



AGENDA

RĀRANGI TAKE

NOTICE OF AN ORDINARY MEETING OF

COUNCIL

to be held on **22nd February 2024** commencing at **1.00pm** in the Council Chambers,
36 Weld Street, Hokitika and via Zoom

Chairperson	Her Worship the Mayor
Deputy	Cr Cassin
Northern Ward Members:	Cr Neale, Cr Burden, Cr Phelps
Hokitika Ward Members:	Cr Baird, Cr Davidson, Cr Gillett
Southern Ward Members:	Cr Cassin, Cr Manera
Iwi Representatives:	Kw Madgwick, Kw Tumahai



In accordance with clause 25B of Schedule 7 of the Local Government Act 2002, members may attend the meeting by audio or audio-visual link.

Council Vision

*We work with the people of Westland to grow and protect our communities, our economy,
and our unique natural environment.*

Purpose

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) To promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

1. KARAKIA TĪMATANGA OPENING KARAKIA

<i>Kia hora te marino Kia whakapapa pounamu te moana Hei hurahai mā tātou I te rangi nei Aroha atu, aroha mai Tātou i a tātou katoa Hui e! Tāiki e!</i>	<i>May peace be widespread May the sea be like greenstone A pathway for us all this day Give love, received love Let us show respect for each other Bind us all together!</i>
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2. NGĀ WHAKAPAAHA APOLOGIES

3. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Group Manager Corporate Services Risk and Assurance (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

4. NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA

Section 46A of the Local Government Official Information and Meetings Act 1987 states:

- (7) An item that is not on the agenda for a meeting may be dealt with at the meeting if –
 - (a) the local authority by resolution so decides, and
 - (b) the presiding member explains at the meeting at a time when it is open to the public, -
 - (i) the reason why the item is not on the agenda; and
 - (ii) the reason why the discussion of the item cannot be delayed until a subsequent meeting.
- (7A) Where an item is not on the agenda for a meeting, -
 - (a) that item may be discussed at the meeting if –
 - (i) that item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

5. NGĀ MENETI O TE HUI KAUNIHERA MINUTES OF MEETINGS

Minutes to be confirmed:

- Ordinary Council Meeting Minutes – 25th January 2024 (Pages 11-17)
- Emergency Council Meeting – 2 February 2024 (Pages 18-19)

Minutes to be received:

- Risk and Assurance Committee Minutes – 9 November 2023. (Pages 20-26)

6. ACTION LIST

The Action List will be tabled.

7. NGĀ TĀPAETANGA PRESENTATIONS

Refer Westland Holdings Six Month Presentation

8. PŪRONGO KAIMAHI STAFF REPORTS

- **Financial Update** (Pages 27-42)
Cody Nabben, Graduate Accountant
- **Westland Holdings Ltd – Draft Statement of Intent** (Pages 43-96)
Joanne Conroy, Chair, Westland Holdings Limited
- **Westland Holdings Limited – Six Month Update and Presentation**

Destination Westland Limited
Chris Gourley, Chair, Destination Westland Limited

Westroads Limited
Mark Rogers, Chair, Westroads Limited

Westland Holdings Limited
Joanne Conroy, Chair, Westland Holdings Limited
- **Hokitika Museum Redevelopment Report** (Pages 97-109)
Laureen Sadlier, Museum Director
- **Deferral of Long Term Plan 2024-34** (Pages 110-112)
Lesley Crichton, Group Manager, Corporate Services Risk and Assurance
- **Significance and Engagement Policy** (Pages 113-114)
Emma Rae, Strategy and Communications Advisor

9. ADMINISTRATIVE RESOLUTION

Council is required to confirm its Seal being affixed to the following documents:

- **Warrants of Appointment –**

<p>Warrant of Appointment – ENVIRONMENT HEALTH OFFICER (re-issued warrant)</p>	<p>STATUTORY APPOINTMENT</p> <ol style="list-style-type: none"> 1. An Environmental Health Officer pursuant to Section 28 of the Health Act 1956 2. A Licensing Inspector pursuant to Section 197 of the Sale and Supply of Alcohol Act 2012 3. An Authorised Officer pursuant to Section 174 of the Local Government Act 2002 4. An Enforcement Officer pursuant to Section 177 of the Local Government Act 2002 5. An Enforcement Officer pursuant to Section 38 of the Resource Management Act 1991 6. An Enforcement Officer pursuant to Section 229 of the Building Act 2004 7. Where qualified in terms of the Hazardous Substances and New Organisms (Enforcement Officer Qualifications) Notice 2015, an Enforcement Officer pursuant to Sections 98(1)(a) and 100 of the Hazardous Substances and New Organisms Act 1996 8. A Dog Control Officer pursuant to Section 11 of the Dog Control Act 1996 9. A Dog Ranger pursuant to Section 12 of the Dog Control Act 1996 10. A Deputy Poundkeeper pursuant to Section 9 of the Impounding Act 1955 <p>STATUTORY DELEGATIONS AND ENFORCEMENT</p> <ol style="list-style-type: none"> 1. Authority pursuant to the Health Act 1956 to carry out the functions, powers and duties of an Environmental Health Officer. 2. To exercise the powers of an Environmental Health Officer/Authorised Officer pursuant to: <ol style="list-style-type: none"> a. Camping-Grounds Regulations 1985; b. Food Act 2014; c. Food Hygiene Regulations 1974; d. Food Safety Regulations 2002; e. Health (Burial) Regulations 1946; f. Health (Hairdressers) Regulations 1980; g. Health (Infectious and Notifiable Diseases) Regulations 1966; h. Health (Registration of Premises) Regulations 1966. 3. To exercise the powers and functions of the Chief Licensing Inspector pursuant to the Sale and Supply of Alcohol Act 2012. 4. Authority pursuant to the Local Government Act 2002 to carry out the functions, powers and duties of an Enforcement Officer. 5. Authority pursuant to the Resource Management Act 1991 to carry out the functions, powers and duties of an Enforcement Officer. 6. Authority pursuant to the Building Act 2004 to carry out the functions, powers and duties of an Enforcement Officer. 7. Authority pursuant to the Hazardous Substances and New Organisms Act 1996 to carry out the functions, powers and duties of an Enforcement Officer where qualified in terms of the Hazardous Substances and New Organisms (Personnel Qualifications) Regulations 2001. 8. Authority pursuant to the Dog Control Act 1996 to carry out the functions, powers and duties of a Dog Control Officer and Dog Ranger
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9. Authority pursuant to the Impounding Act 1955 to carry out the functions, powers and duties of a deputy Pound Keeper, other than the setting of pound fees conferred by Section 14(1) of the Act

DISCRETIONARY STATUTORY DELEGATIONS

1. Authority to administer and enforce Westland District Council Bylaws in accordance with the scope of the position.
2. Authority to undertake all of the Council's powers, functions and duties under the Health Act 1956 and relevant regulations made thereunder.
3. Authority pursuant to the Local Government Act 2002:
 - a. to enter any land or building other than a dwelling house pursuant to Section 171;
 - b. to enter occupied land or buildings in the event of an emergency pursuant to Section 173.
4. Authority pursuant to Section 222 of the Building Act 2004
 - a. to carry out inspections; and
 - b. to enter any premises for the purpose of determining whether a building is insanitary.
5. Pursuant to sub-part 6 of the Building Act 2004 to exercise the powers of the Council in respect of insanitary buildings.
6. Authority to consider applications and, where the application complies in all respects with the Westland District Council Gambling Venues Policies as the case may be, grant consent for the location and operation of Class 4 Gambling Venues in accordance with the Gambling Act 2003.
7. Authority to consider applications and, where the application complies in all respects with the Westland District Council Board Venues Policy as the case may be, grant consent for the location and operation of racing board venues.
8. Authority pursuant to the Dog Control Act 1996:
 - a. To seize and remove a dog pursuant to Section 15
 - b. To classify a dog as dangerous pursuant to Sections 31 and 33ED;
 - c. To classify a dog as menacing pursuant to sections 33A, 33C and 33ED;
 - d. To require a menacing dog to be neutered pursuant to Section 33EB;
 - e. To exercise the powers and functions of Council pursuant to Sections 32 and 33E; and
 - f. To return a dog to its owner pursuant to Section 70
9. Pursuant to clause 32 of the 7th schedule of the Local Government Act 2002 to act as an informant for the purposes of laying information and issuing summonses under the Summary Proceedings Act 1957.

Sale and Supply of Alcohol Act

1. The power under regulation 5(1) of the Sale and Supply of Alcohol (Fees) Regulations 2013 to assign a cost/risk rating to any premises for which an on-licence, off-licence, or club licence is held or sought.
2. The power under regulation 5(6) of the Sale and Supply of Alcohol (Fees) Regulations 2013 to form an opinion whether or not a club operates any part of the premises in the nature of a tavern at any time, if a club operates a bar for no more than 40 hours each week, if a restaurant has a significant bar area and operates that bar area at least one night a week in the manner of a tavern at any time, or if a restaurant only serves alcohol to the table and does not have a separate bar area.
3. The power under regulation 6(1) of the Sale and Supply of Alcohol (Fees) Regulations 2013 to assign a fees category to any premises for which an on-licence, off licence, or club licence is held or sought.
4. The power under regulation 6(4) of the Sale and Supply of Alcohol (Fees) Regulations 2013 to exercise discretion to assign a fees category to premises

	<p>that is 1 level lower than the fees category determined under regulation 6(1) of those regulations.</p> <p>5. The power under regulation 10(2) of the Sale and Supply of Alcohol (Fees) Regulations 2013 to exercise discretion to charge a fee for a special licence that is 1 class below that class of the licence that is issued.</p>
<p>Warrant of Appointment – ANIMAL CONTROL OFFICER (re-issued warrant)</p>	<p>REPORTING TO – Group Manager Regulatory, Planning and Community Services</p> <p>STATUTORY APPOINTMENT</p> <ol style="list-style-type: none"> 1. An Authorised Officer pursuant to Section 174 of the Local Government Act 2002 2. An Enforcement Officer pursuant to Section 177 of the Local Government Act 2002 3. A Dog Control Officer pursuant to Section 11 of the Dog Control Act 1996 4. A Dog Ranger pursuant to Section 12 of the Dog Control Act 1996 5. A Poundkeeper pursuant to Section 8 of the Impounding Act 1955 <p>STATUTORY DELEGATIONS AND ENFORCEMENT</p> <ol style="list-style-type: none"> 1. Authority pursuant to the Local Government Act 2002 to carry out the functions, powers and duties of an Authorised Officer and an Enforcement Officer. 2. Authority pursuant to the Dog Control Act 1996 to carry out the functions, powers and duties of a Dog Control Officer and Dog Ranger 3. Authority pursuant to the Impounding Act 1955 to carry out the functions, powers and duties of a Pound Keeper, other than the setting of pound fees conferred by Section 14(1) of the Act <p>DISCRETIONARY STATUTORY DELEGATIONS</p> <ol style="list-style-type: none"> 1. Authority to administer and enforce Westland District Council Bylaws in accordance with the scope of the position. 2. Authority pursuant to the Dog Control Act 1996: <ol style="list-style-type: none"> a. To seize and remove a dog pursuant to Section 15 b. To classify a dog as dangerous pursuant to Sections 31 and 33ED; c. To classify a dog as menacing pursuant to sections 33A, 33C and 33ED; d. To require a menacing dog to be neutered pursuant to Section 33EB; e. To exercise the powers and functions of Council pursuant to Sections 32 and 33E; f. To provide information pursuant to Sections 35 and 35A; g. To sell, destroy or otherwise dispose of an impounded dog pursuant to Section 69; h. To implant a dog with a functioning microchip transponder in the prescribed manner or to verify that a dog has been implanted with a microchip transponder pursuant to Section 69A i. To authorise, or refuse, the return of a dog which has been removed under Section 56, 32, or 33E and retained in custody, pursuant to Section 70; j. To retain, or authorise the release of, a dog that is threatening the safety of the public pursuant to Section 71; and k. To exercise the powers and functions of Council pursuant to Section 71A 3. Authority to exercise powers, functions and duties of Council pursuant to Section 63 of the Impounding Act, other than the setting of fees and charges pursuant to Section 14 of the Act.

<p>Warrant of Appointment – ANIMAL CONTROL RANGER (new warrant)</p>	<p>REPORTING TO – Group Manager Regulatory, Planning and Community Services</p> <p>STATUTORY APPOINTMENT</p> <ol style="list-style-type: none"> 1. An Authorised Officer pursuant to Section 174 of the Local Government Act 2002 2. An Enforcement Officer pursuant to Section 177 of the Local Government Act 2002 3. A Dog Control Officer pursuant to Section 11 of the Dog Control Act 1996 4. A Dog Ranger pursuant to Section 12 of the Dog Control Act 1996 5. A Deputy Poundkeeper pursuant to Section 9 of the Impounding Act 1955 <p>STATUTORY DELEGATIONS AND ENFORCEMENT</p> <ol style="list-style-type: none"> 1. Authority pursuant to the Local Government Act 2002 to carry out the functions, powers and duties of an Authorised Officer and an Enforcement Officer. 2. Authority pursuant to the Dog Control Act 1996 to carry out the functions, powers and duties of a Dog Control Officer and Dog Ranger 3. Authority pursuant to the Impounding Act 1955 to carry out the functions, powers and duties of a Deputy Pound Keeper, other than the setting of pound fees conferred by Section 14(1) of the Act <p>DISCRETIONARY STATUTORY DELEGATIONS</p> <ol style="list-style-type: none"> 1. Authority to administer and enforce Westland District Council Bylaws in accordance with the scope of the position. 2. Authority pursuant to the Dog Control Act 1996: <ol style="list-style-type: none"> a. To seize and remove a dog pursuant to Section 15 b. To classify a dog as dangerous pursuant to Sections 31 and 33ED; c. To classify a dog as menacing pursuant to sections 33A, 33C and 33ED; d. To require a menacing dog to be neutered pursuant to Section 33EB; e. To exercise the powers and functions of Council pursuant to Sections 32 and 33E; and f. To return a dog to its owner pursuant to Section 70 3. Authority to exercise powers, functions and duties of Council pursuant to Section 63 of the Impounding Act, other than the setting of fees and charges pursuant to Section 14 of the Act.
<p>Warrant of Appointment – COMPLIANCE & HEALTH AND SAFETY OFFICER (re-issued warrant)</p>	<p>REPORTING TO – Group Manager Regulatory, Planning and Community Services</p> <p>STATUTORY APPOINTMENT</p> <ol style="list-style-type: none"> 1. An Authorised Officer pursuant to Section 174 of the Local Government Act 2002 2. An Enforcement Officer pursuant to Section 177 of the Local Government Act 2002 3. An Enforcement Officer pursuant to Section 38 of the Resource Management Act 1991 4. A Dog Control Officer pursuant to Section 11 of the Dog Control Act 1996 5. A Dog Ranger pursuant to Section 12 of the Dog Control Act 1996 6. A Deputy Poundkeeper pursuant to Section 9 of the Impounding Act 1955 <p>STATUTORY DELEGATIONS AND ENFORCEMENT</p> <ol style="list-style-type: none"> 1. Authority pursuant to the Local Government Act 2002 to carry out the functions, powers and duties of an Authorised Officer and an Enforcement Officer.

	<ol style="list-style-type: none"> 2. Authority to exercise all of the functions and powers of an Enforcement Officer under Sections 327 and 328 (which relate to excessive noise) of the Resource Management Act 1991 3. Authority pursuant to the Dog Control Act 1996 to carry out the functions, powers and duties of a Dog Control Officer and Dog Ranger 4. Authority pursuant to the Impounding Act 1955 to carry out the functions, powers and duties of a Deputy Pound Keeper, other than the setting of pound fees conferred by Section 14(1) of the Act <p>DISCRETIONARY STATUTORY DELEGATIONS</p> <ol style="list-style-type: none"> 1. Authority to administer and enforce Westland District Council Bylaws in accordance with the scope of the position. 2. Authority pursuant to the Dog Control Act 1996: <ol style="list-style-type: none"> a. To seize and remove a dog pursuant to Section 15 b. To classify a dog as dangerous pursuant to Sections 31 and 33ED; c. To classify a dog as menacing pursuant to sections 33A, 33C and 33ED; d. To require a menacing dog to be neutered pursuant to Section 33EB; e. To exercise the powers and functions of Council pursuant to Sections 32 and 33E; and f. To return a dog to its owner pursuant to Section 70 3. Authority to exercise powers, functions and duties of Council pursuant to Section 63 of the Impounding Act, other than the setting of fees and charges pursuant to Section 14 of the Act.
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10. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI RESOLUTION TO GO INTO PUBLIC EXCLUDED

(to consider and adopt confidential items)

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987. The general subject of the matters to be considered while the public are 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 the resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Minutes to be confirmed: Confidential Minutes – Council Meeting, 25 th January 2024	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
2.	Minutes to be confirmed: Confidential Minutes – Emergency Council Meeting, 2 nd February 2024	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

3.	Minutes to be received: Risk and Assurance Committee Meeting Minutes – 9 th November 2023	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
4.	Confidential Tender – South Westland Solid Waste Contract 12-13-06	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
5.	Confidential Tender – Solid Waste & Recycling Special Contract Extension	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
6.	Hokitika Racecourse Development – RFP Approval.	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
7.	Beachfront Access Ramp Tender Report	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
8.	Organisation Change Proposal	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

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

Item No.	Interest
1, 3, 8	Protect the privacy of natural persons, including that of deceased natural persons. (s. (7)(2)(a))
1, 3, 4, 5, 6, 7	Protect information where the making available of the information: (i) would disclose a trade secret; and (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. (s. 7(2)(b))
3	Avoid prejudice to measures protecting the health or safety of members of the public (s 7(2)(d))
3, 8	Maintain the effective conduct of public affairs through— (i) the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty; or (ii) the protection of such members, officers, employees, and persons from improper pressure or harassment. (s. 7(2)(f))
3	Maintain legal professional privilege (s. 7(2)(g))
3	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. (s. 7(2)(h))
2, 3, 4, 5, 6, 7, 8	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). (s. 7(2)(i))
3	Prevent the disclosure or use of official information for improper gain or improper advantage. (s. 7(2)(j))

DATE OF NEXT ORDINARY COUNCIL MEETING – 28TH MARCH 2024
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM



ORDINARY COUNCIL MINUTES

MINUTES OF THE ORDINARY COUNCIL MEETING OF WESTLAND DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM ON THURSDAY 25 JANUARY 2024 COMMENCING AT 1.00 PM

The Council Meeting was live-streamed to the Westland District Council YouTube Channel and presentations were made available on the Council Website.

1. KARAKIA TĪMATANGA OPENING KARAKIA

The opening Karakia was read by Cr Neale.

2. MEMBERS PRESENT AND APOLOGIES

Chairperson	Her Worship the Mayor	
Members	Cr Cassin (Deputy Mayor)	
	Cr Burden	Cr Neale
	Cr Davidson	Cr Baird
	Cr Gillett	Cr Manera
	Cr Phelps	
Iwi Representatives	Kw Madgwick	Kw Tumahai

NGĀ WHAKAPAAHA APOLOGIES

Nil.

ABSENT

Nil.

STAFF PRESENT

S.R. Bastion, Chief Executive; T. Cook, Group Manager Regulatory Planning and Community Services; L. Crichton, Group Manager: Corporate Services Risk & Assurance; S. Baxendale, Group Manager District Assets; D.M. Maitland; Executive Assistant and Council Secretary, E. Rae, Strategy and Communications Advisor (via Zoom).

3. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

The Interest Register had been circulated via Microsoft Teams.

The following amendment to the Interest Register was made; Deputy Mayor Cassin, removal of West Coast Sports Award Trust.

4. NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA

There were no urgent items of business not on the Council Agenda.

5. **NGĀ MENETI O TE HUI KAUNIHERA
MINUTES OF MEETINGS**

The Minutes of the previous meetings were circulated separately via Microsoft Teams.

- **Ordinary Council Meeting Minutes – 14 December 2023**

Moved Deputy Mayor Cassin, seconded Cr Gillett and **Resolved** that the Minutes of the Ordinary Council Meeting held on 14 December 2023 be confirmed as a true and correct record of the meeting.

The Chair approved that their digital signature be added to the confirmed Council Meeting Minutes of 14 December 2023.

MINUTES TO BE RECEIVED FROM STANDING COMMITTEES:

- Nil.
 - A request was made that the Community and Civic Awards including the Citizenship Ceremonies be held outside of the Ordinary Council Meetings.

6. **ACTION LIST**

Simon Bastion, Chief Executive spoke to the action list as follows:

Pakiwaitara Building and Council Headquarters –	About to issue contracts for Geotech work on these buildings which will be undertaken in the near future. A review has been undertaken on the Council Headquarters building with regard to healthy building status. The report shows some elevated levels, some spores and some Co2, these levels are not outside of critical. This information will be presented to staff. If upgrades are to proceed on either building the next step is to have design drawings prepared. The current status is to keep the buildings weather tight and minor maintenance work.
Hokitika Racecourse Development –	A list of costs has been prepared for the consultancy work.

7. **NGĀ TĀPAETANGA
PRESENTATIONS**

Nil.

8. **PŪRONGO KAIMAHI
STAFF REPORTS**

- **Chief Executive's Quarterly Report**
Simon Bastion, Chief Executive spoke to the report.

Charlotte Bradley-Peni, Westland Workforce Coordinator, Mayors Taskforce for Jobs provided a presentation on the Mayors Taskforce for Jobs.

Topics covered included –

- Statistics
- Taramakau to Haast
- Support offered to:
- Youth 16 – 24 YO
- Other adults at risk in the labour market
- Employers offering jobs to youth
- Whanau and family caregivers
- YEP, career expos, training, study nights and other community events
- MSD investment since 2020: \$1.975m
- MSD investment 23/24: \$325,000.00
- Total number of outcomes: 294
- 2023/24 outcomes: 35 / 38
- Youth not in employment: 30
- Staff: 2.4FT

Moved Cr Burden, seconded Cr Davidson and **Resolved:**

- 1.1. That the Quarterly Report from the Chief Executive dated 25 January 2024 , including the update from the Westland Workforce Coordinator be received.

- **Financial Performance – 31 December 2023**

Cody Nabben, Graduate Accountant spoke to the report.

Moved Deputy Mayor Cassin, seconded Cr Neale and **Resolved:**

- 1.1. That the Financial Performance Report dated 31 December 2023 be received.

- **Performance Measures for Long Term Plan 2024-2034**

Emma Rae, Strategy and Communications Advisor spoke to the report.

With the change in legislation to revert back to current LGA around 3 waters, the assumption at this point in time is that the measures won't change, however the measures under the LGA that have been set as mandatory are different from the measures that are reported to the water regulator. This potentially may result in a change within those measures prior to the final plan being adopted.

The animal control activity has requested an amendment to the proposed measure that currently reads –

“99% of known dogs registered by 30 June each year” as follows;

“100% of know dogs registered or infringed for failure to register by 1st of September each year”

Moved Cr Burden, seconded Cr Gillett and **Resolved:**

- 1.1. That the report be received.
- 1.2. That Council adopt the amended performance measures as notified above, for inclusion in the Draft Long Term Plan 2024-2034.

9. ADMINISTRATIVE RESOLUTIONS

Moved Deputy Mayor Cassin, seconded Cr Gillett and **Resolved** that Council confirm its Seal being affixed to the following documents:

- **Warrants of Appointments**

David LOUW	Warrant of Appointment - Enforcement Officer	<p>To act in the Westland District as:</p> <ul style="list-style-type: none"> • An Authorised Enforcement Officer pursuant to Sections 164, 168, 172, 174 & 177 of the Local Government Act 2002; and • an Enforcement Officer under the Westland District Council Bylaws; and • a Litter Control Officer under Sections 5, 7 of the Litter Act 1979; and • an Enforcement Officer under Sections 38, 332 & 333 (Including Powers of Entry and Search) of the Resource Management Act 1991; and • an Authorised Officer (General Powers) under Section 23 of the Health Act 1956; and • an Engineer under the Water Supplies Protection Regulations 1961; and • a Ranger under Sections 8, 10 of the Reserves Act 1977; and • an Authorised Person under Sections 110 & 111 of the Public Works Act 1981; and • an Authorised Officer under Sections 355, 357 & 468 of the Local Government Act 1974; and • an Enforcement Officer under Section 76 of the Waste Minimisation Act 2008.
Yolanda KNOETZE	Warrant of Appointment - Alcohol Licensing Inspector	<p>To act in the Westland District as:</p> <ul style="list-style-type: none"> • Licensing Inspector pursuant to s.197 Sale and Supply of Alcohol Act 2012. • Enforcement Officer pursuant to s.38 – Resource Management Act 1991. • Authorised Officer pursuant to s.332 and s.333 – Resource Management Act. • Authorised Officer pursuant to s.174 – Local Government Act 2002. • Enforcement Officer pursuant to s.177 – Local Government Act 2002 for all offences under this Act, all offences against bylaw made under this Act and all infringement offences provided for by regulations made under s.259 of this Act. • Inspector and Authorised Officer to enforce Westland District Council Bylaws.

10. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI
RESOLUTION TO GO INTO PUBLIC EXCLUDED
 (to consider and adopt confidential items)

Moved Cr Gillett, seconded Cr Phelps and **Resolved** that Council move into the Public Excluded Section at 2.06 pm and thanked everyone in attendance and the viewers watching online.

The general subject of the matters to be considered while the public are 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 the resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1	Confidential Minutes – 14 December 2023	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
2	Administrative Resolution – Hokitika Airfield Deed of Sublease	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
3	Organisation Change Proposal	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
4.	Westland Holdings Limited (WHL) Review	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
5.	Hokitika Racecourse Development	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

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

Item No.	Interest
1, 3, 4	Protect the privacy of natural persons, including that of deceased natural persons.

		Section 7(2)(a))
1, 4, 5	Protect information where the making available of the information: (i) would disclose a trade secret; and (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. Section 7(2)(b))	
2	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities. Section 7(2)(h)	
2	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Section 7(2)(i)	
3	Protect the privacy of natural persons, including that of deceased natural persons Section 7(2)(a)	
3, 4	Maintain the effective conduct of public affairs through— (i) the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty; or (ii) the protection of such members, officers, employees, and persons from improper pressure or harassment. Section 7(2)(f)	
5	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). Section 7(2)(i)	

Moved Cr Neale, seconded Cr Gillett and **Resolved** that the business conducted in the 'Public Excluded Section' be confirmed and accordingly, the meeting went back to the open part of the meeting at 4.20 pm.

DATE OF NEXT ORDINARY COUNCIL MEETING – 22 FEBRUARY 2024
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM

MEETING CLOSED AT 4.20 PM

Confirmed by the Council at their meeting on 22 February 2024.

Mayor Helen Lash
Chair

Date: 22 February 2024.



EMERGENCY COUNCIL MEETING MINUTES

MINUTES OF EMERGENCY COUNCIL MEETING OF WESTLAND DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM ON FRIDAY 2nd FEBRUARY 2024 COMMENCING AT 10.32AM

1. MEMBERS PRESENT AND APOLOGIES

Chairperson	Her Worship the Mayor	
Members		
	Deputy Mayor Cassin	Cr Burden
	Cr Neale	Cr Davidson
	Cr Manera	Cr Phelps (from 10.34am)
	Kw Madgwick (via zoom)	

NGĀ WHAKAPAAHA APOLOGIES

Cr Baird. Cr Gillett. Kw Tumahai.

Moved Cr Neale, seconded Deputy Mayor Cassin and **Resolved** that the apologies from Cr Baird, Cr Gillett and Kw Tumahai be received and accepted.

STAFF PRESENT

S.R. Bastion, Chief Executive; T. Cook, Group Manager Regulatory Planning and Community Services; L. Crichton, Group Manager: Corporate Services and Risk & Assurance; E. Bencich, Operations Manager; D. Maitland; Executive Assistant, E. Rae, Strategy and Communications Advisor (via zoom)

2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

The Interest Register had been circulated via Microsoft Teams and available on the Council table. There were no changes to the Interest Register noted.

3. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI RESOLUTION TO GO INTO PUBLIC EXCLUDED (to consider and adopt confidential items)

Moved Cr Neale, seconded Cr Manera and **Resolved** that the Emergency Council Meeting confirm that the public were excluded from the meeting in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 10.32am.

The general subject of the matters to be considered while the public are 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 the resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Emergency Works Notification – WDC Treatment Pond Protection Works	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

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

Item No.	Interest
1	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i))

Moved Cr Burden, seconded Cr Neale and **Resolved** that the business conducted in the 'Public Excluded Section' be confirmed and accordingly, the meeting went back to the open part of the meeting at 11.36 am.

**DATE OF NEXT ORDINARY COUNCIL MEETING – 22 FEBRUARY 2024
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**

MEETING CLOSED AT 11.36AM

Confirmed by the Council at their meeting on 22 February 2024.

Mayor Helen Lash
Chair

Date:



RISK AND ASSURANCE COMMITTEE MEETING MINUTES

MINUTES OF THE RISK AND ASSURANCE COMMITTEE MEETING OF WESTLAND DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM ON THURSDAY 9 NOVEMBER 2023 COMMENCING AT 1:00 PM

The Committee Meeting was live streamed to the Westland District Council YouTube Channel and presentations are made available on the council website.

1. MEMBERS PRESENT AND APOLOGIES

Chairperson:		Rachael Dean
Members:		
Her Worship the Mayor		Cr Baird
Cr Neale – for part of the meeting		Cr Phelps

NGĀ WHAKAPAAHA APOLOGIES

Nil.

ABSENT

Kw Madgwick
Kw Tumahai

STAFF PRESENT

S.R. Bastion, Chief Executive; T. Cook, Group Manager Regulatory Planning and Community Services; L. Crichton, Group Manager: Corporate Services and Risk Assurance; D. Maitland; Executive Assistant, E. Rae, Strategy and Communications Advisor (via zoom); S. Johnston, Governance Administrator (via zoom).

2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

The Interest Register had been circulated via Microsoft Teams and available on the Council Chambers table.

There were no changes made to the Interest Register.

3. NGĀ TAKE WHAWHATI TATA KĀORE I TE RĀRANGI TAKE URGENT ITEMS NOT ON THE AGENDA

There were no urgent items of business not on the Agenda.

4. NGĀ MENETI O TE HUI KAUNIHERA MINUTES OF MEETINGS

The Minutes of the previous Meetings were circulated separately via Microsoft Teams.

- **Risk and Assurance Committee Meeting Minutes – 2 August 2023**

Moved Cr Neale, seconded Cr Phelps and **Resolved** that the Minutes of the Risk and Assurance Committee Meeting held on the 2 August 2023, be confirmed as a true and correct record of the meeting.

- **Extraordinary Risk & Assurance Committee Meeting Minutes – 17 October 2023**

It was noted that the Risk & Assurance Committee did not Move/Second and Resolve to move out of the Public Excluded portion of the Extraordinary Risk & Assurance Committee Meeting of 17 October 2023, and that the following resolution is to be added to the minutes accordingly:

“Moved Chair Rachael Dean, seconded Cr Baird and **Resolved** to move out of the Public Excluded section of the meeting at 4:28pm”

Moved Her Worship the Mayor seconded Cr Baird and **Resolved** that the Amended Minutes of the Extraordinary Risk and Assurance Committee Meeting Minutes held on the 17 October 2023 be confirmed as a true and correct record of the meeting.

The Chair **Approved** that their digital signature be added to the confirmed Risk and Assurance Committee Meeting Minutes of 2 August 2023 and the Amended Extraordinary Risk and Assurance Meeting Minutes of 17 October 2023.

5. ACTION LIST

Lesley Crichton, Group Manager, Corporate Services and Risk Assurance spoke to the Action List and provided the following updates:

Item	Status
1 Insurance review of the Airport.	Destination Westland Limited (DWL) need to take the lead on this. The Chief Executive has advised he will follow up with DWL. DWL are progressing this with Coast Valuations. This review has been completed through the Annual Report process with significant increases in values.
2 Workshop: Evaluation of the performance of the Committee	Workshop will be scheduled for the New Year.

Moved Chair Rachael Dean, seconded Her Worship the Mayor and **Resolved** that:

1. The updated Action List be received.
2. Item 1 - the Insurance Review of the Airport to be removed from the Action List.

6. NGĀ TĀPAETANGA PRESENTATIONS

Nil

7. PŪRONGO KAIMAHI STAFF REPORTS

- **Rolling Work Plan**

Lesley Crichton, Group Manager, Corporate Services Risk & Assurance tabled the Rolling Work Plan for November 2023 to August 2024.

Moved Cr Phelps, seconded Cr Neale and **Resolved** that:

1. The Risk & Assurance Committee Rolling Work Plan for November 2023 to August 2024 be received.

- **Quarterly Report – Q1 2023/2024 – 1 July – 30 September 2023**

Cody Nabben, Financial Accountant & Emma Rae, Strategy & Communications Advisor, spoke to this item, and advised that the purpose of the report is to inform the Committee of Council's financial and service delivery performance for the three months ended 30 September 2023 (Q1).

The Strategy & Communications Advisor advised that the wording surrounding the Food Licensing Measures is going to be changed accordingly to reflect the Act.

The Chair, Rachael Dean noted that a number of departments hadn't provided an update report, and suggested that for future reporting, there should be a note as to why they haven't provided an update report.

Moved Chair Rachael Dean, Seconded Cr Phelps & **Resolved** to adjourn the meeting to resolve technical issues with the livestreaming of the meeting at 1:25pm. At 1:35pm the technical issues with the livestreaming of the meeting were resolved, and the meeting reconvened.

Moved Cr Phelps, seconded Cr Neale and **Resolved** that:

1. The Report be received.
2. The Committee receive the Quarterly Report Q1 July – September 2023 as attached to the Agenda.

- **Policy Working Group Update**

Richard Morris, Information Manager spoke to this report and advised that the purpose of the report is to update the Committee on the work of the Westland District Council Policy Working Group.

Moved Chair Rachael Dean, seconded Her Worship the Mayor and **Resolved** that:

1. The Report be received.
2. The Committee recommend the Policy Working Group continue their work on both the Audit of Policies and the creation of a documented process for managing policies.

- **Privacy Commission Requirements**

Peter Oliver, Information Technology Manager spoke to this item and advised that the purpose of the report is to notify the Committee of what action Council has taken as a result of being notified of the minimum level of security expected on the Council computer networks by the Office of the Privacy Commissioner.

Moved Chair Rachael Dean, seconded Cr Neale and **Resolved** that:

1. The Report be received.

- **Review of Policy: Staff Departure Policy**

Kate Campbell, HR Advisor spoke to this item and advised that the purpose of this report is to present the Staff Departure Policy (replacing the Farewell Policy and Providing References for Staff Policy), for review.

The Chair recommended that a capped amount be put in place regarding the cost of functions for departing staff and double authorisation for this.

The Committee discussed and agreed that \$200.00 be the limit for expenditure towards the cost of a function for departing staff members.

Moved Chair Rachael Dean, seconded Her Worship the Mayor and **Resolved** that:

1. The report be received.

2. A capped amount of \$200.00 is put in place for expenditure towards the cost of a function for departing staff members.

- **Review of Sensitive Expenditure and Staff Conflict of Interest Policies**

Lesley Crichton, Group Manager, Corporate Services and Risk Assurance spoke to this item and advised that the purpose of this report is to review the Sensitive Expenditure and Staff Conflict of Interests Policies.

The Chair advised that a new guideline from the Office of the Auditor-General (OAG) has been issued since the Staff Conflicts of Interest policy was last reviewed and suggested that the Staff Conflict of Interest Policy be reviewed against the new OAG Guidelines and brought back for review at the next Committee Meeting in February 2024.

The Chair also suggested that the Sensitive Expenditure Policy should be amended to include a section on Policy Principles as per the OAG October 2020 Controlling Sensitive expenditure guide for public organisations.

Cr Neale left the meeting at 1:45pm and did not return for this part of the meeting.

Moved Chair Rachael Dean, seconded Cr Baird and **Resolved** that:

1. The report be received.

2. The Conflict of Interest Policy be reviewed against the new guidelines from Office of the Auditor-General.

3. The Sensitive Expenditure Policy be amended to include a section on policy principles.

4. The current process of reporting remain as is using the Council Website.

8. KA MATATAPU TE WHAKATAUNGA I TE TŪMATANUI RESOLUTION TO GO INTO PUBLIC EXCLUDED

(to consider and adopt confidential items)

Moved Chair Rachael Dean, seconded Her Worship the Mayor and **Resolved** that the Risk and Assurance Committee confirm that the public were excluded from the meeting in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 1.45pm.

The general subject of the matters to be considered while the public are 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 the resolution are as follows:

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Confidential Risk & Assurance Meeting Minutes – 2 August 2023 Confidential Extraordinary Risk & Assurance Meeting Minutes – 17 October 2023	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
2.	Health & Safety Initiatives as at 31 October 2023	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
3.	Quarterly Report on Whistle Blower Services September 2023	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)
4.	Insurance Update	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
5.	Risk Report	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

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

Item No.	Interest
1	Protect the privacy of natural persons, including that of deceased natural persons
2	Protect the privacy of natural persons, including that of deceased natural persons; or (Schedule 7(2)(a))
2	Avoid prejudice to measures protecting the health or safety of members of the public; or (Schedule 7(2)(d))
2, 3, 5	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities; or (Schedule 7(2)(h))
3, 5	Maintain legal professional privilege; or (Schedule 7(2)(g))
3	Maintain the effective conduct of public affairs through— i.the protection of such members, officers, employees, and persons from improper pressure or harassment; or (Schedule 7(2)(f))
1, 4	Protect information where the making available of the information: (i) would disclose a trade secret; and (ii) would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information (Schedule 7(2)(b)).
1, 4	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (Schedule 7(2)(i))
4	Prevent the disclosure or use of official information for improper gain or improper advantage. (Schedule 7(2)(j))

Moved Cr Phelps, seconded Her Worship the Mayor and **Resolved** that the business conducted in the 'Public Excluded Section' be confirmed and accordingly, the meeting went back to the open part of the meeting at 2.37pm.

**DATE OF NEXT RISK AND ASSURANCE COMMITTEE MEETING – FEBRUARY 2024
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**

MEETING CLOSED AT 2:37 PM

Confirmed by:

Rachael Dean
Chair

Date:

Report to Council



DATE: 22 February 2024

TO: Mayor and Councillors

FROM: Graduate Accountant

FINANCIAL PERFORMANCE – January 2024

1. Summary

- 1.1. The purpose of this report is to provide an indication of Council's financial performance for the month to 31 January 2024.
- 1.2. This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3. Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in June 2021, which are set out in the Long Term Plan 2021 - 31. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council receive the financial performance report to 31 January 2024.

2. Background

- 2.1. Council receives monthly financial reporting so that it has current knowledge of its financial performance and position against budgets. A more detailed performance report is presented to the Risk and Assurance Committee (R&A Committee), previously known as the Audit and Risk Committee, on a quarterly basis which includes non-financial information against KPI's adopted through the Long Term Plan.

3. Current Situation

- 3.1. The information in the report is of a summarised nature, with only permanent variances over \$25,000 having comments. Temporary differences which are mainly budget phasing are not commented on as these will either approximate budget by the end of the financial year, or become a permanent variance which will be noted.
- 3.2. With the inclusion of the sustainability report, it is not necessary to include such detail to Council in the financial report, as the key business indicators are included in the sustainability report. A number of these indicators make up part of the covenants required to be reported half-yearly to the Local Government Funding Agency.

3.3. The financial performance report to 31 January 2024 is attached as **Appendix 1** and contains the following elements;

3.3.1.Sustainability report

3.3.2.Statement of Comprehensive Revenue and Expense

3.3.3.Notes to the Statement of Comprehensive Revenue and Expense

3.3.4.Revenue and Expenditure Graphs

3.3.5.Funding Impact Statement

3.3.6.Debtors

3.3.7.Debt position

3.3.8.Capital Report

4. Options

4.1. Option 1: That Council receives the Financial Performance Report to 31 January 2024.

4.2. Option 2: That Council does not receive the Financial Performance Report to 31 January 2024.

5. Risk Analysis

5.1. Risk has been considered and no risks have been identified in receiving the report, however if Council did not receive the report, it could be perceived that there was a lack of financial stewardship leading to reputational risk and conduct risk.

6. Health and Safety

6.1. Health and Safety has been considered and no items have been identified.

7. Significance and Engagement

7.1. The level of significance has been assessed as being low as the report is for information purposes only.

7.2. No public consultation is considered necessary

8. Assessment of Options (including Financial Considerations)

8.1. Option 1: The Council receives the report. This report is to inform Council on the monthly financial position and to encourage financial stewardship.

8.2. Option 2: If the Council does not receive the report there will be no oversight of the financial position of Council or whether the costs of Council are being managed in line with budgets.

8.3. There are no financial implications to these options.

9. Preferred Option(s) and Reasons

9.1. The preferred option is Option 1.

9.2. The reason that Option 1 has been identified as the preferred option is that the report is administrative in nature and to do nothing could create risks to council. Council would be carrying out its administrative stewardship in receiving the report.

10. Recommendation(s)

10.1. That the Financial Performance Report for 31 January 2024 be received.

Cody Nabben
Graduate Accountant

Appendix 1: Finance Performance Report for 31 January 2024

Appendix 1



Financial Performance Year to 31 January 2024

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Total revenue	Total expenditure	Total surplus/(deficit)
\$20.92M	\$19.83M	\$1.1M
Is 7.02% more than the total budget of \$19.55M	Is 5.79% more than the total budget of \$18.74M	Against a budget of \$0.81M

SUSTAINABILITY

Rates to operating revenue **52.14%**

Rates Revenue	\$10.91M
Operating Revenue	\$20.92M

52.14% of operating revenue is derived from rates revenue. Rates revenue includes penalties, water supply by meter and is gross of remissions. Operating revenue excludes vested assets, and asset revaluation gains.

Balanced budget ratio **105.52%**

Operating revenue	\$20.92M
Operating expenditure	\$19.83M

Operating revenue should be equal or more than operating expenditure. Operating revenue excludes vested assets and asset revaluation gains. Operating expenditure includes depreciation and excludes landfill liability and loss on asset revaluations. Year to date revenue is 105.52% of operating expenditure.

Interest to rates revenue (LGFA Cov.) **2.65%**

Net interest and finance costs	\$0.29M
Rates Revenue	\$10.91M

2.65% of rates revenue is paid in interest. Our set limit is 25% of rates revenue. Net interest is interest paid less interest received. 2.65% indicates that interest revenue is less than interest expense. Rates revenue includes penalties, water supply by meter and gross of remissions.

Interest to operating revenue	1.38%
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Net Interest and finance costs	\$0.29M
Operating revenue	\$20.92M

1.38% of operating revenue is paid in interest. Our set limit is 10% of operating revenue. Net interest is interest paid less interest received. 1.38% indicates that interest revenue is less than interest expense.

Liquidity Risk (LGFA Cov.)	142%
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Gross debt	\$29.82M
Undrawn committed facilities	\$3.98M
Cash and cash equivalents	\$8.42M

The liquidity risk policy requires us to maintain a minimum ratio of 110% which is also an LGFA covenant. Council's current liquidity risk is 142%.

Essential services ratio	53.63%
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Capital expenditure	\$2.07M
Depreciation	\$3.85M

Capital expenditure should be equal to or more than depreciation for essential services. Year to date capex is 53.63% of depreciation. Essential Services are Water Supply, Wastewater, Stormwater, and Roading. The low % is largely attributable to delays in receiving invoices, which has lead to outstanding purchase orders relating to Essential Services projects totalling \$0.86M.

Statement of Comprehensive Revenue and Expenditure

	Notes	Full Year Forecast (\$000)	Full Year Budget (\$000)	YTD Budget (\$000)	Actual YTD (\$000)	Variance YTD (\$000)	Var/Bud %
Revenue							
Rates	01	19,143	19,266	11,032	10,909	(123)	(1.12%)
Grants and subsidies	02	9,985	9,843	6,485	6,627	142	2.19%
Interest Revenue	03	778	268	158	668	511	323.83%
Fees and Charges	04	2,509	2,232	1,321	1,597	276	20.89%
Other revenue	05	1,801	1,235	556	1,123	567	101.85%
Total operating revenue		34,216	32,844	19,552	20,924	1,372	7.02%
Expenditure							
Employee Benefit expenses	06	6,313	6,274	3,660	3,699	40	1.08%
Finance Costs	07	1,428	1,130	659	957	298	45.19%
Depreciation	08	8,836	9,331	5,443	4,948	(495)	(9.09%)
Other expenses	09	16,886	15,643	8,981	10,224	1,243	13.84%
Total operating expenditure		33,464	32,378	18,743	19,829	1,086	5.79%
Operating Surplus/(Deficit)		752	466	809	1,095	286	35%

Comments are provided on permanent variances over \$25,000.

01 Rates

Variance is due to revenue from metered water charges being lower than forecast.

02 Grants and subsidies

Of the grant revenue received to date, \$3.2M relates to the Hokitika Swimming Pool redevelopment project. Transport grants are below budget by \$1.6M due to low capital spend for the first half of the financial year. Unbudgeted MTFJ grants total \$333k.

03 Interest Revenue

Interest on swaps is \$260k over budget, while the rest of the variance is attributable to interest from our term deposits and the current account. The positive variance of \$511k more than offsets the adverse increase of \$298k in finance costs against budget.

04 Fees and charges

Building and resource consent numbers are higher than anticipated. This is offset by the variance in planning and building costs as the processing continues to be outsourced. Waste disposal levy payments are \$57k over. Fees for rubbish removal to Butlers Landfill are \$31k over.

05 Other Revenue

Non-cash gain on swaps is \$347k above budget. This is more than offset by loss on swaps as mentioned in note 09. Unbudgeted cost recoveries relating to 3-Waters total \$200k.

06 Employee benefit expenses

Salary cost is relatively on track with budget.

07 Finance Costs

This is largely made up of interest expenses on our loans. While finance costs are over budget by \$298k due to higher than expected interest rates, these costs are more than offset by interest revenue, as noted above.

08 Depreciation

Timing. As more assets are capitalized throughout the year, monthly depreciation will increase and eventually catch up to the budget.

09 Other expenses

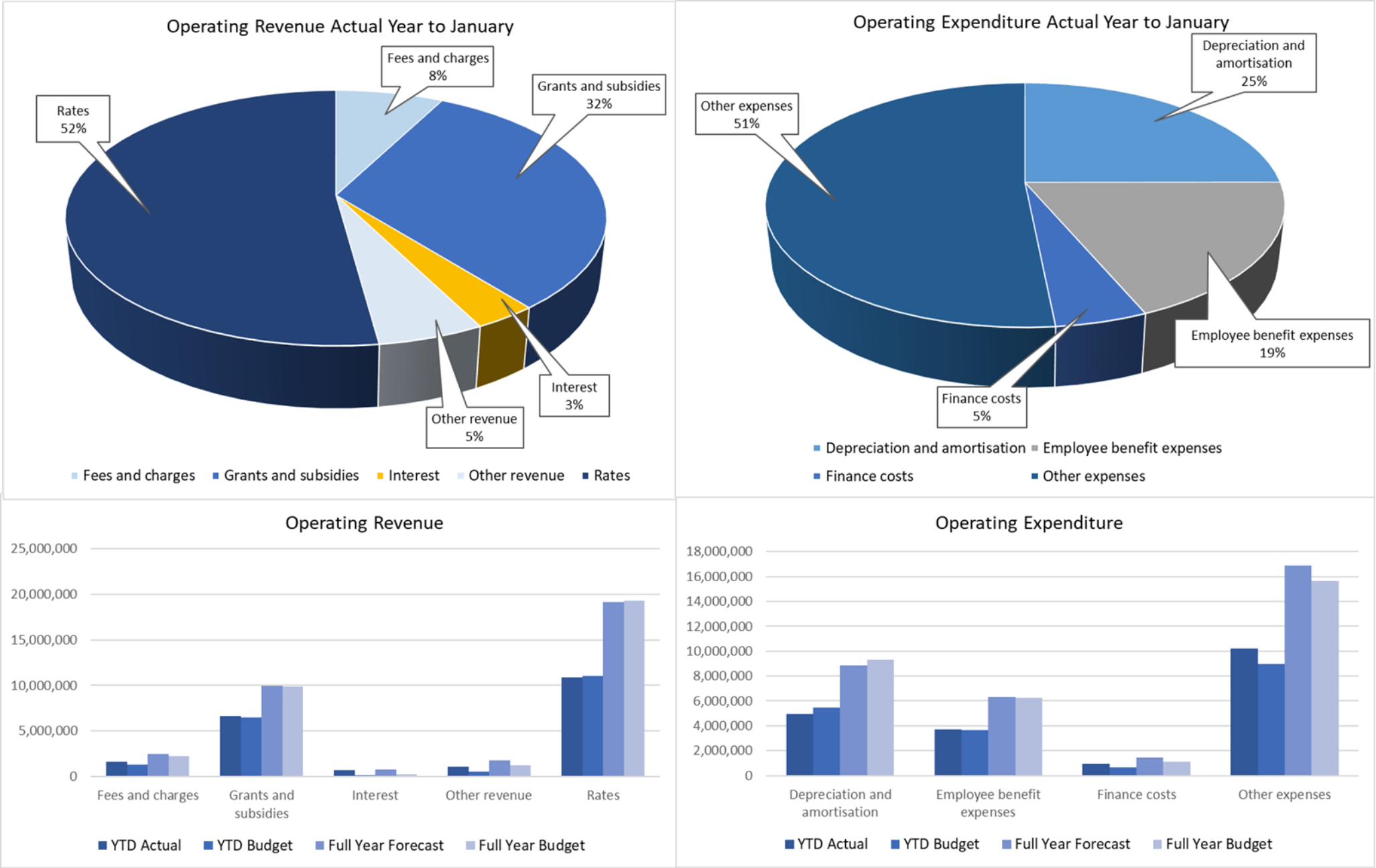
- Loss on interest rate swaps is over budget \$584k due to a drop in swap rates.
- Maintenance of Water Services assets is over by \$264k due to additional sampling costs not budgeted for, as well as asset failures.
- Maintenance of Waste Water assets is over by \$126k due being undercharged for blockages dating back to November 2022.
- Unbudgeted, fully funded MTFJ costs total \$151k.
- 3 waters transition consultancy is \$92k over - offset by recoveries mentioned in note 05.

Statement of Financial Position

	At 31 January 2024 \$000	Annual Plan 2023/24 \$000	Actual 2022/2023 \$000
Assets			
Current assets			
Cash & cash equivalents	5,631	4,311	8,378
Debtors & other receivables	6,427	3,135	2,809
Tax receivable	-	-	-
Derivative financial instruments	203	12	53
Other financial assets	3,100	-	48
Total Current Assets	15,360	7,458	11,288
Non-current assets			
Council Controlled Organisation	12,695	12,695	12,695
Deferred Tax	176	137	176
Intangible assets	133	225	151
Assets Under Construction	15,593	10,781	9,571
Derivative financial instruments	483	493	1,052
Other Financial Assets	626	771	553
Property, Plant and Equipment	511,316	516,239	515,928
Total Non-current assets	541,022	541,340	540,126
Total Assets	556,382	548,797	551,414
Liabilities			
Current liabilities			
Creditors & other payables	1,574	2,863	4,001
Employee benefit liabilities	643	507	521
Borrowings	3,000	-	3,000
Derivative financial instruments	-	-	-
Other	4,013	1,475	595
Total Current Liabilities	9,230	4,846	8,116
Non-current liabilities			
Deferred Tax	-	-	-
Employee benefit liabilities	33	36	30
Provisions	3,335	2,821	3,335
Borrowings	26,818	36,180	23,818
Derivative financial instruments	37	-	-
Total Non-Current Liabilities	30,224	39,038	27,183
Total Liabilities	39,454	43,883	35,299
Net Assets	516,928	504,914	516,115

	At 31 January 2024 \$000	Annual Plan 2023/24 \$000	Actual 2022/2023 \$000
Equity			
Retained Earnings	173,511	179,854	172,693
Restricted Reserves	10,073	6,481	10,073
Revaluation reserves	333,167	318,402	333,170
Other comprehensive revenue and expense reserve	177	177	177
Total Equity	516,928	504,914	516,115

Revenue & Expenditure Graphs



Funding Impact Statement

Funding Impact Statement for Whole of Council				
	2023 Annual Plan \$000	2023 Annual Report \$000	2024 Annual Plan \$000	2024 Actual \$000
(SURPLUS) / DEFICIT OF OPERATING FUNDING				
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	8,982	8,889	11,131	6,494
Targeted Rates	10,245	9,878	8,135	4,415
Subsidies and grants for operating purposes	2,135	3,867	2,638	1,211
Fees and charges	2,037	2,254	2,232	1,597
Interest and dividends from investments	257	1,050	518	668
Local authorities fuel tax, fines, infringement fees, and other receipts	1,084	2,649	985	1,115
Total Operating Funding (A)	24,740	28,588	25,639	15,501
Applications of Operating Funding				
Payments to staff and suppliers	19,950	23,011	21,916	13,901
Finance Costs	986	1,395	1,130	955
Total Applications of Operating Funding (B)	20,936	24,407	23,047	14,856
Surplus/(Deficit) of Operating Funding (A - B)	3,804	4,181	2,592	645
(SURPLUS) / DEFICIT OF CAPITAL FUNDING				
Sources of Capital Funding				
Subsidies and grants for capital expenditure	9,156	3,992	7,205	5,416
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	5,941	(3,000)	6,887	-
Gross proceeds from sale of assets	-	12	-	8
Total Sources of Capital Funding (C)	15,097	1,004	14,092	5,424
Application of Capital Funding				
Capital Expenditure:				
- to meet additional demand	1,735	666	252	40
- to improve the level of service	14,250	4,929	10,600	4,699
- to replace existing assets	12,537	6,266	9,770	1,887
Increase (decrease) in reserves	(9,770)	(6,675)	(3,937)	(558)
Increase (decrease) of investments	149	-	-	-
Total Applications of Capital Funding (D)	18,901	5,185	16,684	6,069
Surplus/(Deficit) of Capital Funding (C - D)	(3,804)	(4,181)	(2,592)	(645)
Funding Balance ((A - B) + (C - D))	-	-	-	-

Debtors 31 January 2024

31/01/2024					
Type	Over 90 Days	60-90 Days	30-60 Days	Current	Total (\$)
Building Consents	31,393	17,674	16,697	18,359	84,124
Building Warrants	1,736	745	631	1,551	4,663
Resource Consents	13,281	6,035	18,250	33,800	71,366
Sundry Debtors	43,640	480,678	441,196	305,563	1,271,078
Grand Total	90,051	505,133	476,773	359,274	1,431,230
31/01/2023					
Type	Over 90 Days	60-90 Days	30-60 Days	Current	Total (\$)
Building Consents	14,963	12,596	4,265	23,260	55,084
Building Warrants	407	220	622	(423)	826
Resource Consents	205	4,135	1,475	(1,200)	4,615
Sundry Debtors	84,367	16,810	50,238	557,029	708,445
Grand Total	99,942	33,761	56,600	578,666	768,970

Grants outstanding as at 31/01/2024 (exceeding \$25k)		
Date Invoiced	Project	Total (\$)
17/08/2023	Better off Funding - Community Halls	39,241
6/11/2023	Better off Funding - Hokitika Swimming Pool	434,043
30/11/2023	Better off Funding - Community Halls	138,997
20/12/2023	Better off Funding - Community Halls	91,727
29/01/2024	Fox Glacier Water Treatment Plant upgrade	179,400
		883,409

Rates Debtors 31 January 2024

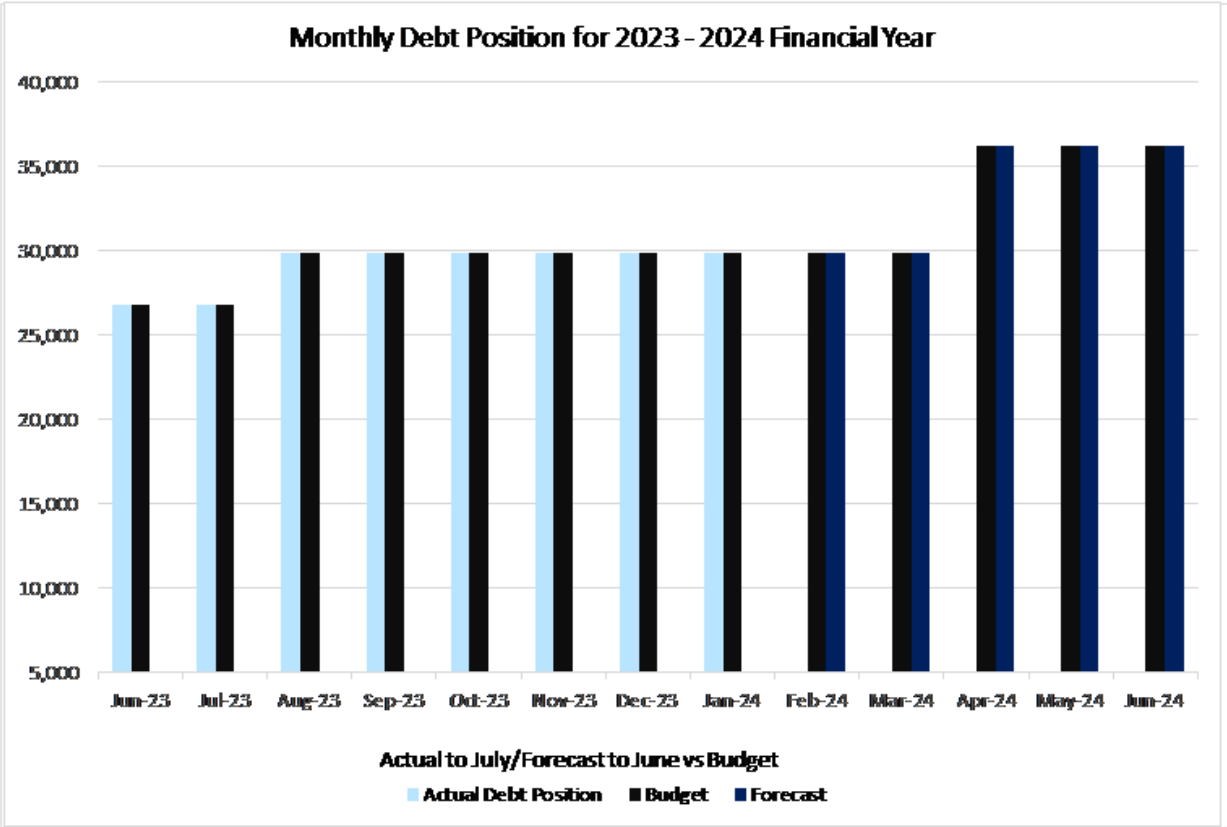
Rates Debtors at 31 December 2023	402,219
Rates instalment	4,930,193.73
Less payments received	(369,905.53)
Paid in advance change	(1,304,533.56)
Previous years write off's	318.95
Write off's	-
Penalties	30,290.52
Discounts	(131.54)
Court Cost	-
	3,286,232.57
Total Rates Debtors at 31 January 2024	3,688,451.56
Arrears included above at 31 January 2024	3,688,452
Arrears at 31 January 2023	3,607,665
Increase/(decrease) in arrears	80,787

Debt Position

Debt Position 2023/2024 (\$000)													
	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
Actual Debt Position	26,818	26,818	29,818	29,818	29,818	29,818	29,818	29,818					
Budget	26,818	26,818	29,818	29,818	29,818	29,818	29,818	29,818	29,818	29,818	36,180	36,180	36,180
Forecast									29,818	29,818	36,180	36,180	36,180

Forecast Debt Position for 2023-2024 Financial Year

Forecast as at	Jun-23
Opening Balance	26,818
Loan funded capex forecast	12,362
Forecast repayments 2023-24	-3,000
Forecast balance June 2024 per AP	36,180



Capital Expenditure

Capital Projects 2023/24 As at 31/01/2024			
Project / Activity	YtD Expenses	Carry f/wd + Annual Plan	Forecast
	\$0	\$0	\$0
Leadership			
	143,238	512,049	390,690
Planning & Regulatory Services			
	153,027	1,778,752	209,587
Library & Museum			
	72,107	886,532	889,530
Water Supply			
	1,048,683	1,954,048	1,970,308
Waste Water			
	280,704	1,586,805	1,176,036
Solid waste			
	68,984	822,760	822,461
Storm water			
	155,079	228,340	225,700
Cemeteries			
	25,027	98,150	106,167
Swimming pools			
	2,249,545	2,197,950	2,275,540
Facilities & leisure services - other			
	533,282	3,068,416	1,162,569
Parks & reserves			
	1,161,175	7,990,728	5,599,226
Land transportation			
	580,639	3,741,538	2,897,892
Unbudgeted capital expenditure			
	142,022	0	142,022
Funded Projects			
	12,887	0	0
Total	6,626,399	24,866,068	17,867,728

For full details, please refer to report from District Assets.

Report to Council



DATE: 22 February 2024

TO: Mayor and Councillors

FROM: Joanne Conroy, Chair, Westland Holdings Limited

DRAFT STATEMENT OF INTENT 2024-2027 – WESTLAND HOLDINGS LIMITED

1. Summary

- 1.1. The purpose of this report is to present the Draft Westland Holdings Limited 2024-2027 Statement of Intent (SOI) for any comments or changes and approval by Council.
- 1.2. This issue arises from the statutory requirement for Westland Holdings Limited (WHL) to give Council the option to provide input into the draft SOI so that the final SOI to be presented in June will meet Council's requirements.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in June 2021, which are set out in the Long Term Plan 2021 - 31. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council receives the report and provides feedback for inclusion in the final SOI.

2. Background

- 2.1. The reason the report has come before the Council is due to the statutory requirement for Council to have input into the draft SOI.

3. Current Situation

- 3.1. The current 2023-2026 SOI was approved by Council in June 2023.
- 3.2. This SOI is an update of the 2023-2026 SOI with amendments made to the budgets. It does not include any changes that may be required following the completion of the Council Controlled Organisation (CCO) review.

4. Options

- 4.1. Option 1: That Council receive the report and provide any amendments or additions to the draft 2024-

2027 SOI for inclusion in final SOI; or
4.2. Option 2: That Council approve the draft SOI as presented.

5. Risk Analysis

5.1. Risk has been considered and no risks have been identified.

6. Health and Safety

6.1. Health and Safety has been considered and no items have been identified.

7. Significance and Engagement

7.1. The level of significance has been assessed as medium.

7.1.1. No public consultation is considered necessary.

8. Assessment of Options (including Financial Considerations)

8.1. **Option 1** – That Council advise any amendments and/or additions to the draft 2024-2027 SOI for inclusion in the final SOI – this option allows the draft SOI to be amended to suit Council’s vision and goals in time to produce the final SOI for adoption in June 2024.

8.2. There are no financial implications to this option.

8.3. **Option 2** - That Council approve the draft SOI as presented – this does not allow Council to have input into the SOI.

8.4. There are no financial implications to this option.

9. Preferred Option(s) and Reasons

9.1. The preferred option is Option One.

9.2. The reason that Option 1 has been identified as the preferred option is that it allows Council to have input into the draft SOI so that it reflects Council’s vision and goals for the 2024-2027 period.

10. Recommendation(s)

10.1. That the report be received.

10.2. That Council approve the draft Westland Holdings Limited 2024-2027 Statement of Intent subject to amendments and/or additions for inclusion in the final Statement of Intent.

Joanne Conroy
Chair, Westland Holdings Limited

Appendix 1:	Westland Holdings Limited 2024-2027 Draft Statement of Intent
Appendix 2:	Westroads Limited Draft Statement of Intent 2024-2025
Appendix 3:	Westroads Limited Half Yearly Report
Appendix 4:	Destination Westland Limited Draft Statement of Intent 2024-2027
Appendix 5:	Destination Westland Limited – Half Year Report



WESTLAND HOLDINGS LIMITED

**Destination Westland Limited
Westroads Limited**

STATEMENT OF INTENT FOR THE THREE YEARS COMMENCING 1 JULY 2024

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1. INTRODUCTION

This Statement of Intent (“SOI”) for Westland Holdings Limited (“WHL” or “the Company”) is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

This SOI specifies the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of WHL and its subsidiaries Destination Westland Limited and Westroads Limited (collectively referred to as “the Group”) may be judged in relation to its objectives, amongst other requirements.

The negotiation and determination of an accepted SOI is a public and legally required expression of the accountability relationship between the Company and its sole shareholder, the Westland District Council (“WDC” or “the Council”). The SOI is reviewed annually with the Council and covers a three-year period commencing 1 July 2024.

WHL supports the vision of the Westland District Council, expressed as:

“We work with the people of Westland to grow and protect our communities, our economy and our unique natural environment.”

2. COMPANY MISSION

Westland Holdings Limited primary mission is to support the Council’s Vision for Westland as outlined above.

3 THE OBJECTIVES OF THE COMPANY

In addition to the requirements of section 59 of the Local Government Act 2002, the principal objectives of WHL are to:

- To ensure that the strategic plan of the Company is followed and that the plan is reviewed annually;
- Monitor the performance of each of its subsidiary companies;
- Ensure that each subsidiary company has in place active and effective health and safety policies and procedures which provide a safe operating environment for all employees, contractors and affected parties;
- Ensure that each subsidiary company operates economically and efficiently, in accordance with an agreed SOI, to optimize the returns from each subsidiary as well as the value of each subsidiary within the operating parameters determined by the Council;

- Ensure, within any legal or commercial constraints, that the SOI of each of the subsidiary companies reflect the policies and objectives of the Council;
- Keep the WDC informed of matters of substance affecting WHL and the subsidiary companies and, as much as is considered practical and reasonable in the opinion of the directors of WHL, to provide the WDC an opportunity for comment on such matters prior to taking any action;
- Ensure that there is regular and informative reporting of the financial and non-financial performance and risk exposures of WHL and the subsidiary companies;
- Report to WDC on establishment opportunities for the subsidiary companies, and other investment opportunities that have the potential to enhance the economic well-being of the region and to provide an adequate return;
- Maintain and improve good governance by regularly and constructively appraising the performance of the subsidiary company directorates, maintaining an appropriate monitoring framework and informing WDC prior to the appointment of new directors and,
- Support the Council in reviewing or creating policies relevant to the Company, or to the Group.

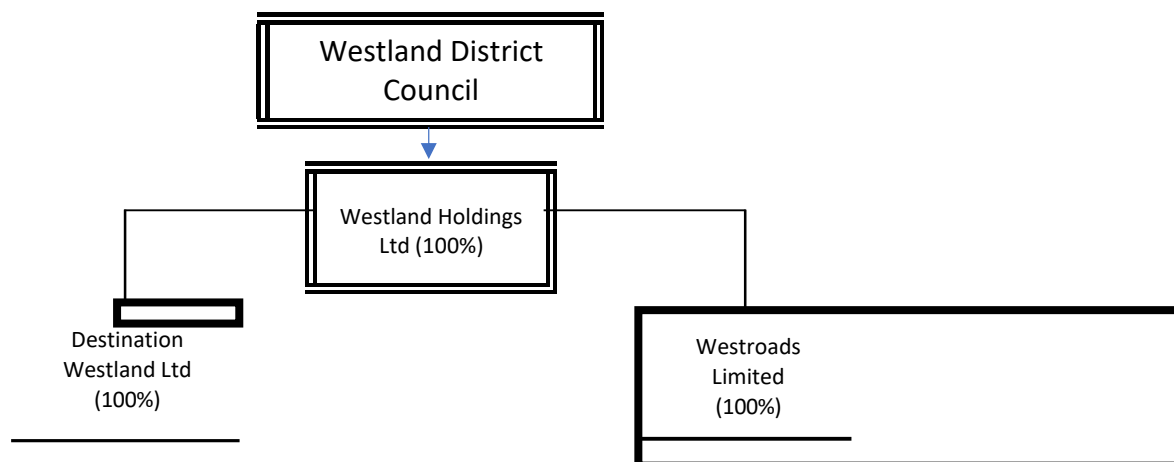
4. GOVERNANCE APPROACH

WHL seeks to govern the Group in a way that will ensure it:

- Achieves the objectives of its shareholder, both commercial and non-commercial, as detailed specifically in Section 3;
- Is a good employer in accordance with S:36(2) of schedule 7 of the Local Government Act 2002;
- Exhibits a sense of social responsibility by having regard to the interests of the community in which it operates; and
- Exhibits a sense of environmental responsibility by having regard to the interests of the community in which it operates.

5. NATURE AND SCOPE OF ACTIVITIES

WHL is a wholly-owned, council-controlled organization (“CCO”) of WDC, which was formed on 24 July 2002. WHL is the controlling entity that provides objective governance of the various operating subsidiaries on behalf of WDC. The Group structure is, as follows:



The current Directors of WHL are:

- Joanne Conroy (Chair)
- Christopher Gourley
- Christopher Rea

6. SHAREHOLDING

WHL, on behalf of the Council, holds the following investments in the subsidiary companies:

- A shareholding investment in Destination Westland (DWL), representing 100% of DWL share capital; and
- A shareholding investment in Westroads Limited (“WRL”), representing 100% of WRL’s share capital.

Ratio of Shareholders’ funds to total assets.

Shareholders’ funds are defined as the sum of the amount of share capital on issue, retained earnings/accumulated losses, revenue and capital reserves. Total assets are defined as the sum of the net book value of current assets, investments, fixed assets, and intangible assets as disclosed in the Company’s Statement of Financial Position, prepared in accordance with the accounting policies adopted by the Directors.

The target ratio of shareholders’ funds to total assets shall not be less than 50% for the period covered by this SOI. The appropriateness of this target ratio will be reviewed annually by the Directors.

7. ACCOUNTING POLICIES

The annual financial statements of the Company will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting policies to the extent that is practicable without disclosing commercially sensitive information that, in the view of the Directors, would be of value to competitors. See Appendix A for Accounting Policy details.

8. PERFORMANCE TARGETS

The following performance targets have been set for the 2023/2024 financial year, and the two years following:

Relationship with WDC/Other Governance Issues

Objective	Performance Target
1 To ensure that the financial targets and strategic direction of WHL are in line with WHL's strategic plan, which is developed in conjunction with WDC	<p>A draft SOI for WHL will be submitted for approval to WDC by 1 March each year.</p> <p>A completed SOI will be submitted to WDC by 30 June each year.</p>
2 To ensure that WDC is kept informed of all significant matters relating to its subsidiaries on a "no surprises" basis	<p>Full year and half year reporting to WDC will be provided within 60 days after 31 December and 30 June of each year.</p> <p>Major matters of urgency are reported to the appropriate Council Committee or the Chief Executive of WDC within three days.</p>
3 To ensure that WHL directors add value to the Company and that their conduct is according to generally accepted standards.	<p>The Chair will initiate an independent formal evaluation of the WHL directorate every 2 years. The next such review will be undertaken in the 2024-2025 year.</p> <p>The Company will review the training needs of individual WHL directors, and ensure training is provided, where required.</p>

Financial Objectives and Performance Measures

Objective	Performance Target
6 To ensure that WHL returns a dividend to WDC in accordance with	WHL will agree with WDC on an achievable distribution for the

WDC's budgets and meets other financial targets.

2024/25 financial year as part of the Council's requirement to approve the SOI for WHL. This estimated dividend receivable by WHL will be agreed with each CCO on an annual basis prior to finalising WDC's budget.

- | | | |
|----|--|--|
| 7 | Gross Revenue: Combined revenue for the 24-25 year | Equal to or greater than \$31 million |
| 8 | Net Profit before tax: Combined net profit for the 24-25 year | Equal to or greater than \$1.2 million |
| 9 | Pre-tax Return on Shareholder Funds for each of the three years. | At least 4% |
| 10 | Pre-tax Return on total assets | At least 2.75% |
| 11 | Gearing | Total liabilities do not exceed 60% of the total tangible assets at any time |
| 12 | Minimum Shareholder Funds | At all times Shareholder's funds are not less than \$25,000,000 |

Specific Subsidiary Management and Supervisory Functions

Objective

Performance Target

- | | | |
|----|---|---|
| 13 | To ensure that WHL's procedure for appointment to subsidiary directorates are open and in accordance with written policy. | That the adopted WDC Directors Policy be followed for any director appointments made. |
| 14 | To ensure that the draft subsidiary company SOI's are received on a timely basis for review and comment. | Draft SOI's are to be received by 14 February from the subsidiary companies, and final by 1 June for each year covered by this SOI. |
| 15 | To ensure that the final subsidiary company SOI's are appropriate, measurable, attainable and timely and Connected to their strategic plan. | Comment on the draft SOI's within the statutory timeframe of 30 April each year, and ensure specific and measurable targets are included as Performance Objectives. |

WHL will direct the subsidiary companies to produce commercially focused SOI's that are consistent with

their strategic plan, aligned to WDC's strategic direction and achieve better social outcomes for Westland.

- 16 To ensure that the subsidiary company reporting is relevant and timely.

Subsidiary company SOI's will incorporate specific reporting requirements in accordance with legislation and accepted practice.

Subsidiary companies will also be required to provide Monthly Management reports followed by quarterly briefings to WHL in sufficient detail to allow WHL to fulfill its reporting obligations to the WDC.

All activity reports and formal reporting will be done through the Chairperson of WHL and the Chief Executive of WDC.

Risk Management Processes

Objective

Performance Target

- 17 To ensure that there are adequate processes for the identification, assessment and management of the risk exposures of the subsidiary companies.

Subsidiary company SOI's will incorporate specific statements regarding the processes for the management of risk exposures, including health and safety and reputational risk, all companies will also maintain an up to date risk register.

- 18 To ensure that subsidiary companies do not make decisions that could have significant implications for future Council funding.

Long term investment assessment is carried out for any new projects of a size and nature that requires WHL approval. Significant projects and their sources of funding must also be assessed and approved by Council prior to initiating the projects.

Specific Activities to be Undertaken by WHL

- Negotiation of the individual annual SOIs for the CCOs that it owns on behalf of the Westland District Council (the subsidiary companies).
- Negotiation of the annual SOI between WDC as shareholder and WHL.
- Monitoring the performance of the subsidiary companies that WHL owns.
- Advice to WDC regarding potential CCO establishment, disestablishment or development opportunities.
- Maintaining a Register of Potential Directors for WHL and the subsidiary companies, including public advertising, as required.
- Appointment and monitoring of the directors of the subsidiary companies.
- Hosting an annual shareholders' meeting.

Specific Activities Not Permitted to WHL

- No subsidiary companies are to be formed by WHL without the prior approval of WDC.
- No shares are to be acquired by WHL or the subsidiaries without the prior approval of WDC.
- No shares held by WHL or the subsidiaries are to be sold or otherwise disposed of without the prior approval of WDC.

Over time, WDC may form other CCOs within the WHL structure. WHL is an obvious vehicle for holding the shares in these enterprises, however, the directors' approach to the holding of other shares will be determined on a case-by-case basis in consultation with Council. It is anticipated that WHL will assist WDC in the identification and assessment of such future opportunities.

9. DISTRIBUTION POLICY

Profit retention and dividend policy will be determined from year to year by the Directors in accordance with operational results, financial prospects, and the circumstances prevailing, with the objectives of ensuring that:

- The amount of the distribution does not limit WHL's ability to fund future capital expenditure requirements of subsidiary companies to both maintain and expand current operations, nor to address issues relating to the Company's debt structure. In determining any distribution, the following must be considered:
 - i. The Directors are satisfied that the requirements of section 4 of the Companies Act (the "solvency test") have been satisfied;
 - ii. The amount of the distribution does not exceed the amount of the net profit after tax, plus cash held in reserves, in the year to which the distribution relates; and,
 - iii. Total liabilities do not exceed 50% of the total assets.

WHL will endeavor to make distributions as agreed in annual budget discussions with council in the 2024/25 year.

10. REPORTING TO SHAREHOLDERS

WHL will provide the following information in order to enable the WDC, as the shareholder of WHL, to make an informed assessment of the Company's performance:

- a) An annual Draft SOI in accordance with Schedule 8 of the Local Government Act 2002, delivered by the 1st of March, with WDC comments returned by the 1st of May and a completed SOI after consideration of Shareholders comments delivered by 30 June. The Final Statement of Intent of WHL will be made available to the public one month following delivery to the WDC.
- b) A half-yearly financial and progress report or presentation to Council that details the financial performance and progress of the Company and its subsidiaries. This report shall be delivered to Council no later than 28th February.
- c) An annual report in accordance with Section 67 and 71 of the Local Government Act 2002 and the GAAP reporting requirements prescribed from time to time by the Institute of Chartered Accountant of New Zealand, and any other information that the Directors deem appropriate. The annual report is to be delivered to the WDC by the 30th of September and no later than 20 days prior to the Company's AGM.
- d) An annual Shareholders meeting is to be held by the 31st of December each year with not less than 10 days' notice to the WDC.

11 CAPITAL EXPENDITURE

The approval of Westland District Council must be obtained for any significant purchases or developments greater than \$500,000 for any one project, including the funding mechanism for the purchase or development. For general plant replacement items, amounts in excess of \$750,000 need to be referred to Westland District Council as above.

12 ACQUISITION PROCEDURES

If the Directors believe they should invest in or otherwise acquire any interest in any other organisation, they shall obtain the prior approval of the WDC as shareholder by special resolution unless the total cost is less than \$500,000.

In this case prior approval is not required, but the Shareholder will be advised within 10 working days.

13 COMPENSATION

Currently there are no activities for which compensation will be sought from WDC.

14 ESTIMATED COMMERCIAL VALUE OF WHL

The value of WHL has been defined as the estimated value of Shareholders' funds as at 30 June 2023.

This value is estimated to be \$27,000,000.

The value ascribed to shareholders' funds will be that stated in the annual Statement of Financial Position of the Company as at the end of the financial year preceding each SOI.

15 OTHER MATTERS

WHL's directors are appointed by the Shareholders to govern and direct WHL's activities, and to oversee the governance and performance of the WDC's council-controlled organisations. The Shareholders expect this responsibility to include such areas of stewardship as:

- Commercial performance
- Non-commercial performance
- Preparation and review of business plans and budgets
- Corporate policies
- Financial and distribution policies
- Management oversight and development
- Delegations or authority
- Identification and management of business risks
- Identification and management of business opportunities
- Internal control systems
- Integrity of management information systems
- Relationships with stakeholders and external parties
- Compliance with relevant law
- Reports to shareholder

WESTLAND HOLDINGS LIMITED FINANCIAL FORECASTS



	Group Budget 2024/25 \$	Group Forecast 2025+26 \$	Group Forecast 2026/27
Revenue	31.736.900	33.968.483	35.652.907
Cost of Sales	23.002.205	24.566.355	25.794.673
Gross Profit	8.734.695	9.402.128	9.858.234
Other Income	2.143.760	2.303.343	2.382.960
Administrative Expenses	6.846.873	7.299.674	7.614.808
Depreciation	2.401.584	2.547.365	2.658.783
Results from operations	1.629.998	1.858.432	1.967.603
Finance Costs	384.921	431.225	443.687
Net finance costs	384.921	431.225	443.687
Profit before Income Tax	1.245.077	1.427.207	1.523.916
Subvention Payment	200.000	200.000	200.000
Income tax expense	331.501	383.178	409.537
Profit for the period	713,576	844,029	914,379
Total Comprehensive Income for the Year	713,576	844,029	914,379
Other Performance Targets			
Dividends	190,000	240,000	270.000
Earnings Retained	523,576	604,029	644.379
Closing Shareholder's Funds	28,026,493	28,630,522	29,274.901



WESTLAND HOLDINGS LIMITED

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY

Westland Holdings Limited is registered under the Companies Act 1993 and is domiciled in New Zealand. Westland Holdings Limited is owned by Westland District Council.

The Company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of the Company have been prepared in accordance with the requirements of the Companies Act 1993, and the Local Government Act 2002.

The Group consists of Westland Holdings Limited, Destination Westland Limited, Westroads Limited. All Group companies are incorporated in New Zealand.

The Company is a Tier 1 for-profit entity and has elected to report in accordance with Tier 1 for-profit Accounting Standards on the basis that it does not have public accountability.

BASIS OF PREPARATION

Statement of Compliance

The Company has designated itself as a profit orientated entity for the purposes of New Zealand Equivalent to International Financial Reporting Standards (NZIFRS). The Financial Statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and Tier 1 POE Accounting Standards. They comply with New Zealand equivalents to the International Financial Reporting Standards Reduced Disclosure Regime (NZIFRS RDR) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

Measurement Base

The financial statements have been prepared on a historical cost basis, except for the revaluation of investment properties which are revalued every year.

Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented has been rounded to the nearest thousand.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Going Concern

The financial statements will be prepared on a going concern basis.

SIGNIFICANT ACCOUNTING POLICIES

Accounting policies set out below will be applied consistently to all periods presented in the financial statements. The following particular accounting policies which materially affect the measurement of financial results and financial position will be applied:

PROPERTY, PLANT and EQUIPMENT

Recognition and measurement

Land and buildings, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

buildings	3-50 years
plant and equipment*	1.5-25 years
office furniture and equipment	2-15 years
runway infrastructure	2-50 years

*includes motor vehicles

INVESTMENT PROPERTIES

Properties leased to third parties under operating leases are classified as investment property.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

INTANGIBLE ASSETS

Goodwill is allocated to cash generating units for the purposes of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination, in which the goodwill arose. Goodwill is assessed for impairment on an annual basis. Any impairment losses are recognised immediately in the profit or loss.

INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

In the case of metal inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Metal inventory cost is calculated on a discounted sale value basis, as an approximation of weighted average cost.

Inventories include development properties that are being developed for sale. These properties are measured at the lower of cost and net realisable value and the cost includes development costs to date.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

CONTRACT ASSETS AND LIABILITIES

The company will report contract asset and liabilities IFRS 15.

IMPAIRMENT

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amounts of assets and are recognised in the profit or loss.

Impairment of Receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on economic factors affecting the Companies customers.

There is no impairment deemed necessary as the company are not expecting any credit losses.

Impairment of Contract assets and Contract liabilities

Contract assets and contract liabilities were previously included within "trade and other receivables" and "trade and other payables" and disclosed separately as Work in Progress. Under IFRS15 these items are now combined and renamed as Contract assets

They arise from contracts enter that can span over the financial year and also reflect retention funds that are held by the client until such time as a certificate of completion has been signed off. It may take a up to 2 years to complete, because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognised on the contracts.

There has been no Impairment of Contract Assets or Contract Liabilities

Impairment of Goodwill

The Company is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future

cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. During the year, with reference to all the competition in the Christchurch market the total carrying amount of Goodwill was impaired

This competitive market has had an adverse impact on the projected value in use of the operation concerned and consequently resulted in an impairment to goodwill of \$151,000.

FINANCIAL INSTRUMENTS

The Company categorises its financial assets and its financial liabilities as being at amortised cost.

Financial Assets

The company's financial assets comprise: cash and cash equivalents, and trade and other receivables. These are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market.

Financial assets are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

Financial liabilities

Financial liabilities comprise: trade and other payables, borrowings, and advances. Borrowings are initially recognised at their fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are classified as other non-derivative financial instruments.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

GOODS AND SERVICES TAX (GST)

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

EMPLOYEE BENEFITS

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

Termination benefits for voluntary redundancies are recognised if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

LEASED ASSETS

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases. The leased assets are not recognised on the Company's balance sheet.

PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

REVENUE

NZ IFRS 15 Revenue from Contracts with Customers introduced a new revenue recognition model that recognises revenue either at a point in time or over time. It is based on the principle that revenue is recognised when control of goods and services transfers to the customer and is based on the fulfilment of performance obligations.

The company has applied the modified approach on transitioning to NZ IFRS 15 and has applied the standard on initial application being 1 July 2018. No material impact on these financial statements has been recognised as a result of adopting this standard.

As the Company has the right to consider corresponding directly with the value of performance completed to date, customer contract revenue is recognised consistent with the amount that the Company has a right to invoice. The Company is therefore exercising the practical expedient not to explain transaction prices allocated to unsatisfied performance obligations at the end of the reporting period.

Note 8 sets out a numerical disaggregation of revenue in accordance with the disclosure requirements of the new standard.

The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five step analysis of transaction to determine whether, how much and when revenue is recognised.

Sale of Goods and Services – From 1 July 2018

To determine whether to recognise revenue, the Company follows a 5-step process:

- 1 – Identifying the contract with a customer
- 2 – Identifying the performance obligations
- 3 – Determining the transaction price
- 4 – Allocating the transaction price
- 5 – Recognising revenue when/as performance obligation(s) are satisfied

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

If the company satisfies a performance obligation before it received the consideration, the company recognises a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of Goods

Revenue from the sale of metal stock for the agreed price is recognised when the company transfers the control of the goods to the customers. The goods represent a single performance obligation over which the control is considered to transfer at a point in time.

Sale of Goods – Before 1 July 2018

Revenue from the sale of goods is recognised when the company has transferred to the buyer the significant risks and rewards of ownership and use of the goods. Risks and rewards are considered transferred to the buyer at the time of the delivery of the goods to the customer.

Revenue contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the profit or loss in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

LEASE PAYMENTS

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease.

INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

CASH & CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term-highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown in current liabilities in the statement of financial position.

CONSOLIDATION

The Company has two 100% owned subsidiary companies that are consolidated into the financial statements.

The basis of consolidation: The purchase method is used to prepare the consolidated financial statements, which involves adding together like items of assets, liabilities, equity, income and expenses on a line-by-line basis.

The Company consolidates as subsidiaries in the Group financial statements all entities where the Company has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the entity. This power exists where the Company controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by the Company, or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

The Company measures the cost of a business combination as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, in exchange for control of the subsidiary plus any costs directly attributable to the business combination.

Any excess of the cost of the business combination over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the Company's interest in the net fair value of the identifiable assets, liabilities, contingencies recognised exceeds the cost of the business combination, the difference will be recognised immediately in the profit or loss.

Investments in subsidiaries are carried at cost in the Company's own "parent entity" financial statements.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

STATEMENT OF INTENT

2024/25
WESTROADS LTD

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INDEX

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1. INTRODUCTION

This Statement of Intent is prepared in accordance with section 64 and schedule 8 of the Local Government Act 2002.

Westroads Limited (the Company) is a council-controlled organisation for the purposes of the Local Government Act 2002 and is registered under the Companies Act 1993.

The Company is a wholly owned subsidiary of Westland Holdings Limited.

This Statement of Intent covers the 3-year period commencing 1 July 2024.

2. COMPANY MANTRA AND VALUES

At Westroads “Excellence” is a way of life

To achieve this, we use the following Values to guide our activities and actions:

2.1 We pursue improvement in all that we do

- Learning from our mistakes
- Looking for better ways
- Being innovative
- Embracing change

2.2 We are committed to the team

Safety comes first

- Keep ourselves, our team and the public safe
- We all lead by example
- Have courage to correct unsafe behaviour
- Follow established procedures
- Ask if unsure

Respect goes a long way

- Respect ourselves, our teammates, clients and the public
- Respect the Company's assets and image
- Trust our people to do the right thing
- Listen openly
- Respect and protect the environment

Value our people

- Together we achieve more
- “Please” and “Thanks” goes a long way
- Care enough to provide constructive feedback
- Develop our people through training, mentoring and support
- Provide opportunities for career advancement
- Reward competitively

2.3 We are Performance Driven

Plan and Communicate

- Understand the requirements in detail
- Plan using team knowledge
- Communicate effectively

Always do our best

- Come to work to work
- Deliver the plan efficiently
- Do it right first time

We Take Pride

- Lead by example
- Take pride in ourselves, our work and our Company
- Enjoy work and celebrate success

3. THE OBJECTIVES OF THE COMPANY

The principal objective of the Company is to operate as a successful business. This will be achieved by:

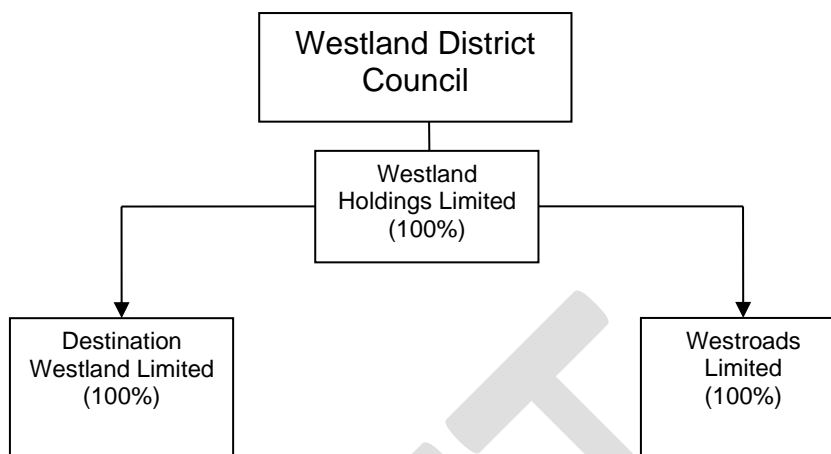
- a. Following the Company Mantra and Values.

Other priority objectives of the Company are:

- a. Returning a distribution to shareholders that makes a significant contribution to the Westland District Council's (the Council) budgeted distributions from its Council-Controlled Organisations (CCOs).
- b. Maintaining a significant presence in Westland including employing locals and having equipment available throughout the district.
- c. Being successful in bidding for contestable contracts tendered by Council and other significant organisations and businesses.

4. NATURE AND SCOPE OF ACTIVITIES

The Group structure is as follows:



The nature of Westroads Limited activities will be that of a general contractor and a trading organisation offering goods and services for sale and plant and equipment for hire. Its activities will include:

- a. Three Water Services – operation, installation, maintenance and repairs.
- b. Roads and footpaths, bridges, cycleways, driveways and car parks – their construction, maintenance, marking, signing, repair and cleaning.
- c. Property maintenance, repairs and construction including carpentry, joinery, painting and drain laying.
- d. Environmental services including refuse collection, litter collection, landfill operation, recycling, vegetation control and street cleaning.
- e. Vehicle and equipment management services including maintenance workshops and assorted engineering services.
- f. The supply of goods, materials, services and equipment for sale or hire.
- g. Landscaping services including maintaining reserves, general horticultural, silviculture services and household rubbish maintenance and services.
- h. The manufacture and supply of crushed metal and aggregate.
- i. Any other relevant activity as determined by the Directors from time to time.

5. GOVERNANCE

The Company is governed by a four-member board of directors including:

Mark Rogers (Chair)
Rob Caldwell (Deputy Chair and Chair Audit and Risk)
Peter Cuff
Ross Pickworth

The director's role includes:

- a. Strategic governance
- b. Financial oversight
- c. Management performance review
- d. Overseeing tender prices for major tenders
- e. Ensuring statutory and regulatory compliance

The board has a director rotation policy in place whereby one director retires each year in rotation. Directors can make themselves available for re-appointment.

Board evaluation will be conducted at least biannually and facilitated by the Chair. Directors will consider training requirements annually to ensure that professional standards are adhered to.

6. PERFORMANCE TARGETS

6.1 Financial Performance Targets

- The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds shall be at least 10% for the three years commencing 1 July 2024
- A return of an annual dividend to the shareholder within a range of 40-70% of the Company's net profit after tax, after adjusting for returns to shareholders via a subvention payment;
- Compliance with statutory and regulatory requirements that will allow the Company, Westland Holdings Limited and the Council to comply with the Local Government Act.

6.2 Social Performance Targets

Westroads Limited is committed to:

- Attracting and retaining the best people for our organisation.
- Maintaining a high level of transparent and effective communication with our shareholder.
- Being an asset to the community through returns to the shareholder and ultimately to the Council.
- Being an asset to the community by supporting local community initiatives.
- Providing employment in the district and ensuring the community receives competitive prices for work done.

To achieve this for the Company's people and communities:

- We utilise a wide range of training schemes via the industry training organisations to continuously extend the skills of our staff and ensure that they are up to date with professional and technical current practice. Performance reviews are undertaken for all management and staff on an annual basis.
- We are committed to work together to ensure safe and sustainable working conditions for our employees. The Company provides inoculations for employees and monitors hearing, eyesight, and lung functions to ensure we have a healthy workforce.
- Protective equipment is issued and required to be worn by all staff.

6.3 Performance Measuring

The Company has the following performance measures regarding employees and safety:

- Number of incidents notifiable to WorkSafe – Target Zero
- Continue to promote Safety First
- Achieving a TRIFR below 1.5 per 100,000 manhours
- Training expenditure as a percentage of Revenue Target – Target 0.8%
- Staff turnover rates excluding fixed term and temporary workers < 20%

6.4 Strategy

- The company will update its Strategy document every year and provide a copy of this to its shareholder.

7. RATIO OF CONSOLIDATED SHAREHOLDERS' FUNDS TO TOTAL ASSETS

The ratio of consolidated shareholder funds to total assets shall be greater than 45%

Shareholders' funds are defined as the paid-up capital, plus any tax paid profits earned less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves".

Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of the Company.

8. DISTRIBUTION POLICY

Distributions will be paid, either by way of dividends to Westland Holdings Limited or subvention payments to the Council or Westland Holdings Limited in accordance with the annual Statement of Intent, as agreed with Westland Holdings Limited.

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited, subject to the following criteria:

- The Company will utilise Group losses to the maximum extent available and pay for the use of the losses at the current tax rate by way of Subvention Payments.
- The amount of any distribution shall consider the Company's ability to fund future capital expenditure requirements, to maintain and expand its operations, to meet its obligations under the Companies Act 1993 and to address matters related to the debt structure of the Company.

9. CAPITAL EXPENDITURE

The board's policy is to replace plant and equipment on a "wear and tear" basis, with major items being submitted to the board for approval. Additional capital expenditure may be approved by the board following a submission by management.

The approval of Westland Holdings Limited must be obtained for any significant purchases or developments more than \$500,000 for any one project, including the funding mechanism for the purchase or development. For general plant replacement items, amounts in excess of \$750,000 need to be referred to Westland Holdings Limited as above.

10. PROCEDURES FOR ACQUISITION OF OTHER INTERESTS

The Company will not subscribe for, purchase, or otherwise acquire shares in any company or other organisation without first being authorised to do so by a special resolution of its shareholders.

11. COMMERCIAL VALUE OF SHAREHOLDERS' INVESTMENT

The director's estimate that the commercial value of the shareholders' investment in the Company will be represented by the opening balance of shareholders' funds. The directors will advise the shareholders on an annual basis if they believe the value to differ materially from this amount.

The value of the investment will be reassessed every three years by evaluating movement in asset values, in particular, changes in land and improvements as recorded on the tri-annual government valuations.

12. RISK MITIGATION

The Company shall regularly review key risks together with strategies for mitigation of these risks.

The Company has a formal Fraud Policy in place. All Directors and staff are aware of this policy.

13. REPORTING TO SHAREHOLDERS

The following information will be available to shareholders based on an annual balance date of 30 June:

13.1 Draft Statement of Intent

On or before the 14th of February each year, the directors shall deliver to the shareholders a draft Statement of Intent with tracked changes which fulfils the requirements of clause 9 of schedule 8 of the Local Government Act 2002.

13.2 Completed Statement of Intent

On or before the 15th of June each year, the directors shall deliver to the shareholders a final Statement of Intent.

13.3 Half Yearly Report

On or before the 14th of February each year, the directors shall deliver to the shareholders an unaudited report containing the following information as a minimum in respect of the half year under review:

- a. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent half yearly reports;
- b. A statement of financial position at the end of the half year;
- c. A commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to influence the company's performance, including an estimate of the financial result for the year based on that outlook;
- d. A report on non-financial performance measures; and

- e. A copy of the auditor's management report for the previous year.

13.4 Annual Report

By the 30th of September each year, or such later date set by government and approved by the shareholder, the directors shall deliver to the shareholders an annual report and audited financial statements in respect of the financial year ending on the preceding 30 June, containing the following information as a minimum:

- a. A directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to a dividend.
- b. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.
- c. A statement of financial position at the end of the year.
- d. A statement of cash flows.
- e. A report on non-financial performance measures.
- f. An auditor's report on the above statements and the measurement of performance in relation to objectives.

13.5 Annual Budget

An annual budget shall be provided for the coming financial year and the following two years, at such a time to enable it to be included within the draft Annual Plan for the Council.

13.6 Quarterly Report

A report containing financial and operational information as agreed between the Company and Westland Holdings Limited shall be supplied each quarter. These quarterly reports shall include commentary on the quarterly operations performance and outlook of the Company and any special events likely to affect the Company's performance.

14. ACCOUNTING POLICIES

REPORTING ENTITY

Westroad's accounting policies will comply with legal requirements of the Companies Act 1993, the Financial Reporting Act 1993, the Local Government Act 2002 and with New Zealand Generally Accepted Accounting Practice (NZ GAAP). The financial statements comply with New Zealand equivalents to International Financial Reporting Standards. For the purposes of complying with NZ GAAP the company is a for-profit entity

A full statement of Accounting Policies will be presented in Westroad's Annual Report.

15. FINANCIAL FORECASTS (\$000S)

	SOI Budget	Budget	Forecast	Forecast
	2023/24	2024/25	2025/26	2026/27
Gross Revenue	28,726,074	30,736,900	32,888,483	34,532,907
Cost of Sales	21,598,315	23,002,205	24,566,355	25,794,673
Gross Profit	7,127,759	7,734,694	8,322,127	8,738,233
Other Income	168,000	179,760	192,343	201,960
Administrative Expenses	4,002,685	4,282,873	4,582,674	4,811,808
Depreciation	1,946,340	2,082,584	2,228,365	2,339,783
Finance Costs	217,683	232,921	249,225	261,687
Net Profit Before Tax	1,129,051	1,316,077	1,454,206	1,526,917
Tax Expense	260,134	312,501	351,178	371,537
Subvention Payments	200,000	200,000	200,000	200,000
Total Comprehensive Income for the Year	668,917	803,575	903,029	955,380
Other Performance Targets				
Dividends	262,458	329,788	379,514	390,000
Earnings Retained	406,458	473,787	523,515	565,380
Closing Shareholder's Funds	12,028,106	12,501,893	13,025,408	13,590,788
Pre Tax & Subvention Return on Average Shareholder's Funds	9.39%	10.94%	11.63%	11.72%

Subvention payments to be paid instead of dividends where possible

DRAFT

HALF YEARLY REPORT **31 DECEMBER 2023**

WESTROADS LTD

6 MONTHLY REPORT



WESTROADS LIMITED

DIRECTORS REPORT

For The 6 Months Ended 31 December 2023

The Directors of Westroads Ltd present the unaudited Half Yearly Report for the six months ended 31 December 2023.

Principal Activities

The Company and Group's principal activities were Roading Maintenance and Construction, Urban Works, Horizontal Infrastructure Works, Bridge Maintenance and the Manufacture and Supply of Aggregates.

Financial Results

The main points of the half yearly report to 31 December 2023 are:

- Revenue was under budget by \$2.2m;
- Cost of Sales was under budget by \$2m;
- Gross Profit at \$2.7m was down on budget by \$251k;
- Loss after tax was \$23,000 compared to budgeted profit of \$12,000;
- Bank debt is \$2,339k compared to \$3,339k last year;
- Equity has increased by \$40k to \$11,247k while the equity to assets ratio has increased from 52% to 62% between December 2022 and December 2023.

Commentary

While bottom-line profit was close to budget there were operational variances in delivering this:

- There was a lack of revenue achieved in Hokitika and Christchurch;
- Job margins across all branches were ahead of budget, reflecting solid job management;
- The lack of revenue during the period meant that employees and plant were underutilised, driving up unproductive labour and fleet costs under administrative expenses;
- Plant sales contributed to other income and led to depreciation being under budget, thereby offsetting the impacts of reduced revenue.

Our ongoing commitment to debt reduction, fueled by the uncertain economic outlook, has led to a \$1 million decrease in bank debt.

Looking forward to the end of the year, we start from a position largely in line with budget. Based on a strengthening forward workload and an expectation of continuing strong job margin delivery, we are forecasting the second half of the year to be considerably more profitable.

Dividend

The directors will consider an interim dividend at its February 2022 board meeting.

For and on behalf of the Board



M F Rogers
Chairman

31 January 2024

WESTROADS LTD
Statement of Comprehensive Income
For the Period 1 July 2023 to 31 December 2023

	2023 \$000	Budget \$000	2022 \$000
Revenue	10,928	13,138	14,717
Cost of Sales	8,253	10,212	11,007
Gross Profit	2,675	2,926	3,711
Other Income	617	151	73
Depreciation	986	1,094	1,113
Administrative Expenses	2,204	1,839	2,258
Results from Operations	103	143	413
Interest Paid	126	126	143
Net Finance Costs	126	126	143
Profit / (Loss) before Income Tax	(23)	17	269
Income Tax Expense	0	5	75
Profit / (Loss) for the Period	(23)	12	194
Total Comprehensive Income	(23)	12	194

WESTROADS LTD
Statement of Financial Position
As at 31 December 2023

	Note	31-Dec-23	31-Dec-22
		\$000	\$000
EQUITY			
Share Capital		1,385	1,385
Asset Revaluation Reserve		1,275	1,275
Current Period Dividends Paid or Provided		0	(300)
Retained Earnings Brought Forward		8,610	8,578
Current Period Net Profit / (Loss) after Tax		(23)	269
		<u>11,247</u>	<u>11,207</u>
represented by:			
CURRENT ASSETS			
Bank Current Account		586	1,018
Receivables		2,595	4,329
Prepayments		187	150
Tax Refund		20	0
Inventory		1,072	1,152
Work in Progress		628	377
		<u>5,090</u>	<u>7,026</u>
CURRENT LIABILITIES			
Accounts Payable and Accruals		1,772	2,643
Current Portion Term Loans		0	620
Subvention Payment Payable		380	200
Lease Liabilities		112	126
Tax Payable		0	193
Employee Entitlements		856	991
		<u>3,119</u>	<u>4,772</u>
WORKING CAPITAL		1,971	2,253
NON-CURRENT ASSETS			
Right of Use Assets		594	663
Fixed Assets	1	12,306	13,469
		<u>12,900</u>	<u>14,131</u>
NON-CURRENT LIABILITIES			
Employee Provisions		134	109
Lease Liabilities		547	595
Deferred Tax Liability		17	115
Bank Term Loans		2,925	4,357
		<u>3,624</u>	<u>5,177</u>
		<u>11,247</u>	<u>11,207</u>

STATEMENT OF ACCOUNTING POLICIES FOR THE 6 MONTHS ENDED 31 DECEMBER 2023

REPORTING ENTITY

Westroads Limited is registered under the Companies Act 1993. Westroads Limited is wholly owned by Westland Holdings Limited.

The company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of Westroads Limited have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993, and the Local Government Act 2002.

MEASUREMENT BASE

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on a historical basis are followed by the Company, with the exception of certain items for which specific accounting policies are identified.

ACCOUNTING POLICIES

Accounting Policies are consistent with those published in Annual Financial Statements except for the following:

- No provision is made for taxes due to uncertainty around subvention payments
- Interim Financial Statements are prepared in accordance with Financial Reporting Standard 24

CHANGES IN ACCOUNTING POLICIES

Other than mentioned above, there have been no changes in accounting policies. All policies have been applied consistently during the period

NOTES TO THE FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2023

1. Fixed Assets			
		Dec-23 \$	Dec-22 \$
Building Improvements		3,433	3,433
Less Accumulated Depreciation		(555)	(477)
		2,879	2,956
Plant, Equipment & Motor Vehicles		23,642	25,180
Less Accumulated Depreciation		(14,266)	(14,764)
		9,377	10,416
Office Furniture and Equipment		401	369
Less Accumulated Depreciation		(350)	(272)
		51	97
Total Fixed Assets		12,306	13,469



Statement of Intent

DESTINATION WESTLAND LTD
FOR THREE YEARS COMMENCING
1 JULY 2024

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Introduction

Destination Westland Limited is a council-controlled organisation for the purposes to the Local Government Act 2002 and is registered under the Companies Act 1993.

Destination Westland is a wholly owned subsidiary of Westland Holdings Limited.

This Statement of Intent (SOI) is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002 and outlines the overall objectives and forecasts for Destination Westland for three years commencing from 1 July 2024.

Company Mission Statement

Building profits to invest in social outcomes for Westland

Our Values

Teamwork: Our unifying Value: We are One Team working together in a positive spirit towards to the same goal

Integrity: Doing what is right and delivering what we have promised

Safety: Health and Safety is everyone's business, and everyone is expected to share in our commitment to avoid all accidents and incidents.

Our Goals and Objectives

Health, Safety & Risk Management

We will manage all our operations to achieve a zero-harm workplace.

We will:

- Embed a Civil Aviation Authority (CAA) compliant Safety Management System in both of our Aerodromes and flow that through to
- Promote health, safety, and wellness through regular discussions with our whole team and ensure it is central to all that we do.
- Identify critical risks and develop plans to reduce them.

Commercial

- a. Develop new opportunities across the three strategic pillars (Gateway, Connect, Development)
- b. Provide quality, efficient and cost-effective management services on a commercially competitive basis.
- c. Conduct business in a professional manner in accordance with the mandate and Company statement of Intent.
- d. Consistent with achieving the objectives above, deliver both financial & nonfinancial returns to the Shareholder, and ultimately to the Westland District Council.

Growth Focus

- e. Grow and diversify revenue streams from existing activities.
- f. Seek out opportunities for new revenue streams.
- g. Be enabling for partnership in new activities.
- h. Enhance the value of the Shareholders' investment.

Community

- a. Consider social and environmental impacts in all decision making.
- b. Promote social well-being and community support.
- c. Respect, protect and enhance our historical and cultural heritage for the community of Westland.
- d. Promote, manage and operate events and activities that develop economic benefits to the Westland region.

Governance

The Directors of Destination Westland are appointed to govern and direct the company's activities, and have the following roles:

1. Strategic vision and governance.
2. Develop strategy implementation plans with management, to ensure consistency with vision and governance objectives.
3. Financial planning and management to achieve strategic and governance objectives.
4. Company performance monitoring and review.
5. Manage relationships with Shareholders, stakeholders and external parties at a governance level.

Directors are appointed by the shareholder, Westland Holdings Limited. The current Board of Directors is made up of:

- Chris Gourley (Chair)
- Marie-Louise Tacon
- Peter De Goldi

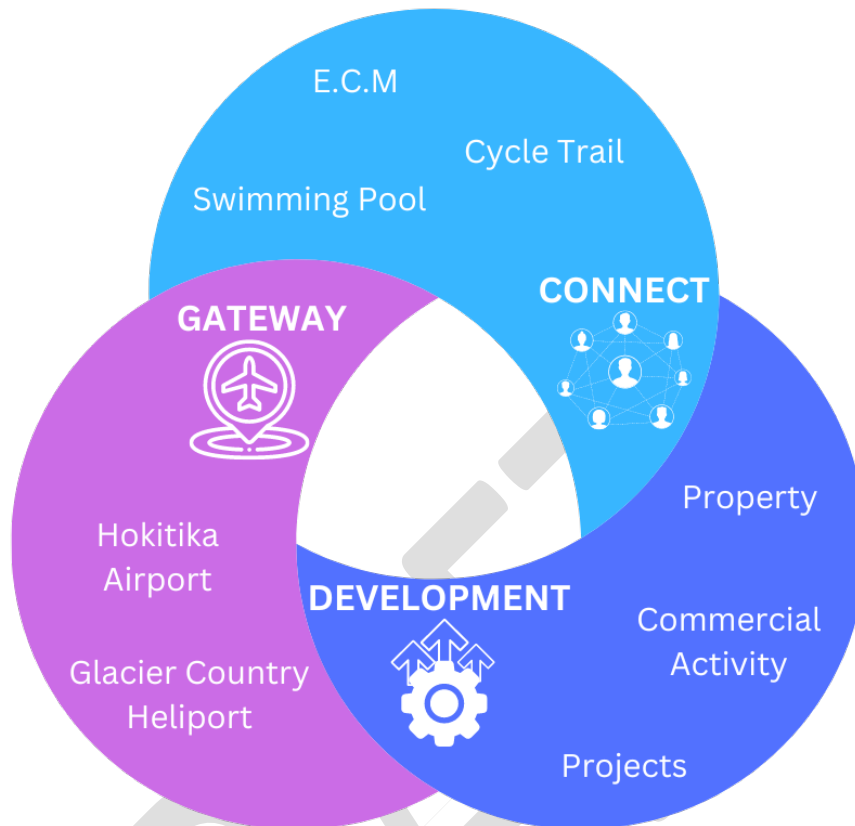
The Directors are appointed on rotation policy. The current director's rotation is per the below table:

Director	First Appointed	Current Term Ends	Eligible for Reappointment
Chris Gourley	2 June 2020	AGM November 2024	YES
Marie-Louise Tacon	1 November 2021	AGM November 2025	YES
Peter De Goldi	1 December 2022	AGM November 2026	YES

Board evaluation will be conducted annually and facilitated by the Chair. Directors will consider training requirements annually to ensure that professional standards are adhered to.

Activities of the Company

The Company and Group structures are outlined in Appendix B. The Company's three pillars which include operating divisions, responsibilities and activities include:



GATEWAY:

Aviation: Airport & Heliport

- a. Comply with appropriate CAA rules and regulations.
- b. Adhere to all Health and Safety requirements for all aviation areas
- c. Manage and develop the Hokitika Airport and associated infrastructure
- d. Manage and develop the Glacier Country Heliport and associated infrastructure
- e. Implement growth opportunities identified

CONNECT:

- a. Develop a wider focus from events to E.C.M.
- a. Seek opportunities for new events and existing event management

DEVELOPMENT

Property

- a. Manage and administer all Company leases and licenses
- b. Seek opportunities to increase current Portfolio
- c. Offer project management services to Council and other clients

Development Strategies

GATEWAY

- a. To enhance existing aviation offerings in Westland to ensure tourist and domestic travel meets current and future stakeholder expectations through maximising our aviation portfolio.
- b. Develop the Hokitika Airport Master Plan to maximise return on Airport Land

DEVELOPMENT

- a. Build/acquire additional aged housing assets
- b. Grow the Company's other accommodation portfolios
- c. Enhance facilities that are managed by the company to maximise their potential.
- d. Grow revenue from existing property portfolio

CONNECT:

- a. Develop outstanding leading events that deliver economic benefit to the Westland community.
- b. Develop a wider focus from events to E.C.M
- c. Utilise existing facilities for events/conference

Performance Targets

The Company will report annually to Shareholders on the following performance indicators:

Financial Performance Targets:

- a. To show year on year revenue and net profit growth wherever possible
- b. To provide acceptable levels of return on investment across all activities

Financial Performance Measures:

- a. The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds within a range of 1% and 6% for the year commencing 1 July 2024
- b. The ratio of net profit before taxation and revaluations to average total assets (including any revaluation) of 1% for the year commencing 1 July 2024

Non-Financial Performance Measures:

	Performance Measure	Target
Aged Care Housing	Occupancy is maximised	No less than 90%
	Tenant Satisfaction	Satisfaction with the provision of the Company's aged care rental housing is greater than or equal to 95%
Swimming Pool	Pool Safe Accreditation	Maintain Pool Safe Accreditation

Leasehold Properties	Annual % of properties available	Annual percentage of leasehold properties available for lease to be equal or more than 80%
Communication		Maintain high level of communication with Shareholders and WDC
Health & Safety	Time Loss through injury	Time loss through injury to be Zero
Environmental	Environmental incidents	No notifiable environmental incidents on company managed or owned property
Aviation	Annual CAA Audit Findings	Nil Major Findings
Event – Hokitika Wildfoods Festival	Attendance Numbers	Numbers attending Hokitika Wildfoods Festival to be at least 5,000

Distribution Policy

Distributions will be paid, either by way of Dividends to Westland Holdings Limited or Subvention Payment to Westland District Council, as agreed with Westland Holdings Limited.

A subvention payment is defined as a payment based on a dollar for a dollar of tax loss.

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited, and included in the annual Statement of Intent, subject to the following criteria:

- The amount of any distribution considers Destination Westland Limited's ability to fund future capital expenditure requirements, to maintain and expand its operations, or to address matters related to the debt structure of the Company.
- Total liabilities not to exceed 30% of the total assets without the approval of Westland Holdings Ltd.

Capital Expenditure

Capital expenditure will generally be related to the development of existing land and property but will also be considered from time to time in relation to strategic asset developments or acquisitions for the benefit of Westland District and the Company.

The approval of Westland Holdings Limited must be obtained for any significant purchases or asset developments, including the funding mechanism for any purchase or development in excess of \$500,000. This figure is to be calculated based on the complete cost of a project, even if the expenditure is spread over more than one year and comprises multiple transactions.

Acquisition of Other Interests

The Company will not subscribe for, purchase, or otherwise acquire shares in any company or other organisation without first being authorised to do so by a special resolution of the Shareholder.

Sale and Disposal of Assets

The Company will not sell or dispose of any Company assets exceeding \$100,000 in value without first being authorised to do so by a special resolution of its Shareholder.

Commercial Value of Shareholders Investment

The Directors estimate that the commercial value of the Shareholders' investment in Destination Westland Limited will be represented by the opening balance of Shareholders' Funds. The Directors will advise the Shareholders on an annual basis if they believe the value to differ materially from this amount.

The Directors may elect to revalue land improvements and investments on an annual basis in line with current Audit New Zealand policy.

Risk Management

The Company shall complete and document a risk management analysis together with strategies for mitigation of these risks.

The Company shall adopt and regularly review a Communications Policy. The current Communications Policy of the Company was adopted 12 June 2013, and was reviewed in February 2018, January 2019 and September 2023

The Company shall work with Westland Holdings to agree on formal communication protocols to improve communication with Council's elected representatives, relevant staff and stakeholders as it relates to the activities of the Company.

A formal Fraud Policy will be documented, and all Directors and staff are to be aware of this policy. The current Fraud Policy was adopted 10 September 2013 and reviewed in December 2016, February 2018 and February 2021 (to be reviewed February 2024)

Reporting to Shareholders

The following information will be available to shareholders based on an annual balance date of 30 June:

Draft Statement of Intent

On or before the 14th of February of each year, the Directors shall deliver to the Shareholders a Draft Statement of Intent, with tracked changes, in accordance with the requirements of Clause 9 Schedule 8 of the Local Government Act 2002.

Completed Statement of Intent

On or before the 15th of June each year, the Directors shall deliver to the Shareholders a Final Statement of Intent in accordance with Clause 9 Schedule 8 of the Local Government Act 2002.

Half Yearly Financial Report

On or before the 14th of February each year, the Directors shall deliver to the Shareholders an unaudited report containing the following information:

- a) A Revenue Statement disclosing actual and budgeted revenue and expenditure and comparative figures for the same period in the previous year.
- b) A Statement of Financial Position at the end of the half year i.e. 31 December.
- c) A commentary on the results for the six months together with a report on the outlook for the second six months with reference to any significant factors that is likely to have an effect on the Company's performance. This commentary is to also include an estimate of the financial result for the year under review.
- d) A copy of the Audit New Zealand management report for the previous year.
- e) A non-financial performance report.

Quarterly Report

Between the annual report and half yearly reports Destination Westland will:

- a) Deliver to WHL a quarterly copy of the management accounts.
- b) Provide a commentary on the quarterly operations performance and future outlook of the individual entities and any special events likely to affect the performance of any entity.

Annual Report

By 30 September of each year, unless the shareholder advises otherwise, the Directors shall deliver to the Shareholders an annual report and audited financial statements in respect of the financial year ending on the preceding 30 June, containing the following information as a minimum:

- a) A Directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend.
- b) A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.
- c) A statement of financial position at the end of the year.
- d) A statement of cash flows.
- e) An auditor's report on the above statements and the measurement of performance in relation to objectives.
- f) A non-financial performance report providing commentary on each of the Company's activities.

Annual Budget

An annual budget shall be provided in particular terms for the coming financial year and in general terms for the following two years, at such a time to enable it to be included within the Draft Annual Plan for the Westland District Council. This budget shall accompany the half yearly financial report.

Accounting Policies

The annual financial statements of Destination Westland Limited will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply the accounting policies recognised by the External Reporting Board ('XRB'), New Zealand generally accepted accounting policies to the extent that is practicable without disclosing commercially sensitive information that, in the view of the Directors, would be of value to competitors.

See Appendix A for the Accounting Policies listed in our most recent Annual Report

Commercial Value of Shareholders Investment

The commercial value of Westland Holdings Limited's investment in Destination Westland Limited is estimated at \$4,400,000, and this value will be verified by way of external valuation.

Sale of Goods/Services to Local Authority

It is considered likely that Destination Westland Limited will carry out some activities for which the Board will seek compensation from the Westland District Council, Westland Holdings Limited or its subsidiaries. These charges could be related to the sale, rental or leasing of property owned or managed by the Company or by Council or any other services as required.

Any compensation received and details of the undertaking will be reported in the annual report of Westland Holdings Limited as well as the annual report of Westland District Council.

Any commercial activities carried out for and or by Destination Westland Limited in relation to Westland District Council, Westland Holdings Limited or its subsidiaries will be at market rates.

Financial Forecasts

	BUDGET	FORECAST	FORECAST
	2024/25	2025/26	2026/27
	\$000	\$000	\$000
Revenue			
Revenue from Exchange Transactions	3,012	3,239	3,349
Revenue from Non-Exchange Transactions	-	-	-
Total Revenue	3,012	3,239	3,349
Less Expenditure			
Administrative Expenses	704	747	781
Depreciation & Impairment Losses	319	319	319
Interest Expense	152	182	182
Service Delivery Costs	1,401	1,488	1,529
Occupancy Costs	367	390	401
Total Expenses	2,943	3,126	3,212

Surplus/(Deficit) before Income Tax	69	113	137
Income Tax Expense	19	32	38
Surplus for the Period	50	81	99
Other Comprehensive Income	-	-	-
Total Comprehensive Income	50	81	99

Appendix A

Accounting Policy Details

REPORTING ENTITY

Destination Westland Limited is registered under the Companies Act 1993 and is domiciled in New Zealand. Destination Westland Limited is wholly owned by Westland Holdings Limited.

The company is a Council Controlled Organisation as defined in Section 6(1) of the Local Government Act 2002, with the company's ultimate parent being the Westland District Council. Destination Westland Limited is an Airport company pursuant to Section 3 of the Airport Authorities Act 1996.

The financial statements of the company have been prepared in accordance with the requirements of the Companies Act 1993 and the Local Government Act 2002.

From its inception, the Company was designated as a 'for-profit' entity for purposes of the New Zealand equivalents to International Financial Reporting Standards. In 2019 Destination Westland Limited reviewed its operations and objectives and with significant judgments made determined that the Company shall continue to be designated as a For-Profit entity. That designation was based on our judgments at that time that our primary objective is to generate a commercial rate of return, rather than to provide goods or services for community or social benefit. Generating a commercial rate of return is a key consideration when determining what goods or services we provide, and how those goods or services are provided.

In 2020, Destination Westland Limited reviewed its operations again and elected to report as Public Benefit Entity. This was based on the proportion of services for the community and social benefit and that we have not generated a commercial rate of return over the last couple of financial years.

This has been reviewed each year following and confirmed again for the year ending 30 June 2023.

ACCOUNTING POLICIES APPLIED

BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity Accounting Standards (PBE Standards) and other applicable financial reporting standards as appropriate that have been authorised for use by the External Reporting Board. Destination Westland Limited complies with Parts 3 and 4 of the Airport Authorities (Airport Companies Information Disclosure) Regulations 1999.

The company has elected to report in accordance with Tier 2 PBE Accounting Standards and has applied disclosure concessions. The company is eligible to report in accordance with Tier 2 PBE Accounting Standards as it is not publicly accountable and has expenses of less than \$30 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Company will continue to operate in the foreseeable future. Covid-19 has continued to negatively impact some areas of the company's cash flows due to fewer visitor numbers.

The financial statements were approved by the board of directors on 29 September 2023.

Measurement Base

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no material judgements or estimates applied in these Financial Statements.

Goods and Services Tax (GST)

The Company is registered for GST. All amounts in the financial statements are exclusive of goods and services tax (GST) with the exception of Debtors & other receivables and Creditors & other payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

CHANGES IN ACCOUNTING POLICIES

The only change to the Accounting policies for the year ended 30 June 2023, is that the company has decided to revalue all land and buildings in line with Westland District Council policy of revaluing every three years. All other accounting policies have been consistently applied throughout the period covered by these Financial Statements.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied:

INVESTMENT PROPERTY

Properties leased to third parties under operating leases are classified as investment property.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

PROPERTY, PLANT & EQUIPMENT

Recognition and measurement

All items of property (except for Land Improvements and buildings and runaway roadway and lightning which are accounted for valuation) , plant and equipment is recorded at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

	2023	2022
Buildings	3-50years	3-50years
Land improvements	3-50years	3-50years
Plant & equipment	1.5-25years	1.5-25years
Runway	10-50years	10-50years

IMPAIRMENT

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

Impairment of Debtors & other receivables

The recoverable amount of the Company's investments in Debtors & other receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Debtors & other receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

For Debtors & other receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

Inventories

Inventories include development properties that are being developed for sale. These properties are measured at the lower of cost and net realisable value and the cost includes development costs to date.

Non-financial assets

The carrying amounts of the Company's non-financial assets, being property plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

FINANCIAL INSTRUMENTS

The Company categorises its financial assets as loans and Debtors & other receivables as being at amortised cost, and its financial liabilities as being at amortised cost (trade and other payables).

Financial Assets and Liabilities

Financial assets and liabilities are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The company's financial assets and liabilities comprise: Bank accounts and cash and Debtors & other receivables, Trade and other payables and Loans.

Financial assets and liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Bank accounts and cash

Bank accounts and cash comprise cash on hand, cheque or savings accounts and call deposits held with banks. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of Bank accounts and cash for the purpose of the statement of cash flows.

Debtors & other receivables

Debtors & other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Debtors & other receivables are classified as either relating to exchange transactions or non-exchange transactions.

Loans

Loans are classified as other non-derivative financial instruments and are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment

LEASED ASSETS

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and, except for investment property, the leased assets are not recognised on the Company's balance sheet. Investment property held under an operating lease is recognised on the Company's balance sheet at its fair value.

PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

REVENUE

Revenue transactions are classified either as "exchange" transactions or "non-exchange" transactions:

Revenue from Exchange Transactions

Exchange transactions are transactions in which the Company received assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Revenue from exchange transactions are accounted for when it is probable that the economic benefits or service potential associated with the transaction will flow to the Company and the amount of the revenue can be measured reliably.

The exchange revenue transactions for the Company are Lease Income, Services rendered (management fees, landing fees and marketing revenue) and Interest Income.

Lease income

Lease Income from property is recognised in the profit or loss on a straight-line basis over the term of the lease.

Services

Revenue from services is recognised either at a point in time or over time, when (or as) the company satisfies performance obligations by transferring the promised goods or services to its customer. If the company satisfies a performance obligation before it received the consideration, the company recognises a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Management Fees

Revenue is recognised over the time of the contract and is paid monthly.

Landing Fees

Revenue arises at the point of time when the associated aircraft takes off or lands. Payment is due monthly (see note 4 for the payment terms)

Interest

Interest income is recorded as it is earned during the year.

Revenue from Non-Exchange Transactions

In a non-exchange transaction, the Company either receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange. The Company's non-exchange revenue transactions this year include Covid19 Leave Payment Income. This revenue has conditions attached which specify that the future economic benefits or service potential is required to be consumed as specified (used to retain and pay employees) or must be returned to the transferor.

LEASE PAYMENTS

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease.

INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, and any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

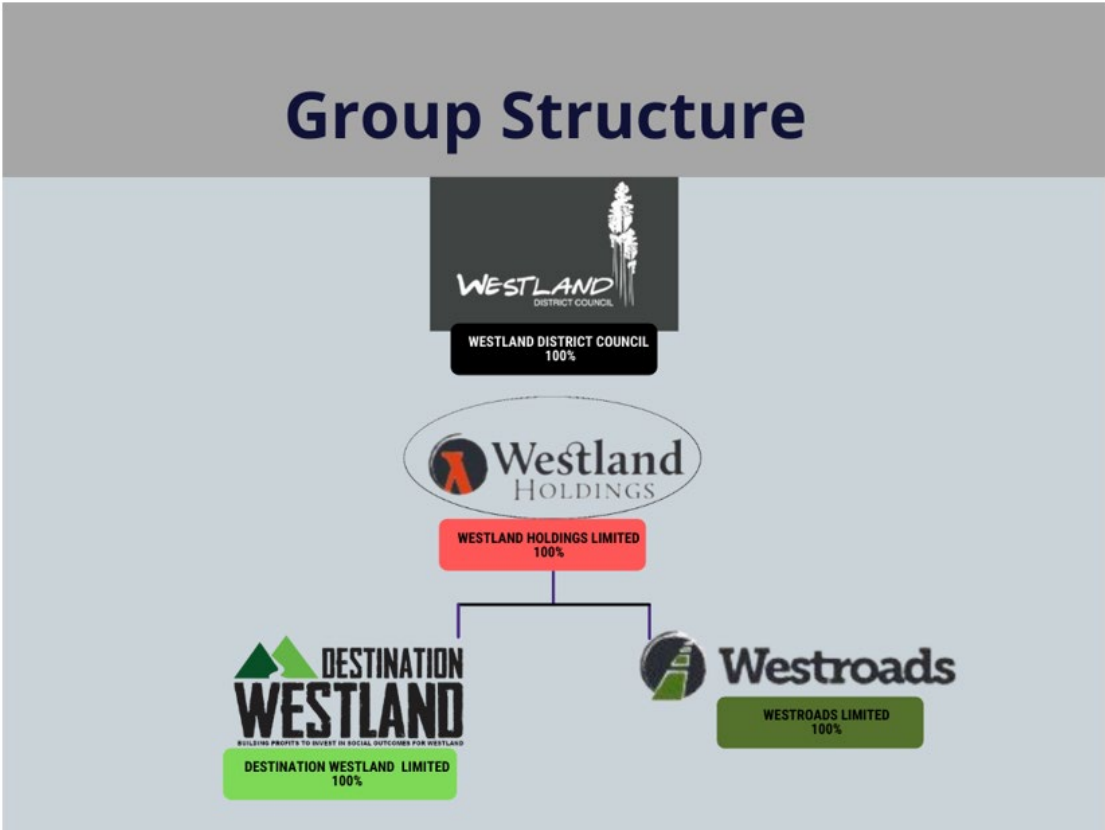
Deferred tax is measured at tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Appendix B



Report to Council



DATE: 22 February 2024
TO: Mayor and Councillors
FROM: Museum Director

NGĀ WHAKATŪRANGA - MUSEUM REDEVELOPMENT

1. Summary

- 1.1. The purpose of this report is to seek approval to implement budget spend for Stage II & III of the Museum Redevelopment Project.
- 1.2. This issue arises from a report request from Council at the Museum Redevelopment familiarisation presentation on 14 December 2023.
- 1.3. Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in June 2021, which are set out in the Long-Term Plan 2021 - 31. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council approve the budget to implement Stage II & III of the Museum Redevelopment Project.

2. Background

- 2.1. The reason the report has come before the Council is due to the completion of Stage I – Earthquake strengthening of the Hokitika Museum building.
- 2.2. In 2021 the Hokitika Museum Carnegie Building closed for earthquake strengthening. The Carnegie Building was emptied, exhibitions dismantled and stored in offsite containers. The closure limited the Museum's ability to curate and exhibit major museum exhibitions, however staff maximised opportunities to curate and display smaller exhibitions at community events.
- 2.3. In anticipation of a new museum building, Staff organised public consultation workshops in early 2022, beginning in Kumara and finishing in Haast to engage local communities and learn what is important to them and what stories they wanted to see in their museum.
- 2.4. In 2023 at the completion of the restrengthening build and removal of external scaffolding, access to the Carnegie Building was further delayed by the final Engineers report and the granting of a Code Compliance Certificate. This has prevented Council signing off Stage I so that Stages II & III can begin.

3. Current Situation

- 3.1. With the employment of a new Director in July 2023 and a Project Manager in November 2023, there is impetus to begin Stages II & III.
- 3.2. Led by the public consultation workshops data, staff have identified key themes and stories important to the community for further curatorial development.

- 3.3. With the removal of scaffolding in August, the community expects the museum to re-open within a reasonable amount of time and further delays erode public confidence.
- 3.4. With reference to the timeline included as appendix 1.
- 3.5. With reference to the budget included as appendix 2.

4. Options

- 4.1. Option 1: The Council resolves to approve Stage II & III of the redevelopment project.
- 4.2. Option 2: The Council resolve not to approve Stage II & III of the redevelopment project.

5. Risk Analysis

- 5.1. Risk has been considered and the following risks have been identified if Council request further information or seek amendment to the recommendation.
 - 5.1.1. Further delayed opening of Museum
 - 5.1.2. WDC & Hokitika Museum Reputation risk.
 - 5.1.3. Increase in project, design, and build costs.
 - 5.1.4. Decrease in customer relationships.
 - 5.1.5. Decrease in public confidence.

6. Health and Safety

- 6.1. Health and Safety has been considered and no items have been identified.

7. Significance and Engagement

- 7.1.1. The level of significance has been assessed as being high. The Council's Significance Engagement Policy [LGA s76AA (3)] lists the Hokitika Museum Carnegie Building as a Strategic Asset that Council needs to retain if it is to maintain the capacity to achieve or promote an outcome that it determines to be important to the current or future well-being of the community.
- 7.1.2. Public consultation was undertaken with 15 workshops carried out within the wider Westland District in 2020 - 2021.

8. Assessment of Options (including Financial Considerations)

- 8.1. Option 1 – Council support recommendation within the report and approves budget spend for Stage II & III of the Museum Redevelopment Project.
 - 8.1.1. The Museum has provided a timeline and budget as required by Councillors.
 - 8.1.2. The project is budgeted expenditure.
- 8.2. Option 2 - Council does not support the report and opposes budget spend for Stage II & II of the Museum Redevelopment Project.

9. Preferred Option(s) and Reasons

- 9.1. The preferred option is Option 1 and will ensure the completion of the project and furthermore eliminate the above-mentioned risks to Council and the Hokitika Museum.
- 9.2. The reason Option 1 has been identified as the preferred option is to ensure the redevelopment project is completed and the Museum re-opened.

10. Recommendations

- 10.1. That the report be received.
- 10.2. That Council resolved to implement Stage II & III of the Museum Redevelopment Project.

10.3. That Council agree to an 18 month timeframe from implementation date.

Laureen Sadlier
Director Hokitika Museum

Appendix 1: Council Report Hokitika Museum - OA Programme
Appendix 2: Council Report Hokitika Museum – OA Budget
Appendix 3: Council Report Hokitika Museum – Presentation Slides

Hoktika Museum - Interior Fitout
 Overall Programme - Issue E 12th February 2024

		2024												2025											
		Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct				
1.1 Consultant Procurement Brief	2 weeks																								
Complete Brief Appoint Museum Creative	2 weeks																								
1.1 Procurement of Consultant	4 weeks																								
2.0 Concept Design	8 weeks																								
3.0 Developed Design	8 weeks																								
4.0 Detailed Design	16 weeks																								
5.0 Compliance	9 weeks																								
6.0 Pricing & Tender	5 weeks																								
Issue Construction Documents	5 weeks																								
Order / Off Site Manufacture	6 weeks																								
7.0 Construction Period	16 weeks																								
Completion & Opening - October 25	3 week																								



Hokitika Museum - Preliminary Budget Estimate

14th December 2023 - Revised 17/1/24

Initial Estimate of Costs

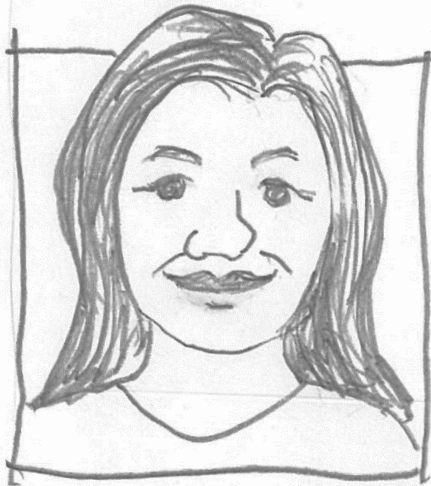
Budget - Funding **\$1,477,794.00**

Consultants		Notes
Exhibition Designer	\$70,000.00	
Māori Researcher	\$43,000.00	
Social History Researcher	\$43,000.00	
Architect/Designer	\$100,000.00	
Structural Engineer	\$20,000.00	Required if walls are removed.
Project Management	\$60,000.00	Contract in place.
Fire Report	\$5,000.00	Only required if the layout of the museum changes.
Compliance		
Resource Consent	\$8,000.00	To be confirmed with WDC and Heritage NZ.
Building Consent	\$10,000.00	Only required if alterations proceed with the interior.
Total Consultants & Compliance		\$359,000.00
Based Build Construction		
Alteration Existing doors	\$2,000.00	Remove the existing entry doors and route to display on site.
Automatic Doors	\$5,500.00	Install new automatic glazed doors with seals. Estimate allows for power and connection to fire alarm.
Foyer Alterations	\$3,500.00	Removal of the glazed wall, timber skirtings and all associated fittings. Make good where items removed.
Permanent Gallery Alterations	\$2,000.00	Alterations to the wall as outlined on the concept plan.
Retail Reception Alterations	\$32,000.00	Alterations as outlined on the concept plan including new reception desk and retail display area.
New Toilet Area Doorway	\$2,500.00	Alterations to the existing doorway as Outlined on the sketch concept plan.
Line Fireplace	\$1,800.00	Line existing fireplace, gib, stop and paint.

Screen Windows	\$3,200.00	Install screens to windows that can be removed with remove access louvres to coloured arch window at top.
Structural Work	\$18,000.00	Structural work associated with removal of the internal walls.
Alteration Fire Protection	\$4,500.00	Only required if the ceilings are changes.
Fire Egress Signage	\$2,400.00	Alterations to the existing affected by changes to the doors.
Alterations HVAC	\$12,000.00	Only required if the ceilings are changed or full height walls are installed.
Flooring	\$52,500.00	Allowance of \$150.00 a square metre overall area 350m2.
Lighting Supply	\$40,000.00	Estimates from Specialised LED. Design and supply only. Interior only no exterior.
Lighting Install	\$10,400.00	2 x electricians 80hrs each or two weeks to install =160 @\$65.00.
Painting	\$27,000.00	600m2 of wall at a square metre rate of \$45.00.

Sub Total	\$219,300.00
Main Contractors Margin 10%	\$21,930.00
Contingency 8%	\$17,544.00
Total Construction	\$258,774.00
Total Consultants, Compliance, Construction	\$617,774.00
Remaining for Museum Fitout	\$860,020.00

Our people



LAUREEN
Thought leader
Facilitator



VAUGHAN
Research dynamo
High performer



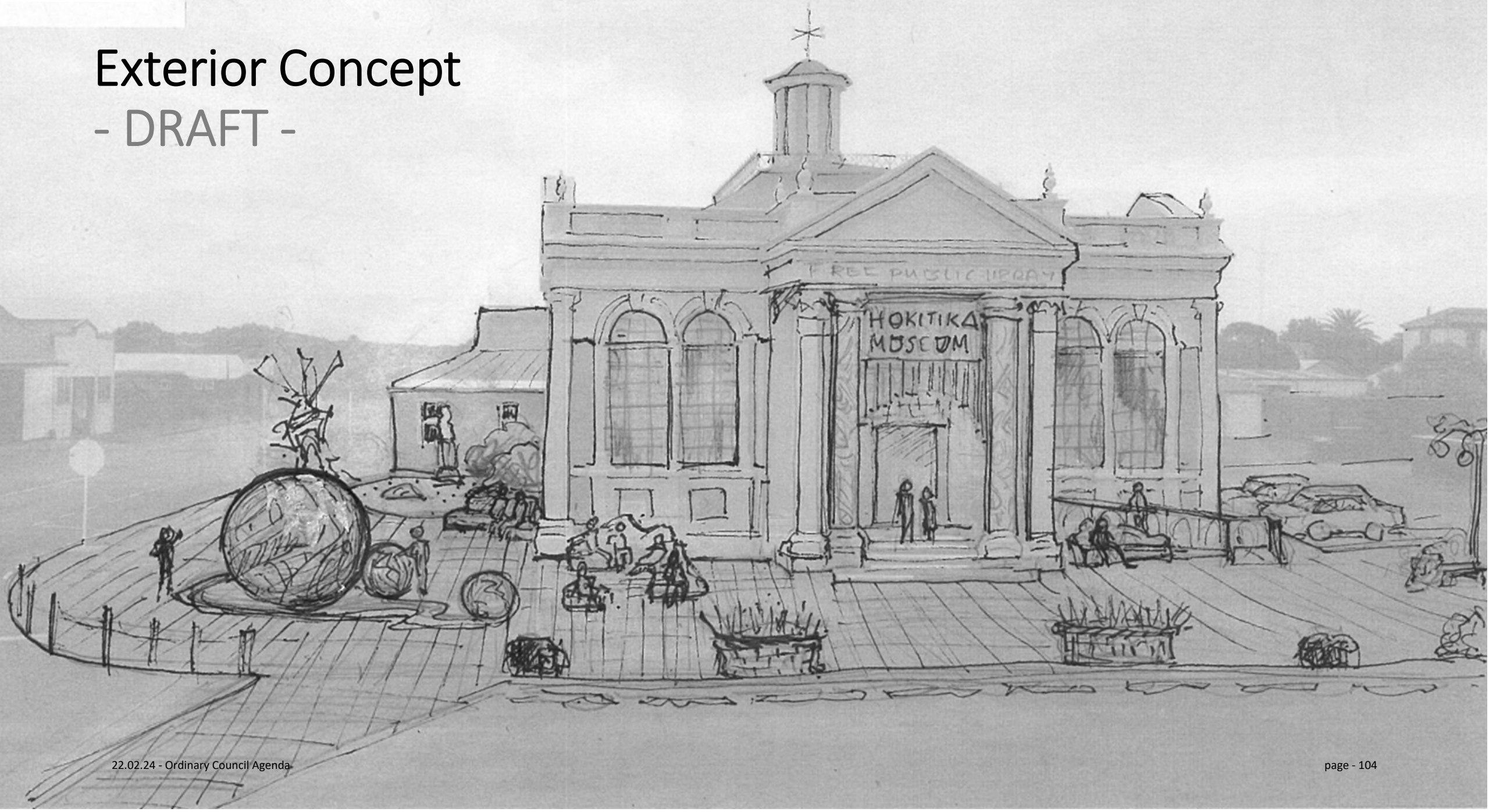
HELEN
Process
navigator



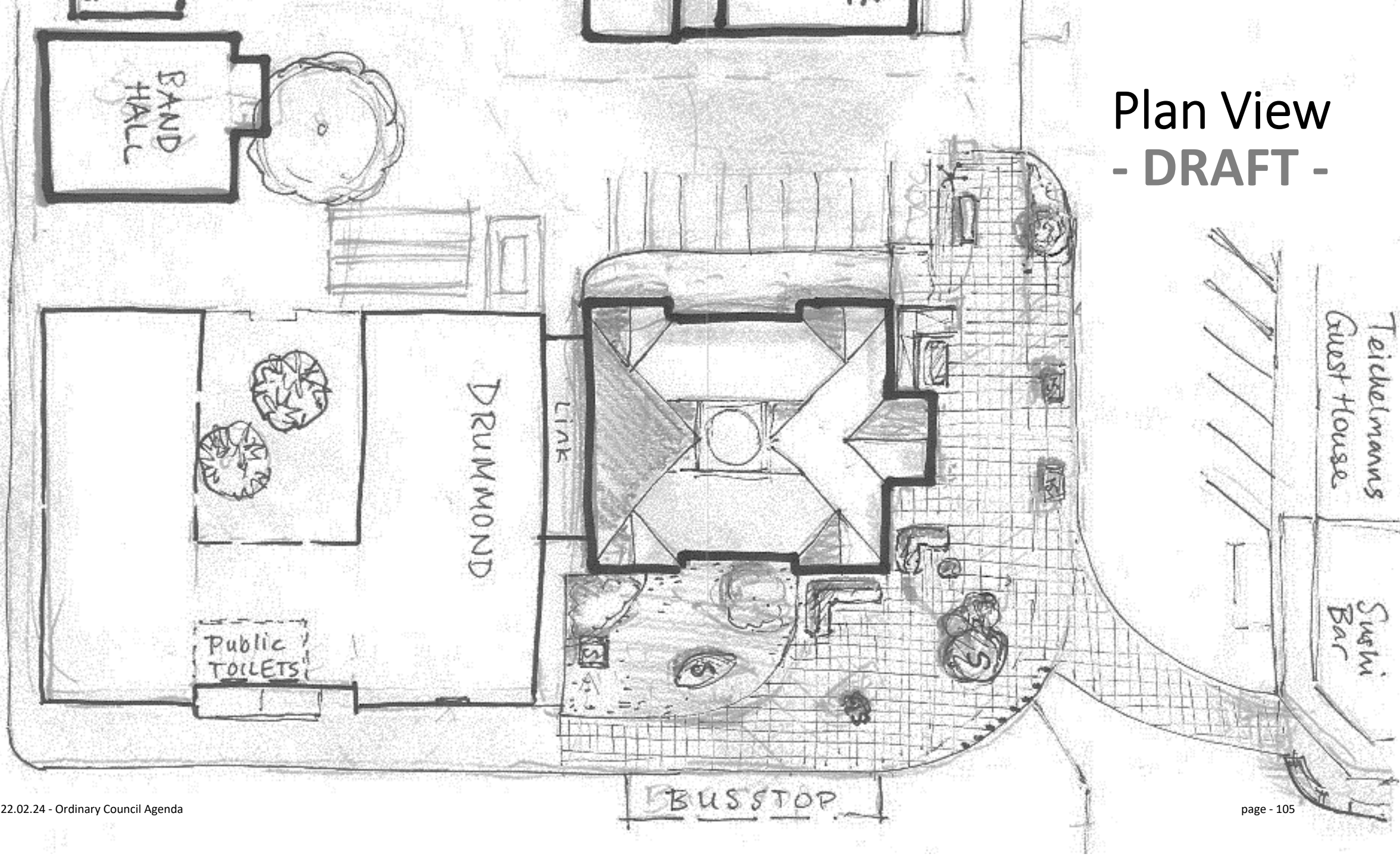
SUE
Creative
connector

Exterior Concept

- DRAFT -




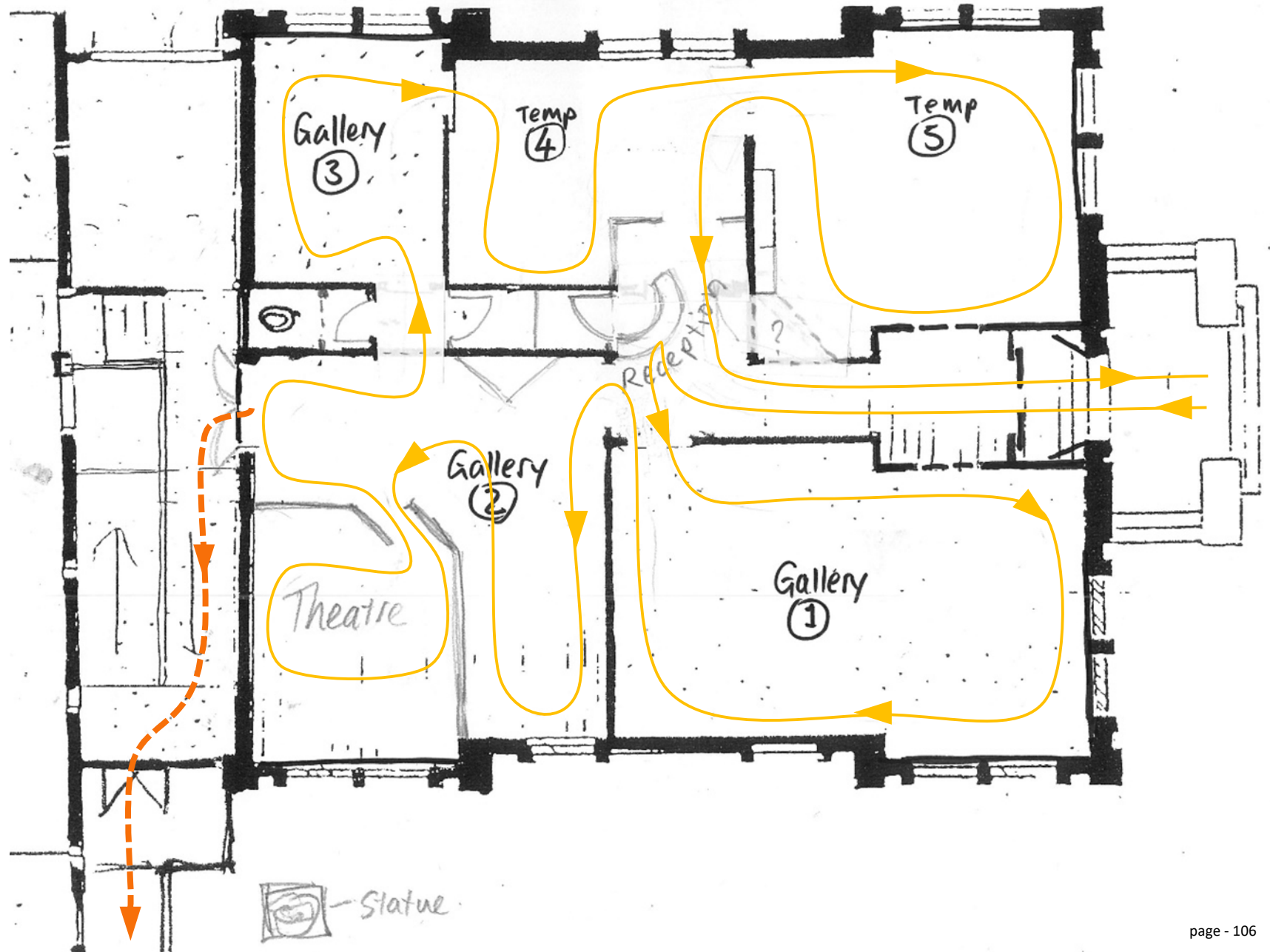
Plan View - DRAFT -

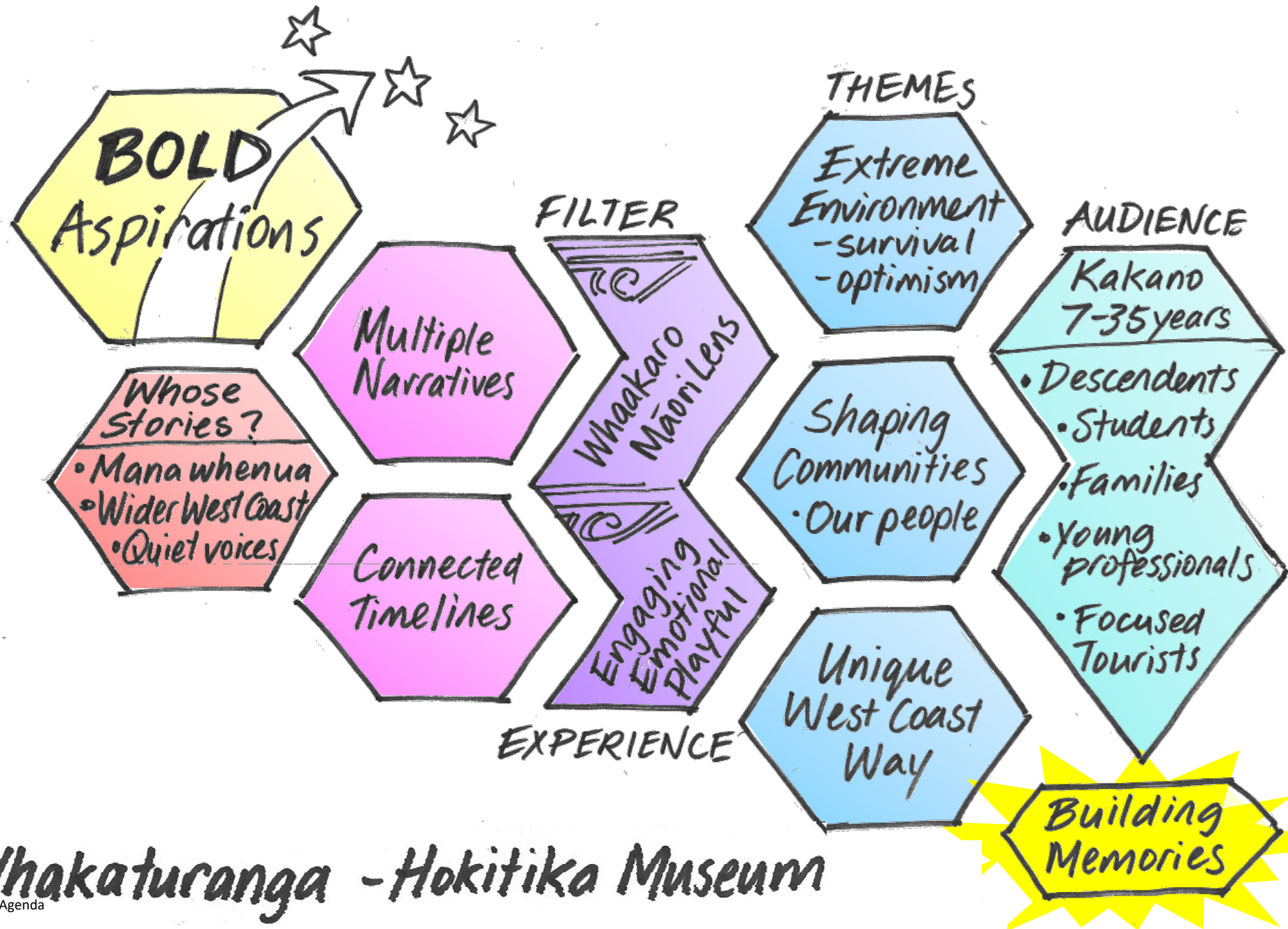


Interior layout - DRAFT -

flow 

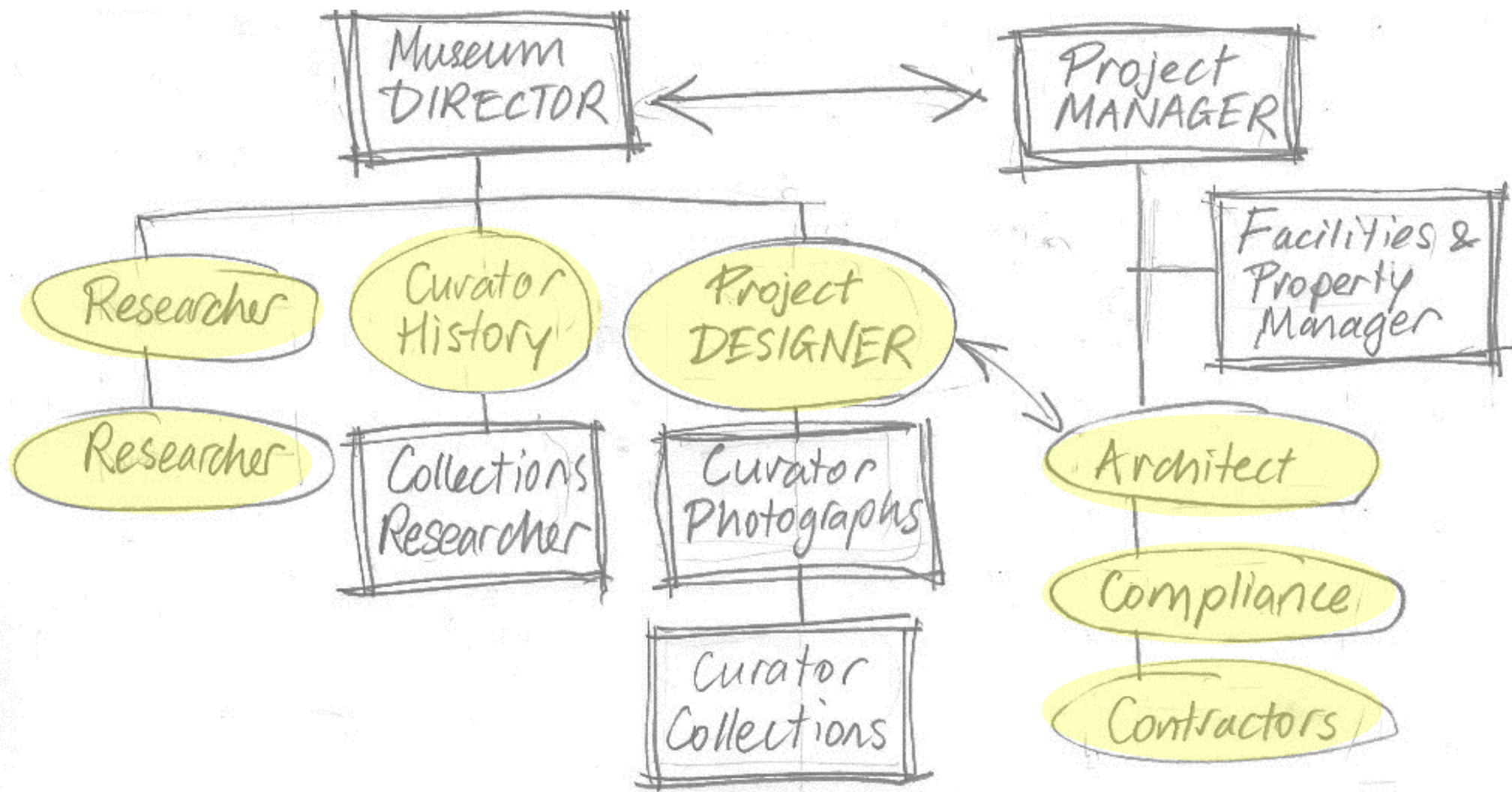
Emergency exit 





Ngā Whakaturanga - Hokitika Museum

Organisational Structure



Hei whakahaumako ngā tangata.

Enriching today and tomorrows people.

- Council mandate
- Authority to recruit
- June 2025 opening date

Report to Council



DATE: 22 February 2024

TO: Mayor and Councillors

FROM: Group Manager, Corporate Services and Risk Assurance

Deferral of Long term plan 2024-34

1. Summary

- 1.1. The purpose of this report is to seek council resolution to defer the long term plan 2024-34 for one year.
- 1.2. This issue arises from the three waters repeal bill where Councils will retain ownership of three waters assets.
- 1.3. Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in June 2021, which are set out in the Long Term Plan 2021 - 31. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council resolve to defer the long term plan for one year and instead provide an enhanced Annual Plan for the year ended 30 June 2025.

2. Background

- 2.1. Council is required to produce a long term plan every three years, the term of the plan being ten years.
- 2.2. Uncertainty around three waters after the change in government means that it is difficult to produce a long term plan that provides the best information on the expectations of council in providing three waters over the next ten years.
- 2.3. Previously the government had advised that local authorities could defer the long term plan for three months, however this would create issues with striking rates in the first year of the plan. Deferring for three months would also result in councils having to delay the signoff of the annual report.

3. Current Situation

- 3.1. The current situation is that under the Water Services Act Repeal Bill, provision has been included to give local authorities the option to defer the long term plan by one year.
- 3.2. To defer the long term plan for one year is through resolution by the local authority by 30 April 2024. If the long term plan is deferred the following is required;
 - 3.2.1. An enhanced Annual Plan 2024-25 must be produced.
 - 3.2.2. It is mandatory for local authorities to consult on the enhanced Annual Plan 2024-25.
 - 3.2.3. It is required that the consultation document must include in relation to each group of activities;

- 3.2.3.1. Identify the activities within the group of activities;
- 3.2.3.2. Identify the rationale for delivery of the group of activities including the community outcomes.
- 3.2.3.3. Outline any significant negative effects that any activity within the group of activities may have on the social, economic, environmental, or cultural well-being of the local community.
- 3.2.4. Include the information specified in clauses 4(a), (b), (c), and 5 of Schedule 10 of the local government act in detail.

3.3. If the long term plan is deferred, the annual plan 2025 essentially becomes year four of the current long term plan 2021-31.

3.4. A long term plan for nine years will be required to be adopted from 1 July 2025 to 30 June 2034. This means that the current process of producing a long term plan every three years will be reduced to two years.

4. Options

1.5. Option 1: That Council resolve to defer the long term plan for one year and instead provide an enhanced Annual Plan for the year ended 30 June 2025.

4.1. Option 2: That Council resolve to continue with the long term plan.

5. Risk Analysis

- 5.1. Risk has been considered and the following risks have been identified;
 - 5.1.1. Reputational risk of incorrect information in a period of such uncertainty.
 - 5.1.2. Financial risk through the potential for long term plan amendments.

6. Health and Safety

6.1. Health and Safety has been considered: burnout of staff with continual changes that are being advised on an almost daily basis.

7. Significance and Engagement

- 7.1. The level of significance has been assessed as being medium as the decision is administrative.
 - 7.1.1. No public consultation is considered necessary at this time, as the consultation of the one year Annual Plan 2024-25 will take place.

8. Assessment of Options (including Financial Considerations)

8.1. Option 1 – That Council resolve to defer the long term plan for one year and instead provide an enhanced Annual Plan for the year ended 30 June 2025.

8.1.1. The following financial implications have been identified.

- 8.1.1.1. There are no extra financial implications identified for this option as audit will draw a line under the work already completed, and will complete the audit next year by auditing changes between the current draft plan and the plan produced next year. Consultation costs would be the same for a long term plan as council is required to consult on the enhanced annual plan. Council generally consult on the annual plans.
- 8.1.2. Audit have been consulted and understand the recommendation of staff to defer due to uncertainty.
- 8.1.3. Staff would be preparing a consultation document which would include the information that is required for the enhanced long term plan and can use year one of this document to fulfil the requirements for the deferral.
- 8.1.4. There are no items in the first year of the draft long term plan that are required to be consulted on through a long term plan.

8.2. Option 2 – That Council resolve to continue with the long term plan.

8.2.1. Staff would continue to produce the long term plan, however a cut-off of changes would be required, which could result in critical information not being included in the long term plan as it was not known at that time. Producing a document in such uncertainty means that communities are not making submissions on up to date information and councils make decisions on the same.

8.2.2. There is no reason to continue with the long term plan at this time. The work that has already been carried out, will remain.

9. Preferred Option(s) and Reasons

9.1. The preferred option is Option is Option 1.

9.2. The reason that Option 1 has been identified is that by deferring the long term plan, gives staff the opportunity to include currently unknown information on funding models and regulatory requirements around the three waters services.

9.3. An enhanced annual plan provides for a robust consultation process with the community over known items over the one year period.

10. Recommendation(s)

10.1. That the report be received.

10.2. That Council resolve to defer the long term plan for one year, and instead provide an enhanced Annual Plan for the year ended 30 June 2025.

Lesley Crichton

Group Manager, Corporate Services and Risk Assurance

Report to Council



DATE: 22 February 2024

TO: Mayor and Councillors

FROM: Strategy and Communications Advisor

Inclusion of the Significance and Engagement Policy in the Annual Plan 2024/2025

1. Summary

- 1.1. The purpose of this report is to advise Elected Members of the change in process for the Significance and Engagement Policy (SEP).
- 1.2. This issue arises from the proposal to delay adopting the Long Term Plan 2024 – 2034 by 12 months.
- 1.3. Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in June 2021, which are set out in the Long Term Plan 2021 - 31. Refer page 2 of the agenda.
- 1.4. This report concludes by recommending that Council include the SEP in the draft Annual Plan 2024/2025 process.

2. Background

- 2.1. The reason the report has come before the Council is due to the Council's resolution in December 2023 to adopt the SEP for inclusion in the draft Long Term Plan 2024 – 2034 and consultation process.
- 2.2. Minor administrative amendments had been made to the SEP, the most substantial being the inclusion of climate change to be taken into consideration when determining significance, to reflect the requirements of the Resource Management Act 1991.
- 2.3. The draft Long Term Plan 2024 – 2034 was due to be adopted by 30 June 2024.

3. Current Situation

- 3.1. The current situation is that under the Water Services Acts Repeal Bill Councils have the option to delay adoption of the Long Term Plan until 30 June 2025 and instead adopt an extended 2024/2025 Annual Plan.
- 3.2. To complete the process of adopting the SEP, Council will need to include it as part of the Annual Plan 2024/2025 process.

4. Options

- 4.1. Option 1: Include the SEP in the Annual Plan 2024/2025 process, to be adopted before 30 June 2024.

4.2. Option 2: Include the SEP in the Long Term Plan 2024-2034 process, to be adopted before 30 June 2025.

5. Risk Analysis

5.1. Risk has been considered and the following risks have been identified:

5.1.1.Regulatory Risk: Council is required to have a SEP and the Policy needs to reflect current legislation and include all of Council's strategic assets.

5.1.2.Reputational Risk: Council needs to ensure that all matters of significance are considered when making judgements on the significance of an issue.

6. Health and Safety

6.1. Health and Safety has been considered and no items have been identified.

7. Significance and Engagement

7.1. The level of significance has been assessed as being low. This is an administrative matter.

7.1.1.No public consultation is considered necessary.

8. Assessment of Options (including Financial Considerations)

8.1. Option 1 – Include the SEP in the Annual Plan 2024/2025 process, to be adopted before 30 June 2024. This will ensure that Council has an up-to-date Policy that meets current legislation.

8.1.1.There are no financial implications to this option.

8.2. Option 2 – Include the SEP in the Long Term Plan 2024-2034 process, to be adopted before 30 June 2025. This will delay the adoption by 12 months and during that time Council Council's Policy will not be up-to-date with current statutory requirements.

8.2.1.There are no financial implications to this option.

9. Preferred Option(s) and Reasons

9.1. The preferred option is Option 1.

9.2. The reason that Option 1 has been identified as the preferred option is that Council has reviewed and adopted the Policy in principle. Including it in the Annual Plan 2024/2025 will complete the process.

10. Recommendation(s)

10.1. That the report be received.

10.2. That the Significance and Engagement Policy be included in the Annual Plan 2024/2025.

10.3. That the following engagement and consultation will be undertaken: inclusion of the Significance and Engagement Policy in the Annual Plan 2024/2025 consultation process.

Emma Rae
Strategy and Communications Advisor