)	58
Surplus (deficit) of capital funding	14	20	(58)
Funding balance	-	-	-
<i>Excludes depreciation</i>	<i>26</i>	<i>15</i>	<i>14</i>

Transportation, roading and coastal networks

The aim of the transportation, roading and coastal networks group of activities is to link our populated communities and Islands, keep our people connected, safe and active, and contribute to the sustainability and growth of our local economy.

Harbour control is undertaken primarily to ensure safety in our waterways. The Chatham Islands have approximately 360km of coastline that is used extensively for commercial fishing, along with some recreational and aquaculture industries.

Key activities and why we provide this service

- A core function of Council is the maintenance and management of the local roading network (there are no State Highways), including street lighting, footpaths, and signage. A well-planned, safe, and integrated network for walking contributes to our communities' quality of life
- Council is required to address matters of navigation and safety including the preparation, maintenance, and review of regional marine oil spill contingency plans

The Chatham Islands' area of responsibility extends to the 12 nautical mile territorial boundary.

Community outcomes

The transportation, roading and coastal networks activity contributes to the resilient community, embracing diversity sustainable action and building growth community outcomes as these services and assets enhance community and economic wellbeing.

Our transportation infrastructure enables goods to reach markets and people to travel to work, providing vital connections for economic growth and greater access and mobility.

Council is also able to respond and recover from the impact of all marine hazards, ensuring maritime management protects and reduces the impact of harm to the environment and supporting the economic development and sustainability of the fishing industry.

What we delivered

Council met the majority of measures for the transportation, roading and coastal networks group of activities. Residents expressed their satisfaction with the sealed road network, however dissatisfaction with the unsealed road network remains high.

Council is pleased to report no fatalities or serious injuries on our roading network this year as road safety is a priority to us. Another pleasing report is that all planned footpath maintenance was carried out in full, and in some cases over and above the agreed plan.

Council worked hard to collaborate with appropriate entities to resolve the fuel crisis as best we could. We understand the strain on the community the lack of fuel and uncertainty of shipping dates causes and will continue to work hard to ensure we do what we can to avoid such situations again.

7/9

ACHIEVED

72%

**SATISFACTION WITH SEALED
ROADING NETWORK**

38%

**SATISFACTION WITH UNSEALED
ROADING NETWORK**

NO

**FATAL OR SERIOUS INJURY CRASH
ON OUR ROAD NETWORK**

124%

**OF THE PLANNED ROAD MAINTENANCE
PROGRAMME DELIVERED**

AVERAGE ROAD QUALITY RATED: GOOD

LEVEL OF SERVICE 2:**Operate and maintain a safe and reliable roading network that is in good condition and fit for purpose**

MEASURE	TARGETS	RESULT
Ensure residents are satisfied with the quality and safety of the sealed road network ACHIEVED ✓	Survey residents annually on whether they are satisfied with the quality and safety of the sealed road network (60% of residents satisfied or very satisfied)¹	The annual satisfaction survey for 2023/24 showed 72% of respondents were either satisfied or very satisfied with the quality and safety of chipsealed roads. This result has slightly decreased from last year's 81% result. Council's sealed roads are resealed once every three years, with a notable correlation between when roads are resealed and community satisfaction with the quality and safety of the sealed road network. Council monitors quality and safety of our roads by maintaining a complaints and enquiries register and monitoring the monthly roading reports from our engineers. Any updates or important information regarding the quality or safety of our roading network for community attention is communicated through social media and newsletters.
Ensure residents are satisfied with the quality and safety of the unsealed road network NOT ACHIEVED ✗	Survey residents annually on whether they are satisfied with the quality and safety of the unsealed road network (60% of residents satisfied or very satisfied)	The annual satisfaction survey for 2023/24 reported that 38% of respondents were satisfied or were very satisfied with the quality and safety of the unsealed road network. This result has slightly increased from last year's 32% result. Community feedback indicated that the number of potholes on our unsealed road network was a concern to our residents. Unfavourable weather conditions have had a negative impact on our unsealed roads and delayed the grading programme and other routine road maintenance works. Council will continue to work on increasing the level of satisfaction by working closely with our roading contractor and roading engineers to monitor the road condition, addressing quality and safety concerns in a timely manner.

MEASURE	TARGETS	RESULT
Ensure there are low levels of serious harm on our road network ACHIEVED ✓	Ensure the number of fatal or serious injury crashes on the road network does not exceed two per year	In 2023/24, no death or serious injury crashes were reported. This is an improvement on the 2022/23 result, where one fatal or serious injury crash was reported. Road safety promotion continues to be a priority for Council and the on-going road safety promotion activity is contributing to improvements in road safety outcomes.
Ensure the road roughness is at an acceptable level ACHIEVED ✓	Ensure the average smooth travel exposure (roughness) on the sealed and unsealed network is rated at or below 70 and 120 respectively on the National Association of Australia State Road Authorities (NAASRA) road classification system	The NAARSA measures the surface texture of the road and is used as an indication of a road users experience of the road 'ride'. The average ride quality for our roading network for the current and prior year was rated as "good". The unsealed NAASRA score was 116 (prior year 108) and the sealed NAASRA score was 56 (prior year 68). While there is a minor decrease on the unsealed roads and a minor increase on the sealed roads compared with 2022/23, the ride quality has remained the same for both years. The slight change in the results are due to minor differences in the collected survey data, due to equipment limitations, rather than any real roading factors.
Respond in a timely manner to customer service requests ACHIEVED ✓	Ensure Council staff respond to all customer service requests relating to the road or footpath network within five working days	All customer requests were forwarded as required and actioned or responded to within five working days. This result is consistent with that of the 2022/23 financial year.

MEASURE	TARGETS	RESULT
Identify, preserve, protect, and conserve the cultural heritage of the Islands, and respond appropriately to the discovery of human remains ACHIEVED ✓	Ensure legislative requirements are followed (Coroners Act 2006 and Heritage New Zealand Pouhere Taonga Act 2014) Consult imi and iwi to identify any matters of cultural significance prior to completing major earthworks outside of the existing road corridor	No major earthwork capital works were undertaken outside of existing formed or legal road in 2023/24, meaning no further consultation was required. In 2022/23, prior to completing the major earthworks associated with the Whangamoe Bridge Replacement project, all legislative requirements were met including the completion of a heritage assessment in partnership with imi and iwi. No human remains or notable items of cultural significance were discovered.
Ensure there is sufficient road and footpath maintenance that aligns with the roading asset management plan, ensuring the roads are maintained to a safe standard NOT ASSESSED	Complete 95% of the annual roading programme as originally planned, while considering the safety of road users and maintenance staff for all activities Maintain all existing footpaths in accordance with the roading maintenance contract to ensure adequate accessibility for residents who do not drive	Progress has been evaluated on a granular rather than collective level. Of the planned road maintenance activities for 2023/24, 124% of the planned programme was delivered. Additional lengths of road were identified that would benefit from additional structural cover and were repaired after the originally planned sections were completed. Current and prior year road maintenance results should not be directly compared, as sealed road maintenance was done in 2022/23, which cannot be compared directly with the unsealed road maintenance achievements in 2023/24. All (100%) of the planned structural and drainage maintenance programme work was completed, including the remaining work uncompleted in 2022/23. In 2022/23, 92% of the planned structural maintenance work was completed, some work was delayed until 2023/24, due to unfavourable weather conditions and awaiting specialist contractors. All (100%) footpaths were maintained to the required standard. This result is consistent with the prior year's result. Traffic services renewal work completed 85% of the planned programme in 2023/24. There were no traffic services renewals planned in 2022/23 and only reactive maintenance was undertaken.



LEVEL OF SERVICE 3:**Enable safe navigation for vessels in the coastal area**

MEASURE	TARGETS	RESULT
Manage navigation safety in accordance with leading practice ACHIEVED 	Apply a safety management system consistent with the New Zealand Port and Harbour Marine Safety Code (the Code) and conduct an internal annual review Conduct an external review by a Code panel every three to four years, with the next review expected in 2023	The Safety Management System is up to date and consistent with the Port and Harbour Marine Safety code. The Safety Management System was reviewed in full in January 2024 and is monitored and updated throughout the year. The Code Panel review was moved (by the Code Panel) to the 2024/25 financial year and is expected to be conducted remotely.
Ensure Owenga wharf is available for safe and efficient movement of people, stock, and goods ACHIEVED 	Ensure there are no instances of the wharf being unavailable while sea and weather conditions are suitable	There were no instances of Owenga Wharf being unavailable for navigation safety reasons in the 2023/24 year. This is consistent with the 2022/23 year.

¹ Measured by annual survey, on a scale of very confident, confident, unconfident, very unconfident.

TRANSPORTATION, ROADING & COASTAL NETWORKS	Actual 2023/24 \$'000	LTP 2023/24 \$'000	LTP 2022/23 \$'000
Source of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	122	81	79
Subsidies and grants for operating purposes	2,565	2,164	2,204
Local authorities fuel tax, fines, infringement fees, and other receipts	125	54	53
Total operating funding	2,811	2,299	2,336
Applications of operating funding			
Payments to staff and suppliers	2,391	1,646	1,647
Finance costs	-	-	-
Internal charges and overheads applied	214	183	169
Total application of operating funding	2,605	1,829	1,816
Surplus (deficit) of operating funding	206	470	519
Source of capital funding			
Subsidies and grants for capital expenditure	2,053	2,182	2,479
Increase (decrease) in debt	-	-	-
Gross proceeds from sale of assets	-	-	-
Total source of capital funding	2,053	2,182	2,479
Application of capital funding			
Capital expenditure			
-- To improve the level of service	-	257	492
-- To replace existing assets	2,333	2,222	2,325
Increase (decrease) in reserves	(74)	173	181
Total applications of capital funding	2,259	2,652	2,998
Surplus (deficit) of capital funding	(206)	(470)	(519)
Funding balance	-	-	-
<i>Excludes depreciation</i>	<i>2,029</i>	<i>1,761</i>	<i>2,800</i>

Three waters supply and treatment

Safe drinking water and appropriate collection, treatment and disposal of wastewater are essential to the health and wellbeing of our people and our environment. The Government has reviewed arrangements for how three water services will be delivered. The Water Services Entities Act 2022 originally established four publicly owned water services entities to take over responsibilities for three waters service delivery and infrastructure from local authorities from 1 July 2024, with later legislation proposed to enable the transfer of three waters related assets and liabilities to these water services entities.

The Chatham Islands Council is not referred to within the Water Services Entities Act 2022, and therefore, a significant amount of uncertainty relates to the potential impacts on the Chatham Islands Council. It is assumed that the responsibility for managing the Three Waters programme (including providing levels of service, collection of rates, and payment of operating and capital expenditure – including any associated debt repayment), will rest with the Council.

Key activities and rationale for providing the service

- **Potable water supply:** Council is responsible for the treatment and distribution of water through our reticulated water schemes. It is Council's responsibility to ensure firefighting performance standards are met in urban water supply areas.
- **Wastewater:** Council manages and maintains reticulated sewerage schemes and services for the treatment and disposal of waste. We monitor maintenance requirements of onsite wastewater disposal systems. Water and wastewater assets consist of treatment plants, reservoirs, pipeline reticulation, and pump stations.
- **Storm water:** Council undertakes to minimise damage to property from flooding of buildings and property from surface run-off, as well as reduced erosion and water pollution. The main risk is mitigated by controlling the levels at Te Whanga lagoon by opening the Hikurangi Channel as and when required. This is necessary to protect land around Te Whanga lagoon from inundation and to maintain the balance of marine life. There are no other flood protection or control assets.

Community outcomes

The Three Waters supply and treatment activity contributes to the resilient community and sustainable action community outcomes as these services and assets enhance community wellbeing.

What we delivered

After only achieving half of our measures for potable water last financial year, Council is pleased to have improved in this area and achieved five of the six measures.

No boil water notices were put in place for Waitangi, but one boil water notice and one do not drink notice were put in place for Kaingaroa to ensure public safety. All call-outs relating to this water situation were attended within two hours. We understand the impact this has on the community and continue to seek funding to better improve the infrastructure required to support higher drinking water standards for the community.

All wastewater and stormwater targets that were measures were achieved. We are pleased to receive no complaints, no concerning incidents and no flooding events this year.

5/6

**ACHIEVED
POTABLE WATER MEASURES**

5/5

**ACHIEVED
WASTEWATER MEASURES**

4/4

**ACHIEVED
STORMWATER MEASURES**

LEVEL OF SERVICE 4:**Provide potable water supply that meets the needs of our community now and into the future**

MEASURE	TARGETS	RESULT
Ensure residents connected to a Council water scheme are satisfied with the service ACHIEVED ✓	Survey residents annually on whether they are satisfied with the service (50% of residents satisfied or very satisfied)	The 2023/24 annual resident's survey shows 50% of respondents who are connected to a water scheme were satisfied or very satisfied with the water scheme. This result is an increase on the prior year's result of 31%. The majority of survey responders connected to our water scheme had no opinion on our water service and did not provide additional comments. These results have been removed from our satisfaction calculation. Council acknowledges that water infrastructure requires further capital investment for our services to improve and be fully compliant with legislation.
Ensure water supplied by Council water schemes is potable i.e. safe to drink NOT ACHIEVED ✗	Ensure it is not necessary to issue any temporary advisory notices to boil water – as determined in consultation with the Ministry of Health Ensure Council's potable water complies with Part 4 of the Ministry of Health's NZ Drinking Water Standards (bacteria compliance criteria) Ensure Council's potable water complies with Part 5 of the Ministry of Health's NZ Drinking Water Standards (protozoal compliance criteria)	No boil water notices were put in place for Waitangi, but one boil water notice and one do not drink notice were put in place for Kaingaroa. A precautionary boil water notice was in place from June to July 2023 due to high colour. A do not drink notice was in place in May 2024 due to detection of chlorate above the maximum acceptable value. Taumata Arowai became the drinking water regulator in November 2021, and is consulted for all boil water notices instead of the Ministry of Health. Changes to the drinking water regulatory framework were implemented during the last financial reporting year. The Council is currently not compliant with the revised Drinking Water Quality Assurance Rules (DWQAR) at both Waitangi and Kaingaroa (nor the prior Drinking Water Standards for New Zealand, DWSNZ) due to funding, monitoring, treatment and other logistical challenges. This result is consistent with the prior financial year. Council continues to seek funding to ensure its drinking water supply is safe to drink and compliant with current regulations.

MEASURE	TARGETS	RESULT
Ensure the percentage of real water loss from Council's networked reticulation system is managed at an acceptable level ACHIEVED ✓	Ensure the percentage of real water loss from the Council's networked reticulation system does not exceed 20%	Information was not collected this year. However, no incidences of water loss were reported that exceeded 20%. This is consistent with 2022/23.
Respond in a timely manner to reports of faults ACHIEVED ✓	Meet the following median response times when attending a call-out in response to a fault or unplanned interruption to the networked reticulation system: - Attendance for urgent call-outs: the time from when the Council receives notification to when service personnel reach the site does not exceed two hours - Resolution of urgent call-outs: the time from when the Council receives notification to when service personnel confirm resolution of the fault or interruption does not exceed eight hours - Attendance of non-urgent call-outs: the time from when the Council receives notification to when service personnel reach the site does not exceed two hours - Resolution of non-urgent call-outs: the time from when Council receives notification to when service personnel confirm resolution of the fault or interruption does not exceed eight hours	The following median response times were measured in 2023/24: - One urgent call-out occurred during the year because there was no water at Kaingaroa and was attended to within two hours (2022/23 one urgent call out). - One non-urgent call-out received due to water discolouration at Kaingaroa, this was attended to within two hours (2022/23 one non-urgent callout required). - All urgent and non-urgent issues were resolved within eight hours (2022/23 all issues resolved within targeted timeframes).

MEASURE	TARGETS	RESULT
Ensure residents are satisfied with potable water quality and supply ACHIEVED ✓	Ensure the total number of complaints received about any of the following: • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply Council's response to any of these issues does not exceed 2% of properties connected (or approximately two complaints for all connected properties)²	Two complaints were received during the 2023/24 financial year due to water shortage and/or water discolouration at Kaingaroa. Two complaints were received in the 2022/23 financial year. One precautionary boil water notice was put in place in response to both complaints while these were being investigated. No complaints were received related to the Waitangi water supply in either financial year. Council continues to seek funding to improve the reliability of its drinking water supply in terms of quantity and quality.
Manage demand for potable water ACHIEVED ✓	Ensure the average consumption of drinking water per day per resident, within the territorial authority district, is less than 500L/person/day	Average annual usage in 2023/24 was: • 280L/person/day in Waitangi (2022/23: 280L/ person/day) and • 220L/person/day in Kaingaroa (2022/23: 220L/person/day).

² A percentage has been used as the Council coverage (the number of connections) is below the per 1,000 mandatory measure.

THREE WATERS SUPPLY & TREATMENT - POTABLE WATER	Actual 2023/24 \$000	LTP 2023/24 \$000	LTP 2022/23 \$000
Source of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	87	76	75
Subsidies and grants for operating purposes	526	207	216
Local authorities fuel tax, fines, infringement fees, and other receipts	12	9	9
Total operating funding	625	292	300
Applications of operating funding			
Payments to staff and suppliers	525	236	229
Finance costs	-	-	-
Internal charges and overheads applied	59	51	47
Total application of operating funding	584	287	276
Surplus (deficit) of operating funding	40	5	24
Application of capital funding			
Capital expenditure			
-- To improve the level of service	-	-	-
-- To replace existing assets	6	-	-
Increase (decrease) in reserves	35	5	24
Total applications of capital funding	40	5	24
Surplus (deficit) of capital funding	(40)	(5)	(24)
Funding balance	-	-	-
<i>Excludes depreciation</i>	66	48	44

LEVEL OF SERVICE 5:**Provide a well-managed wastewater system to protect public health and the physical environment**

MEASURE	TARGETS	RESULT
Ensure residents are satisfied with the wastewater system ACHIEVED 	Survey residents annually on whether they are satisfied with the wastewater system (50% of residents satisfied or very satisfied)	In 2023/24, 75% of the residents who responded to the annual resident's satisfaction survey were satisfied or very satisfied with the wastewater system. This result has a slight increase on the prior year's result of 67%. The majority of survey responders connected to our wastewater scheme had no opinion on our wastewater service and did not provide additional comments. These results have been removed from our satisfaction calculation. Council acknowledges that wastewater infrastructure requires further capital investment for our services to improve and be fully compliant with legislation.
Ensure residents are satisfied with the wastewater system ACHIEVED 	Council's response to any of these issues does not exceed 2% of properties connected (or approximately two complaints for all connected properties) ² Ensure the number of complaints received about any of the following: • wastewater odour • sewerage system faults • sewerage system blockages	No complaints regarding the sewerage system were received in 2023/24 or 2022/23. Council continues to seek funding to carry out remedial and upgrade works to maintain an appropriate level of service.
Ensure the sewerage system meets community requirements ACHIEVED 	Ensure the number of dry-weather wastewater overflows from the sewerage system is less than five per year, or does not exceed 2% of properties connected (or approximately two complaints for all connected properties) ²	In 2023/24 and 2022/23 there were no dry-weather sewerage overflows or complaints.

MEASURE	TARGETS	RESULT
Comply with our Resource Management Document regarding wastewater discharge ACHIEVED 	Ensure two or fewer reports of non-compliance with resource consent conditions (annually) for discharge from Council's sewerage system, measured by the number of: • Abatement notices • Infringement notices • Enforcement orders • Convictions	In 2023/24 there were no notices or orders issued. This is consistent with 2022/23. The treated wastewater discharge complied with quantity and quality limits in the 2022/23 financial year, except for <i>E.coli</i> and nitrogen. Mitigating action taken includes remedial works associated with the land application system, which will reduce treated wastewater concentrations prior to reaching groundwater. Further funding is required to strengthen resilience and enable compliance.
Respond in a timely manner to reports of faults ACHIEVED 	Meet the following median response times when attending wastewater overflows resulting from a blockage or other fault in the Council's sewerage system: Attendance time is the time from when the Council receives notification to when the service personnel reach the site does not exceed 12 hours Resolution time: the time from when the Council receives notification to when the service personnel confirms resolution of the blockage or other fault does not exceed 24 hour	No incidences of blockages or faults occurred in 2023/24. This is consistent with the prior financial year.

² A percentage has been used as the Council coverage (the number of connections) is below the per 1,000 mandatory measure.

LEVEL OF SERVICE 6:**Manage storm water to minimise and manage flood events**

MEASURE	TARGETS	RESULT
Ensure storm water management is adequate for flood risk management NOT MEASURED	Ensure the number of flooding events does not exceed two per year Ensure that for any flooding event, the number of habitable floors affected does not exceed 2% of properties connected (or approximately two complaints for all connected properties)² All decisions to open Te Whanga lagoon will be made in consultation with imi and iwi	No flooding events occurred. This result is consistent with that in the prior financial year.
Ensure storm water discharge is compliant with our Resource Management Document NOT MEASURED	Ensure three or fewer reports of non-compliance with resource consent conditions, annually, for discharge from Council's storm water system each year, measured by the number of: • Abatement notices • Infringement notices • Enforcement orders • Convictions	No discharge notices were issued, or other non-compliance events noted in the current financial year. This result is consistent with that in the prior financial year.
Respond in a timely manner to flooding events NOT MEASURED	Meet a median response time of no more than two hours when attending a flooding event, measured from the time that Council receives notification to the time that the service personnel reach the site	No flooding events occurred in the current financial year. This result is consistent with that in the prior financial year. The lagoon was opened in October 2023, mitigating the risk of flooding and land subsidence around the lagoon.
Ensure residents are satisfied with storm water management ACHIEVED ✓	Ensure the number of complaints received about the performance of storm water management does not exceed 2% of properties connected (or approximately two complaints for all connected properties) ²	No complaints (0% of properties) related to stormwater management were received in the current financial year. This result is consistent with that in the prior financial year.

² A percentage has been used as the Council coverage (the number of connections) is below the per 1,000 mandatory measure

THREE WATERS SUPPLY & TREATMENT - WASTEWATER	Actual 2023/24 \$000	LTP 2023/24 \$000	LTP 2022/23 \$000
Source of operating funding			
Targeted rates	102	102	69
Subsidies and grants for operating purposes	168	116	121
Local authorities fuel tax, fines, infringement fees, and other receipts	16	12	11
Total operating funding	286	230	201
Applications of operating funding			
Payments to staff and suppliers	219	130	125
Internal charges and overheads applied	76	65	60
Total application of operating funding	295	195	185
Surplus (deficit) of operating funding	(9)	35	16
Total source of capital funding	-	-	-
Application of capital funding			
Capital expenditure			
-- To replace existing assets	7	-	-
Increase (decrease) in reserves	(16)	35	16
Total applications of capital funding	(9)	35	16
Surplus (deficit) of capital funding	9	(35)	(16)
Funding balance	-	-	-
<i>Excludes depreciation</i>	84	62	59

Note: Council incurs minimal storm water transactions, and therefore has elected to not separately disclose these transactions but include these within the wastewater disclosure.

Waste management and minimisation

Waste management facilities provide refuse and recycling services to protect the health of our communities and our environment.

Key activities and rationale for providing the service

The Council provides waste management and minimisation services to meet the needs and expectations of our people. Council is required to have strategies in place to reduce the amount of waste directed to landfill and increase the amount that is recycled.

Council also maintains closed landfills and responds to illegal dumping incidents.

Community outcomes

Waste management and minimisation contributes to the embracing diversity and sustainable action community outcomes. Our solid waste and minimisation structure allows material delivered to Council facilities to be processed or disposed of in an appropriate and sustainable manner. These activities will be managed to minimise the impact on the environment.

What we delivered

Council continues to strive to improve waste management services for the community. We are pleased to report there were no non-compliance issues or reports of personal injury.

We acknowledge the community expresses concerns and a lack of satisfaction with this service, notably frustration around opening hours. We are looking for ways to improve this. We continue to use our waste mascot Hemi the weka, to provide updates, to encourage the community to sort their waste and think of ways to reduce, reuse and recycle.

5/8

ACHIEVED

50%

**OF RESIDENTS SATISFIED WITH
WASTE MANAGEMENT SERVICES**

367

**TONNES OF MATERIAL WAS RECEIVED
AT THE OWENGA LANDFILL SITE**

LEVEL OF SERVICE 7:**Provide efficient and effective waste minimisation activities and services**

MEASURE	TARGETS	RESULT
Respond in a timely manner to written requests or complaints regarding waste management ACHIEVED 	Ensure Council staff respond to all complaints within five working days of receipt	There was one complaint received about dumping at Te Awainanga bridge during the 2023/24 financial year, which was responded to within five working days. This is consistent with last year's result, where all three requests were responded to within five working days.
Ensure residents are satisfied with the landfill and recycling service and ease of use NOT ACHIEVED 	Survey residents annually on whether they are satisfied with the landfill and recycling service and ease of use (65% of residents satisfied or very satisfied) ¹	In the 2023/24 financial year, 50% of the respondents who completed the annual resident's satisfaction survey were either satisfied or very satisfied with the Council's landfill and recycling service and ease of use. The result had a small decrease from the 2022/23 result of 56%. The landfill site is fully operational, with the management of the site contracted out. The Council is continuing to work with the contractor to improve processes and create other enhancements and efficiencies. Survey feedback has identified waste collection and wider opening hours as areas of service improvement, which Council will investigate further in the next financial year.

MEASURE	TARGETS	RESULT
Ensure waste minimisation activities and services are effective NOT ACHIEVED 	Measure the volume of waste to landfill once commissioned and in use (target 2021/22) Establish a benchmark for annual volume of waste to landfill (target 2022/23) Ensure the amount of waste going to landfill is less than benchmark volume (target 2023/24 and ongoing years)	In the 2023/24 financial year, 367 tonnes of waste material was received at the Owenga landfill site. This is higher than the previous year's result of 299 tonnes and the benchmarked target of 300 tonnes. Higher levels of waste material being transferred to the Council's landfill has occurred with the demolition of several houses on the Island, along with other building waste. Council remains committed to implementing strategies to encourage waste minimisation, including educational campaigns encouraging the community to sort their waste, and regular promotion of ways to reduce, repurpose and recycle.
Ensure residents are aware of waste management services provided by Council and how to use them ACHIEVED 	Ensure communication and engagement activities relating to waste management are undertaken at least quarterly Regular messages about waste management and minimisation activities and projects are circulated in our monthly Council e-newsletter, the Chatham Islands Community Focus Trust weekly newsletters, on our website, and on our Facebook page The Te One transfer station has employees available to help residents unload rubbish and educate them on the significance of separating recyclables	Council carried out a waste campaign via social media and the Council e-newsletter to encourage the community to sort their waste. Additional signs were installed at This is similar to what was provided last year.

MEASURE	TARGETS	RESULT
Ensure all landfill activities, facilities and services comply with resource consent conditions, landfill management plans (developed in partnership with imi and iwi), and appropriate legislative requirements ACHIEVED 	Respond to identified non-compliance issues within five working days Ensure the landfill management plan addresses potential impacts on imi and iwi mahi kai/mahinga kai	No non-compliance issues or other environmental impacts were noted at the landfill site based on monitoring completed in 2023/24. This result is consistent with that of 2022/23. Ensuring our landfills remain compliant remains important to Council. We will be working closely with our partners Fulton Hogan, Environment Canterbury, Ministry for the Environment, imi and iwi to ensure our landfill site remains compliant with our landfill management plan, along with best practice and other cultural considerations.
Ensure availability of adequate landfill space permitted for the disposal of municipal solid waste to ensure sustainability of waste disposal services ACHIEVED 	Ensure sufficient landfill space permitted for the disposal of municipal solid waste for at least one year (current requirements are approximately 1,000 cubic metres)	There is currently sufficient landfill space for the disposal of waste in the current cell for more than one year. Current trends indicate lower than anticipated levels of waste are being transferred to the site, primarily due to Council encouraging alternatives to disposal, such as the Mitre 12 facility.

MEASURE	TARGETS	RESULT
Ensure available landfill space is optimised by compaction of waste NOT ACHIEVED 	Ensure that from 2022/23, waste compaction density, measured by survey, is greater than 0.6 tonnes/m ³ (can be measured once annual volume of waste to landfill is established)	The compaction density ratio is 0.363t/m ³ , which is below the targeted rate due to tools used to compact waste. The survey was not completed in 2022/23, therefore no comparative results are available. Council along with our contractors Fulton Hogan continue to investigate other options to provide greater compact density efficiencies.
Ensure landfill activity is provided in a safe manner, with all health and safety risks to nearby residents managed and mitigated ACHIEVED 	Ensure there are no reports of injury or illness attributable to the use of the facilities	There have been no reports of personal injury or illness during the 2023/24 year. This result is consistent with the 2022/23 financial year. Ensuring our waste management site remains safe to people entering the facility and living nearby remains a key priority to the Council. Council will continue to work closely with our contractors Fulton Hogan along with other interested parties, such as imi and iwi, to ensure we comply with best practice along with other cultural considerations.

¹ Measured by annual survey, on a scale of very confident, confident, unconfident, very unconfident.

WASTE MANAGEMENT & MINIMISATION	Actual 2023/24 \$000	LTP 2023/24 \$000	LTP 2022/23 \$000
Source of operating funding			
Targeted rates	91	100	98
Subsidies and grants for operating purposes	731	643	669
Local authorities fuel tax, fines, infringement fees, and other receipts	26	16	15
Total operating funding	848	759	782
Applications of operating funding			
Payments to staff and suppliers	835	727	707
Finance costs	-	-	-
Internal charges and overheads applied	43	37	34
Total application of operating funding	878	764	741
Surplus (deficit) of operating funding	(30)	(5)	41
Application of capital funding			
Capital expenditure			
-- To improve the level of service	-	-	-
-- To replace existing assets	8	-	-
Increase (decrease) in reserves	(37)	(5)	41
Total applications of capital funding	(30)	(5)	41
Surplus (deficit) of capital funding	30	5	(41)
Funding balance	-	-	-
<i>Excludes depreciation</i>	<i>177</i>	<i>120</i>	<i>113</i>



Community services and emergency management

Council provides facilities for the enjoyment and use of our community, including community housing, parks and reserves, sports fields and the library. These contribute to the development of a healthy, active, functioning community.

Council also seeks to provide an efficient and effective system of emergency management response and planning that minimises the potential effect of all hazards on the community and the environment.

Key activities and why we provide this service

- **Community services:** Council aims to ensure that parks and reserves meet community expectations and encourages community involvement. The Council seeks to promote community development through recreation, the arts, and encourages sharing of heritage, as it believes this will build a strong community while preserving and respecting achievements of the past. The Council seeks to promote, maintain and sustain a safe environment for both commercial and recreational maritime activities.
- **Emergency management:** This activity allows the Council to carry out hazard-based risk management in four areas: reduction of risk, readiness for events, and response and recovery after an event.

Community outcomes

Community services contribute to the resilient community and embracing diversity community outcomes by providing material and experiences to increase local historical/cultural information and connection.

Emergency management services also contribute to the resilient community, sustainable action and building growth community outcomes by promoting readiness and preparedness through community education and providing suitable response training for staff and volunteers.

What we delivered

As an improvement from last year, the community expressed high levels of awareness of the services that Council provides and are generally satisfied with our delivery of these services.

We are pleased to report that all complaints received regarding operations and facilities were responded to within 24 hours, showing our dedication to timely responses for our community.

As per the requirements below, our emergency management team held the annual training exercise with learnings from the exercise to be implemented in future. Most households expressed that they had plans in place in the case of an emergency.

94% RESIDENTS AWARE OF KEY SERVICES PROVIDED BY COUNCIL

73% RESIDENTS SATISFIED WITH COMMUNITY SERVICES

74% RESIDENTS FEEL PREPARED IN CASE OF AN EMERGENCY

3/3 COMMUNITY SERVICES MEASURES ACHIEVED

3/4 EMERGENCY MANAGEMENT SERVICES ACHIEVED

LEVEL OF SERVICE 8:

Provide services to the communities we serve, including library and dog and animal control services

MEASURE	TARGETS	RESULT
Ensure residents are aware of Council community services provided ACHIEVED ✓	Survey residents annually on how many key community services they can identify that are provided by Council (75% of residents are able to identify at least three key areas e.g. dog/ animal control, library, and recreational services)	In 2023/24, the annual satisfaction survey showed 94% of the respondents could identify three or more services Council provides. This is an increase on the prior year's result of 75%.
Ensure residents are satisfied with community services, including library and dog and animal control services ACHIEVED ✓	Survey residents annually on whether they are satisfied with community services (70% of residents satisfied or very satisfied) ¹	In 2023/24, the annual resident's satisfaction survey showed 73% of the respondents were satisfied or very satisfied with community services, including library and dog and animal control services. In the previous year, the result was 53%. However, survey feedback highlighted dog and stock control as an area requiring further attention.
Respond in a timely manner to complaints about operations and facilities ACHIEVED ✓	Investigate all complaints about operations and facilities within 24 hours, with minor faults remedied within 24 hours of notification	During the 2023/24 financial year, 442 enquiries or complaints were received, 398 related to stock. All enquires were responded to within 24 hours, but ten remained unresolved after 24 hours, due to the complaint relating to ongoing stock management issues. This is an improvement on the prior financial year, where the Council received 342 enquiries, with 37% responded to within 24 hours. A portion of these complaints were received outside of office hours, delaying response time.

¹ Measured by annual survey, on a scale of very confident, confident, unconfident, very unconfident.

LEVEL OF SERVICE 9:

Provide information and advisory services to enable people to understand risks and make informed decisions, and enable emergency management as required

MEASURE	TARGETS	RESULT
Ensure residents feel prepared and know what to do in an emergency NOT ACHIEVED ✗	Survey residents annually on whether they feel prepared and know what to do in an emergency (75% of residents feel prepared or well-prepared) ³	In 2023/24, 74% of the residents who completed the annual resident's satisfaction survey felt they were prepared or well prepared for an emergency, which is the same as last year's result (74%). Our survey also asked residents what steps they had taken to prepare for the types of emergencies and disasters that might occur in our community. Most respondents confirmed they have stores of food, water and backup power/alternative cooking facilities. Some discussed having 'grab bags' prepared and securing important documents.
Ensure residents are aware of emergency management procedures ACHIEVED ✓	Ensure communication and engagement activities relating to emergency management are undertaken at least quarterly Regular messages about emergency management are circulated in our monthly Council e-newsletter, the Chatham Islands Community Focus Trust weekly newsletters, on our website, and on our Facebook page(s)	Regular communications relating to emergency management activities and projects were circulated on our website and through other publications such as the monthly Council e-newsletter, and on the Council's Facebook page. (to check still current)

³ Measured by annual survey, on a scale of well prepared, prepared, not well-prepared, no opinion.

MEASURE	TARGETS	RESULT
Ensure the Emergency Management Operations Centre can respond in the event of an emergency, including deployment of staff and volunteers, availability of emergency management equipment, control facilities, and communication systems ACHIEVED 	Hold an annual emergency event training exercise Ensure all staff and volunteers participate in at least one skills training session annually Test emergency management equipment quarterly	An Island training exercise was run with Emergency Operations Centre staff along with other Island key emergency service providers to test our emergency response processes. The exercise was held at the Chatham Islands Council office, with learnings from this exercise to be collated and implemented into our emergency response procedures. Additional training was provided during the year to strengthen our emergency response knowledge and skill sets. Selective emergency management equipment was tested during the year, with equipment defects noted. Equipment was not tested quarterly. We are assessing our future civil defence equipment requirements and will be purchasing updated equipment as funding allows. This result is consistent with the prior year.

MEASURE	TARGETS	RESULT
Maintain current marine oil spill response preparedness and response capability, which is compliant with the Maritime Transport Act 1994 ACHIEVED 	Ensure at least one water equipment deployment exercise is conducted annually	An audited equipment deployment exercise was undertaken in November 2023, directed, and assisted by Maritime New Zealand. The Regional Marine Oil Spill Contingency Plan was reviewed and approved in December 2023, in accordance with relevant legislation. Our capacity to respond to marine oil spill events and to facilitate the regulation of oil transfer sites is expected to be further enhanced with an alternative regional on-scene commander to be appointed through our contractor Environment Canterbury, boosting capabilities. This is currently in progress, waiting formal approval from the Chatham Islands Council Chief Executive. The delegation would allow for advice and support to be provided 24/7, including assistance with planning and compliance with the Maritime Transport Act 1994 for a Tier 1 entity.

COMMUNITY DEVELOPMENT & EMERGENCY RESPONSE	Actual 2023/24 \$000	LTP 2023/24 \$000	LTP 2022/23 \$000
Source of operating funding			
General rates, uniform annual general charges, rates penalties	384	334	326
Targeted rates	-	-	-
Subsidies and grants for operating purposes	1,422	683	701
Local authorities fuel tax, fines, infringement fees, and other receipts	1,256	330	325
Total operating funding	3,062	1,347	1,352
Applications of operating funding			
Payments to staff and suppliers	1,826	643	627
Finance costs	6	3	4
Internal charges and overheads applied	792	676	627
Total application of operating funding	2,624	1,322	1,258
Surplus (deficit) of operating funding	438	25	94
Source of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Increase (decrease) in debt	(17)	(19)	(21)
Gross proceeds from sale of assets	-	-	-
Total source of capital funding	(17)	(19)	(21)
Application of capital funding			
Capital expenditure			
-- To replace existing assets	513	-	-
Increase (decrease) in reserves	(92)	6	72
Total applications of capital funding	421	6	72
Surplus (deficit) of capital funding	(438)	(25)	(94)
Funding balance	-	-	-
<i>Excludes depreciation</i>	<i>113</i>	<i>44</i>	<i>45</i>



Environmental management, protection and monitoring

Council has responsibilities under legislation to safeguard public health, safety, and welfare. Biodiversity, biosecurity and regulatory activities, such as the identification and management of pests, issue of consents, the enforcement of bylaws, and the provision of liquor licenses are undertaken for the benefit of our communities and to ensure that everyone enjoys our Islands.

The Chatham Islands' isolation has meant that many of the animal and plant pests common in New Zealand are not present on the Islands. We are also fortunate to have many indigenous plants and native animals on the Islands. Many of our flora and fauna species and ecosystems are endemic to the Chatham Islands and if adversely affected by pests, could disappear from their natural habitats.

Key activities and why we provide this service

Council seeks to sustain natural resources to maintain a sound resource base and protect the environment from risks that could be detrimental to the needs of our community. We also endeavour to protect our environment from unwanted plant and animal pests. Many of Council's policies and plans are statutory documents or processes required under legislation.

Council's state of the environment monitoring and information work tracks progress against agreed environmental outcomes, identifies new issues, and provides information of use to the public. Council processes resource consent applications and undertakes compliance activities to reduce the impact of human activity on other people and the environment.

Community outcomes

This work contributes to our sustainable action and embracing diversity community outcomes by planning, promoting, regulating and monitoring the use and development of our natural and physical resources, considering the impacts of climate change and aiming to retain our unique island culture, heritage and biodiversity.

These activities also contribute to our resilient community outcome by working with the community on initiatives to protect and restore the environment.

These activities also contribute to our building growth community outcome. We work with landowners to enhance the prosperity and security of their land by developing plans to managing pests that threaten our environment. By protecting our unique environment, we will provide future opportunities for growth within our community, particularly related to tourism.

What we delivered

Council is pleased with the efforts we've made in the environmental management, protection and monitoring space this financial year.

We have had great success in increasing our communication to the community via the Council e-newsletter about our biosecurity work. The community continue to be proactive and often contact our local biosecurity staff when they spot something they are not sure of.

The Resource Management Document has been updated to comply with the National Environmental Standards for Greenhouse Gases from Industrial Process Heat, and is currently fully compliant with national direction. Central Government have indicated that the Essential Freshwater Package will be changed and timeframes to implement it extended. As a result of this, our work to implement the package has been put on hold until there is more certainty as to what will be required and to allow for further engagement with imi and iwi. Council will not be able to fully comply with the revised Essential Freshwater Package, once it is developed, unless additional funding is provided or a reduction in scope is allowed.

4/5

CONSENTING AND COMPLIANCE MEASURES ACHIEVED

13

CONSENTS PROCESSED WITHIN STATUTORY TIMEFRAMES

ALL

GERMAN WASPS FOUND IN 2022/23

**NO
ISSUES
NOTED**

MEDITERRANEAN FAN WORM AND INVASIVE CRAB PEST SITES MONITORED

LEVEL OF SERVICE 10:

Ensure the efficient and effective delivery of consenting and compliance services to achieve the sustainable management of natural resources and provision of compliant community services

MEASURE	TARGETS	RESULT
Process resource consents within statutory timeframes ACHIEVED ✓	Process all resource consents within statutory timeframes Imi and iwi cultural matters are considered as part of the resource consents decision-making process	All resource consents were processed within statutory timeframes. This is consistent with the prior financial year's result. Where appropriate, imi and iwi have been consulted on any cultural or other relevant matters of interest as part of the consenting process.
Respond in a timely manner to breaches of the Resource Management Act 1991 and breaches of resource consent conditions, including initiation of investigations when required NOT ACHIEVED ✗	Assess the risk of all notifications of breaches of the Resource Management Act 1991 or resource consent conditions as soon as practicable and investigate within five working days, seeking assistance when required	No compliance monitoring activity occurred during the current financial year, due to financial limitations restricting assessments to every two years. Based on previous assessments, it is likely there have been breaches of the Resource Management Act 1991 during the year. In the prior financial year, compliance assessments were completed with elements of non-compliance with the Resource Management Act 1991 identified. Letters have been issued to landowners identifying areas of non-compliance to be addressed.
Process liquor licence applications within statutory timeframes ACHIEVED ✓	Process all liquor licence applications within statutory timeframes	All liquor license applications were processed within statutory timeframes. This is consistent with the prior financial year's result.

MEASURE	TARGETS	RESULT
Maintain compliance of food premises ACHIEVED ✓	Ensure no issues of non-compliance are identified or reported in connection with food premises	One verification exercise was completed on all food premises in June 2024. No major issues of non-compliance were noted. Minor issues of non-compliance were identified and addressed within prescribed timeframes. In the prior financial year, no non-compliance issues were noted in connection with food premises on the island.
Ensure all dogs are registered and well cared for ACHIEVED ✓	Undertake at least one inspection annually of all dogs to ensure they are registered, and to check animal welfare	Animal welfare inspections were completed once during the current financial year on all known properties owning dogs, this included an inspection to Pitt Island in June 2024. This result is consistent with the prior year.

**LEVEL OF SERVICE 11:**

Partner with imi, iwi and engage with the community to consult on amendments to the regulatory framework (giving effect to central government's Essential Freshwater package, achieving Te Mana o te Wai)

MEASURE	TARGETS	RESULT
Notify changes to the resource management document providing for imi, iwi and community feedback when giving effect to Central Government's Essential Freshwater package across the region ACHIEVED ✓	Design changes to the resource management document, which is consistent with national direction. 2022/23 and ongoing: Report to Council on progress of the Resource Management Document	The Council has an operative Resource Management Document in place, which is consistent with the prior year's result. The Resource Management Document has been updated to comply with the National Environmental Standards for Greenhouse Gases from Industrial Process Heat, and is currently fully compliant with national direction. Central Government have indicated that the Essential Freshwater Package will be changed and timeframes to implement it extended. As a result of this, work to implement the package has been put on hold until there is more certainty as to what will be required and to allow for further engagement with imi and iwi. Council will not be able to fully comply with the revised Essential Freshwater Package, once it is developed, unless additional funding is provided or a reduction in scope is allowed.

LEVEL OF SERVICE 12:**Work in partnership with the community to protect the Islands from environmental and economic damage from pest species**

MEASURE	TARGETS	RESULT
Prevent incursions and establishment of new terrestrial pest species ACHIEVED ✓	Undertake two inspections at identified risk sites for pests annually, with no new pests becoming established (with results of inspections published on our website)	No new incursions or new terrestrial plant species have established. This result is consistent with the prior financial year. Annual surveillance for German wasps has taken place following the incursion (nest found on the cliffs above Waitangi Port) in the 2021/22 financial year. No wasps have been found since the control of the nest. Surveillance of plague skinks and ants has occurred at key points on the Island. Nothing has been found. Looking forward, Council plans to continue with surveillance programmes, checking risk sites and pathways to ensure no new incursions of new terrestrial pest species occur.
Reduce animal and plant pest populations in identified sites and/ or geographic areas to minimise impacts on primary industry, human health and indigenous biodiversity NOT ASSESSED	Ensure gorse infestation does not increase from the baseline figures captured in 2012 Reduce the trend in the coverage of eradication pest plants at known sites* Reduce the number of Canada geese from the baseline level of 36 Reduce the number of feral goats from the baseline level of 109 *Eradication pest plants are those with limited distribution or density. The eventual goal is eradication at known sites on the Island, although 'zero density' is more practical to achieve in some cases. This includes pests referenced in Council's pest management plan, such as Chilean rhubarb, banana passionfruit, and broom glyseria maxima	This target was not able to be measured because the helicopter used to track animal and plant pest populations has been unavailable for the last two consecutive years, and as such aerial control work for gorse was not completed, nor was Council able to monitor the Canada geese and goat populations. However, control work was undertaken on the Island for our eradication pest plants including banana passionfruit, broom, Chilean rhubarb and old man's beard. Looking forward, Council plans to take a more structured approach to pest plant control, ensuring work is completed prior to seeding. Better recording of known sites and extent will be captured. Gorse control is being paused as Council looks at different options to manage this pest more efficiently by utilising GeoAI and other technologies. This will make sure Council understands the current extent and can identify priority areas for control.

MEASURE	TARGETS	RESULT
Maintain biosecurity of internal borders between Chatham Island, Pitt Island, and mainland New Zealand NOT ACHIEVED ✗	Provide at least one training session to freight handlers at major ports supplying the Chatham Islands Establish a partnership with Biosecurity NZ to develop a marine biosecurity plan as part of the internal border protection (by 30 June 2024) or formalise a working partnership	The Council has faced significant challenges with key transportation services unavailable for half of the financial year. Consequently, limited biosecurity border activity has occurred during the year, including training sessions. Border work between Chatham and Pitt has focused on using bait stations at ports. In 2022/23 an annual freight handler training session occurred along with other training on an as required basis. Looking forward, Council plans to engage with Chatham Islands Shipping Limited and discuss joint ongoing training requirements. With shipping services recently reinstated, training is expected to be completed in the first quarter of the 2024/25 year. Further biosecurity border initiatives are occurring with securing quarterly visits to Pitt Island and other Chatham Island ports, with a dog handler and rat detector dog.



MEASURE	TARGETS	RESULT
Ensure landowners, occupiers and other residents are aware of and follow pest management practices, including the requirements that recognised pest species are not to be introduced, sold, propagated or distributed ACHIEVED ✓	Ensure communication and engagement activities relating to pest management, including marine pests, are undertaken at least quarterly Regular messages about pest management are circulated in our monthly Council e-newsletter, the Chatham Islands Community Focus Trust weekly newsletters, on our website, and on our Facebook page, and other promotional opportunities are utilised where available	Increased communication to the community via the Council e-newsletter has been occurring between February and June of this year. The community continue to be proactive and will contact our local biosecurity staff when they spot something they are not sure of. The first Council e-newsletter edition for 2024/25 featured an article about activities that occurred in the previous financial year. It thanked the community for their continued support and awareness. Regular one-on-one conversations with community members are also held regarding biosecurity matters. This result is consistent with the 2022/23 financial year. Looking forward, Council plans to continue to provide monthly biosecurity articles to go in the e-newsletter. A communications plan will be developed, which will focus on pests that are either topical or it is the right season for identification and control. We will continue with consistent messaging about protecting the Island's border and engaging with the community for their support
Work in partnership with others including imi, iwi and Department of Conservation to undertake pest management as an integral part of enhancing biodiversity NOT ACHIEVED ✗	Undertake pest management at restoration project sites in conjunction with imi, iwi and Department of Conservation	We have partnered with the Department of Conservation and Predator Free 2050 to maximise "pest free" initiatives. However, limited engagement with iwi and imi has occurred during the year. In the prior financial year, Council collaborated with all stakeholders including imi and iwi to undertake pest management initiatives. Looking forward, Council plans to continue to work closely with the Department of Conservation, Predator Free 2050 and the Ministry for Primary Industries. Council will plan a hui with imi and iwi to discuss opportunities to share knowledge and support potential restoration projects that are pla. 62

LEVEL OF SERVICE 13:**Monitor and provide accurate and timely water quality and quantity data, for use by the community and decision-makers**

MEASURE	TARGETS	RESULT
Sample and analyse water quality and quantity ACHIEVED ✓	Sample and analyse water against agreed water quality and quantity standards at the locations and frequency as listed in the monitoring plan, developed in consultation with imi and iwi Hold community meetings with interested parties, including imi and iwi	Quarterly water quality monitoring occurred as scheduled at the agreed sites listed in the water monitoring programme, including 13 streams, five lake sites and three Te Whanga lagoon sites. Water quantity monitoring is reported below, in the second performance measure. Information on programme design has been reported to Council, imi and iwi in past years and is contained within publications on the Council's website. There have been no significant changes to the programme in this year, or recent years. A workshop on the results of the monitoring programmes, including presenting the published reports from 2020/21, 2021/22 and a full analysis of information from the 2022/23 year were presented to a joint workshop of Council, imi and iwi in November 2023. Council aims to hold these workshops every two years.

MEASURE	TARGETS	RESULT
Monitor river flows and Te Whanga lagoon level with data provided to imi and iwi and made publicly available ACHIEVED ✓	Monitor and continuously record river and lagoon water levels and rainfall data on Chatham Island at all sites listed on the monitoring plan, with all sites telemetered and data available on our website Record and report regular (at least quarterly) validation/calibration visits	Hydrometric recording sites to monitor water quantity for rivers (four sites), lake levels (two sites) and climate (rainfall – six sites) were monitored at all sites listed on the monitoring plan. All data generated from these recording sites were uploaded to the Council website providing “real-time” results. This ensured this data was publicly available. Validation/calibration visits occurred four times in 2023/24, which confirmed recording sites were maintained and calibrated to required quality standards (this compares to five regular visits in 2022/23, and six regular visits in 2021/22). One site visit late in the sampling year was unable to occur due to the fuel crisis on the Island in May/June 2023. River flows and Te Whanga lagoon level monitoring results remain consistent over past monitored years.
Ensure water quality and hydrology data is available to the public ACHIEVED ✓	Publish a summary report of the state and performance of the hydrometric network (telemetered data), and the water quality network monitoring, by the end of August for the previous financial year (report provided to Council and then made available on our website)	A summary report covering the state and performance of the telemetered data hydrometric network and the water quality network monitoring was not published for the 2023/24 financial year by August 2024. From a data collation perspective, this deadline is not considered achievable and therefore timeframes have been extended to December in the 2024-34 Long-Term Plan. Historic reports have been published and are all available on the Council website. The published reports, and “real-time” data available on the Council website ensure data is available to the public.

ENVIRONMENTAL PROTECTION, COMPLIANCE & PLANNING	Actual 2023/24 \$000	Annual Plan 2023/24 \$000	LTP 2022/23 \$000
Source of operating funding			
Subsidies and grants for operating purposes	1,232	1,216	1,261
Local authorities fuel tax, fines, infringement fees, and other receipts	208	112	110
Total operating funding	1,439	1,328	1,371
Applications of operating funding			
Payments to staff and suppliers	1,055	1,023	997
Finance costs	-	-	-
Internal charges and overheads applied	376	320	298
Total application of operating funding	1,431	1,343	1,295
Surplus (deficit) of operating funding	8	(15)	77
Application of capital funding			
Capital expenditure			
-- To replace existing assets	1,055	1,023	997
Increase (decrease) in reserves	-	-	-
Total applications of capital funding	376	320	298
Surplus (deficit) of capital funding	1,431	1,343	1,295
Funding balance	8	(15)	77
<i>Excludes depreciation</i>	6	6	8

Council funding impact statement

The Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014 require the Council to adopt a Funding Impact Statement both for the Council and for each group of activities. The objective of the policy makers is to provide information that is more easily understood. The Funding Impact Statement must identify: the sources of funding to be used, the amount of funds expected to be produced from each source, and how the funds are to be applied.

Revenue and expenditure in the Funding Impact Statements are recognised on a basis consistent with the financial statements. However, transactions with no funding impact, such as depreciation, have been removed. The regulations also require the Funding Impact Statement for each group of activities to disclose internal charges and cost allocation and not eliminate these as required by Generally Accepted Accounting Practice (GAAP).

The Revenue and Financing Policy contained in the Long-Term Plan 2021-31 sets out Chatham Islands policies with respect to which funding mechanisms are to be used to finance the operating and capital expenditure.

RECONCILIATION OF OPERATING FUNDING TO STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE	Actual 2023/24 \$000	Annual Plan 2023/24 \$000	Actual 2022/23 \$000	LTP 2022/23 \$000
Surplus/(deficit) of operating funding		359	955	463
Subsidies and grants for capital expenditure	2,053	3,314	2,977	2,182
Less depreciation	2,506	2,484	2,385	2,057
Plus investment in associate	126	150	62	150
Surplus/(deficit) per financial statements	313	1,339	1,609	738

COUNCIL	Actual 2023/24 \$000	Annual Plan 2023/24 \$000	Actual 2022/23 \$000	LTP 2022/23 \$000
Source of operating funding				
General rates, uniform annual charge, rates penalties	384	358	367	334
Targeted rates	402	400	337	329
Subsidies and grants for operating purposes	7,568	6,520	7,638	5,906
Interest and dividends from investments	91	16	41	58
Local authorities fuel tax, fines, infringement fees, and other receipts	1,725	611	1,243	594
Total operating funding	10,170	7,905	9,625	7,221
Applications of operating funding				
Payments to staff and suppliers	7,145	7,543	6,164	6,755
Financial costs	6	3	-	3
Other operating funding applications	2,379	-	2,507	-
Total application of operating funding	9,530	7,546	8,671	6,758
Surplus/(deficit) of operating funding	639	359	955	463
Source of capital funding				
Subsidies and grants for capital expenditure	2,053	3,314	2,977	2,182
Gross proceeds from sale of assets	-	-	-	-
Increase/(decrease) in debt	(17)	(19)	-	(19)
Total source of capital funding	2,036	3,295	2,977	2,163
Application of capital funding				
Capital expenditure				
- To improve the level of service	-	1,420	362	257
- To replace existing assets	2,977	2,822	3,094	2,222
Increase/(decrease) in reserves	(301)	(588)	449	147
Total applications of capital funding	2,676	3,654	3,905	2,626
Surplus/(deficit) of capital funding	(639)	(359)	(955)	(463)
Funding balance	-	-	-	-

Critical judgements, assumptions and policies used in the statement of service performance

The statement of service performance is formally classified from pages 7 to 35.

The relevant legislation governing the requirement of reporting of Chatham Islands Council's service performance is Part 3 of Schedule 10 of the Local Government Act 2002.

The statement of service performance of Chatham Islands Council has been prepared in accordance with Public Benefit Entity International Public Sector Accounting standards and is for the year ended 30 June 2024. The statement was authorised for issue by Chatham Islands Council on XX October 2024.

In preparing the statement of service performance, Chatham Islands Council has made judgements on the application of reporting standards and has made estimates and assumptions concerning the measurement of certain service performance targets. The main judgements, estimates and assumptions are discussed below:

Measure selection and level of aggregation

The service performance measures in this annual report are intended to compare the actual results of activities delivered by Chatham Islands Council against the forecast levels of service. The service performance measures were originally adopted in the 2021-2031 Long-Term Plan and continued in the 2023/24 Annual Plan.

The service performance measures are reported to Council through the Performance, Audit and Risk Committee annually. These results are then reported in the Annual Report for the year to 30 June.

The performance measures were selected to cover quantitative measurement of progress towards Chatham Islands Council's Long-Term Plan and Annual Plan. The final measures included in this Annual Report are broken down into the six groups of activities, providing a holistic set that give a rounded picture of the non-financial performance of Chatham Islands Council. Each activity has a set of metrics that were identified through the 2021-2031 Long-Term Plan involving Council and management. This process ensured the selected measures best reflect Chatham Islands Council's performance and are available in a timely and accurate manner.

Included within the performance measures are the mandatory performance measures set under section 261B of the Local Government Act 2002, the Secretary for Local Government made the Non-Financial Performance Measures Rules 2013. This was to ensure the public were able to assess a reasonable comparison across all the councils.

Surveys

In preparing the statement of service performance, the Council has also made judgements on the application of reporting standards and has made estimates and assumptions concerning the measurement of certain service performance targets.

This includes the use of survey results to gauge service performance, which is inherently at risk of low response rates, unintentionally unrepresentative sampling, or inadequate question setting. We apply the following judgements:

- Surveys used in the statement of service performance are based on questions set in the Long-Term Plan, and the responses received are used to improve Council's processes and service delivery.
- To encourage a wide response rate, a wide variety of platforms were utilised to provide a copy of the survey link. Including the Chatham Islands Council e-newsletter mailing list, emails the Council held on their Rating Information Database (RID) and other social media channels. The survey was also promoted to residents by advertising the survey on our website and social media channels, as well as having paper copies available at the Council office.

Any measure reporting on a survey result, utilises data from the residents satisfaction survey.

Customer Service Requests

Customer Service Requests referred to in a range of measures means requests received by email, telephone or verbally by Council staff during normal working hours. All customer service requests are entered into the Council's financial management system and updated as completed.

The assumption is that all requests are managed through this process as opposed to staff receiving and responding to requests independently. .



Statement of compliance and responsibility

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. As a defined public entity under the Public Audit Act 2001, the Council is audited by the Office of the Auditor General and is classed as a Public Sector Public Benefit Entity for financial reporting purposes.

Compliance

The Councillors and management of Chatham Islands Council confirm that the Annual Report, which includes both the financial information and the statement of service performance has been prepared in accordance with all statutory reporting requirements, including the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The financial statements have been prepared to comply with Public Sector Public Benefit Entity Accounting Standards (PBE accounting standards) for a Tier 2¹ entity and were authorised for issue by the Council on XX October 2024.

Responsibility

Councillors and management of Chatham Islands Council accept responsibility for the preparation of the annual financial statements the statement of service performance and the judgements used in them. They also accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and service performance reporting.

In the opinion of the Councillors and management of Chatham Islands Council, the financial statements fairly reflect the financial position of the Council as at 30 June 2024, and the results of its operations, cash flows and the service performance achievements for the year ended on that date.

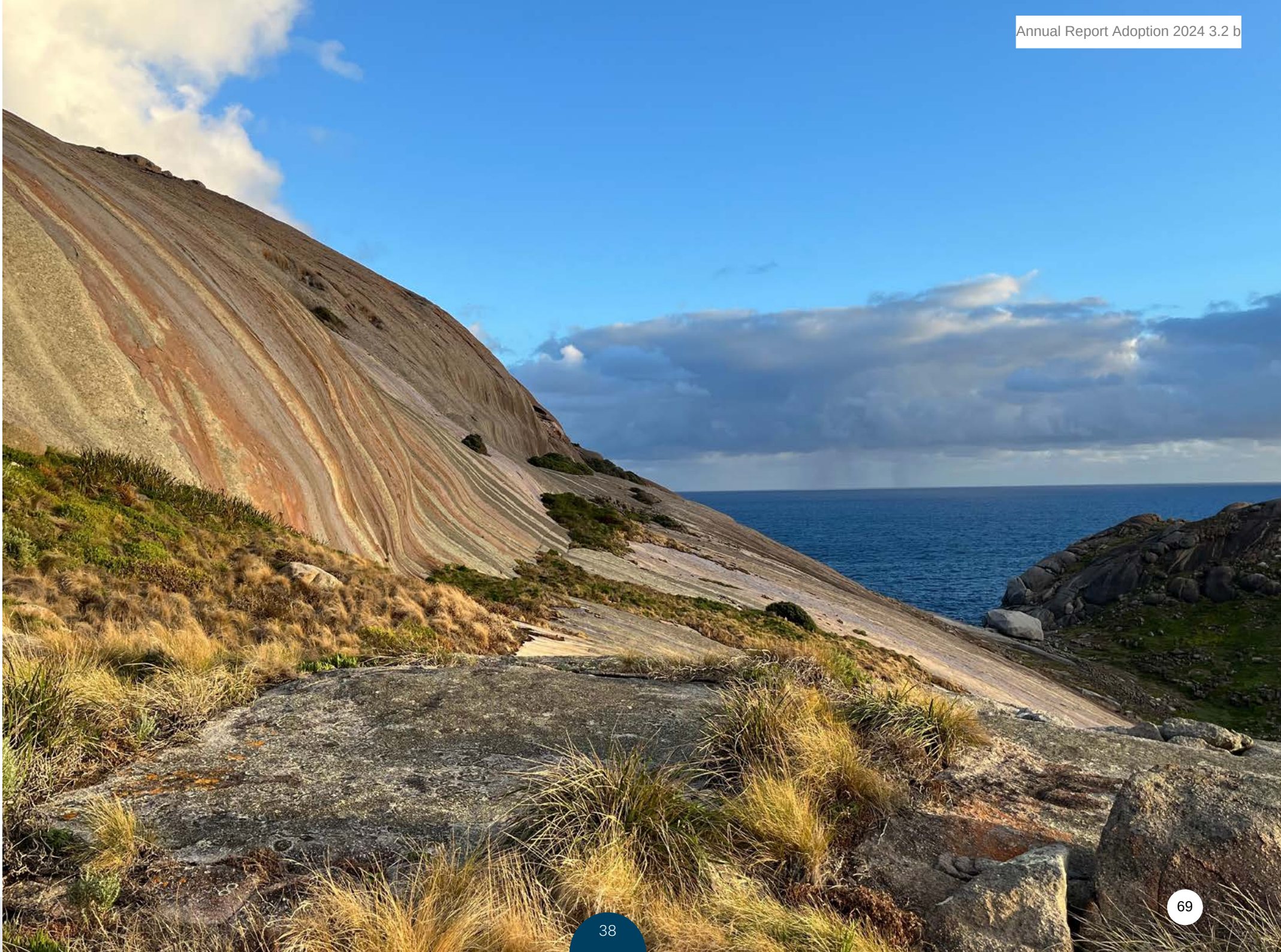


Monique Croon
Mayor



Paul Eagle
Chief Executive

¹ A Tier 2 entity is defined as having no public accountability, has total expenditure less than \$30 million and elects to be in Tier 2.



Financial statements

These statements should be read in conjunction with the Statement of Accounting Policies and Notes to the Financial Statements.

Statement of Comprehensive Revenue and Expense for the year ended 30 June 2024

	Note	Actual 2023/24 \$000	Annual Plan 2023/24 \$000	Actual 2022/23 \$000
Revenue				
Rates	1	787	758	704
Grants & subsidies	2	9,799	9,834	10,616
Council dues		270	281	316
Petrol	3	715	-	-
User pays, fees and charges		166	97	147
Interest		91	16	41
Other revenue		397	233	778
Total revenue		12,225	11,219	12,602
Expenditure				
Depreciation and amortisation	9	2,506	2,484	2,385
Personnel costs	4	1,134	990	1,016
Financial costs		6	3	-
Other expenditure	5	8,392	6,553	7,654
Total expenditure		12,038	10,030	11,055
Share of surplus of associate	15	126	150	62
Total surplus/deficit		313	1,339	1,609
Comprehensive revenue and expense				
Increase/(decrease) in revaluation reserve	9, 12	-	-	-
Total other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		313	1,339	1,609

These statements should be read in conjunction with the notes and significant accounting policies of the Financial Statements.

Statement of financial position as at 30 June 2024

	Note	Actual 2023/24 \$000	Annual Plan 2023/24 \$000	Actual 2022/23 \$000
Current assets				
Cash & cash equivalents	6	43	8	29
Cash funds held in trust	6	345	-	-
Cash investments		-	182	182
Receivables and other financial assets	7	1,679	719	766
Inventory	8	1	-	91
Total current assets		2,068	909	1,068
Non-current assets				
Investment in associate	15	368	500	242
Property, equipment & intangible assets	9	99,308	100,826	98,858
Total non-current assets		99,676	101,326	99,100
Total assets		101,744	102,235	100,168
Current liabilities				
Bank overdraft	6	499	-	80
Payables and other financial liabilities	10	2,328	1,665	1,467
Borrowings	11	5	21	20
Total current liabilities		2,832	1,686	1,567
Non-current liabilities				
Borrowings	11	104	95	106
Total non-current liabilities		104	95	106
Total liabilities		2,936	1,781	1,673
Net assets		98,808	100,454	98,495
Public equity				
Accumulated funds and reserves	12	98,808	100,454	98,495
Total public equity		98,808	100,454	98,495

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, net of outstanding bank overdrafts and excludes any cash investments held by the Council.

Statement of changes in equity for the year ended 30 June 2024

	Note	Actual 2023/24 \$000	Annual Plan 2023/24 \$000	Actual 2022/23 \$000
Equity at the start of the year		98,495	99,115	96,886
Total comprehensive revenue and expense		313	1,339	1,609
Equity at the end of the year	12	98,808	100,454	98,495

Statement of cash flows for the year ended 30 June 2024

	Note	Actual 2023/24 \$000	Annual Plan 2023/24 \$000	Actual 2022/23 \$000
Cash flow from operating activities				
Receipts from rates revenue		748	811	737
Receipts from grants and subsidies		9,679	10,295	10,236
Receipts from Council Dues		291	301	318
Interest received		91	16	41
Receipts from other revenue		592	431	1,084
Payments made to employees		(1,154)	(982)	(1,004)
Interest paid		(6)	(3)	-
Other payments to suppliers		(7,896)	(6,808)	(7,983)
Net cash flow from operating activities		2,346	4,061	3,428
Cash flow from investing activities				
Purchase of fixed assets		(2,595)	(4,242)	(3,482)
Sale/(purchase) of other assets		206	-	(182)
Net cash flow from investing activities		(2,389)	(4,242)	(3,664)
Cash flow from financial activities				
Loans raised		-	-	-
Repayment of loans		(17)	(22)	(27)
Net cash flow from financial activities		(17)	(22)	(27)
Increase/(decrease) in cash held		(60)	(203)	(263)
Opening cash balance		(51)	211	212
Closing cash balance	6	(111)	8	(51)

Significant notes and accounting policies

The following accounting policies are additional to the disclosures and accounting policies included within the relevant specific notes that form part of the financial statements.

Basis of preparation

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

The financial statements comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS). This includes preparing the accounts on a going concern basis. Refer to [note 15](#) in the financial statements for further details on our going concern assumption.

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

Measurement base

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

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

Budget figures

The budget figures in the financial statements are those approved by Chatham Islands Council as part of the annual planning process. The Council has approved no additional expenditure outside this planning process. The budget figures have been prepared in accordance with NZ GAAP and are consistent with the accounting policies adopted by the Council for the preparation of these financial statements.

Critical financial assumptions, judgements and estimations

The preparation of financial statements using Public Sector accounting standards requires the use of judgements, estimates and assumptions. Where material, information on the main assumptions is provided in the relevant accounting policy or in the relevant note.

The estimates and assumptions are based on historical experience as well as other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis and adjustments are made where necessary.

Judgements that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the relevant notes. Significant judgements and estimations include asset revaluations, impairments and provisions.

Changes in accounting policies

Amendments to PBE IPSAS 1 (Disclosure of Fees for Audit Firm's Services)

The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. Council will be required to disclose the fees incurred for services received from its audit or review firm, and a description of each service, using the following specified categories:

- Audit or review of the financial report
- Other non-audit and non-review services:
 - Audit or Review Related Services
 - Other Assurance Services and Other Agreed-Upon Procedures Engagements
 - Taxation Services
 - Other Services

With the above exception, there have been no other changes in accounting policies during the year.

Significant standards, amendments and interpretations issued but not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted at balance date, and which may be relevant to the Council are:

To come

Taxation

Chatham Islands Council is a public authority and consequently is exempt from the payment of income tax, except for income derived from Council Controlled Organisations.

All items in the financial statements are exclusive of GST, except for receivables and payables, which are stated as GST inclusive. The net amount of GST recoverable from or payable to Inland Revenue is included as part of receivables or payables in the Statement of Financial Position.

In the statement of cash flows, the GST component of operating activities reflects the net GST paid to and received from Inland Revenue. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information.



Financial statements

What's changed to what we expected to spend and receive during the year?

We received more than was expected by \$1.0 million

Council continued its temporary role of transporting and supplying petrol to the island. Revenue of \$0.7 million was not budgeted as it was expected alternative arrangements would be in place.

There are no other significant differences to budget, rather fees subject to fluctuation, such as user pays chargers were higher than budget.

We spent more than was expected by \$2.0 million

Petrol costs of \$0.7 million were unbudgeted, as were remedial repair works to Kaingaroa wharf, of \$0.7 million. Both projects were offset by either user pays contributions or “better off” funding grants.

Council overheads were above expectation by \$0.5 million, reflective of higher operating costs in relation to insurance, audit and information technology costs. Higher personal costs were also incurred by the Council, specially related to staff movements and onboarding costs, which were not factored into the budget.

NOTE 1: RATES REVENUE

Rates are set annually by resolution from the Council and relate to a particular financial year. All ratepayers are invoiced within the financial year for which the rates have been set. Rates revenue is recognised in full as at the date when rate assessment notices are sent to the ratepayers.

Rates are a tax as they are payable under the Local Government Ratings Act 2002 and therefore meet the definition of a non-exchange transaction.

RATES REVENUE	Actual 2023/24 \$000	Actual 2022/23 \$000
General rates	355	351
Targeted rates	403	337
Penalties and other adjustments	29	16
Total rates revenue	787	704

The revenue from rates was billed on the following rating information held at the end of the year immediately prior to the new rating year.

	30 June 2023
The number of rating units	694
The total land value of rating units	99,674,250
The total capital value of rating units	251,362,550

NOTE 2: GRANTS REVENUE

For the Council, the main grants and reimbursements received are from the following agencies:

- The Department of Internal Affairs provides an annual contribution to meet the Council’s statutory obligations. Council also received additional support during the 2023/24 financial year related to various water services reform support packages. The Crown’s annual contribution in 2023/24 was \$4.2 million. This level of financial support is committed for the foreseeable future. The Crown’s contribution is insufficient to cover our operating requirements and does not cover depreciation of infrastructure assets; which means we are unable to effectively plan for or invest in infrastructural development. Council continues to work with central government and other organisations to provide additional ongoing support.
- The New Zealand Transport Agency Waka Kotahi reimburses part of the Council’s costs for maintaining the local roading infrastructure. The reimbursement from Waka Kotahi is for costs already incurred, with no unfulfilled conditions or other contingencies relating to the reimbursements. The current level of support provided by Waka Kotahi is at 88% of actual costs incurred. Council currently fund any Waka Kotahi shortfall from cash reserves; which further draws on Council’s liquidity.

Grants are recognised when any conditions relating to expenditure or other eligibility criteria have been fulfilled or when control over the asset is obtained. Grants are a non-exchange transaction.

Our significant grants and subsidies are provided from the following entities:

GRANTS AND SUBSIDIES	Actual 2023/24 \$000	Actual 2022/23 \$000
Department of Internal Affairs	5,275	5,197
Waka Kotahi roading subsidy	3,903	3,911
Tourism Infrastructure Fund	98	543
National Emergency Management Agency	31	538
Other	492	426
Total grants & subsidies	9,799	10,616



NOTE 3: OTHER SIGNIFICANT REVENUE ITEMS

Other revenue from operating activities is generally measured at the fair value of consideration received or receivable. The Council undertakes various activities as part of its normal operations which generates revenue. Other revenue items are a non-exchange transaction.

In the prior financial year, the Council agreed to temporarily transport and supply petrol to the Chatham Islands. The previous supplier elected to cease operations, due to the cost becoming financially untenable. The Chatham Islands Council is currently responsible for purchasing, storing and transporting petrol to the island. Based on these attributable costs, the Council has applied a markup to provide this service to the community on a cost recovery basis. The Council is looking to find another supplier on the island to take responsibility for this activity. Revenue recognised in the Annual Report related to the supply of petrol amounts to **\$715,000**, which is matched with the cost to supply petrol of **\$837,000**, including administrative time and costs. Petrol expenditure exceeds revenue for the year due to timing of purchases and the need to make bulk purchases during the year related to shipping logistical challenges.

NOTE 4: GOVERNANCE AND EMPLOYMENT EXPENDITURE

Governance costs relate to the remuneration made to all elected members, comprising the Mayor and Councillors. Employment costs relate to the remuneration paid directly to staff including other employee benefits such as KiwiSaver contributions. Governance and employment related expenditure comprises any money, consideration or benefit received or receivable or otherwise made available, directly or indirectly, during the reporting period but does not include reimbursement of authorised work expenses or the provision of work-related equipment such as cell phones and laptops. During the year, no payments were made outside of normal contractual terms to members of Council or staff (in the 2022/23 financial year, no payments were made outside of normal contractual terms to members of Council or staff).

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

Key management personnel of the Council include the Mayor, Councillors and the Chief Executive. The assessed total full time equivalent of our key management personnel is assessed as **10** for the year ended 30 June 2024 (as of 30 June 2023, 11). Due to the difficulty in determining the full-time equivalent figure for the Mayor and Councillors, the figure is based on head count.

Remuneration of our key management personnel is disclosed as follows:

Name	Position	Actual 2023/24	Actual 2022/23
Monique Croon	Mayor	58,934	57,356
Keri Day	Deputy Mayor	24,270	24,867
Celine Gregory-Hunt	Councillor	18,218	18,908
Graeme Hoare	Councillor	18,218	18,908
Gregory Horler	Councillor	18,218	21,235
Richard Joyce	Councillor	18,218	18,908
Judith Kamo	Councillor	18,218	11,911
Nigel Ryan	Councillor	18,218	18,908
Amanda Seymour	Councillor	18,218	18,908
Jason Seymour	Councillor	-	6,996
Total governance costs		216,905	199,663
Chief executive remuneration:			
Owen Pickles - to January 2024*		174,439	219,382
Paul Eagle - from November 2023		164,437	-
Total Key management personnel remuneration		549,606	436,287

* Remuneration includes final pay, which includes annual leave outstanding.

Remuneration includes any non-financial benefits paid or payable for the year, and includes outstanding leave balances paid as part of final pay calculations.

Employee numbers and remuneration bands:

As at 30 June 2024, the Council employed eight full time and two full time equivalent employees (as at 30 June 2023, eight full time and three full time equivalent staff members were employed).

The Local Government Act 2002 requires Council to disclose the number of employees receiving total annual remuneration of less than \$60,000 and the number of employees receiving over \$60,000, expressed in bands of \$20,000. To prevent employees and the remuneration level being personally identified, the Act allows for two or more bands to be combined, where there is five or less staff in a band.

BAND	Actual 2023/24
< \$59,999	3
\$60,000 - \$99,999	6
\$100,000 - \$219,999	2
Total	11

BAND	Actual 2022/23
< \$59,999	6
\$60,000 - \$119,999	6
\$120,000 - \$219,999	1
Total	13

NOTE 5: OTHER SIGNIFICANT EXPENDITURE

Expenses are recognised in the period to which they relate. With the following notable items of expenditure recognised:

OTHER EXPENSES	Actual 2023/24 \$000	Actual 2022/23 \$000
Audit fees - Financial Report	109	98
Other audit fees - Long-Term Plan	64	-
Donations	171	211
Bad debts	-	-
Lease expense	410	400

Depreciation expenditure is further disclosed at an activity level in the Funding Impact Statements, within the activity sections of the Annual Report.

What’s changed to what we expected to own and owe during the year?

Current assets are higher than expected by \$1.3 million

Timing issues associated with the recognition of grant income and higher than expected expenditure levels have had a major impact on the cash position of Council, compared with what was expected. With a decrease of \$0.4 million. The majority of our cash balances recognized in current assets are held in Trust for other organisations. Receivables are higher than expected by \$1.0 million, with the recognition of an unbudgeted return of historic funds held in Trust and a conservative approach to estimating receivables.

Non-current assets are lower than expected by \$1.5 million

A significant project has been deferred to the following financial year. There are no other significant variations.

Current and non-current liabilities are higher than expected by \$1.3 million

Council has experienced difficulties paying creditors, with expenditure exceeding revenue for the year. Council has managed this by delaying creditor payments, with the expectation that outstanding balances will be repaid from the Annual Appropriation, to be received in July.

NOTE 6: CASH AND CASH EQUIVALENTS

Our cash and cash equivalents include cash in hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are disclosed in the current liabilities section in the statement of financial position. Our cash and cash equivalents balances are subject to expected credit losses, however no loss allowance has been recognised because the estimated amount is trivial.

Cash investments with maturities exceeding three months are recognised as cash investments. They are initially measured at the amount invested, adjusted for interest received.

CASH AND CASH EQUIVALENTS	Actual 2023/24 \$000	Actual 2022/23 \$000
Cash at bank and on hand	43	29
Funds held in trust	345	-
Bank overdraft	(499)	(80)
Total cash and cash equivalents	(111)	(51)

The Council holds short-term deposits with ANZ bank, the only banking facility available on the island. Short term deposits are held as part of Council’s overall investment and liquidity risk management programme to ensure a banking facility remains active on the Island. Bank balances that are interest bearing earn interest based on current floating bank deposit rates.

The funds in trust represent money transferred to the **Council as part of a grant for the Norman Kirk Memorial reserve**.

The 2023/24 Annual Plan forecast a closing cash balance (including investments and funds held in trust) of \$190,000. The Council’s deteriorating cash position is mainly due to an overly optimistic budget and higher expenditure. The Council has an overdraft arrangement in place with its banking facility to cover any overdrafts, which includes the ability to provide adequate security against any required short-term borrowing or increased overdraft limit. The council remains reliant on external funding to meet operating requirements and any asset upgrades.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, net of outstanding bank overdrafts.



NOTE 7: RECEIVABLES AND OTHER FINANCIAL ASSETS

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses. The Council apply the simplified expected credit losses model of recognising lifetime expected credit losses for short-term receivables.

In measuring expected credit losses, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are “written-off” where rates cannot be reasonably recovered and when remitted in accordance with the Council’s rates remission policy.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Council has recognised no expected credit losses for the 2023/24 or 2022/23 financial years.

Other financial assets are initially recognised at fair value.

All Council transactions are considered non-exchange transactions. Non-exchange receivables arise when the Council is owed value from another party without giving approximately equal value directly in exchange for the value received. Most of the goods or services that the Council provides are funded from our general funds and therefore the exchange is unequal. Examples of non-exchange transactions include rates, grants, infringements and fees and charges. Non-exchange transactions are comprised of either taxes or transfers. Transfers also include grants that do not have specific conditions attached which require return of the grant for non-performance.

Exchange receivables arise when the Council is owed by another entity or individual for goods or services provided directly by the Council and will receive approximately equal value in a willing arm’s length transaction (primarily in the form of cash in exchange). Examples of exchange transactions include amounts for commercial sales fees and charges that have not been subsidies by our general funds.

RECEIVABLES AND OTHER FINANCIAL ASSETS	Actual 2023/24 \$000	Actual 2022/23 \$000
Rates	134	95
Other receivables or financial assets	1,545	671
Total current receivables and other financial assets	1,679	766
Total Non-Current receivables and other financial assets	-	-
Receivables from non-exchange transactions	1,679	857

NOTE 8: INVENTORY

Included within the receivables and other financial assets figure is petrol stock on hand of \$1,000 (2022/23, \$91,000). Petrol inventory is recognised based on cost. Petrol stock on hand was low due to limited shipping service in June 2024, petrol had to be rationed to ensure the available supply was allocated to all who needed it.

NOTE 9: PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

Expenditure is recognised as a property, equipment and intangible asset when it creates a new asset or increases the economic benefits of an existing asset. Costs that do not meet the criteria for capitalisation are expensed. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially recognised at fair value at the date of transfer. Work in progress is recognised at cost less impairment and is not depreciated.

Our property, equipment and intangible assets consists of operational assets, infrastructure assets and intangible assets.

Operational assets include land, buildings and non-revalued equipment items. Our land and buildings were valued at deemed cost by way of Government Valuation, as at 1 July 1989. Subsequent additions are valued at cost. All other operational assets are valued at cost less accumulated depreciation.

Infrastructure assets include the roading network, drainage, reticulation systems for potable water and wastewater and waste management assets. The most recent infrastructural assets revaluation was independently completed by Stantec NZ as at 30 June 2022, using the depreciated replacement cost method. Subsequent additions are included at costs.

Intangible assets are primarily costs associated with acquiring computer software, which is valued at cost less accumulated amortisation.

After initial recognition, certain asset classes are revalued to fair value. Where there is no active market for an asset, fair value is determined by optimised depreciated replacement cost. Optimised depreciated replacement cost is a valuation methodology where the value of an asset is based on the cost of replacement. The remaining life of the asset is estimated and straight-line depreciation applied to bring the replacement cost to a fair value. Our infrastructure asset classes are revalued regularly to ensure their carrying amount does not differ materially from fair value. The valuation cycle for revalued asset classes is normally five years. The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation, this balance is expensed in the statement of comprehensive revenue and expense.

There are several estimates and assumptions exercised when valuing infrastructural assets using the depreciated replacement cost method.

These include:

- Unit costs are sourced from engineering staff, previous valuations and contract rates. Where applicable Chatham Island specific rates are not available, mainland NZ rates are used as a proxy with an additional mark-up to account for the remote nature of the islands and the logistical challenges for completing works, these are confirmed as suitable by engineering staff.
- Remaining useful lives have been determined by calculating the difference between the respective asset's expected Total Useful Life (TUL) and the age of the asset. Note that where an asset's age is unknown, both engineering judgement and local knowledge have been used to assign a suitable remaining life.

Valuations of assets exclude land assets, including land under roads.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive revenue and expense.

Depreciation and amortisation is provided on a straight-line basis on all assets. Rates are calculated to allocate the asset's cost or valuation less estimated residual value over their estimated useful life, as follows:

PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS	
Asset	Years
Operational assets	
Buildings	10-50 years
Office equipment	1-15 years
Vehicles	5-10 years
Parks and Reserves	20-25 years
Infrastructure assets	
Roading network	
Sealed pavement surface	5-10 years
Sealed pavement layers (first coat seals, basecourse, subbase)	45-60 years or not depreciated
Unsealed pavement layers (wearing course, subbase)	5 years, or not depreciated for subbase
Drainage	45-55 years
Footpaths	20-25 years
Minor structures (including signs, railings and streetlights)	2-35 years
Retaining walls	25-30 years
Bridges, bridge culverts and wharves	30-45 years
Drainage, reticulation systems for potable water and wastewater	
Treatment plant and pump stations	1-26 years
reservoirs	25-35 years
Pumps, valve, hydrants and other reticulation assets	15-55 years
Waste management	
Landfill, transfer stations and other assets	5-45 years
Intangible assets	
Computer software	5 years

Insurance of Assets

Insurance of Assets Due to cost constraints, Council only insures operational assets with Council electing to self-insure infrastructure assets. In the event of a natural disaster, it is assumed that New Zealand Transport Agency Waka Kotahi will contribute to any remedial work required on our roading assets. Council further assumes that Central Government will fully contribute towards the rebuild or repair of our other infrastructure assets (drainage, reticulation systems for potable water and wastewater and waste management assets).

Council does have cash set aside to cover any initial outlays required in an emergency event, and has an ability to utilise an overdraft facility. Any cash outlays related to an emergency event would expect to be recovered from Central Government.

INSURANCE OF ASSETS	Actual 2023/24 \$000	Actual 2022/23 \$000
Total value of assets covered by insurance contracts	2,272	2,220
The maximum amount to which assets are insured under Council insurance policies	15,251	10,363

The Council is not covered by any financial risk sharing arrangements in relation to its assets. No property, equipment and intangible assets are pledged as security for liabilities. There are no restrictions over the title of these assets.

Included within the infrastructure assets above are the following core Council assets:

Actual 2023/24	Opening cost/ revaluation \$000	Accumulated depreciation \$000	Carrying value at the start of the year \$000	Additions/ transfers \$000	Disposals at cost \$000	Depreciation \$000	Revaluation \$000	Closing accumulated depreciation \$000	Carrying value at the end of year \$000
Operational assets									
Land	278	-	278	-	-	-	-	-	278
Buildings	1,915	(925)	990	432	-	(80)	91	(914)	1,433
Office equipment	660	(368)	292	63	(343)	(78)	263	(183)	197
Vehicles	358	(226)	132	48	(226)	-	120	(106)	74
Parks and Reserves	99	(89)	10	124	-	(5)	-	(94)	129
Total operational assets	3,310	(1,608)	1,702	668	(569)	(163)	474	(1,297)	2,111
Infrastructural assets									
Transportation - Roading & Coastal networks	92,869	(1,970)	90,899	2,309	29	(2,021)	(26)	(4,017)	91,191
Waste management	2,797	(167)	2,630	4	132	(176)	(65)	(408)	2,525
Waste Water	1,505	(84)	1,421	-	13	(82)	(12)	(178)	1,340
Potable Water	2,283	(78)	2,205	-	-	(64)	-	(142)	2,141
Total infrastructural assets	99,455	(2,299)	97,156	2,313	173	(2,342)	(103)	(4,743)	97,197
Property, Plant and Equipment	102,765	(3,907)	98,858	2,981	(396)	(2,505)	371	(6,041)	99,308

Core assets 2022/23

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

Actual 2023/24	Closing book value \$000	Additions \$000	Vested \$000	Replacement cost \$000
Water				
Treatment Plants and Facilities	757	-	-	1,163
Other Assets	1,384	-	-	2,125
Sewerage				
Treatment Plants and Facilities	784	-	-	1,690
Other Assets	556	-	-	1,197

Actual 2023/24	Closing book value \$000	Additions \$000	Vested \$000	Replacement cost \$000
Stormwater				
Storm Drainage	-	-	-	-
Roads and Footpaths				
Roads and Footpaths	-	-	-	-
TOTAL	92,932	2,690	-	117,403

Actual 2022/23	Opening cost/ revaluation \$000	Accumulated depreciation \$000	Carrying value at the start of the year \$000	Additions/ transfers \$000	Impairment/ disposals at cost \$000	Depreciation \$000	Revaluation \$000	Closing accumulated depreciation \$000	Carrying value at the end of year \$000
Operational assets									
Land	278	-	278	-	-	-	-	-	278
Buildings	1,710	(881)	829	205	-	(44)	-	(925)	990
Office equipment	506	(351)	155	154	-	(17)	-	(368)	292
Vehicles	314	(205)	109	44	-	(21)	-	(226)	132
Parks and Reserves	99	(86)	13	-	-	(3)	-	(89)	10
Total operational assets	2,907	(1,523)	1,384	404	-	(86)	-	(1,609)	1,702
Infrastructural assets									
Transportation - Roading & Coastal networks	90,179	0	90,179	2,690	-	(1,970)	-	(1,970)	90,899
Waste management	2,435	0	2,435	362	-	(167)	-	(167)	2,630
Waste Water	1,505	0	1,505	-	-	(84)	-	(84)	1,421
Potable Water	2,283	0	2,283	-	-	(78)	-	(78)	2,205
Total infrastructural assets	96,401	-	96,401	3,053	-	(2,299)	-	(2,299)	97,156
Property, Plant and Equipment	99,308	(1,523)	97,785	3,456	-	(2,385)	-	(3,908)	98,858

Core assets 2023/24

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

Actual 2022/23	Closing book value \$000	Additions \$000	Vested \$000	Replacement cost \$000
Water				
Treatment Plants and Facilities	762	-	-	1,163
Other Assets	1,521	-	-	2,125
Sewerage				
Treatment Plants and Facilities	958	-	-	1,690
Other Assets	547	-	-	1,197

Actual 2022/23	Closing book value \$000	Additions \$000	Vested \$000	Replacement cost \$000
Stormwater				
Storm Drainage	3	-	-	-
Roads and Footpaths				
Roads and Footpaths	91,191	2,309	-	111,684
TOTAL	94,672	2,309	-	117,859



NOTE 10: PAYABLES AND OTHER FINANCIAL LIABILITIES

Short-term creditors and other payables are measured at the amount payable. The carrying value of payables approximates their fair value.

Payables under exchange transactions, transfers and taxes payable are non-interest bearing and are normally settled on 30-day terms. All Council's payables are recognised as exchange transactions as they are directly with another party on an arm's length basis and are of approximately equal value. Non-exchange payables are classified as either transfers payable (for example, Council grants) or taxes (for example, PAYE).

A provision for employee benefit liabilities (holiday leave and outstanding remuneration) is recognised as a liability when benefits are earned but not paid. This has been calculated on an actual entitlement basis. Council does not provide any retirement or long service leave benefits to staff. Council does not recognise a liability for sick leave.

Other provisions are recognised for future liabilities of uncertain timing or amount when there is a present obligation because of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the expenditure expected to be required to settle the obligation. Liabilities and provisions to be settled beyond 12 months are recorded at their present value. A provision in the 2021/22 financial year was made for the estimated refund of three years of outstanding Council Dues to the Pitt Island Barge Society. Council Dues are repayable on the production of audited accounts by the Pitt Island Barge Society on an annual basis. The Pitt Island Barge Society has paused operations, awaiting repairs to its vessel, outstanding balances remained unpaid during the year.

PAYABLES AND OTHER FINANCIAL LIABILITIES	Actual 2023/24 \$'000	Actual 2022/23 \$'000
Payables under exchange transactions		
Payables and accrued expenses under exchange transactions	2,244	1,303
Employee leave and other accrued benefits	84	104
Provisions	-	60
Total payables and other financial liabilities	2,328	1,467

NOTE 11: BORROWINGS

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance. Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

The Council maintains a prudent borrowings position in relation to our equity and annual revenue. Council will only enter into borrowing arrangements where there is sufficient assurance that additional funding assistance can be obtained to repay borrowings. Borrowings are primarily used to fund the purchase of new assets or upgrades to existing assets. Interest costs associated with the Council's borrowings is disclosed in the Statement of Comprehensive Revenue and Expense.

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

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

NOTE 12: EQUITY

Equity is the community's interest in Chatham Islands Council and is measured as the difference between total assets and total liabilities. Equity is classified into several separate components.

The components of equity are:

- **Retained earnings:**
General Funds – Revenue appropriation account to fund future development.
- **Restricted reserves:**
These are reserves subject to specific conditions of use, whether under statute or accepted as binding by the Council. Transfers from these reserves may be made only for specified purposes or when certain specified conditions are met.
Our restricted reserves are restricted by Council decision rather than being legally binding. Therefore, Council may alter these reserves without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council and include:
 - Emergency Services Reserve - Funds are set aside for emergency events such as natural disasters.
 - Mayoral Relief Reserve – Funds are set aside for emergency relief.
- **Asset Revaluation Reserve:**
Reserves generated by revaluations in property, plant and equipment and other assets.

Capital management

The Local Government Act 2002 requires the Council to manage its finances prudently and promote the current and future interests of the community. Our general funds are managed as a by-product of managing revenues, expenses, assets, liabilities, investments, and general financial dealings

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Local Government Act 2002 and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets but does not expect them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has asset management plans in place for major classes of assets, detailing renewal, and programmed maintenance.

These plans ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

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

EQUITY	Actual 2023/24 \$000	Actual 2022/23 \$000
General funds		
Opening balance	19,691	18,082
Plus net surplus for the year	313	1,609
Adjust for transfer (to)/from other reserves	250	-
Closing Balance	20,254	19,691
Emergency services reserve		
Opening balance	250	250
Adjust for transfer (to)/from other reserves	(250)	-
Closing balance	-	250
Mayoral relief reserve		
Opening balance	25	25
Closing balance	25	25
Assets revaluation reserve		
Opening balance	78,529	78,529
Revaluation/(impairments)	-	-
Closing balance	78,529	78,529
Total equity at end of year	98,808	98,495

NOTE 13: COMMITMENTS

The Council has no contractual capital commitments for the acquisition of property, plant and equipment as at 30 June 2024 (as at 30 June 2023, nil). The Council has in place maintenance contracts with external service providers to provide engineering services on infrastructural assets. The scope of future work is dependent on organisational priorities, funding availability, and due to these uncertainties, no disclosure has been made.

The Council has two non-cancellable operational lease arrangements in place at the end of the reporting period, one related to a land lease of a landfill site and one for an office building space. The lease terms are less than 30 years and are renewable at the end of the lease period at market rates.

CONTRACT COMMITMENTS	Actual 2023/24 \$000	Actual 2022/23 \$000
Not later than 1 year	407	397
Between 1 and 5 years	1,628	1,586
More than 5 years	8,776	8,582
	10,811	10,565

The future commitment excludes agreed increases for the impact of annual inflationary adjustments, which are uncertain by nature and difficult to predict.

NOTE 14: CONTINGENCIES

Contingent assets and liabilities are disclosed when the contingency is evident. Contingent assets are disclosed if it is probable the benefits will be realised. Contingent liabilities are disclosed if the possibility they will crystallise is not remote. Council is not aware of any contingent assets or liabilities as at 30 June 2024, for Council or any associates (nil as at 30 June 2023).

NOTE 15: RELATED PARTY DISCLOSURE

Related parties arise where one entity can affect the financial and operating policies of another through the presence of control or significant influence. Related parties include all Council Controlled Entities and associates of the Council and key management personnel. Key management personnel include the Mayor and Councillors as elected members of the Council and the Chief Executive.

Council has entered into transactions with related entities during the year. These transactions were part of a normal supplier relationship and on terms and conditions no more or less favourable than those reasonable to expect the Council would have adopted in dealing with the party on an arm's length basis in the same circumstances. The Council also provides accommodation to one staff member, at a market based rental rate, as approved by Council.

Council's interest in an associate

Associates are entities over which the Council has significant influence but not control. Investments in associates are accounted for using the equity method. The Council has an interest in the Chatham Islands Housing Partnership Trustee Limited (trustee company). The trustee company comprises four shareholders, each with the right to appoint one director. The Council has recognised the significant influence over the trustee company and accounts for a 25% share in the trustee company as an associate.

The trustee company holds no assets or liabilities, and its purpose is to act as a sole trustee of the Chatham Islands Housing Partnership (housing trust). The Council has recognised that the housing trust forms part of the trustee company's group and therefore recognised a 25% share in the trustee company group.

The purpose of the housing trust is to relieve hardship caused through isolation and reduced access to housing. The reporting date of the housing trust is 31 March. There are no significant restrictions on the ability of the associate group to transfer funds to the Council in the form of cash dividend or similar distributions, or to repay loans or advances. As at 31 March 2024, the housing trust has \$1.0 million for the construction of five houses, to be paid upon completion of the project (31 March 2023 \$2 million). The Council's share of an associate's profits or losses is recognised in the surplus or deficit.

Council's interest in Council Controlled Organisations

The Council has one Council Controlled Organisation, the Chatham Islands Mayoral Disaster Relief Fund Trust. Its purpose is as a body to receive grants to respond to emergency events on the Chatham Islands. For the year ended 30 June 2024, the entity was dormant and had no assets or liabilities, nor did the entity make any transactions during the year. Therefore, the parent and group accounts are the same. In the 2023 financial year, Council made two payments totaling \$2,000 on the organisation's behalf for the purchase of grocery vouchers after a house fire on the island.

The Council has exempted this organisation from reporting under Section 7 of the Local Government Act 2002.

NOTE 16: GOING CONCERN

Chatham Islands Council is the smallest council in New Zealand, with less than one thousand residents and rateable units. This makes the Council unique in that funding sources available to other councils, such as rate increases, growth, or debt are not considered financially sustainable options for the Chatham Islands Council, as this would unfairly burden our ratepayers. Consequently, there is a significant reliance on external support from the Government in the form of the annual Crown contribution and the roading subsidy from Waka Kotahi NZ Transport Agency to ensure the Council remains operating one year after the annual report is signed, also known as the going concern assumption.

The Waka Kotahi subsidy rate remains set at 88% of roading expenditure. Historically, the Council has self-funded the difference as the funding from the Crown's annual appropriation was insufficient to cover this shortfall, leading to a deteriorating cash position. In the current and future reporting years, there is an indication of additional funding being forthcoming, although this is not confirmed until May each year as part of the appropriation process. At this stage, it is assumed going forward, there will be sufficient funding to cover our operating requirements including our financial strategy of maintaining a balanced budget.

While the Council has recognised a deteriorating cash balance during the year, they have recognised an operational surplus. The result was lower than expected in the 2022/23 Annual Plan due to higher than expenditure costs, reflective of the rising costs of providing service to the community, especially while operating in an isolated environment.

The 2024-34 Long-Term Plan identified our base line budget was not sustainable due to higher costs particularly related to inflationary pressures and increases in the cost of living and our primary form of financial support from the Department of Internal Affairs Annual Appropriation, not adjusting to reflect these inflationary movements along with additional compliance costs.

After hearing from our community, Council considered the best method to address these cost pressures was to both increasing our income and decreasing our expenditure. Council has increased rates by an additional 3.5% above expected inflationary adjustments for the island. The rates increase proposed for 2024/25 of 6.65% remains one of the lowest increases nationally and allows Council to ensure rate consistency with other New Zealand councils over time.

Council have also reduced proposed expenditure by \$265,000 for 2024/25, with additional cost efficiencies to be found for the following years. Council will also likely be required to use an overdraft facility on a temporary basis to cover any cash shortfall, including timing differences between receipts and payments.

There are currently overdraft facilities in place with the Island bank to cover expected deteriorating cash movements for the 2024/25 financial year, Council also expects to receive additional unbudgeted grant funding support. The accounts have therefore been prepared on a going concern basis, Council will continue to work with central government agencies to negotiate additional financial support and improve our cash position.

The going concern assumption has been considered in preparing the financial statements for the year ended 30 June 2024 and is assessed as appropriate. The financial statements have therefore been prepared using the going concern assumption.

NOTE 17: EVENTS AFTER THE END OF THE REPORTING PERIOD

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



Financial prudence graphs

Annual Report disclosure statement for the year ended 30 June 2024

What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings. The Council must include this statement in its Annual Report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014. Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Rates affordability benchmark

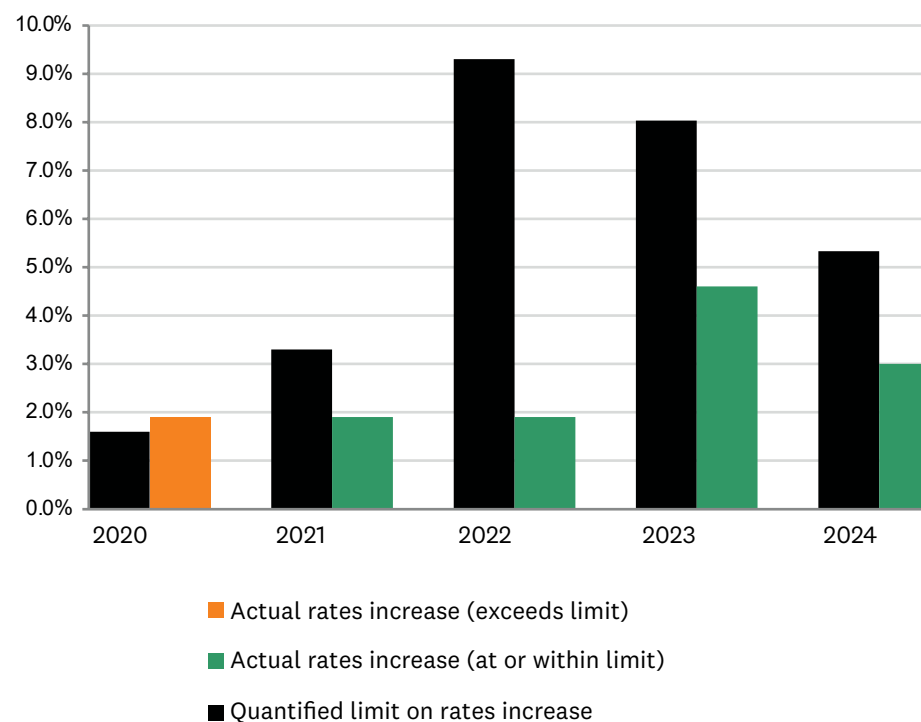
The Council meets the rates affordability benchmark if: its actual rates income equals or is less than each quantified limit on rates and its actual rates increases equal or are less than each quantified limit on rates increases.

Rates (income) affordability

The graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's Long-Term Plan. Most of Council's income is by way of funding from the Government, and therefore a movement in rate receipts is considered to have a minimal impact and will not significantly influence project costs. Therefore, no rate limit has been applied and no graph created.

Rates (increases) affordability

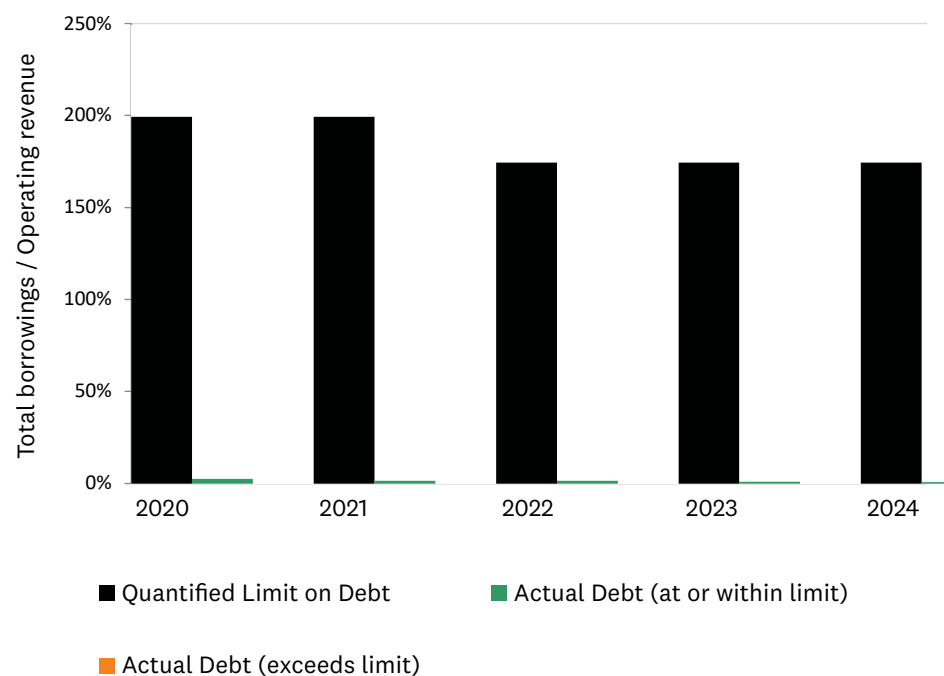
The following graph compares the Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the Council's Long-Term Plan. The quantified limit on general rates increases is CPI plus 2%.



DRAFT

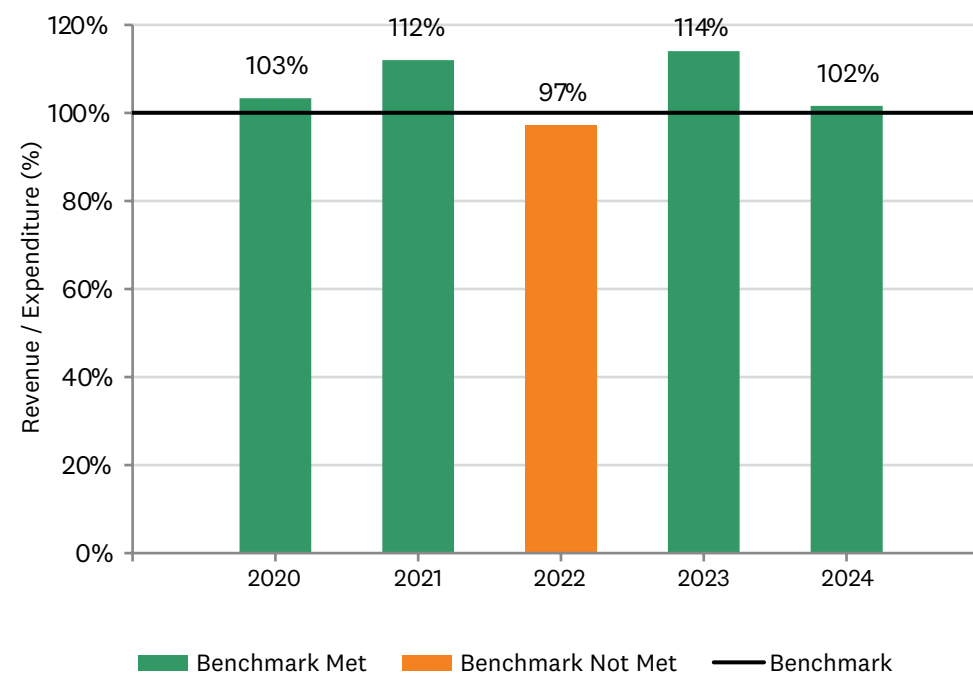
Debt affordability benchmark

The Council meets its debt affordability benchmark if its actual borrowing is within 175% of total revenue (omitting earmarked capital grants). The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the Council's Long-Term Plan.



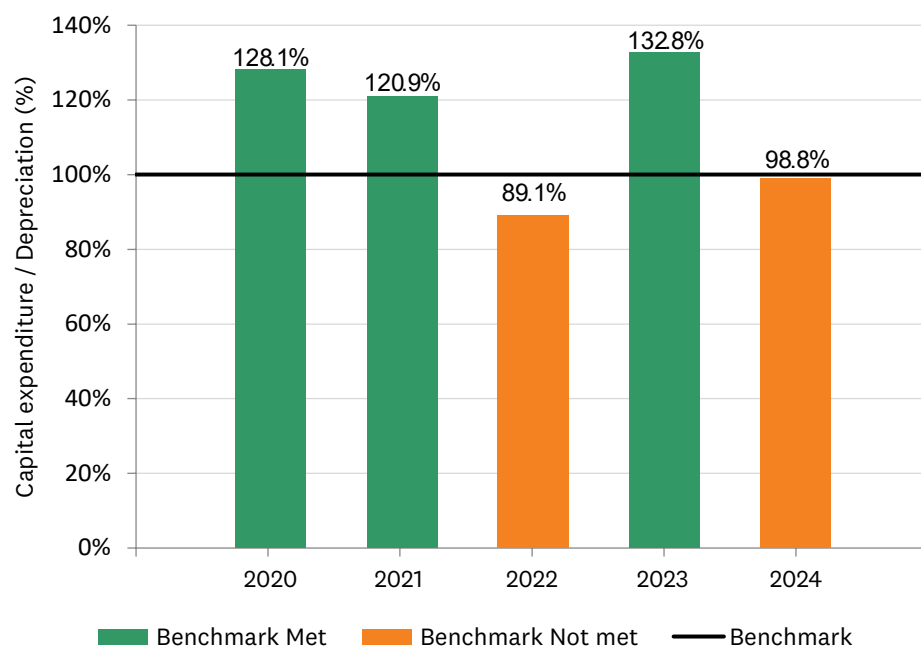
Balanced budget benchmark

The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant and equipment). The Council meets this benchmark if its revenue equals or is greater than its operating expenses.



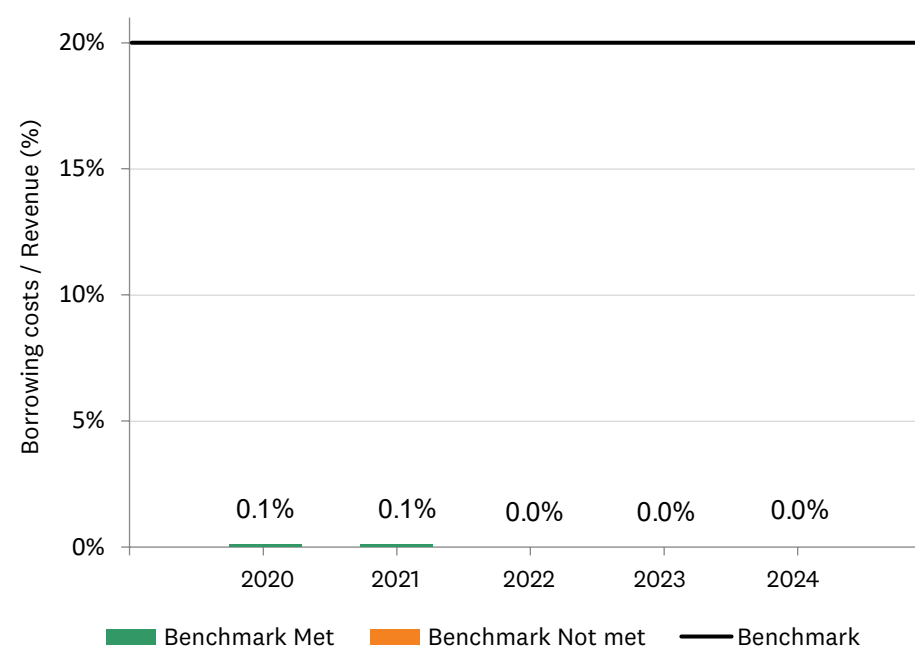
Essential services benchmark

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



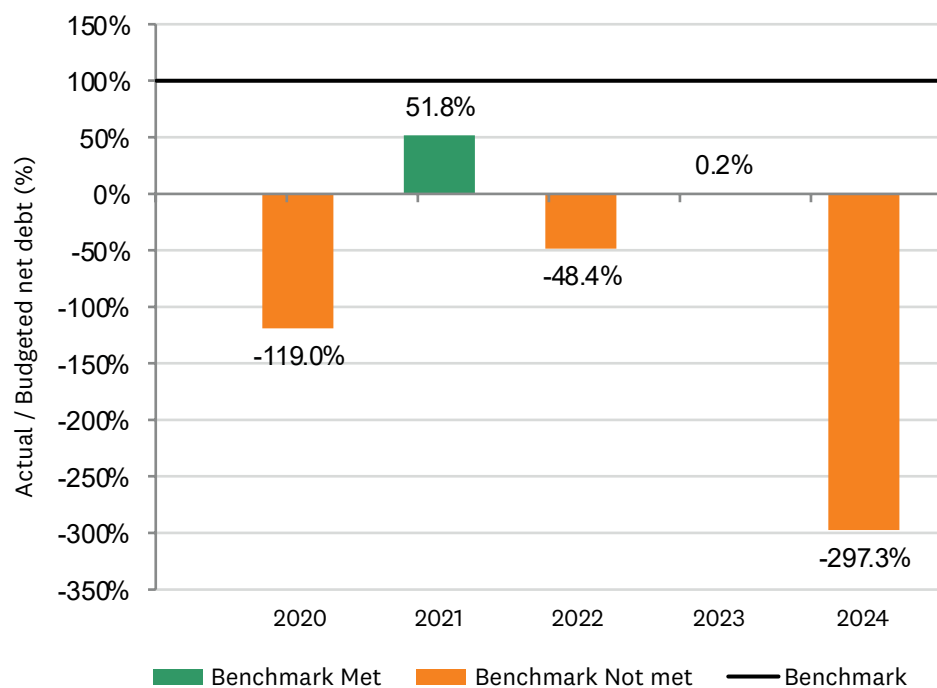
Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment). A local authority meets the debt servicing benchmark for a year if its borrowing costs for the year equal or are less than 10% of its revenue defined as above.



Debt control benchmark

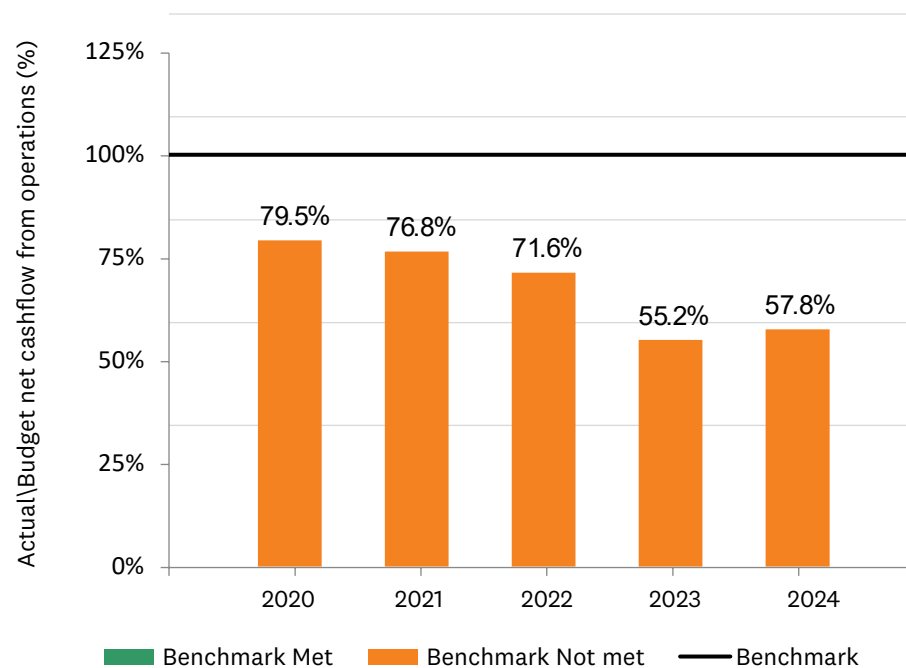
The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement net debt means financial liabilities less financial assets (excluding trade and other receivables). The Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Explanation content to come.

Operations control benchmark

This graph displays the Council's actual net cash flows from operations as a proportion of its planned net cash flow from operations. The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



The operations control benchmark shows whether actual net operating cash flow is equal to or less than planned. The above graph reflects the reality of funding issues faced by the Council over the years. It is impossible for the Council to meet its legislative obligations and to operate in a self-sufficient manner without support from central government, given the small ratepayer base and a lack of investments. Many projects that were budgeted had to be postponed due to lack of funding.

Independent Auditor's report

To the readers of Chatham Islands Council's annual report for the year ended 30 June 2023

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

We are also required to report on:

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

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

We completed our work on 26 October 2023. This is the date on which we give our report.

TO BE SUPPLIED In our opinion:

- the financial statements on pages 39 to 57:
 - > present fairly, in all material respects:
 - » Chatham Islands Council's financial position as at 30 June 2023; and
 - » the results of its operations and cash flows for the year ended on that date; and
 - > comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime;
- the funding impact statement on page 34, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in Chatham Islands Council's Long-term plan and annual plan;

- the statement of service performance (called the service performance summaries by activity) on pages 7 to 33 and pages 35 to 36:
 - > presents fairly, in all material respects, Chatham Islands Council's levels of service for each group of activities for the year ended 30 June 2023, including:
 - » the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - » the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
 - > complies with generally accepted accounting practice in New Zealand;
- the statement about capital expenditure for each group of activities on pages 9, 13, 16, 18, 22, 26 and 33, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in Chatham Islands Council's long-term plan and annual plan; and
- the funding impact statement for each group of activities on pages 9, 13, 16, 18, 22, 26 and 33, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in Chatham Islands Council's long-term plan and annual plan.

Report on the disclosure requirements

We report that Chatham Islands Council has:

- complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 59 to 62, which represent a complete list of required disclosures and accurately reflects the information drawn from the Council's audited information and, where applicable, Chatham Islands Council's long-term plan and annual plans.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

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

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

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

Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Chatham Islands Council's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service performance, as a reasonable basis for assessing the levels of service achieved and reported by Chatham Islands Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on Chatham Islands Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Chatham Islands Council to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's report

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

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 6, 37 to 38 and 67, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of the other information, we are required to report that fact. If, based on our work, we conclude that there is no material misstatement of the other information, we have nothing to report in this regard.

TO BE SUPPLIED

Independence

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

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



Yvonne Yang

Audit New Zealand

On behalf of the Auditor-General
 Christchurch, New Zealand
 25 October 2023

The organisation

Council

Mayor

Monique Croon

Deputy Mayor

Keri Lea Day

Councillors

Celine Gregory-Hunt

Graeme Hoare

Greg Horler

Richard Joyce

Judy Kamo

Nigel Ryan

Amanda Seymour

Council Staff

Chief Executive

Owen Pickles

owen@cic.govt.nz

Engineers

Stantec Ltd (Christchurch)

Nigel Lister, Rebecca Tinga

Bryan Peters – Roads and bridges

Kristen Norquay, Andrew Wong –

Water and wastewater

Phil Landmark –

Waste management and minimisation

Contractors

Environment Canterbury

Fulton Hogan Ltd

Resource management

Beca Ltd

Solicitors

Wynn Williams

Bankers

ANZ (Waitangi – Chatham Islands)

Auditors

Audit New Zealand

(on behalf of the Auditor-General)



chatham islands council

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Email info@cic.govt.nz
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R24/X

E24/10289





4. Works & Services

4.1 Stantec Engineering Report – September 2024

Date of meeting	31 October 2024
Agenda item number	4.1
Author/s	Stantec New Zealand

Purpose

To update and inform Council about its Engineering Services contract.

Recommendations

THAT the reports be received.

Background

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

Attachments

1. Stantec Monthly Report September 2024

CIC Engineering Services Contract: Monthly Report

Financial update – September 2024

Financial Position: Roothing

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

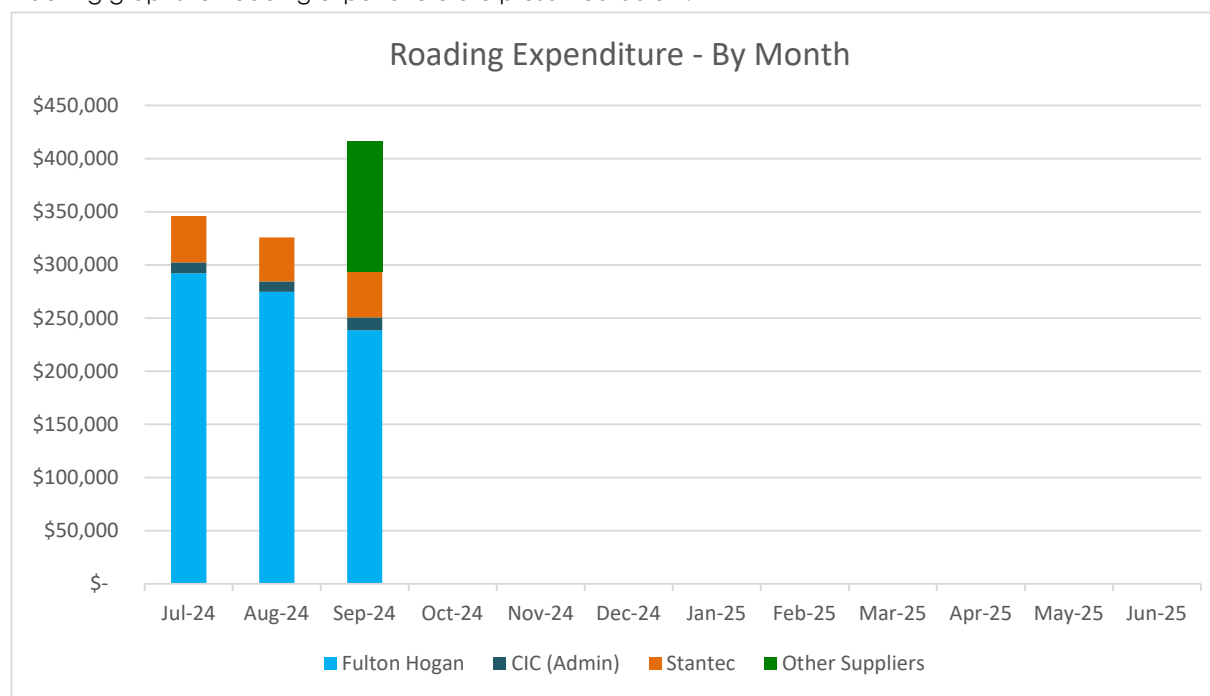
The September claim totalled \$416k.

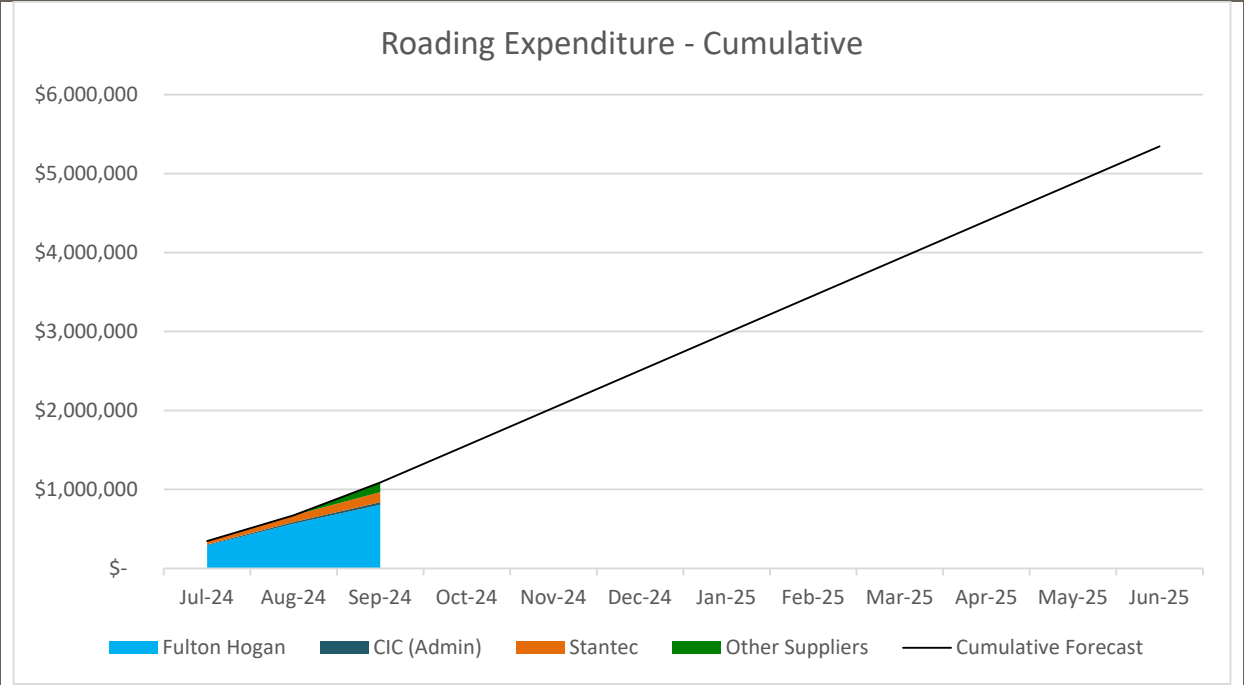
Expenditure of the Continuous Programme has used 26% of the funding allocated for 24/25 and we are 25% of the way through the financial year.

The largest construction cost in September was for the second Owenga Loading Ramp materials & shipping claim from Hunter Civil. The largest engineering cost was for the finalisation of the design for the Barge Loading Ramp and coordination meetings with Hunter Civil.

Expenditure Tracking of Waka Kotahi Funding

Tracking graphs for roading expenditure are presented below.





The claims from "Other Suppliers" presently includes Hunter Civil for the Owenga Ramp and CIET for the electricity for the street lighting.



Financial Position: Water and Wastewater

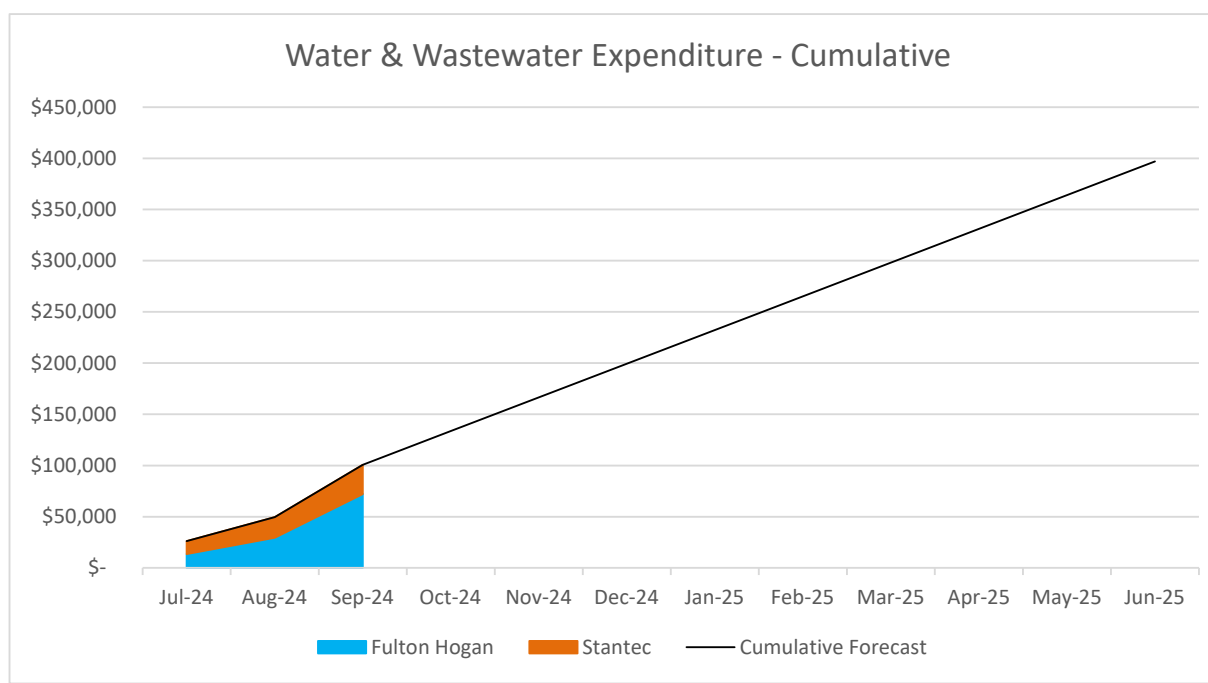
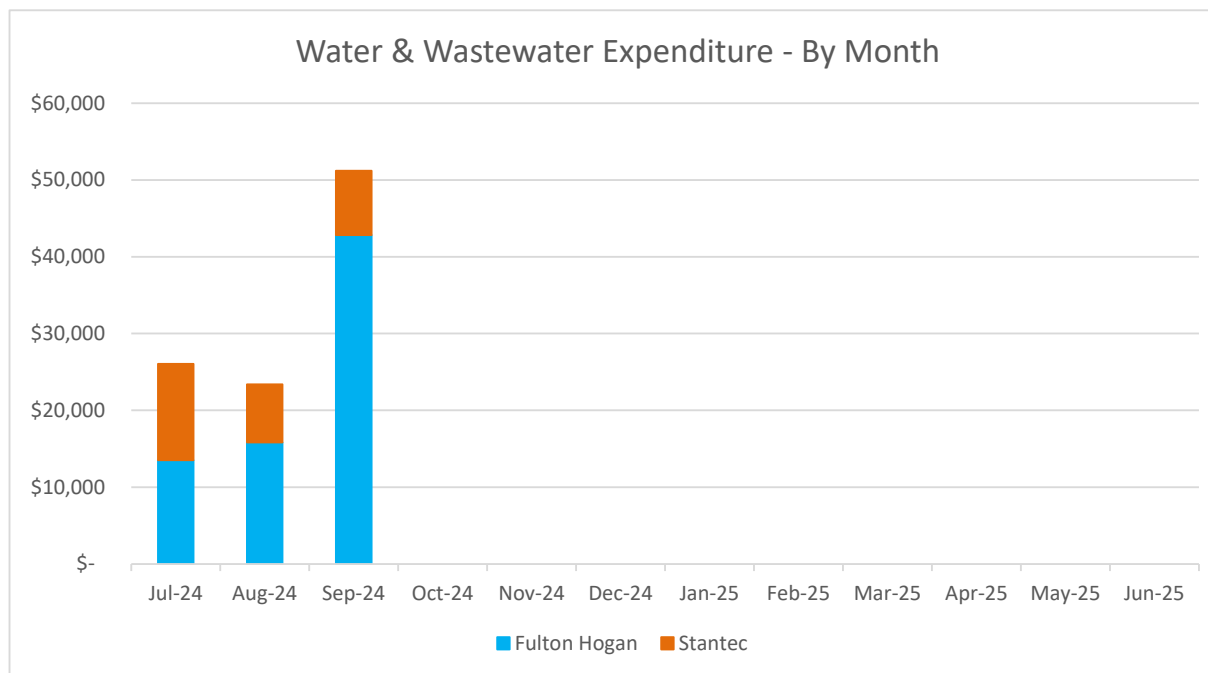
The operational expenditure for W+WW allocated in the 2024-34 LTP for 2024/25 is \$391,000.

The September claim totalled \$51k.

The main construction cost was for the replacement pumps for the wastewater pump station, and the main engineering costs were for the response to the wastewater overflow incidents.

Expenditure Tracking of Water & Wastewater Funding

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



Roading Update – September 2024

Short- & Medium-Term Roothing Forward Work Programme	
Bridges & Structures	Goldseal protective coating reapplication to the Lower Narin Bridge in November.
Owenga Loading Facility (LCLR)	Construction to start on Island in October
Network & Asset management	- Finalise design for Maipito Bridge renewal - Populate a 30-year plan works list
Long Term Roothing Forward Work Programme	
Owenga Loading Facility (LCLR)	Complete construction and begin using the Loading Ramp
Bridges & Structures	Replacement of the deck and beams on the Maipito Bridge in 2025/26
Owenga / Kaingaroa MakeSafe Works	Ongoing monitoring of condition
Pavement Maintenance	
Previous Status: We are working with Fulton Hogan to confirm the unsealed pavement sections for rehabilitation during the second half of 2024 and first half of 2025	Updates: The Pitt Island pavement repair work is now scheduled to be completed in January to guarantee agreeable weather and allow for the loading ramp to be completed to allow FH to load and unload gear more safely at Owenga.
Drainage Maintenance	
Previous Status: - Fulton Hogan have replenished the stock level of replacement culverts on Island. - The headwall improvements at Waikawa have been completed and the weight limit posting on the structure no longer applies.	Updates: - Swales and culverts will be renewed, and improvements completed where needed to ensure that the drainage network can cope with the larger volumes of rain that have been occurring. - The shape correction work on WW-O Road will help redirect water to drain away from the inside of the corner and prevent the drain from scoring out again.
Bridge & Structures Maintenance	
Previous Status: - A contractor has been engaged to re-apply the protective GoldSeal protective coating on the Nairn Bridge - Application works are scheduled for November currently. - The design calculations for the sizing of the replacement beams for Maipito have been completed - The existing steel beams will be replaced by glulam timber beams to make the structure more resilient to moisture and salt, and to reduce shipping costs	Updates: None

Whangamoe Bridge Replacement

Previous Status:

- Cuttriss have finished processing the cadastral survey of the new boundaries.
- The boundary information has been forwarded to the MLC, and we have received advice for how to proceed
- Rebecca and Nigel are not able to assist further with this
- We recommend that land acquisition and disposal specialists will need to assist with the completion of the legalisation

Updates:

- The Roothing contribution to the Whangamoe replacement is now complete and the culvert is set up in RAMM and the Bridge tables for normal maintenance

Owenga Loading Ramp

Previous Status:

- NZTA have granted the funding we requested to complete the loading ramp structure.
- We are in the process of making sure the project can be delivered within the allocated funding

Updates:

- Hunter Civil are on schedule to begin work on the 10th of October
- Tight conditions exist between funding and estimate to complete

Network & Asset Management

Previous Status:

- The 2024 – 27 NLTP has been finalised, and our total funding levels have been confirmed.
- Updates completed to sealed pavement Forward Works Plan, unsealed FWP in progress

Updates:

- Audit have presented RFIs regarding the Roughness reporting and Asset Renewals programmes and letters have been returned.
- Audit PPE existence testing for records of Fulton Hogans payment claims have been completed.
- The Auditor has indicated they may have more questions regarding the 2023/24 Annual Report but they are yet to assess the roading activity.

Kaingaroa & Owenga Wharf Repairs

Previous Status:

- Hunter Civil have submitted the payment claim for the Kaingaroa Southern Fender and decking repairs.
- Some work to install tread grating on the stairs of Owenga Wharf is still to be undertaken, and will be completed in conjunction with the loading ramp construction

Updates:

- No Updates

Stantec Site Visits

Previous Status:

- The next Roothing site Visit will be October 29th to November 1st

Updates:

- The roading visit at the end of October will be for an NZTA combined Audit
- The audit team will attend the Council Meeting that week

CIC catch-ups in Christchurch

Previous Status:

- Nigel & Rebecca caught up with Paul and Greg in Christchurch on the 21st of May

Updates:

- None

NZTA Waka Kotahi Updates
Previous Status:

- The subsidised funding levels for the 2024-27 investment period have been finalised by NZTA
- The Continuous programme funding level is adequate.
- The reduction in funding in the Road Safety Promotion programme is disappointing.
- There is sufficient funding available to complete the Owenga Barge Loading Ramp however it is very tight
- We requested a small amount of additional local road improvement funding for some small works across the network, we had low confidence that the funding would be granted due to low national benefit. It has not been approved, but it will not measurably affect the operation of the network.
- To release the funding level expeditiously, NZTA has allocated funding uniformly across financial years within each work category – which for CIC does not match our spending profile.
- We will be able to submit a cost scope adjustment to correct for our unique spending requirements shortly.

Updates:

- None

CIC Water and Wastewater O & M – September 2024

Three Waters Funding		
Item	Current Status:	Action
General	- FH to send variation letter to Stantec, target end of July/ early August. - An operational expenditure of \$391,000 was allocated in the 2024-34 Long Term Plan for 2024/25. Stantec have drafted a Technical Memo for Council highlighting the anticipated budget shortfall.	PH
Water Supply		
Project:	Current Status:	
Kaingaroa Water Supply Scheme	New Issues: - The ship continues to operate as usual. - The shipping company needs to address compliance issues to continue operation (need another 1-2 engineers on board and sleeping quarters). They have been given until December to rectify these issues. There is a risk to ongoing supply if the shipping company does not address their compliance issues. - The do not drink notice remains in place. This notice can be lifted if the next lot of testing shows chlorate concentrations below the MAV. The next lot of samples will be taken on Wednesday 18 September. - PH to forward JB a list of all FH contacts that need to be added to the communications list to/from Taumata Arowai - Chlorine generation added to critical works list but assigned a lower priority. Funding would be better spent addressing high dissolved organics/ decreasing chlorine demand. - Danny is back on island and picking up O & M for Kaingaroa	PH
	Work in Progress: - RP has diluted the chlorine supply at Kaingaroa, swapped the chlorine tanks, and installed the FAC probe. - FAC probe has since stopped working, RP to reach out to Filtec Rep (Leighton Greaves) to check whether he has an easy fix. - The next lot of samples will be taken on Wednesday 18 September. - Lake Rangitai intake extension. This will be installed when lake levels allow. PH to have a look at options, and email Stantec methodology. - Ongoing operations and maintenance	RP PH
	Completed: - Ongoing operations and maintenance	
	Critical Works Updates - None	
Waitangi Water Supply Scheme	New Issues: - FH have found and replaced 4-5 leaky water tobys, valves, and meters. The fittings had rusted out. These were replaced with plastic alternatives. - Leaky private water assets (pipes, fittings, valves, header tanks) are increasing water demand. This will be an issue in summer months when supply is limited. PH suggested Council	Waitangi Water Supply Scheme

	issue a notice to the community. JB to confirm how Council would like to proceed.	
	• Work in Progress: ○ Ongoing operations and maintenance	
	• Completed: ○ NA	
	• Critical Works Updates ○ None	
Compliance Monitoring August 2024	August 2024 Monthly Water Quality Compliance: • Waitangi ○ No E. coli or Total Coliforms detected in raw, treated, or network samples. ○ Treated water turbidity (<0.05 NTU) was below the operational target (0.3 NTU). ○ The UVT for treated water was satisfactory at 98.2%. ▪ Protozoa compliance is being met. • Kaingaroa ○ The do not drink notice remains in place due to risk of chlorate. ○ Further testing is required to confirm the new chlorine supply has reduced the concentration of chlorate in the treated water below the MAV. ○ No E. coli or Total Coliforms detected in the treated and network samples. ○ Low levels of both E.coli and Total Coliforms were detected in the raw sample, but as expected with a lake water source. ○ Treated water turbidity (0.14 NTU) was below the operational target (0.3 NTU). ○ The UVT for treated water was satisfactory on the day of sampling at 66.2%. ▪ Protozoa compliance may not have been provided for this period. • Recycling Center Supply ○ No E. coli or Total Coliforms detected in treated sample. • Council Office Supply (not a CIC supply) ○ No E. coli or Total Coliforms detected in treated sample. The UVT was good at 98.1%.	
Wastewater		
Project:	Current Status:	
Waitangi Wastewater Scheme	• New Issues: ○ Dry Weather Overflow (4/9/2024) ▪ Dry weather wastewater overflow to the beach on Wednesday 4 September 2024. The beach and shellfish beds were both closed but have since been reopened. ▪ Under normal operation there are two pumps in the solids tank by the bridge (duty/ assist). Both pumps are old, and need replaced. At the time of the overflow both pumps failed. ▪ Initially, FH attempted to install the critical spare (a recently refurbished pump) to repair the system.	JB

	However, this pump was also found to be faulty (kept tripping fuses). ▪ FH were able to fix one of the original pumps which is now operational but at a reduced capacity ▪ The other two pumps (one of the original pumps in the solids tank and the critical spare) remain out of operation. The pumps are currently with the mechanic for repair. ▪ FH have ordered two new pumps. Lead time anticipated to be around a month. ○ Wet Weather Overflow (15/9/2024) ▪ RP explained that there had been a second overflow which occurred on Sunday 15 September 2024. ▪ This overflow occurred due to high infiltration flows resulting from wet weather. The recently repaired pump was unable to keep up with high inflows resulting in an overflow. ▪ RP explained that the overflow occurred over a short time (<12hours), overnight (was found at 10am on Sunday morning), was predominantly stormwater flow, and left no visible signs on the beach. ▪ PH explained that stormwater ingress to the system means that the system will overflow at either the solids tank or the balance tank at the wastewater treatment plant. Because of the limited capacity of the pump the overflow point will be at the solids tank until the new pumps arrived or existing pumps are repaired. ▪ Stantec to assess risk of overflow ○ Existing Stormwater Connections to the System: ○ PH explained that high infiltration is made worse by several known private stormwater connections to the system. PH to send the property addresses to JB. JB confirm how Council would like to proceed.	
	• Work in Progress: ○ Discharge consent review on-going (Stantec progressing). ○ Ongoing operations and maintenance	
	• Completed: ○ Wastewater solids tank works and pump repair	
	• Critical Works Update ○ Nothing added	
Compliance Monitoring August 2024	August 2024 Monthly Compliance Monitoring All parameters were below the annual m+546edian except for Total Nitrogen and E. coli which were 15 mg/L and 1.5-log higher. The land application system will further reduce nitrogen and micro-organisms prior to reaching groundwater.	

Solid Waste Update – September 2024

Landfill Operation	
Current Status. - Stacking of waste bales at the landfill is going well and requires less cover. However, an excavator is still needed on occasions to cover waste with soil and track roll waste. - It has been confirmed that all wastes being sent to the landfill need to be weighed. Converting waste volumes, for instance for skip bins of waste, cannot be relied on for providing accurate estimates of waste being landfilled. - Stantec has provided a quotation for doing the Annual Report.	Actions – Stantec - None noted. Actions - Council - CIC to contact Jay Preece about use of excavator at the landfill. - CIC to consider Stantec quotation for Annual Report. Actions – Fulton Hogan - To get price for footbridge remediation.
Te One Operations	
Current Status. - Baling of wastes and recyclables is going well. - Fulton Hogan have installed perspex screens around the baler to stop liquids squirting out when baling wastes. - Stantec has provided CIC with a copy of the NES for storing tyres on-site. - Dealing with scrap metal is a pressing issue at Te One. It would be useful to get hold of some open top shipping containers so that metals could be sorted on-site and loaded into the bins, with the future prospect of sending them to the mainland. - The shipping container in the MCA yard needs to be moved to Te One.	Actions - Stantec - Stantec to provide summary of outdoor tyre storage requirements. Actions - Council - CIC to discuss with Chatham Islands Shipping about the possibility of obtaining some open top shipping containers. Actions – Fulton Hogan - Move the shipping container from MCA yard to Te One. - Provide a quotation for transporting and handling recyclables to Timaru.
Other Waste Management Matters	
Current Status. - Monthly solid waste matters meetings have been re-scheduled for 1st Wednesday of each month. - CIC, FH and Stantec staff had a teleconference with MfE to discuss the new reporting requirements. Stantec is to provide a summary sheet of the reporting requirements. - CIC is still to consider solid waste charges, which are most important for bulk users. - Shipping of recyclables is still likely to be a low priority whilst the shipping company catches up on handling of livestock.	Actions - Stantec - Stantec to provide a summary sheet of new reporting requirements. - Stantec to prepare agendas for directing monthly Solid Waste meetings. - Stantec to assist Council, as needs be, with decisions on introducing SW charges. Actions - Council - Council to determine further action regarding Solid Waste Charging Actions – Fulton Hogan - To identify waste sources in OWLS returns.



4. Works & Services

4.2 Fulton Hogan Road Maintenance Report

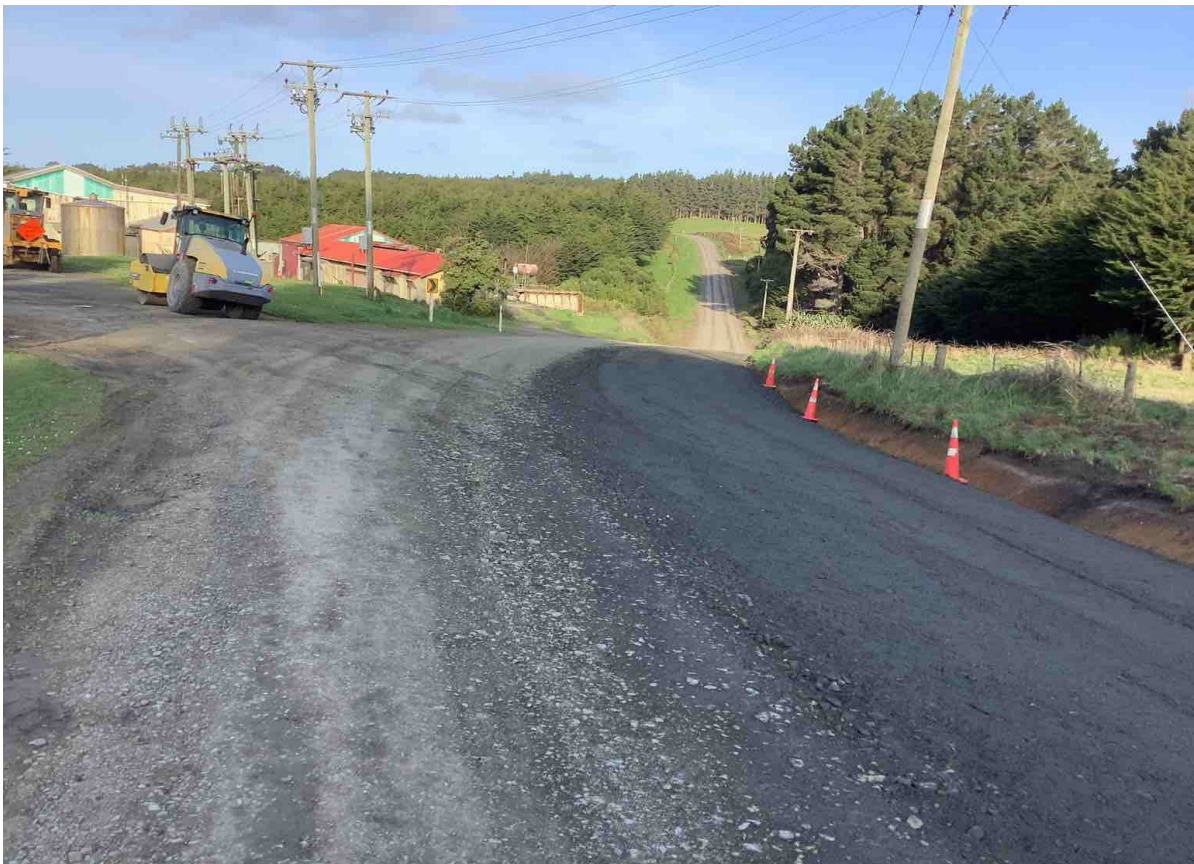
Date of meeting	26 September 2024
Agenda item number	4.2
Author/s	Fulton Hogan Contract Manager

Purpose

To inform and update the Council on the Chatham Islands Road Maintenance programme. Attached is the August 2024 monthly reports from Fulton Hogan.

Recommendation

THAT the report be received.



Corner Widening By CIET Offices On WW-O Road

CHATHAM ISLANDS ROAD MAINTENANCE CONTRACT MONTHLY REPORT SEPTEMBER 2024

Work Summary

Outline of work carried out during month

Routine Maintenance and Operations

Pavement Renewals

Sealed Road Resurfacing

Drainage Renewals

Bridge and Structure Renewals

Traffic Services

Minor Improvements

Vegetation Control

Dayworks

Programmed Work for following month

Schedule of Work by Road Name

1. Maintenance Grading
2. Unsealed Maintenance Metaling

Next Month's Target

Crash Damage Report Summary

Monthly Safety Report and Statistics

1. Safety Engagements

Metal Stockpiles

CIC Owned Materials

Signs

Culvert Pipes

Environmental Compliance & Feedback

Environmental Compliance

Stakeholder Complaints Register

Public Relations & Community Involvement

Innovation

When conditions allow we will continue with the blended maintenance material and continue to monitor areas already done to gauge how they perform in the wet/dry conditions.

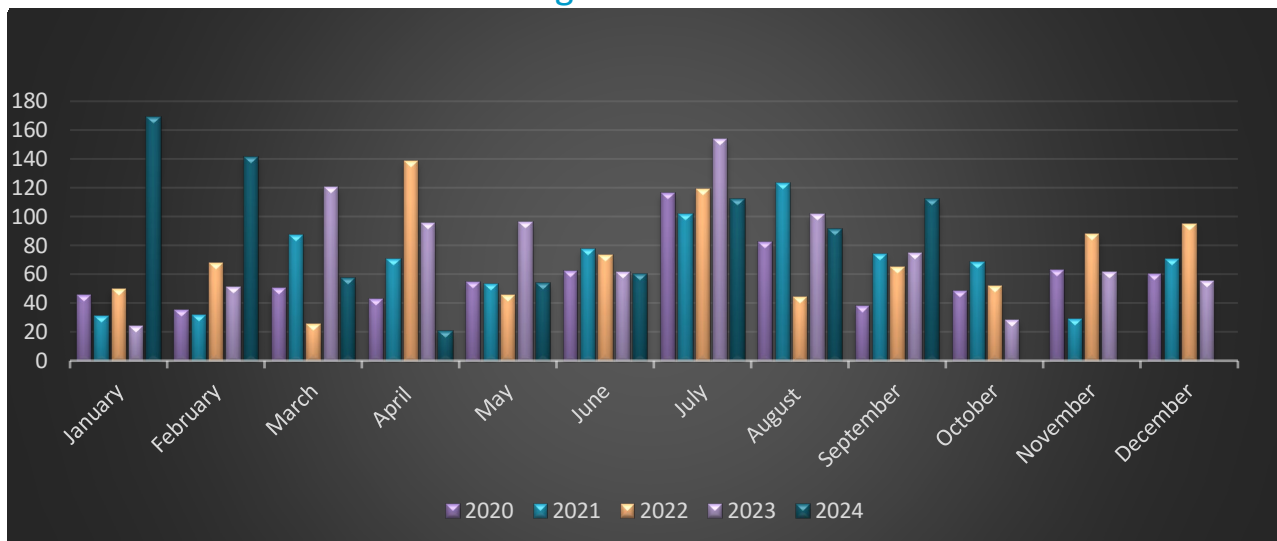
Summary of Monthly Progress Claim by Work Category

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

Photos

Work Summary

Outline of work carried out during the month.



112.5mm rainfall recorded for 1st – 30th September in the Waitangi yard.

Routine Maintenance and Operations:

Another month of well above average rainfall which is still holding us up getting onto the road strengthening and other projects.

Maintenance grading where required and a bit of metal put on to try and keep on top of the potholes.

Pavement Renewals:

Waiting for the weather to settle down and conditions dry out before getting back onto these.

Sealed Road Resurfacing:

Drainage Renewals:

Have opened ends on a few blocked culverts and a bit of anti-scouring work on WW-O road.

Bridge and Structure Renewals:

Traffic Services:

Minor Improvements:

Vegetation Control:

Not a lot of mowing done this month as grass not growing very fast and with the very wet conditions.

Dayworks:

Programmed Work for following month:

Carry on with strengthening works on sections of North Road, if dry enough.
Watertabling areas where water is ponding.

Schedule of Work by Road Name

1. Maintenance Grading

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

Road ID	Dispatch	Road ID	Start RP	End RP	Quantity M
WW-O ROAD	5563	11	4440	24305	17927
OWENGA WHARF ROAD	5567	16	20	350	330
WAITANGI WEST ROAD	5568	61	0	11570	11570
PORT HUTT ROAD	5572	51	0	16615	16615
TUKU ROAD	5584	111	700	14057	13357
NORTH ROAD	5587	21	4590	11000	5980
				Total	65779m
					65.779km

2. Unsealed Maintenance Metaling

Road	Dispatch	Road ID	Start RP	End RP	Quantity m3
TE MATERAE ROAD	5573	81	0	8174	64
TUKU ROAD	5574	111	700	10000	16
AIR BASE ROAD	5575	71	0	3000	8
NORTH ROAD	5576	21	4590	5000	8
		Totals		This Month	96
				Revised Target	53500
				Contract TD	53190

Next Month's Target

310m3 behind at this stage.

Crash Damage Report Summary

Date	Event	Action	Repaired Y/N
19/05/23	A vehicle ran over the islands and through the gardens on Page's corner.	No official report of harm or damage to road. Vehicle not healthy.	Yes Garden edging needs to be replaced.
20/05/23	A vehicle failed to take the corner at the bottom of Target Hill and rolled in the drain between George Day's and Cameron's access.	1 person was trapped and upon removal was air lifted to NZ for treatment.	Y Slight shoulder and pavement damage.
28/07/23	A vehicle went through both sets of railings on Nairn bridge and landed on the beach.	Damage not found till the next morning and made safe.	Y New post & railings installed.
12/08/23	Vehicle v's beast on North Road just past Murphy's causing extensive damage to the front end of the vehicle. Beast got up and ran away!	Vehicle moved off to the side to be recovered later.	N
17/09/24	Vehicle left at the shop with no hand brake applied = ran across the road and into the rail fence around the playground.	Vehicle removed and rails repaired.	Y

Network Inspections

Month	Inspection Type	Faults Identified	Inspected By
December 2023	Day	Roadroid survey done in conjunction with a pre xmas audit of the network.	Phil
February 2024	Day	No problems found throughout the network while undertaking the summer Roadroid survey.	Tomby
March 2024	Day	Drive around the network to access and work out a 3-month program of works required.	Phil
April 2024	Day	Drive around the network. Some damage occurring due to the works on North Road.	Tomby
May 2024	Day	Drive around the network, including roadroid survey. Normal wet condition damage which will be addressed with grading and maintenance metal.	Tomby.

July 2024	Day	Drive around and check the network condition to program any maintenance works required.	Phil
August 2024	Day	Network checked during the Roadroid survey. No urgent faults found.	Tomby

Monthly Safety Report and Statistics

Nothing to report.

1. Safety Engagements

Date	Near Miss	Incident	Lost Time Injury	Plant Damage	Depot/Worksite Inspections
22/08/22	N	N	N	N	HSQES site audit carried out while crew clearing culvert ends = all ok.
12/09/22	N	N	N	N	Target Hill counterfort drains = making sure correct installation procedure being followed = all ok.
7/12/22	N	N	N	N	Reseal site inspection = all TM in place and sufficient.
29/3/23	N	N	N	N	Tiki Tiki water plant check with Kirsten.
12/05/23	N	N	N	N	Te Awainanga Bridge cleat replacements.
17/05/23	N	N	N	N	Whangamoe Bridge Replacement
16/08/23	N	N	N	N	Audit done on the workshop by Andy Allen.
19/10/23	N	N	N	N	New workshop washdown area checked while slab being poured to make sure everyone observing FH SOP's
20/12/23	N	N	N	N	Workshop inspected to see the changes made by the new mechanic = all good so far.

Metal Stockpiles

30/09/2024							
Site	AP40 Schist	AP65	AP32 Basalt	AP100 Schist	AP20	G3 Chip	G5 Chip
Waitaha Schist	3,013	0	0	961	0		
Waitaha Basalt	0	2,772	1,399	0	128	315	271
Paritu	1,805	0	0	1,369	0		
Stoney Crossing	0	1,976	8,458	0	2,536	311	111
Yard	0	0	0	0	0		
Ohinemama	0	0	0	0	0		
Muirsons Schist	4,000	0	0	1,672	0		

MPA Yard	0	0	0	0	0	51	230
	8,818	4,748	9,857	4,002	2,664	677	612

CIC Owned Materials

Signs

Item Description	Unit	Purchased	Used September 2024	End Measure	Comments
<i>Signs</i>					
CS85 North Rd	ea.			1	
CS85 Port Hutt Rd	ea.			1	
RG1	ea.			0	
RG2	ea.			0	
RM6 White	ea.			6	
RM6 Yellow	ea.			5	
RM7	ea.			16	
P66X242	ea.			7	
PW11	ea.			1	
PW11.1L	ea.			1	
PW11.1R	ea.			1	
PW12L	ea.			1	900
PW12R	ea.			1	
PW24	ea.			2	
PW25 65KM	ea.			1	
PW28	ea.			1	
PW34.1	ea.			1	900 Y
PW34.2	ea.			2	
PW37	ea.			1	900
PW49 FIRE ENGINE	ea.			2	
PWSX1	ea.			2	
RH-4	ea.			2	
PW54	ea.			2	
<i>Marker pegs</i>					
EMP	ea.		9	122	
CULVERT MARKERS	ea.			45	
WHITE RAPID MARKERS	ea.			60	
<i>Misc. Items</i>					

Item Description	Unit	Purchased	Used September 2024	End Measure	Comments
ACROW PROPS	ea.			6	
ROAD COUNTER	ea.			1	
ROUGHOMETER	ea.			1	

Culvert Pipes

ALUFLOW

Item Description	Unit	Used	Purchased	End Measure
375mm	m			5
450mm	m			0
600mm	m			0
750mm	m			6

Civilboss

225mm	m			24
300mm	m			54
375mm	m			54
450mm	m			23.2
525mm	m			15
600mm	m			30
700mm	m			30
800mm	m			23.2
1000mm	m			12

Builders Mix

CEMENT	T			0
GEOGRID Tensar Triax 160	Rolls			14
BIDIM CLOTH 4m x 100m	Rolls			14
BIDIM CLOTH 4m x 50m	Rolls			13

Environmental Compliance

Date	Site Inspected	Compliant Y/N	Abatement Order Issued	Corrective Action Required	Completed By
14/03/22	WW-O Rd Culvert Installation	Y	N	N	Phil
27/06/22	Stoney Crossing Quarry	Y	N	N	Phil
26/08/22	North Road Strengthening works	Y	N	N	Phil

13/10/22	Target Hill Rehab Site	Y	N	N	Phil
1/12/22	Kaingaroa Rehab Site	Y	N	N	Tomby
21/02/23	Whangamoe Bridge Replacement	Y	N	N	Tomby
18/05/23	Whangamoe Bridge Replacement	Y	N	N	Tomby
27/06/23	FH Workshop Wash Down Pad	Y	N	N	Phil

Stakeholder Complaints Register

Month	Council/ Public Complaint	Complaint	Repair Undertaken	Response Time
24/10/23	Public	Blocked culvert at the top of the Awatotara cutting.	Already know about it and it is in the programme to be replaced.	Non-Urgent
18/12/23	Public	Size of metal on the road between Matarakau and Kaingaroa seems to be very large.	Metal size has not changed. There is a lot looser material due to the dry conditions now and the grader just been over the road.	No Action Taken
18/12/23	Public	Grader has turned around on the new seal at Kaingaroa and scuffed it.	Inspected and no repairs required.	Have spoken to the grader operator.
May 24	Public	Parent from Pitt Island complained to council about state of Flowerpott-Glory Road.	Inspection and Roadroid completed. Repairs to be completed in November.	2 weeks.
July 24	Public	Road soft where strengthening work is being carried out.	Strengthening material got too wet while being placed. Site needs to dry out before work continues.	When weather allows.
July 24	Public	Numerous potholes throughout the unsealed network.	Very wet conditions graders doing the best they can.	Ongoing.
July 24	Public	Grader making roads rough causing punctures in tyre.	Roads inspected and nothing out of the ordinary found.	3 days.

Public Relations & Community Involvement

Innovation

Summary of Monthly Progress Claim by Work Category

	September 24	Separable Portion One - Roading			
<u>Item</u>	<u>Work Category</u>	<u>Value for Month</u>	<u>Value YTD</u>	<u>Annual Budget</u>	<u>% of Annual Budget</u>
1	P&G Other	\$128,849.70	\$428,780.42	\$1,500,000.00	28.58%
2	Routine Maintenance and Ops	\$62,478.03	\$177,946.69	\$810,000.00	21.97%
3	Pavement Renewals	\$28,229.84	\$100,145.84	\$662,000.00	15.13%
4	Sealed Road Resurfacing	\$0	\$0	\$9,000.00	0%
5	Drainage Renewals	\$0	\$31,825.06	\$405,000.00	7.8%
6	Bridge Renewals	\$0	\$281.48	\$50,000.00	0.56%
7	Traffic Services	\$7,028.82	\$19,009.03	\$86,000.00	22.10%
8	Minor Improvements	\$6,251.30	\$16,320.57	\$50,000.00	32.64%
9	Vegetation Control	\$5,408.41	\$16,939.57	\$55,000.00	30.80%
11	Dayworks	\$262.25	\$2,743.12	\$150,000.00	1.83%
	Total	\$238,508.35	\$793,991.78	\$3,770,000.00	21.06%

1. Miscellaneous

2. Traffic Counting

Traffic counter has been deployed on various roads over the last few weeks.

3. Pitt Island

Starting to program and source plant for the work required on Pitt once the loading ramp has been constructed at Owenga.

4. Wind Damage

No reported or visible signs of damage this month.





Corner Widening And Anti Scour Works On WW-O Road



4. Works & Services

4.3 Fulton Hogan Water and Wastewater Operation Contract Report

Date of meeting	31 October 2024
Agenda item number	4.3
Author/s	Fulton Hogan Contracts Manager

Purpose

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

Recommendations

THAT the reports be received.

Background

Attached is the September 2024 Water & Wastewater report from Fulton Hogan.

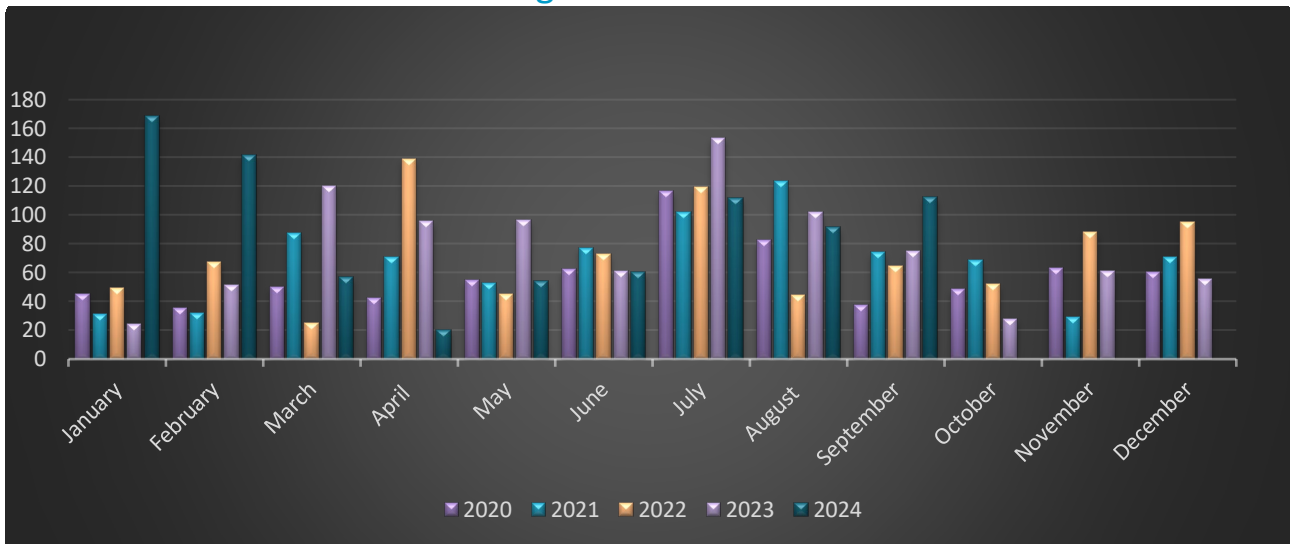


Lake Rangitai Raw Water Pump & Motor

CHATHAM ISLANDS WATER AND WASTEWATER OPERATION CONTRACT MONTHLY REPORT SEPTEMBER 2024

Work Summary

Outline of work carried out during the month:



112.5mm rainfall recorded for 1st – 30th September in the Waitangi yard.

Water Supply Operation & Maintenance:

Meters read on the 2nd with no issues being found. However, water usage increased by 8-10,000lts per day from the 8th. Meters read again on the 11th to find out where/what and who's property was at fault. Repairs made where necessary.

Water Treatment:

Tiki Tiki plant = Plant has been good this month with no issues.

Kaingaroa plant = Plant ticking along ok this past month with no issues.

Wastewater Treatment Plant at Waitangi:

Had a dry weather overflow from the solids tank when the pumps failed and a wet weather overflow event due to amount of stormwater entering the system during a heavy rain event. Pump in solids tank only working at 50% capacity but keeps up with flows in normal circumstances.

Waiting for new pumps to arrive from Australia.

Dayworks – Water:

Broken and leaking meters and valves replaced.

Dayworks – Wastewater:

Sorting pump failures and getting system working again.

Water and Wastewater Reticulation Network:

Searching for the main stormwater ingress points.

Chatham Islands Monthly Report

Water and Wastewater Treatment Plant: Monitoring:

No issues this past month. Chlorite levels at Kaingaroa are within spec.

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

Summary of Monthly Progress Claim by Work Category:

	September 24	Separable Portion Two - Water and Wastewater			
Item	Work Category	Value for Month	Value YTD	Annual Budget	% of Annual Budget
13	Preliminary and General	\$15,387.93	\$23,444.46	0	0%
14	Water Supply Ops and Maint	\$922.32	\$2,766.96	0	0%
15	Water Treatment	\$4,792.55	\$10,688.33	0	0%
16	WWTP Waitangi	\$922.32	\$2,766.96	0	0%
17	Dayworks - Water	\$1,177.54	\$10,040.87	0	0%
18	Dayworks - Wastewater	\$18,866.48	\$18,916.88	0	0%
19	Water and Wastewater Reticulation	\$0	\$0		
20	Treatment Plant Monitoring	\$1,188.52	\$3,565.56	0	0%
	Total	\$43,257.66	\$72,190.02	\$0	0%

No Provisional/Annual budget through yet.

Programmed Work for Following Month:

Ongoing maintenance and improvement work as the budget allows.

Water Meter Report:

Done twice this month to find leaks.

Irrigation Dosing:

Evaporation process has almost been non-existent again this month with all the wet weather lately but no excessive runoff from the irrigation fields evident.

Quality Assurance:

Site Safety Report:

Date	Near Miss	Incident	Lost Time Injury	Plant Damage	Depot/Worksite Inspections
23/05/23	N	N	N	N	Lake Rangitai pump shed new motor installation.
23/08/23	N	N	N	N	WWWT Plant check once service had been completed.
19/03/24	N	N	N	N	Water & WWWT plant checks after services.

Environmental Non-Compliance:

Monthly Stocktake of Supplies:

General Supplies Stockpile – Month Ending September 2024

	Stock Purchased	Stock End of Previous Month	Stock Used	Stock Remaining End of Month
Salt		210 Bags	12	198bags
Chlorine		1000lts	20L	80lts

PHOTOS



Kaingaroa Water Plant Control Panels



A Very Full Lake Rangitai



6. Regulatory

6.2 Dog & Stock Control Update

Date of meeting	31 October 2024
Agenda item number	6.2
Author/s	Nadia Thomas, Dog & Stock Control Officer

Purpose

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

Recommendations

THAT Chatham Islands Council

1. **Receives the report.**

Background

The attached report provides an update on activities by the Dog & Stock Control Officer for the 12 months to 30 June 2024.

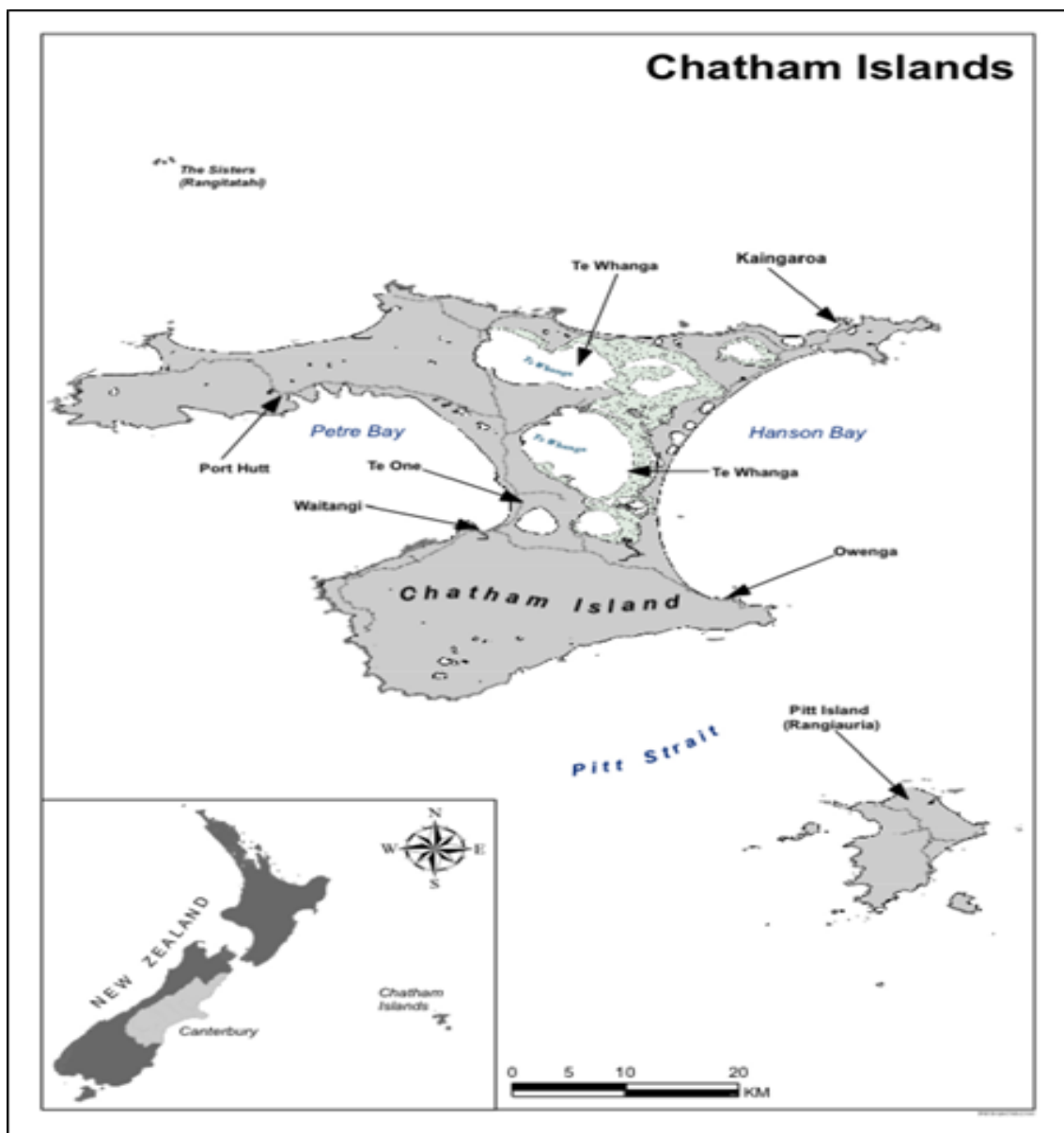


Chatham Islands Council
Dog Control Report
for the year ending 30 June 2024

The Chatham Islands

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

There are five settlement areas on the main island - Waitangi, Te One, Owenga, Port Hutt and Kaingaroa. Pitt Island is a small rural community consisting of a small number of farms. Dog control is administered on both Chatham and Pitt Islands. All dogs within the Chatham Islands territory are classified as 'working dogs'.

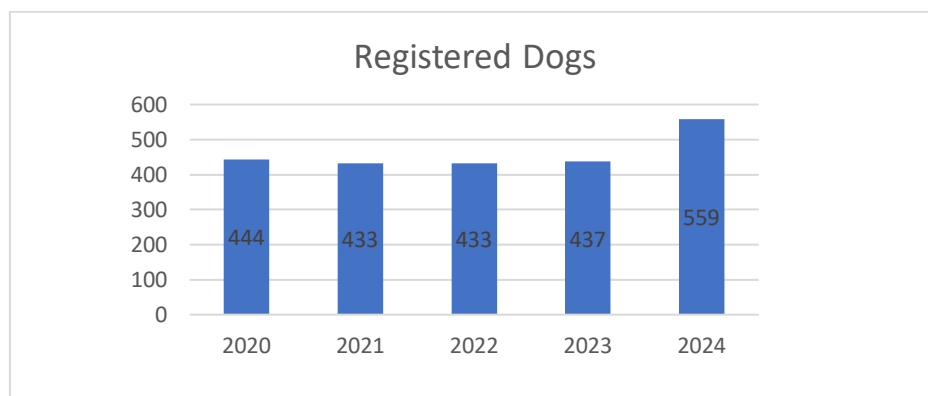


Dog Control Officer/s

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

Dogs Registered as at 30 June 2024

-There are 559 dogs registered as at 30 June 2024.



A total of 559 dogs were registered as at 30 June 2024, an increase of 122 dogs since 2023.

Probationary and Disqualified Owners:

There were no probationary or disqualified owners during the financial year ending 30 June 2024. Although 7 owners have been spoken to about the possibilities of disqualifications.

Dangerous Dogs:

During the year ending 30 June 2024, there was only 1 dangerous dog reported. The dog is not aggressive but is a hazard to traffic on the road.

Menacing Dogs:

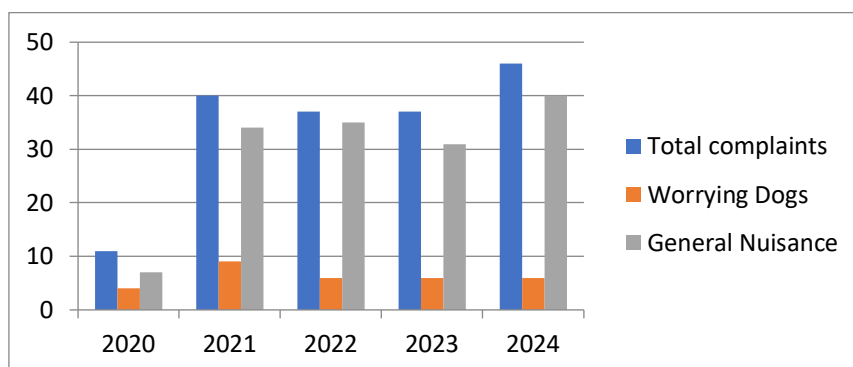
There were 7 menacing dogs reported during the year ending 30 June 2024.

Dog Infringement Notices:

There was no dog infringement notices issued during the year ending 30 June 2024.

Dog Complaints:

There were 46 complaints received during the year ending 30 June 2024. Six complaints related to worrying dogs and 32 complaints related to general nuisance dogs, 7 menacing and 1 dangerous. There has been an increase in total dog complaints by 9 since 2023.



Prosecutions:

There were no prosecutions during the year ending 30 June 2024. Although 12 dogs were destroyed due to worrying and 1 was granted a 'last chance pass' from the farmers.

Public Information:

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

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

Chatham Islands Dog Control Bylaw 2018 and Chatham Islands Dog Control Policy 2018

The Chatham Islands Dog Control Bylaw and the Chatham Islands Dog Control Policy was adopted on the 13th July 2018.



6. Regulatory

6.2 Biosecurity Act Submission

Date of meeting	31 October 2024
Agenda item number	6.3
Author/s	Rachel Tutty (ECan)

Purpose

1. xxx

Recommendations

xxx

Background

Attachments

1. Subdivision application



8. Government

8.1 Ministerial Correspondence

Date of meeting	31 October 2024
Agenda item number	8.1
Author/s	

Purpose

Information for Council.

Recommendations

THAT the information be received.

Background

Attached is information received from Hon Minister Bishop and Brown seeking your support in developing a National Infrastructure Plan.

From: Infrastructure Portfolio
Sent: Friday, 27 September 2024 05:33
Subject: MIN-CB-80 Letter from Hon Bishop and Brown regarding the National Infrastructure Plan
Attachments: MIN-CB-80 Letter from Hon Bishop and Brown regarding the National Infrastructure Plan.pdf

Dear Mayors and Chairs

Please find attached letter from Hon Chris Bishop and Hon Simeon Brown attached seeking your support with the development of the National Infrastructure Plan.

Kind regards

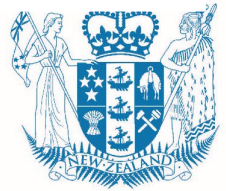


Office of Hon Chris Bishop

Minister of Housing, Minister for Infrastructure, Minister Responsible for RMA Reform, Minister for Sport & Recreation, Leader of the House, Associate Minister of Finance

Email: christopher.bishop@parliament.govt.nz Website: www.beehive.govt.nz
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

Minister of Housing
Minister for Infrastructure
Minister Responsible for RMA Reform
Minister for Sport and Recreation
Leader of the House
Associate Minister of Finance



CB-COR0836

14 October 2024

Tēnā koe,

I am writing to inform you of the progress we have made to improve the resource management system and meet the Coalition Government's objective for a faster growing, more productive economy.

It is widely accepted that the resource management system is not fit for purpose. Consensus on that point was reached almost a decade ago. We need a resource management system that protects the environment not by resisting growth but by setting clear rules, so growth occurs within limits.

Progress to date

I would like to update you on the progress we have made over the last year.

We have divided our reform into three phases.

The first phase, repealing the Natural and Built Environment Act and Spatial Planning Act, was completed in December 2023. We did not take the decision to repeal those Acts lightly, but they would not have achieved the objectives needed for New Zealand to grow and thrive.

The goal of Phase Two is to improve the performance of the Resource Management Act 1991 (RMA) by removing unnecessary regulations for primary industries and barriers to investment in development and infrastructure while maintaining environmental protections.

Phase Two includes:

- The *Fast-track Approvals Bill* to create a one-stop shop for approvals, consents and permissions to speed up the delivery of regionally and nationally significant projects. This Bill is currently in front of the select committee and we expect it to be passed into law by the end of 2024. You can find more information about this process here - [Fast-track Approvals Bill | Ministry for the Environment](#)
- Targeted amendments to the RMA will relieve the most significant issues in the Act through the:
 - *Resource Management (Extended Duration of Coastal Permits for Marine Farms) Amendment Bill*
 - *Resource Management (Freshwater and other Matters) Amendment Bill* which includes changes to freshwater management, stock exclusion and winter grazing rules, marine farming consents, and Significant Natural Areas. This Bill also streamlines the process for changes to national direction. It is currently before select committee, and we also expect it to pass by the end of this year.
 - *Resource Management Act Amendment Bill* (RMA Amendment Bill Two) is currently in development. We expect to introduce it before the end of 2024 and passed into law by mid-2025.

- A package of National Direction – including amendments to 14 current National Policy Statements (NPS) and National Environmental Standards (NES), as well as seven new national direction instruments. We will consult on these in early 2025 and along with the second Bill they are expected to be passed into law in mid-2025.

We have focused our changes to the RMA on the things that will have the largest impact in the short term and contribute to the Coalition Government's priority programmes: Electrify NZ, Infrastructure for the Future, Going for Housing Growth and the Primary Sector Growth Plan.

The second RMA amendment bill and the new national direction package gives effect to these coalition commitments and changes to the RMA will unlock development and drive a more efficient and effective resource management system. These changes will transition into the new system once it is in place.

The changes can be grouped in four distinctive packages. These are:

- Infrastructure and Energy
- Housing
- Farming and primary sector
- Emergency response and natural hazards

Infrastructure and Energy

This package will develop further national direction to enable a range of productivity-boosting energy and infrastructure projects, including a new NPS-Infrastructure. It will also provide a consistent approach to quarrying and extend the duration of port coastal permits by a further 20 years. Changes to the NES-Telecommunications Facilities will keep up to date with technological developments and give telcos greater certainty and reduced consenting costs as they upgrade their infrastructure. The Government's Electrify NZ reforms will make it easier to consent and re-consent renewable energy.

More information on our Electrify work programme is available here - [Next steps on Electrifying New Zealand | Beehive.govt.nz](#).

Housing

The housing package will contain reforms needed to enable the first pillar of the Government's Going for Housing Growth policies. These changes will require councils to provide for 30-years' worth of housing growth while providing flexibility for councils to opt out of the Medium Density Residential Standards. Changes are also being made to the National Policy Statement on Urban Development and the National Policy Statement for Highly Productive Land, along with guidance for effective heritage management and developing new national direction to enable granny flats and papakāinga housing.

More information on our Going for Housing Growth work programme is available here - [Going for Housing Growth speech | Beehive.govt.nz](#)

Farming and the Primary Sector

The primary industries package will contain changes to drive primary sector productivity. This package will mainly give effect to National Party Manifesto promises and coalition agreements. We are amending the National Policy Statement for Highly Productive Land to make it clear that indoor primary production and greenhouses are permitted on highly productive land, as well as specifying that farmers are also allowed to build new specified infrastructure such as solar farms on that land.

More information on our Farming and the Primary sector work programme is available here - [Government confirms RMA reforms to drive primary sector efficiency | Beehive.govt.nz](#)

Emergency Response and Natural Hazards

This package provides a comprehensive, nationally consistent framework for addressing the risks posed by natural hazards, including risks from climate change. Rather than a two-step process as previously intended, we have decided to progress this work as a single instrument. This will provide direction to councils on how to identify natural hazards, assess the risk they pose, and how to respond to that risk through planning controls. The RMA Amendment Bill Two will include improved emergency provisions to better enable rapid responses to disasters.

A list of specific items under these four areas is available in Appendix One. You can find out more about Phase Two in my recent [Speech to the Local Government New Zealand Conference | Beehive.govt.nz](#).

Replacing the RMA

The reforms of Phase Two will carry over into the long-term replacement for the RMA which is the focus of Phase Three of the RM Reform programme. This phase advances the Coalition Government's commitment to replace the RMA by a new system that will be rules-based and embed respect for property rights and the rule of law.

Cabinet has agreed the new resource management system will have three core tasks:

- unlocking development capacity for housing and business growth
- enabling delivery of high-quality infrastructure for the future, including doubling renewable energy
- enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture, and mining)

It must achieve these objectives while also:

- safeguarding the environment and human health
- adapting to the effects of climate change and reducing the risks from natural hazards
- improving regulatory quality in the resource management system
- upholding Treaty of Waitangi settlements and other related arrangements

There are ten principles that underpin the new system. These will be tested and refined by a Resource Management Expert Advisory Group (EAG). The EAG will develop a blueprint of the new system over the next three months – a workable and practical plan that officials can quickly turn into new legislation. This blueprint is due back to me before Christmas.

The EAG will bring fresh thinking, expertise and practical knowledge, working closely with officials from across government to make sure Ministers can make the decisions needed to draft the new legislation as quickly as possible. It will be chaired by Janette Campbell and comprises experts with relevant technical knowledge ranging from resource management law to planning and te ao Māori. Members are Christine Jones, Paul Melville, Rukumoana Schaafhausen, Kevin Counsell, Gillian Crowcroft and Mark Chrisp.

Public consultation on the proposals will occur primarily through the select committee process.

Key aspects of the resource management system

Principles guiding the development of the new system are the following:

- narrow the scope of the resource management system and the effects it controls
- establish two Acts with clear and distinct purposes – one to manage environmental effects arising from activities, and another to enable urban development and infrastructure
- strengthen and clarify the role of environmental limits and their development
- provide for greater use of national standards to reduce the need for resource consents and to simplify council plans, such that standard-complying activity cannot be subjected to a consent requirement
- shift the system focus from consenting which happens before the event to strengthening compliance, monitoring and enforcement
- use spatial planning and a simplified designation process to lower the cost of future infrastructure
- realise efficiencies by requiring councils to jointly prepare one regulatory plan for their region
- provide for rapid, low-cost resolution of disputes between neighbours and between property owners and councils
- uphold Treaty of Waitangi settlements and the Crown's obligations
- provide faster, cheaper and less litigious processes within shorter, less complex and more accessible legislation.

I have instructed my officials to test these principles with key partners and stakeholders in parallel with the EAG and I will report back to Cabinet on this feedback too.

Key aspects of the new resource management system will go to Cabinet for agreement at the beginning of 2025, and legislation will be introduced and passed before the next election.

You can find out more about these principles in the [Speech on replacing the Resource Management Act](#) and [Replacement for the Resource Management Act takes shape | Beehive.govt.nz](#).

Looking forward

I know our timeline is ambitious, but we have critical issues to solve if we are to turn New Zealand's economy around, increase productivity and make things easier to do. I am acutely aware of the need to reset the resource management system in a way that is pragmatic and targets the most significant issues first.

The instruments from Phase Two, and other important elements of the existing system such as plans will transfer over, with a “switching off” of any elements incompatible with the new system.

This is critical to accelerate and smooth the transition, lightening the load on councils and those who use the resource management system, and avoiding long implementation times. Some RMA settings will be retained for this work to be carried forward with minimal disruption, and to uphold Treaty settlements.

The proposed Phase Three changes will be designed to be implemented as quickly as possible and to minimise disruption on those who use the system. By limiting scope and targeting council effort to more complex issues, the replacement system will deliver reduced costs to both councils and ratepayers.

Our goal is to replace unnecessary regulation with clear rules to unlock the double dividend of higher growth and better environmental outcomes.

By redirecting only a fraction of the resources consumed by RMA processes, we can protect the environment and provide clear pathways for investment and growth within environmental limits.

We look forward to your working with you as we do this.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Chris Bishop'.

Hon Chris Bishop
Minister Responsible for RMA Reform

Appendix One: Detailed items under RMA Amendment Bill 2 and the National Direction Package

The national direction policy proposals described below are still in development. We have provided this content to support engagement and to seek your initial thoughts on the direction of travel. We expect to formally consult on more detailed policy proposals in early 2025.

RMA Amendment Bill 2	
Fisheries Act and RMA	
Reduce regulatory overlap between the RMA and the Fisheries Act 1996 to provide certainty for fishers	
Port permits	
Extension of port permits duration – section 384A of the RMA	
Consenting	
Amend the RMA to require renewable energy generation consents (excluding hydro and geothermal) to be decided within one year of application.	
Establish a one-year limit to re-consent existing renewable electricity generation assets	
Require resource consents for wood processing facilities to be decided within one year	
Improve flexibility and encourage innovation for existing marine farms by providing more certainty for change of consent conditions	
Enable Councils to recover cost for reviewing consent conditions when the review is a result of national direction	
Amendments to provide greater clarity on the scope of further information requests and requirements for consents	
Progress default 35-year consent durations for renewable energy and long-lived infrastructure	
Increase the lapse period for designations from 5 to 10 years to provide more time to progress infrastructure projects	
Increase the default lapse period so the time to give effect to a renewable energy consent is 10 years or longer	
Provide certainty for discharge rules under section 70	
Housing Growth	
Ratification vote and allowing relevant councils to opt-out of the Medium Density Residential Standards (MDRS), provided they demonstrate 30 years' worth of housing growth	
Intervention powers to ensure compliance with National Direction	

Planning change processes for opting out of the MDRS and for councils still undertaking intensification streamlined planning processes (including Auckland Council)
Heritage management
Heritage management (focusing on approaches to listing and de-listing heritage buildings)
System improvements
Amend part 9A of the RMA to provide more flexibility for farm plan regulations
Improvements to compliance regime, including increased penalties and limiting access to insurance
Technical improvements to DOC functions to manage discharges, compliance and enforcement
Natural Hazards and Emergency Response
Improvement to emergency provisions, including a new regulation-making power for emergency responses and clarification of notification of entry requirements
Ability to decline land-use consents, or attach conditions, where there are significant risks of natural hazards
New plan rules relating to natural hazards have immediate legal effect from notification
Integrated National Direction Package
Infrastructure and Energy
NES Telco Facilities - Update the maximum pole heights in residential areas to reflect requirement for Medium Density Residential Development through the NPS-UD - Update cabinet sizes in residential areas to support infrastructure resilience and the roll out of 5G technology - Update antenna dimensions (eg, size and height) to reflect 5G technological developments and to avoid larger radio frequency fields from entering the public domain - Consider the expansion or amendment of some permitted activities under the NES-TF, in particular to accommodate temporary facilities or emergency activities
NPS Infrastructure (new) - NPS to provide consistent consenting pathways for enabling the development, operation, maintenance and upgrade of infrastructure while managing its effects across a range of natural environments - The interface between infrastructure activities and other activities and people, including in the built environment.
NPS Renewable Electricity Generation NPS Electricity Transmission

• New content for National Policy Statement for Renewable Electricity Generation (NPS-REG) • New content for National Policy Statement for Electricity Transmission (NPS-ET) • These amendments will create more directive and enabling national direction for renewable electricity generation, transmission and distribution. • Work on national environmental standards for renewable electricity generation, electricity transmission and distribution will follow the national policy statements. The national environmental standards will include nationally consistent rules for these activities, such as specifying activities that can be undertaken without consent, provided the standards are met. • The standards will replace the rules in Regional and District Council, meaning that consent processes will be more certain, and due to the enabling nature of the standards, be more likely to gain approval.
• NES Electricity Transmission Activities • Amendments to NES-ETA
• NZ Coastal Policy Statement • Targeted review of policies 6, 8, 11, 13 and 15
Housing and Urban Development
• NPS Highly Productive Land • Amend the NPS to free up land for urban development and remove unnecessary planning barriers, while managing HPL. This includes: • Reviewing the definition of HPL as part of the Going for Housing Growth work programme. • Ease the urban rezoning tests. • Other changes to the NPS-HPL are being considered as part of the wider national direction amendment package (definition of Specified Māori Land, and consistency in mineral extraction and quarrying pathways).
• NPS Urban Development • Set requirements for housing growth targets • Enable better spatial planning by aligning Future Development Strategy requirements with housing growth objectives • Change the responsiveness policy to better enable developers to bring forward areas of growth • Strengthen the intensification provisions • Better enable mixed use development • Better manage outcomes for heritage buildings
• Enabling granny flats

• Direction on enabling 'granny flats' (up to 60m²)
• Enabling Papakainga • New national direction for Papakāinga
• National Direction on Heritage • Better manage outcomes for heritage buildings
Farming and the Primary Sector
• NPS NES Freshwater • Scope of amendments to National Policy Statement for Freshwater Management (NPS-FM) and National Environmental Standards for Freshwater (NES-F) to be confirmed. Expect targeted amendments to be completed through this combined national direction package and further work may follow • Enable on-farm water storage (ie, as a permitted activity under the RMA, or otherwise)
• Stock exclusion regulations • Tie stock exclusion rules to local conditions to limit unintended consequences • Replace nationwide low-slope maps with catchment-level rules that are more consistent with local conditions
• NES Drinking Water • Amending clauses 7, 8 and 10 and two new rules for mapping requirements and targeted activity controls
• NPS Indigenous Biodiversity • Applying consistent and defined tests for extractive activities across the NPS-FM, NPS-HPL and NPS-IB • Amendments to significant natural areas (SNA) provisions in the NPS-IB
• NES – Commercial Forestry • Reverse changes that increased council discretion for afforestation • Repeal National Environmental Standards for Commercial Forestry (NES-CF) clauses (6)(1)(a) and (6)(4)(a) • Review of slash settings
• NES Marine Aquaculture • Amend to increase flexibility to innovate, improve management of existing marine farms and make minor and technical amendments
Natural Hazards and Emergency Response
• Natural Hazards National Direction • Develop new direction for natural hazards that applies to all natural hazards. It may consist of National Policy Statement and National Environmental Standards.

- The objective is to reduce the risk from natural hazards to people, property and infrastructure by providing direction on: identifying natural hazards, and assessing and responding to the risks they pose in a consistent way.

Public Excluded Agenda

31 October 2024

Mayor to Move

I 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.	Minutes / Report of:	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
1	Chief Executive Officer	Minutes of Public Excluded Meeting 27 September 2024	Good reason to withhold exists under Section 7	Section 48(1)(a)
2.	Chief Executive Officer	Minutes of Extraordinary Meeting 7 October 2024	Good reason to withhold exists under Section 7	Section 48(1)(a)
3	Alex McKinnon (Koau)	CIHPT Update	Good reason to withhold exists under Section 7	Section 48(1)(a)

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

Item Nos	
1.	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information. 7(2)(b)(ii) To maintain legal professional privilege. 7(2)(h) To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities. 7(2)(i)
2.	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information. 7(2)(b)(ii) To maintain legal professional privilege. 7(2)(h) To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities. 7(2)(i)
3.	Would be likely to prejudice the commercial position of the person or persons who are the subject of the information. 7(2)(b)(ii) To maintain legal professional privilege. 7(2)(h) To enable the Council holding the information to carry out, without prejudice or disadvantage, commercial activities. 7(2)(i)

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