

Cover image: Lake Matheson - BareKiwi

Council Meeting Agenda

26 November 2026

Ordinary Council Meeting

WESTLAND
District Council | Te Kahui o Poutini

AGENDA

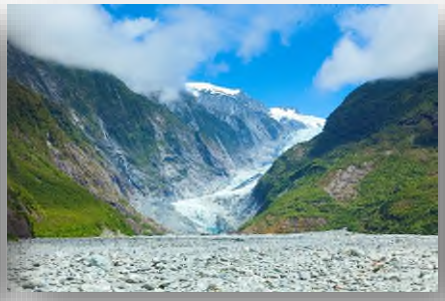
RĀRANGI TAKE

NOTICE OF AN ORDINARY MEETING OF

COUNCIL

to be held on **Thursday, 26 November 2026,** commencing at **1 pm** at St Johns Hokitika, 134 Stafford Street, Hokitika and via Zoom

Chairperson	Her Worship the Mayor
Deputy and Northern Ward Member:	Councillor Burden
Northern Ward Members:	Councillor Mackenzie, Councillor Maitland
Hokitika Ward Members:	Councillor Gillett, Councillor Martin, Councillor Walker
Southern Ward Members:	Councillor Manera, Councillor Munns
Iwi Representatives:	Kaiwhakahaere Madgwick, Kaiwhakahaere Tumahai


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

Council Vision

By investing in our people, caring for the environment, respecting the Mana Whenua Cultural heritage, and enabling investment, growth, and development we will enrich our district and the people that reside here.

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.

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 2025, which are set out in the Long Term Plan 2025–2034.

1. KARAKIA TĪMATANGA
OPENING KARAKIA

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

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 (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. PUBLIC FORUM

Nil.

6. NGĀ MENETI O TE HUI KAUNIHERA

MINUTES OF MEETINGS

Minutes circulated:

- Council Meeting Minutes – 29 October 2026 **(6 - 13)**
- Extraordinary Council Meeting Minutes - 11 November 2026 **(14 - 24)**
- Extraordinary Council Meeting Minutes - 17 November 2026 **(25 - 26)**

Committee minutes to be received: **(27 - 30)**

- CCO Oversight Committee Meeting Minutes - 2 July 2026

7. ACTION LIST **(31)**

8. NGĀ TĀPAETANGA

PRESENTATIONS

Nil.

9. MAYOR'S REPORT **(32 - 34)**

Her Worship the Mayor to speak to the report.

10. CHIEF EXECUTIVE'S UPDATE

Chief Executive to provide a verbal update to Council.

11. PŪRONGO KAIMAHI

STAFF REPORTS

- **Council Controlled Organisations Annual Reports** **(35 - 132)**
  Chief Financial Officer to speak to the report.

- **Finance Report** **(133 - 146)**
  Financial Accountant to present the report.

- **Dangerous, Affected and Insanitary Building Policy** **(147 - 171)**
  General Manager Regulatory and Compliance to speak to the report.

12. ADMINISTRATIVE RESOLUTIONS

Nil.

13. 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.	Confidential Minutes - Ordinary Council Meeting 29 October 2026 - Extraordinary Council Meeting 11 November 2026 - CCO Oversight Committee Meeting 2 July 2026	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.	Harold Creek Raw Water Supply	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.	Directors Fees	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		Section
2, 3	Protect the privacy of natural persons, including that of deceased natural persons		(S.7(2)(a))
1	Protect information where the making available of the information:		(S.7(2)(b))
	(i) (ii)	would disclose a trade secret; and would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	
1	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.		(S.7(2)(h))
1	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);		(S.7(2)(i))

DATE OF NEXT ORDINARY COUNCIL MEETING
ON 17 DECEMBER 2026 AT 1.00 PM
ST JOHNS HOKITIKA, 134 STAFFORD STREET, HOKITIKA AND VIA ZOOM

ORDINARY COUNCIL MINUTES

MINUTES OF THE ORDINARY COUNCIL MEETING OF WESTLAND DISTRICT COUNCIL HELD AT THE BEACHFRONT HOTEL, 111 REVELL STREET, HOKITIKA AND VIA ZOOM ON THURSDAY 29 OCTOBER 2026 COMMENCING AT 1.00 PM

The Council Meeting was recorded and made available on the Westland District Council YouTube Channel.

1. KARAKIA TĪMATANGA
OPENING KARAKIA

The opening Karakia was led by Councillor Walker.

2. MEMBERS AND APOLOGIES

Chairperson:	Her Worship the Mayor
Deputy and Northern Ward:	Councillor Burden
Northern Ward Members:	Councillor Maitland, Councillor Mackenzie
Hokitika Ward Members:	Councillor Gillett, Councillor Martin, Councillor Walker
Southern Ward Members:	Councillor Manera, Councillor Munns
Iwi Representatives:	Kaiwhakahaere Madgwick, Kaiwhakahaere Tumahai

NGĀ WHAKAPAAHA
APOLOGIES

Apologies were received from Councillor Maitland.

Moved Councillor Walker, seconded Deputy Mayor Burden and **Resolved** that the apology from Councillor Maitland be received and accepted.

Staff Present
B. Phillips, Chief Executive; E. Bencich, General Manager District Assets; L. Webster, General Manager Regulatory and Compliance; D. Maitland, Quality Assurance Manager; A. Baillie, Acting General Manager Business Enablement; C. Nabben, Financial Accountant; R. Parekh, Principal Communications Advisor; S. Hewett, Governance Administrator.

Also in attendance for part of the meeting:
K. Jackson, Transportation Manager; C. George, Assistant Transportation Engineer.

3. WHAKAPUAKITANGA WHAIPĀNGA
DECLARATIONS OF INTEREST

Councillor Walker noted a perceived conflict of interest related to the Staff Report titled Hokitika Central Business District (CBD) Phase 1 Parking Changes.

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

Nil.

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5. PUBLIC FORUM

Nil.

6. NGĀ MENETI O TE HUI KAUNIHERA
MINUTES OF MEETINGS TO BE CONFIRMED

The following minutes were tabled for confirmation:

- 1 October 2026 Ordinary Council Meeting Minutes
- 14 October 2026 Extraordinary Council Meeting Minutes

Moved Councillor Gillett, seconded Councillor Walker and **Resolved** that:

1. The Minutes of the Ordinary Council Meeting held on 1 October 2026 be confirmed as a true and correct record of the meeting.
2. The Minutes of the Extraordinary Council Meeting held on 14 October 2026 be confirmed as a true and correct record of the meeting.

The Chair approved that her digital signature be added to the confirmed Council Meeting Minutes of the 1 October 2026 and 14 October 2026.

The following Committee minutes were tabled to be received:

- 13 August 2026 Risk and Assurance Committee Meeting Minutes

Moved Councillor Martin, seconded Councillor Gillett and **Resolved** that:

1. The Minutes of the Risk and Assurance Committee held on 13 August 2026 be received.

7. ACTION LIST

The Chief Financial Officer provided an update to Council on the action list as follows:

Item	Action
Lake Kaniere Water Quality	Staff have now followed up with West Coast Regional Council (WCRC), and the matter now sits within WCRC's operations. Council requested that staff arrange a roundtable meeting with the community members who raised the issues before closing off this item.
Freedom Camping	A report on Freedom Camping Bylaw options will be presented on the Council agenda.
Kumara Endowment Fund	The legal opinion supports findings that the Kumara Endowment covers the Kumara Township and does not extend to Kumara Junction. Staff will share the legal findings with the Kumara community.
Changes to staff numbers	The Chief Executive (CE) tabled the information requested by Council. Debate was raised about a historical staffing cap however Councillors agreed that the CE has an allocated Human Resources (HR) budget to work within and Council, as governance, do not possess the expertise to determine the operational needs to deliver council's core services.
Publishing of the Mayor's Report	Staff are investigating options that will be presented to Council when available.

Moved Councillor Manera, seconded Councillor Gillett and **Resolved** that the updated Action List be received and the items relating to Freedom Camping and Changes to staff numbers be closed.

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8. NGĀ TĀPAETANGA PRESENTATIONS

Nil.

9. MAYOR'S REPORT

Her Worship the Mayor tabled a report on the activities undertaken since the last report to Council.

Moved Councillor Munns, seconded Councillor Mackenzie and **Resolved** that the report from Her Worship the Mayor be received.

10. CHIEF EXECUTIVE'S UPDATE

The Chief Executive (CE) gave a verbal update to Council advising that staff are still investigating options for headquarters accommodation however, there is a paper on the Council agenda regarding altering the Long Term Plan 2025-34 in preparation for any options that council may choose. The CE thanked those members of the community who have provided potential options for temporary staff accommodation but noted that each location is being assessed against a set of criteria to ensure they are safe.

The Chief Executive refuted the claim in the Hokitika Guardian that Council had received a purchase offer on the Pakiwaitara building and that it was "nearly sold", stating that no formal purchase offer has ever been received and that due to its nature as a strategic asset there is a statutory process that must be followed and neither the CE nor Council have unilateral authority to sell it.

Moved Councillor Manera, seconded Councillor Walker and **Resolved** that the verbal report from the Chief Executive be received.

10. PŪRONGO KAIMAHI STAFF REPORTS

10.1 Finance Report

The Financial Accountant spoke to the report highlighting the following:

- The dashboard measure has been amended from 25% to 15% to align with the Treasury Management Policy and to be consistent with the report that goes to the Risk and Assurance Committee.
- A new measure has been added to indicate that the rates arrears are increasing in line with the annual increase in rates.

Referring to the revenue graph, Council questioned whether the 20% spent on employee benefits was in line with industry standards. Staff will investigate and report back to Council, however noting that it can be difficult to compare between different councils and regions as priorities between them can differ, but staff will look at comparisons for similar sized rural councils.

Moved Councillor Munns, seconded Councillor Gillett and **Resolved** that:

1. The report be received.

10.2 Chief Executive's Quarterly Report

The Chief Executive spoke to the report, highlighting the following:

- Council are waiting on the outcome of the government as to the progression of local government reform.
- The Risk and Assurance Committee had a refreshed view this year and is making good progress on policy and process review.

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- Staff are slightly behind on the Long Term Plan due to the Headquarters closure; however this is not reflected in this report as it covers 1 July - 30 September 2026.

Council noted that the report does not include measures to monitor from a governance standpoint and that due to the amount of detail in the report, it can be hard to determine which of the matters are a priority. It was therefore suggested the report take a dashboard style approach in the future that highlights key matters and measures for Council.

Council requested more information on revenue generated by the museum however, it was suggested that this discussion be had during the Long Term Plan process, as Council can also make changes to the fees and charges through that process.

Moved Councillor Mackenzie, seconded Councillor Walker and **Resolved** that:

1. The report be received.

10.3 Risk and Assurance Independent Chair's Report

The Quality Assurance Manager spoke to the report on behalf of the Independent Chair of the Risk and Assurance Committee, noting that:

- Council's insurers have offered to help with identifying risks with the Chief Financial Officer.
- The Staff and Customer Conduct policy has been deferred to early 2027 to enable the Chair to be in attendance for the discussion.
- The committee agreed that 36 Weld Street, Hokitika be added to the operational and governance risk registers.

It was suggested that due to the considerable nature of the Davison Report, which was the external review into the Mount Maunganui Beachside Holiday Park landside, the recommendations from the report should be put into a risk table for Council to consider and assess how they might relate to Westland District Council.

Moved Councillor Gillett, seconded Councillor Martin and **Resolved** that:

1. The report be received.

10.4 Customer Complaints Management Policy

The Quality Assurance Manager spoke to the report summarizing that the policy sets out a clear process for customers to make complaints to Council and noted the following methods:

- 'Do it online' option on the website for non-urgent requests
- 'Request for service' to report issues that need fixing such as a burst pipe.
- 'Make a complaint' to complain about a council service you have received, noting that anonymous complaints will not be taken online however will be taken over the phone.

It was noted that there is an escalation process and measures in place to ensure that the correct process is followed and that complainants are acknowledged.

It was questioned about whether the results of complaints could be published to the website to support transparency and suggested that the topics and number of complaints could be reported through the CE's Quarterly report while all complaints could be presented, in confidence, to the Risk and Assurance Committee annually to determine what is able to be released to the public while maintaining Council's responsibilities under the Privacy Act.

Moved Deputy Mayor Burden, seconded Councillor Munns and **Resolved** that:

1. The report be received.
2. Council adopts the updated Customer Complaints Management Policy as the recommended way of working.

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10.5 Fraud Prevention Policy and Procedure

The Quality Assurance Manager spoke to the report, advising that it is an update of current policy previously adopted in 2021 and has been strengthened to address any inefficiencies previously identified.

It was noted that a number of controls are already in place, but more information relating to PwC's comments on the policy can be brought back to the Risk and Assurance Committee meeting in February 2027.

Moved Councillor Manera, seconded Councillor Martin and **Resolved** that:

1. The report be received.
2. Council adopts the revised Fraud, Bribery, and Corruption Prevention Policy as the recommended way of working.
3. Council adopts the revised Fraud, Bribery and Corruption Prevention Framework and Procedure as the recommended way of working.

10.6 Remote IT Access Policy

The Acting General Manager Business Enablement spoke to the report, noting that it has also been reviewed by the Risk and Assurance Committee and is an operational policy that has been strengthened to reflect the current IT landscape. The policy is a living document that will be updated as needed to stay current.

Moved Councillor Mackenzie, seconded Councillor Gillett and **Resolved** that:

1. The report be received.
2. Council adopts the updated Remote IT Policy as the recommended way of working.

10.7 Naming Right of Way - Old Christchurch Road

The General Manager District Assets, joined by the Transportation Manager, spoke to the report noting that staff have followed the standard naming process for a new naming right of way on Old Christchurch Road, which involves a consultation process with stakeholders and local iwi.

Moved Deputy Mayor Burden, seconded Councillor Munns and **Resolved** that:

1. The report be received.
2. Council adopts Option 1, name the private Right of Way "Woodland Rise", noting that the Right of Way will not be vested in or maintained by Council.

10.8 Freedom Camping Bylaw

The General Manager Regulatory and Compliance, joined by Paul Wilson from Xyst, a consultant who has helped with the development of the bylaw, spoke to the report noting the following:

- The current version of the bylaw has previously been consulted on.
- Areas not on Council-controlled land have been removed.
- Some changes made to mitigate the risk of legal challenge.
- Hokitika South Spit Road was not in the 2024 Consultation document and therefore is not included in the bylaw presented today; however staff are currently investigating a different avenue for this road as blockages pose a health and safety risk, preventing emergency vehicle access.
- Any changes made to the bylaw as presented today would require Council to go out for consultation again.
- Should the bylaw be adopted today, staff are recommending a review be conducted within the next 12 -18 months to assess its effectiveness and if it needs amendments.

It was requested that staff report back to Council on any costs associated with the roll out of the new bylaw.

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Moved Councillor Gillett, seconded Councillor Munns and **Resolved** that:

1. The report be received.
2. Council adopts the Freedom Camping Bylaw 2026, as attached in Appendix 1 to the agenda, in accordance with the Freedom Camping Act 2011.
3. Council agrees to undertake a further review of the Freedom Camping Bylaw 2026 in conjunction with Council's Reserve Management Plans project, anticipated within the next 18 months.
4. Council directs the Chief Executive to undertake the necessary implementation and communications activities to ensure the public and visitors are informed of the new bylaw and its requirements.
5. Council directs the Chief Executive to monitor and record freedom camping complaints, compliance matters and emerging issues to inform the future review of the bylaw.
6. Council supports continued engagement with neighbouring councils and relevant agencies to explore opportunities for greater regional consistency in freedom camping management, information and enforcement.

Council agreed to continue the meeting beyond 2 hours without a break, in accordance with Standing Orders 4.2.

10.9 Hokitika Central Business District (CBD) Phase 1 Parking Changes

The General Manager District Assets, joined by the Transportation Manager, spoke to this report highlighting the following:

- Changes to Weld Street would come in phase 2 and work will begin on this in 2027 after phase 1 is enacted and staff have had time to review their effectiveness.
- More work is needed to be done with the community on the location and number of disability parks.
- Where necessary, parking will be remarked to be slightly larger to accommodate campervans.

Council asked whether Electric Vehicle charging stations have been considered however it was advised that these need to be done in conjunction with power suppliers who generally approach the Council when they wish to install new stations.

Moved Councillor Mackenzie, seconded Councillor Munns and **Resolved** that:

1. The report be received.
2. Council approves the implementation of Phase 1 of the Hokitika Central Business District Parking Strategy as shown in the proposed parking layout in Appendix 1 attached to the agenda.

10.10 Proposal to Amend the Long Term Plan 2025 - 34

The Chief Executive spoke to the report, noting that staff are taking a proactive approach to enable processes to begin should the special consultative process need to be enacted to change strategic assets. The Chief Executive provided Council with the following process timeline:

- Extraordinary Council meeting to review consultation document on 4 November 2026.
- The document goes to audit for comment; this can take up to 2 weeks.
- The document, with comment from the auditors, comes back to Council for final approval before going out for public consultation.

The Chief Executive advised Council that this would only come into effect if a decision is reached that requires amending the Long Term Plan.

Moved Deputy Mayor Burden, seconded Councillor Mackenzie and **Resolved** that:

1. The report be received.
2. That Council directs staff to commence work on preparing for amending the Long Term Plan 2025-2034.

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3. Council notes that a report on options, along with the consultation document, will come back to a future Council meeting on 4 November 2026.

11. ADMINISTRATIVE RESOLUTIONS

Nil.

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

Moved Councillor Walker, seconded Councillor Martin and **Resolved** that Council confirm that the public were excluded from the meeting in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 3.28 pm.

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 - Ordinary Council Meeting 1 October 2026 - Extraordinary Council Meeting 14 October 2026 - Risk and Assurance Committee Meeting 13 August 2026	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.	Options for Council Headquarters	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		Section
1	Protect information where the making available of the information:		(S.7(2)(b))
	(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	

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Item No.	Interest	Section
1	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	(S.7(2)(h))
1	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);	(S.7(2)(i))
2	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; or	(S. 7(2)(f))

Moved Councillor Gillett, seconded Councillor Walker and **Resolved** that the business conducted in the 'Public Excluded Section' be confirmed. Accordingly, the meeting went back to the open part of the meeting at 4.15pm.

PUBLIC EXCLUDED INFORMATION RELEASED INTO THE PUBLIC AREA

Options for Council Headquarters - 24 July 2025

The Council resolved in the public excluded part of the meeting to release the following information in the public area:

The following resolution was made on 24 July 2025:
"Council approves to progress with a new build on the Pakiwaitara Site (41 Weld Street, Hokitika)."

MEETING CLOSED AT 4.15 PM

DATE OF NEXT ORDINARY COUNCIL MEETING
ON 26 NOVEMBER 2026 AT 1.00 PM
ST JOHNS HOKITIKA, 134 STAFFORD STREET, HOKITIKA AND VIA ZOOM

Confirmed by:

Mayor Helen Lash **Date: 26 November 2026**
Chair

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EXTRAORDINARY COUNCIL MEETING MINUTES

MINUTES OF THE EXTRAORDINARY COUNCIL MEETING OF WESTLAND DISTRICT COUNCIL HELD AT THE BEACHFRONT HOTEL, 111 REVELL STREET, HOKITIKA AND VIA ZOOM ON WEDNESDAY, 11 NOVEMBER 2026 COMMENCING AT 1.00 PM

The Council Meeting was recorded and posted on the Westland District Council YouTube Channel.

1. KARAKIA TĪMATANGA
OPENING KARAKIA

The opening Karakia was led by Her Worship the Mayor.

2. MEMBERS AND APOLOGIES

Chairperson:	Her Worship the Mayor
Deputy Mayor and Northern Ward:	Councillor Burden
Northern Ward Members:	Councillor Maitland, Councillor Mackenzie
Hokitika Ward Members:	Councillor Gillett, Councillor Martin, Councillor Walker
Southern Ward Members:	Councillor Manera, Councillor Munns
Iwi Representatives:	Kaiwhakahaere Madgwick, Kaiwhakahaere Tumahai

NGĀ WHAKAPAAHA
APOLOGIES

Apologies received from Councillor Mackenzie, Councillor Munns, Councillor Manera, Kaiwhakahaere Tumahai and Kaiwhakahaere Madgwick.

Moved Councillor Maitland, seconded Councillor Walker and **Resolved** that the apologies from Councillor Mackenzie, Councillor Munns, Councillor Manera, Kaiwhakahaere Tumahai and Kaiwhakahaere Madgwick be received and accepted.

The following members were in attendance via audio-visual link:
Deputy Mayor Burden

Staff present
B. Phillips, Chief Executive; L. Webster, General Manager Regulatory and Compliance; S. Lewis, Chief Financial Officer; E. Bencich, General Manager District Assets; D. Maitland, Quality Assurance Manager (via Zoom); A. Baillie, Acting General Manager Business Enablement; J. Visser, Facilities and Properties Manager; R. Parekh, Principal Communications Advisor; C. Dodds, Executive Assistant; S. Hewett, Governance Administrator.

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3. LONG TERM PLAN 2027 - 2037

Introduction

The Chief Executive presented to Council the fundamental principles for the Long Term Plan (LTP) that were determined at the previous workshops, followed by a table of upcoming workshops and meetings ending with the formal adoption of the LTP on 24 June 2027.

Items for Consideration

3.1. Council Buildings 36 and 41 Weld Street

The Chief Executive spoke to the report.

Option 1 - Purpose-built Council Administration facility
Option 2 - Civic and Community Hub
Option 3 - Development at Hokitika Airport
Option 4 - Development within the Hokitika Central Business District
Option 5 - Retain 36 Weld Street and dispose of 41 Weld Street
Option 6 - Retain 41 Weld Street and dispose of 36 Weld Street
Option 7 - Dispose of both Weld Street properties and develop at Hokitika Airport

Following debate, it was recommended that staff complete the financial modelling for all options presented before Council select their preferred option that will go out for consultation in the draft LTP.

Moved Her Worship the Mayor, seconded Councillor Martin and **Resolved** that:

1. The report be received.

2. Council directs staff to further investigate option 2, a Civic and Community Hub, with the inclusion of an option to split the front facing/library services and administration facilities.

3. Directs the Chief Executive to progress the necessary feasibility, design and financial assessments for the facilities, shared services, partnership opportunities and funding arrangements.

4. Directs the Chief Executive to undertake the necessary preparatory work for the proposed disposal of 36 Weld Street, Hokitika including consideration of statutory requirements, telecommunications infrastructure associated with Chorus and Police connectivity, and Council's document and records storage arrangements.

5. Notes that endorsement of the preferred option does not constitute final approval to proceed with construction or disposal, and that final decisions will be made following consideration of the confirmed financial implications, feasibility assessments, statutory requirements and community consultation feedback.

3.2. Rates v User Pays

The General Manager Regulatory and Compliance spoke to the report.

Option 1 - Retain Existing Funding Ratios
Option 2 - Progressive Adjustment of Funding Ratios and Service Efficiency Improvements

Moved Councillor Gillett, seconded Councillor Walker and **Resolved** that:

1. The report be received.

2. Council notes Option 2, Progressive Adjustment of Funding Ratios and Service Efficiency Improvements, is staff's recommended option for the Draft Long Term Plan 2027 -2037.

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3. Option 2, Progressive Adjustment of Funding Ratios and Service Efficiency Improvements, is Council's preferred option and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

Council Reserves and Restricted Reserves

The Chief Financial Officer spoke to the report.

Library Renewals Depreciation Reserve

Option 1 - Reduce rates funding of depreciation from 100% to a level of at least 80%.
Option 2 - Maintain rates funding of depreciation at 100% and leave cash allocated to the reserve.
Option 3 - Reduce rates funding of depreciation from 100% to a level of at least 80% and reallocate cash to fund other capital projects (project and amount to be determined before adoption of the LTP).

Administration Renewals Depreciation Reserve

Option 1 - Reduce rates funding of depreciation from 100% to a level of at least 80%.
Option 2 - Maintain rates funding of depreciation at 100% and leave cash allocated to the reserve.

Building Renewals Depreciation Reserve

Option 1 - Reduce rates funding of depreciation from 100% to a level of at least 80%.
Option 2 - Maintain rates funding of depreciation at 100% and leave cash allocated to the reserve.

Parks and Reserve Renewals Depreciation Reserve

Option 1 - Reduce rates funding of depreciation from 100% to a level of at least 80%.
Option 2 - Maintain rates funding of depreciation at 100% and leave cash allocated to the reserve.
Option 3 - Reduce rates funding of depreciation from 100% to a level of at least 80% and reallocate cash to fund other capital projects (project and amount to be determined before adoption of the LTP).

Transport Renewals Depreciation Reserve

Option 1 - Reduce rates funding of depreciation from 100% to a level of at least 80%.
Option 2 - Maintain rates funding of depreciation at 100% and leave cash allocated to the reserve.
Option 3 - Reduce rates funding of depreciation from 100% to a level of at least 80% and reallocate cash to fund other capital projects (project and amount to be determined before adoption of the LTP).

General Rates Funding Reserve

Option 1 - Allocate funds from other reserves to clear the outstanding amount.
Option 2 - Write the reserve off via equity.
Option 3 - Make no changes and continue to repay via rates.

Racecourse Reserve

Option 1 - Use the reserve funds for capital projects for Park and Reserves, reducing loan funding.
Option 2 - Use the reserve to fund other capital projects (to be determined before adoption of the LTP).
Option 3 - Hold the reserve for future projects or uses.

Reserve Development Restricted Reserve

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Option 1 - Use the reserve to fund new infrastructure capital projects (to be determined before adoption of the LTP).
Option 2 - Hold the reserve for future projects or uses.

Staff provided Council with the following options matrix indicating their assessment of each option and recommendations:

Option	Financial Implication	Preferred Option
Depreciation reserves Option 1 Reduce from 100% to a level of at least 80%	Rates would reduce, however borrowing costs may be higher in the future	Preferred*
Depreciation reserves Option 2 Make no changes	Rates will not reduce, borrowing costs may be lower in the future	
Depreciation reserves Option 3 Reduce from 100% to a level of at least 80% and reallocate some of the existing funding	Rates would reduce; immediate borrowing requirement would be reduced. Future borrowing costs may be higher	Preferred
General rates funding Option 1 Allocate funds to clear reserve	Rates will reduce as the reserve will no longer be repaid via rates. Other reserves will be reduced to clear this reserve meaning that insufficient funds may remain in the other reserves	
General rates funding Option 2 Write off the reserve	Rates will reduce, equity will be reduced as the reserve is written off. Cash reserves will not be increased	Preferred
General rates funding Option 3 Make no changes	Rates will continue to be charged to return the reserve back to zero	
Racecourse reserve Option 1 Fund Reserves capital projects	Borrowing costs will be reduced as Council utilises the reserve to fund projects	Preferred
Racecourse reserve Option 2 Fund other capital projects	Borrowing costs will be reduced as Council utilises the reserve to fund projects	
Racecourse reserve Option 3 Hold the reserve	Borrowing costs would increase as debt would be used to fund projects. Cash would be held in reserve for future projects	
Reserve development Option 1 Use the reserve to fund projects	Borrowing costs will be reduced as Council utilises the reserve to fund projects	Preferred
Reserve development Option 2 Hold the reserve	Borrowing costs would increase as debt would be used to fund projects. Cash would be held in reserve for future projects	

*where there is no option 3

Moved Councillor Walker, seconded Councillor Gillett and **Resolved** that:

1. The report be received.

2. Council notes that those options marked as "Preferred" in the options matrix are staff's recommended options for the Draft Long Term Plan 2027-2037.

3. Council agrees with the preferred options as indicated by staff in the options matrix presented in the report and directs staff to include it in the Draft Long Term Plan 2027 - 2037.

Council agreed to continue the meeting beyond 2 hours without a break, in accordance with Standing Orders.

3.3. Parking Charges

The General Manager Regulatory and Compliance spoke to the report.

Option 1 - No paid parking (status quo).
Option 2 - Hokitika Central Business District paid parking.
Option 3 - All strategic locations paid parking.

Moved Councillor Maitland, seconded Deputy Mayor Burden and **Resolved** that:

1. The report be received.

2. Council notes Option 2, Hokitika Central Business District paid parking, is staff's recommended option for the Draft Long Term Plan 2027-2037.

3. Option 3, All strategic locations paid parking, is Council's preferred option and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

3.4. Emergency Management

The General Manager Regulatory and Compliance spoke to the report.

Option 1 - Status quo / Continue with the Existing Emergency Management Capital Programme
Option 2 - Reprioritise Emergency Management Capital Investment

Moved Her Worship the Mayor, seconded Councillor Maitland and **Resolved** that:

1. The report be received.

2. Council notes Option 2, Reprioritise Emergency Management Capital Investment, is staff's recommended option for the Draft Long Term Plan 2027 - 2037.

3. Option 2, Reprioritise Emergency Management Capital Investment, is Council's preferred option and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

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3.5. Public Conveniences

The General Manager District Assets spoke to the report.

Option 1 - Status quo and essential renewals only
Option 2 - Rationalisation, Beach Street replacement and funding trials

Moved Councillor Gillett, seconded Councillor Walker and **Resolved** that:

1. The report be received.

2. Council notes Option 2, Rationalisation, Beach Street replacement and funding trials, is staff's recommended option for the Draft Long Term Plan 2027 - 2037.

3. Option 2, Rationalisation, Beach Street replacement and funding trials, is Council's preferred option, with the amendment that the full Beach Street toilets replacement be deferred pending further investigation, and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

3.6. Community Halls and Other Council Owned Facilities

The General Manager District Assets spoke to the report.

Option 1 - Status quo
Option 2 - Retain community halls and targeted management of Council-owned buildings
Option 3 - Vest Council-owned halls to local communities or explore sale/disposal

Moved Councillor Walker, seconded Councillor Maitland and **Resolved** that:

1. The report be received.

2. Council notes Option 3, Vest Council-owned halls to local communities or explore sale/disposal, is staff's recommended option for the Draft Long Term Plan 2027 – 2037.

3. Option 3, Vest Council-owned halls to local communities or explore sale/disposal, is Council's preferred option and direct staff to include it in the Draft Long Term Plan 2027 - 2037

3.7. Ross Swimming Pool

The General Manager District Assets spoke to the report.

Option 1 - Retain Council ownership (status quo)
Option 2 - Transfer to a community entity
Option 3 - Propose transfer to the Ministry of Education

It was questioned whether the Ministry of Education should be approached regarding their appetite to take ownership of the pool before proceeding with community engagement.

Moved Councillor Maitland, seconded Councillor Gillett and **Resolved** that:

1. The report be received.

2. Council notes Option 3, Propose transfer to the Ministry of Education, is staff's recommended option for the Draft Long Term Plan 2027 - 2037.

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3. Option 3, Propose transfer to the Ministry of Education, is Council's preferred option and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

Her Worship the Mayor and Deputy Mayor Burden recorded their votes against this motion.

3.8. Community Grant Funding - Regent Theatre

The Acting General Manager Business Enablement spoke to the report.

Option 1 - Continue with Hokitika Community grant funding at current level (status quo).
Option 2 - Discontinue Council funding in its current form and explore alternative funding arrangements.

It was noted that the funding comes from a targeted rate and it was requested that staff confirm the agreement between the Regent Theatre and Council is still valid and in place.

Moved Councillor Maitland, seconded Councillor Walker and **Resolved** that:

1. The report be received.

2. Council notes that the Council's other community grant programmes and smaller discretionary funding arrangements can be reviewed separately through Council's policy and operational review processes and do not require consideration through the LTP process unless there are significant rating or budget implications.

3. Council notes that Option 2, Discontinue Council funding in its current form and explore alternative funding arrangements, is staff's recommended option for the Draft Long Term Plan 2027-2037.

4. Option 1, Continue with Hokitika Community grant funding at current level (status quo), is Council's preferred option and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

3.9. Museum

The Acting General Manager Business Enablement spoke to the report.

Option 1 - Retain Council ownership of the building and museum service delivery (status quo).
Option 2 - Retain Council ownership of the building with community or contracted service delivery.
Option 3 - Transfer building ownership and museum operations.

Moved Her Worship the Mayor, seconded Councillor Gillett and **Resolved** that:

1. The report be received.

2. Council note that Option 2, Retain Council ownership of the building with community or contracted service delivery, is staff's recommended option for a phased approach, to assess if it is appropriate to move to option 3, Transfer building ownership and museum operations, for the Draft Long Term Plan 2027-2037.

3. Option 2, Retain Council ownership of the building with community or contracted service delivery, is Council's preferred option and directs staff to include it in the Draft Long Term Plan 2027 - 2037.

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3.10. Taxi Grants & Community Investment

The Acting General Manager Business Enablement spoke to the report.

Option 1 - Continue existing arrangements
Option 2 - Review the support arrangements

Moved Councillor Gillett, seconded Councillor Maitland and **Resolved** that:

1. The report be received.

2. Staff will manage this internally and present an update to Council at a future date.

3.11. Westland Sports Hub

The General Manager District Assets spoke to the report.

Councillor Martin informed Council of a perceived conflict of interest related to this paper.

Option 1 - Retain existing arrangements (status quo).
Option 2 - Renegotiate maintenance and insurance responsibilities.
Option 3 - Seek to remove Council's ongoing responsibilities.

It was noted that Council currently pays all maintenance and insurance costs while Westland High School generates all of the revenue from the facility.

Council proposed that the paper be withdrawn from the LTP process and instead be addressed by staff to seek renegotiation of the terms.

Moved Councillor Walker, seconded Councillor Martin and **Resolved** that:

1. The report be received.

2. The report be withdrawn from the Long Term Plan process and negotiations be progressed by staff.

3.12. Freedom Camping

The General Manager Regulatory and Compliance spoke to the report.

Option 1 - Status quo - review the Freedom Camping Bylaw in 18 months with reserves project
Option 2 - Medium Term approach to Freedom Camping Management

Moved Councillor Walker, seconded Councillor Maitland and **Resolved** that:

1. The report be received.

2. Council notes Option 2, Medium Term approach to Freedom Camping Management, is staff's recommended option for the Draft Long Term Plan 2027-2037.

3. Option 2, Medium Term approach to Freedom Camping Management, is Council's preferred option and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

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3.13. Destination Hokitika Rate

Councillor Walker declared a conflict of interest in relation to this matter and left the table at 4:27pm and did not partake in the discussion or vote on this matter.

The Chief Financial Officer spoke to the report.

Option 1 - Discontinue Destination Hokitika rate
Option 2 - Status quo

Moved Councillor Gillett, seconded Councillor Martin and **Resolved** that:

1. The report be received.

2. Council notes Option 1, Discontinue Destination Hokitika rate, is staff's recommended option for the Draft Long Term Plan 2027-2037.

3. Option 1, Discontinue Destination Hokitika rate, is Council's preferred option and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

Councillor Walker rejoined the table after the vote at 4:29pm.

3.14. Glacier Township Development Rate

The Acting General Manager Business Enablement spoke to the report.

Option 1 - Continue the existing targeted rate arrangements (status quo)
Option 2 - Cease arrangements

It was noted that the two Community Development Officers (CDOs) for Franz Josef and Fox Glacier act as a liaison between their respective communities and the Council and therefore Council would prefer that the option to cease support of the CDOs and Glacier Country Tourism Group be treated as separate options.

Moved Councillor Walker, seconded Councillor Maitland and **Resolved** that:

1. The report be received.

2. Council notes Option 2, Cease arrangements, is staff's recommended option for the Draft Long Term Plan 2027-2037.

3. Option 2, Cease arrangements, is Council's preferred option, with the amendment that Glacier Country Tourism Group and the Community Development Officers be split into separate items, and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

3.15. Ratepayer Assistance Scheme

The Chief Financial Officer spoke to the report.

Option 1 - Expression of interest in the scheme
Option 2 - Council does not offer an expression of interest

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Moved Councillor Martin, seconded Deputy Mayor Burden and **Resolved** that:

1. The report be received.

2. Council notes Option 1, Expression of interest in the scheme, is staff's recommended option for the Draft Long Term Plan 2027-2037.

3. Option 1, Expression of interest in the scheme, is Council's preferred option and direct staff to include it in the Draft Long Term Plan 2027 - 2037.

3.16. Parks and Reserves

The General Manager District Assets spoke to the noting paper providing an update to Council on the Land Status Investigation on 263 parcels of land owned or administered by Westland District Council and the direction of the resulting work programme.

Moved Councillor Walker, seconded Councillor Maitland and **Resolved** that:

1. The report be received as a noting paper and that Council notes staff will proceed with iwi consultation, verification of parcel information, and preparation of a detailed work programme. Parcel-specific recommendations, statutory requirements, costs, and implementation priorities will then be presented to Council in early 2027.

3.17. West Coast Wilderness Trail

The General Manager District Assets spoke to the noting paper, providing an update to Council on the working operations of the West Coast Wilderness Trail, noting that a report will come back to Council as normal council business in the future.

Moved Councillor Maitland, seconded Councillor Walker and **Resolved** that:

1. The report be received as a noting paper.

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

Moved Councillor Gillett, seconded Councillor Martin and **Resolved** that Council confirm that the public were excluded from the meeting in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 4.41 pm.

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.	Hokitika Airport Resilience Project - Airfield Ground Lighting Tender	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.

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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
			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		Section
1	Protect information where the making available of the information:		(S.7(2)(b))
	(i) (ii)	would disclose a trade secret; and would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	
1	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations);		(S.7(2)(i))
1	Prevent the disclosure or use of official information for improper gain or improper advantage.		(S.7(2)(j))

Moved Councillor Gillett, seconded Her Worship the Mayor and **Resolved** that the business conducted in the 'Public Excluded Section' be confirmed. Accordingly, the meeting went back to the open part of the meeting at 4.43pm.

PUBLIC EXCLUDED INFORMATION RELEASED INTO THE PUBLIC AREA

Hokitika Airport Resilience Project - Airfield Ground Lighting Tender

The Council resolved in the public excluded part of the meeting to release the following information in the public area.

"Council award the Hokitika Airport Resilience Project - Airfield Ground Lighting contract to Downer NZ Limited."

MEETING CLOSED AT 4:43 PM

Next Ordinary Council Meeting – 26 November 2026 at 1.00 pm
St Johns Hokitika, 134 Stafford Street, Hokitika and via Zoom

Confirmed by:

Her Worship the Mayor **Date: 26 November 2026**
Chair

DRAFT

EXTRAORDINARY COUNCIL MEETING MINUTES

MINUTES OF THE EXTRAORDINARY COUNCIL MEETING OF WESTLAND DISTRICT COUNCIL HELD AT LEVEL 1, COMO HOUSE, 51 TANCRED STREET, HOKITIKA AND VIA ZOOM ON TUESDAY, 17 NOVEMBER 2026 COMMENCING AT 1.00 PM

The Council Meeting was recorded and uploaded to the Westland District Council YouTube Channel.

1. KARAKIA TĪMATANGA
OPENING KARAKIA

The opening Karakia was led by Her Worship the Mayor.

2. MEMBERS AND APOLOGIES

Chairperson:	Her Worship the Mayor
Deputy Mayor and Northern Ward:	Councillor Burden
Northern Ward Members:	Councillor Maitland, Councillor Mackenzie
Hokitika Ward Members:	Councillor Gillett, Councillor Martin, Councillor Walker
Southern Ward Members:	Councillor Manera, Councillor Munns
Iwi Representatives:	Kaiwhakahaere Madgwick, Kaiwhakahaere Tumahai

NGĀ WHAKAPAAHA
APOLOGIES

Apologies were received from Councillor Manera, Councillor Mackenzie, Councillor Walker, Kaiwhakahaere Tumahai and Kaiwhakahaere Madgwick.

Moved Councillor Maitland, seconded Councillor Martin and **Resolved** that the apologies from Councillor Manera, Councillor Mackenzie, Councillor Walker, Kaiwhakahaere Tumahai and Kaiwhakahaere Madgwick be received and accepted.

The following members were in attendance via audio-visual link:
Deputy Mayor Burden
Councillor Gillett
Councillor Munns
Councillor Maitland

Staff present
S. Lewis, Acting Chief Executive; D. Maitland, Quality Assurance Manager; R. Parekh, Principal Communications Advisor; S. Hewett, Governance Administrator.

3. PŪRONGO KAIMAHI

STAFF REPORTS

Local Government (Systems Improvements) Amendment Act - Quorum and Voting Rights
The Acting Chief Executive spoke to the report, noting the following:

- Due to the changes in the Local Government (Systems Improvements) Amendment Act, which has now received royal assent, non-elected members no longer count towards a quorum or have voting rights.
- The Act allows for targeted exceptions where it is deemed best for specific council committees.
- While councils have until March 2027 to enact the changes, the Staff were recently made aware that any request for an exception under the amendment act must be addressed to the Local Government Minister by 18 November 2026.
- Council is seeking an exception for the Independent Chair of the Risk and Assurance Committee to retain their ability to vote and count towards a quorum in order to effectively Chair the committee.

Concerns were raised that an exception would be inconsistent with the Council's other committees and that having an unelected member with voting rights is undemocratic.

Moved Councillor Martin, seconded Councillor Munns and **Resolved** that:

1. The report be received.
2. Council approves the application, as attached to the agenda, to the Minister for Local Government seeking an exception for the Independent Chair of the Risk and Assurance Committee

Motion was carried.

MEETING CLOSED AT 1:17 PM

Next Ordinary Council Meeting – 26 November 2026 at 1.00 pm
St Johns Hokitika, 134 Stafford Street, Hokitika and via Zoom

Confirmed by:

Her Worship the Mayor **Date: 26 November 2026**
Chair

DRAFT

COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING MINUTES

MINUTES OF THE COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING OF WESTLAND DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM ON WEDNESDAY, 2 JULY 2026 COMMENCING AT 1 PM

The meeting was livestreamed to the Westland District Council YouTube channel. Presentations are available on the Council website.

1. MEMBERS AND APOLOGIES

Chairperson:	Her Worship the Mayor
Members:	Deputy Mayor Burden
	Councillor Gillett
	Kaiwhakahaere Madgwick
	Kaiwhakahaere Tumahai

NGĀ WHAKAPAAHA
APOLOGIES
Apologies received from Kaiwhakahaere Tumahai and Kaiwhakahaere Madgwick.

Moved Deputy Mayor Burden, seconded Councillor Gillett and **Resolved** that the apologies from Kaiwhakahaere Tumahai and Kaiwhakahaere Madgwick be received and accepted.

STAFF PRESENT
B. Phillips, Chief Executive; S. Lewis, Chief Financial Officer; S. Hewett, Governance Advisor.

2. WHAKAPUAKITANGA WHAIPĀNGA

DECLARATIONS OF INTEREST
The Interest Register had been circulated.
There were no changes made to the Interest Register.

3. NGĀ MENETI O TE HUI KAUNIHERA

MINUTES OF MEETINGS
Council Controlled Organisation Oversight Committee Meeting Minutes - 16 April 2026

Moved Councillor Gillett, seconded Deputy Mayor Burden and **Resolved** that the minutes of the Council Controlled Organisation Meeting held on the 16 April 2026 be confirmed as a true and correct record of the meeting.

Her Worship the Mayor approved that her digital signature be added to the confirmed Committee Meeting Minutes.

4. ACTION LIST

The committee agreed to move Action List discussion to the end of the staff reports items as the items pertain to Destination Westland Ltd who will be attending later in the meeting.

5. PŪRONGO KAIMAHI
STAFF REPORTS

Westroads Limited Statement of Intent

The Westroads Limited Chair presented the Statement of Intent, which has been approved by their board following discussions and feedback on the Draft Statement previously submitted to the committee. The following was noted:

- Increased prices caused by the conflict in the Middle East have been factored into the final statement.
- Westroads Ltd have now completed a full review of budget assumptions, advising that it is a stretch budget but one they believe to be achievable.
- 2026 is not expected to be a positive financial year.

It was requested and agreed upon that changes between the previous year to draft, and draft to final version will be marked up in the future to better identify what changes have been made.

With the appointment of the new Westroads Ltd Chief Executive, it is a good time to review the company values, with a preference that these are contributed to by staff to set the culture across the organisation. Councillor Gillett offered his support for this.

It was noted that there is currently no requirement for Westroads Ltd to disclose significant disposals in their Statement of Intent and suggested that this be included in the future to give Council more oversight as to where Westroads Ltd activities are being focused.

Moved Deputy Mayor Burden, seconded Councillor Gillett and **Resolved** that:

1. The report be received.
2. The CCO Oversight Committee approve the Westroads Ltd Statement of Intent 2027.
3. The Committee recommend the Statement of Intent be adopted by the Westland District Council at the ordinary council meeting held on 27 August 2026.

Destination Westland Limited Statement of Intent

The Destination Westland Limited (DWL) Chair presented the Statement of Intent and highlighted the following:

- DWL have recently gone through a refresh of their company values and goals.
- Key focus areas are:
    - Airports and Heliports
    - Commercial growth and land development
    - Aged care
    - Operational and digital efficiency
    - Environmental sustainability
- Investigating options for solar power at DWL's Airports.
- Not expecting any significant changes to the business over the next 3 years.
- Mining income through royalties starting to increase.

Moved Deputy Mayor Burden, seconded Councillor Gillett and **Resolved** that:

1. The report be received.
2. The CCO Oversight Committee approve the Destination Westland Ltd Statement of Intent 2027.
3. The Committee recommend the Statement of Intent be adopted by the Westland District Council at the ordinary council meeting held on 23 July 2026.

Action List

The Chair and Chief Executive of Destination Westland Ltd provided an update on the following Action List items to the Committee:

Item 3 - DWL Financial returns for individual businesses

A breakdown of land, buildings and assets was provided as follows:

- Land and buildings total roughly $14 million and assets $105,000.
- Approx. $500,000 on Glacier Country.
- $4.9m in Hokitika Airport; The terminal, control building, carpark, maintenance shed etc. are included in this figure.
- Aged Care Housing approx. $8.9m but was not reevaluated in the last financial year. Will be reevaluated in this coming financial year.

Item 5 - DWL Land and Building fixed assets and assets under construction

This information is included in the presentation to follow. Currently, DWL's property portfolio includes both aged and non-aged care housing and would like these to be separated out.

Item 7 - Aeronautical Fees

This is included in DWL's Statement of Intent.

The Committee agreed that all items on the Action List can now be closed.

Moved Deputy Mayor Burden, seconded Councillor Gillett and **Resolved** that the updated Action List be received and the completed items be removed.

6. NGĀ TĀPAETANGA PRESENTATIONS

Destination Westland Quarterly Update

The Destination Westland Ltd Chief Executive and Chair presented the update to the Committee.

The following was highlighted:

- The mission and values have been refreshed to better reflect DWL's goals within the community and for stakeholders.
- Liquidity is strong, giving flexibility when opportunities appear.
- Regional connectivity - there hasn't been an impact on scheduled flights in Hokitika, but the importance of community support for the travel route was expressed to ensure no changes are made to flights in and out of Hokitika.
- The Hokitika Airport Café has reopened, and DWL are looking at increased offerings to further improve the customer experience.
- A property in Haast has been disposed of.
- Currently reviewing land utilisation around airports.
- Upcoming projects include:
    - Hokitika Airport Resilience Programme
    - DVOR installation
    - Investigating an automated car parking system
    - Native skink habitat to be established at the Hokitika Airport.
- Pensioner housing waiting list is increasing and currently exceeds the total number of pensioner houses in the area.
    - It was questioned whether new applicants should still be accepted given the number on the wait list; however, it was clarified that some applicants are applying in advance of needing housing while others are eligible now, and this is considered while assessing applicants.
    - There is also an eligibility policy used when assessing applicants.

- Suggested that a breakdown of the types of applicants be brought to the Committee if necessary to address possible concerns.

Moved Councillor Gillett, seconded Deputy Mayor Burden and **Resolved** that the CCO Oversight Committee receive the presentation from Destination Westland Ltd.

7. RESOLUTION TO GO INTO PUBLIC EXCLUDED

Moved Deputy Mayor Burden, seconded Councillor Gillett and **Resolved** that the Committee move into the Public Excluded Section of the meeting at 2:20pm.

DATE OF NEXT COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING
12 NOVEMBER 2026
LAZAR PARK HALL, 147 HALL STREET, HOKITIKA AND VIA ZOOM

MEETING CLOSED AT 3.56 PM

Confirmed by the Council Controlled Organisation Oversight Committee at their meeting on 12 November 2026.

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Her Worship the Mayor **Date:**
Chair

26 November 2026 - Council Action List

Item No.	Date Added	Item	Action	Completion Target Date	Officer	Current Status	Date and Next Steps	Status
5	22.05.2025	Lake Kaniere	Request for a roundtable meeting to discuss issues at Lake Kaniere.	25/02/2027	GM District Assets	Staff have now followed up with WCRC, and the matter now sits within WCRC's operations. Council requested that staff arrange a roundtable meeting with the community members who raised the issues before closing off this item.	Staff will arrange a meeting with the Kaniere Community early in the new year.	Open
11	04.06.2026	Kumara Endowment Fund	Council Staff to investigate the current structure of the Kumara Endowment Fund	28/01/2027	Chief Financial Officer	Legal opinion supports findings that the Endowment covers the Kumara Township and does not extend to Kumara Junction. Staff to share these legal findings with the Kumara community.	Staff will arrange a meeting with the Kumara community in the new year to share the legal findings and their next steps for accessing the funds.	Open
16	01.10.2026	Publishing Mayor's Report	Look at ways that the information provided in the Mayor's report could be better circulated to the public		Principal Communications Advisor	Staff to investigate possible avenues to better circulate the information in the Mayor's report outside of Council Agendas.	Staff are investigating options that will be presented to Council when available.	Open

Report to Council

DATE: 26 November 2026

TO: Mayor and Councillors

FROM: Her Worship the Mayor

Monthly Mayor's Report for November 2026

1. Official Meetings & Attendances

- Coast Waters – shareholders' representative forum meeting. Update on CE appointment, business structure etc
- TTPP Committee Meeting – Reports provided/discussion held on Variation 3, mediation update, current and projected costs, financial reports
- Destination Westland AGM
- West Coast Regional Transport Committee meeting
- Extraordinary Council Meeting – to work through the Long Term Plan draft
- Attended the CCO Committee Meeting by zoom from the Canterbury Show. End of year accounts presented by Destination Westland and Westroads.
- Chaired the Franz Josef Rating District Joint Committee Meeting – reports on maintenance of Waiho River stopbanks, funding, budgets, issues etc
- Chaired the Hokitika Rating District Joint Committee Meeting regarding planned flood protection work for Hokitika River, Foreshore protection work, maintenance and budgets
- Long Term Plan Workshop - continue working through topics and options to take through to consultation

2. Public Events Attended as Mayor

- Attended South Westland Area School end of year prizegiving. Guest speaker
- Attended Armistice Day Service – invited as guest speaker
- Attended Development West Coast Scholarship presentation – to present to our Westland recipient.
- Attended the West Coast Trades Academy Awards in Greymouth – many South Westland and Hokitika students receiving awards
- Hokitika Xmas Market – viewed new venue. Outstanding success.
- Attended Lions Club Xmas Dinner

3. Informal Meetings/Workshops

- Chair Destination Westland – regarding end of year report, airport work and land.
- Setting of agenda for West Coast Emergency Management Meeting with CEG chair and Civil Defence West Coast Management
- Informal meeting with Franz Josef community members regarding WCRC, Future Franz, current tourism season
- Met with Coast Waters CE and Barb to discuss matters at hand
- met with political party candidates regarding Westland issues.
- Met with Chair Westroads regarding format of council AGM report duplication

- met with individual community members and business owners on a ‘as requested’ basis to discuss areas of concern, points for consideration, provide support, request support.
- Meeting with Future Franz Independent Chair and team regarding Terms of Reference for the working group, integration of community and working group members etc
- Conference call with Buller & Grey Mayors regarding TTPP continuation.
- Met with Jacquie Gurden regarding Wilderness Trail and opportunities

4. Promotional Work

- Travelled to CHCH to attend Canterbury Show and support the Wildfoods team promote 2027 Wildfoods Festival. Spent 2 days on the BBQ cooking whitebait patties. Helped the team and staff pack up the site at show closure Friday 5pm.





































5. Recommendation(s)

5.1. That the report be received.

Helen Lash
Westland District Council Mayor

Report to Council

DATE: 26 November 2026

TO: Mayor and Councillors

FROM: Chief Financial Officer

Westroads Ltd & Destination Westland Ltd Annual Report

1. Summary

Council, as shareholders of Westroads Ltd and Destination Westland Ltd, is responsible for monitoring the performance of its Council Controlled Organisations (CCOs). Receiving the Annual Reports meets Council's accountability obligations under Section 67 of the Local Government Act 2002 and provides elected members and the community with transparency on each organisation's financial and non-financial performance. Receiving the reports carries no financial implications and does not signify approval of the content. Option 1 is therefore recommended.

2. Background

Both Westroads Ltd and Destination Westland Ltd have an obligation under section 67 of the Local Government Act 2002 to complete an annual report and submit it to Westland District Council who are then required to review the reports as part of their performance monitoring duties as shareholder of the CCOs. The reports must then be published to the Council's website within 1 month of receipt.

3. Current Situation

The annual reports of both CCOs have been completed and submitted to Council and have been received and reviewed by the CCO Oversight Committee on 12 November 2026.

4. Options

4.1. Option 1 - Receive the Annual Reports of Westroads Ltd and Destination Westland Ltd and publish them on the Council website within 1 month.

4.2. Option 2 - Do not receive the Annual Reports of Westroads Ltd and Destination Westland Ltd

5. Assessment of Options

5.1. Option 1

5.1.1. Advantages

- By receiving the annual reports, the Council will be fulfilling its governance responsibilities as sole shareholder of the CCOs.
- Publishing the reports to the council website increases transparency.
- Receiving and publishing reports ensures we are meeting our statutory obligations under the Local Government Act 2002.

5.1.2. Disadvantages

- Nil.

5.1.3. Financial Implications

- There are no financial implications in receiving and publishing the annual reports.

5.1.4. Significance and Engagement Assessment

- Receiving and publishing the annual reports is considered of low significance and does not require public engagement.

5.2. Option 2

5.2.1. Advantages

- Nil.

5.2.2. Disadvantages

- If Council declines to receive the annual reports of its CCOs it would not be performing its legislative responsibilities under section 67 of the Local Government Act 2002.

5.2.3. Financial Implications

- There are no financial implications in declining to receive and publish the CCO's annual reports.

5.2.4. Significance and Engagement Assessment

- Declining to receive and publish the annual reports is considered of low significance and does not require public engagement.

6. Risk Assessment

Identify any risks associated with all options in this report.

Risk Area	Likelihood	Impact	Mitigation
Financial	Unlikely	Low	There are no financial risks associated with receiving the annual reports and publishing the reports will be done in line with staff's regular duties.
Legal	possible	medium	Any legal risk is mitigated by adopting option 1 and receiving and publishing the annual reports.
Reputational	likely	medium	Any reputational risk is mitigated by adopting option 1 and receiving and publishing the annual reports.
Operational	unlikely	low	There are no operational risks associated with receiving the annual reports and publishing the reports will be done in line with staff's regular duties.
Health and Safety	unlikely	low	There are no Health and Safety risks associated with either option presented in this report.

7. Preferred Option and Reasons

The preferred option is Option 1 as it ensures that Westland District Council are fulfilling their obligations under the Local Government Act 2002 as shareholder of both Westroads Ltd and Destination Westland Ltd.

8. Recommendation

8.1. That the report be received.

8.2. The Westroads Ltd Annual Report 2025/26 be received and that the report be published to the Council's website within 1 month of today.

8.3. The Destination Westland Ltd Annual Report 2025/26 be received and that the report be published to the Council's website within 1 month of today.

Stephen Lewis
Chief Financial Officer

Appendix 1: Westroads Ltd Annual Report 2025/26
Appendix 2: Destination Westland Ltd Annual Report 2025/26



Westroads

Annual Report 2026



YEAR TO 30 JUNE

2026



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Photo: Clint Trahan



Westroads deliver quality essential services for our communities across the South Island

Westroads

Core Purpose

The Principal objectives of the Company are to:

- Operate as a successful business
- Maximise shareholder value
- Provide positive community outcomes.

Our Values



We pursue improvement in all that we do

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



We are committed to the team

- Safety comes first
- Respect goes a long way
- Value our people.



We are Performance Driven

- Plan and Communicate
- Always do our best
- We Take Pride.

Our Strategic Priorities

Invest In People and Culture

OUTCOMES

- Employer of choice
- Invest in leadership and skills training for all our people
- Provide opportunities for young West Coasters.

Care For Community and Environment

OUTCOMES

- District wide emergency response
- Five-year sustainability plan
- Give back to our Westland communities.

Achieve Outstanding Results

OUTCOMES

- Grow shareholder value (Year on Year)
- Dividend growth
- Equity growth
- Excellent Health and Safety Performance.

Build Quality Relationships

OUTCOMES

- Highly engaged relationships with our shareholder, clients and Iwi
- Promote the business and develop new customer relationships.

DIVERSIFY

OUTCOMES

- Grow customer base, work streams and geographical areas.

Highlights

Keeping our People Safe

Zero incidents notifiable to Worksafe NZ

0 INCIDENTS

Investment in Our People

Over $298,000 was invested in training and upskilling our people

$298k

Revenue

Winning IDC West Coast Roading Contract

$10M

OVER 5 YEARS

The Year in Review



Chair and Chief Executive Report

For the Year Ended 30 June 2026

A challenging year and decisive change

The 2026 financial year saw Westroads move from a programme of continuous improvement to a period of organisational transformation. This included the appointment of a new Chief Executive, changes to the senior leadership team, a redesigned organisational structure and a stronger focus on contract performance, commercial discipline, accountability and delivery.

These changes were driven by a combination of factors that emerged during the year. Market conditions changed significantly in the second half, with global conflict contributing to supply-chain disruption, fuel price volatility and increased market uncertainty. At the same time, the company encountered substantial challenges in the delivery of a major utilities contract. Together, these factors materially affected revenue, margins and the full-year result, reinforcing the need to strengthen the organisation's capacity to execute its strategy and respond effectively to changing market conditions.



Overview

Westroads began the year positively, with first-quarter performance ahead of budget across the core business. From February, however, global conflict contributed to supply-chain disruption, a significant fuel-price shock and increased market uncertainty. Clients deferred or stopped planned work, tendering opportunities reduced and competition intensified. The resulting decline in activity placed considerable pressure on revenue, margins and overhead recovery.

These external pressures coincided with operational and commercial difficulties on the GDC utilities contract, which produced a significant loss. The scale and combination of the challenges demonstrated that the company needed to move beyond its existing programme of process improvement and accelerate broader organisational change.

During the year, Westroads therefore moved into a period of transformation. This included the appointment of a new Chief Executive, changes to the senior leadership team, a redesigned organisational structure and a stronger focus on contract performance, commercial discipline, accountability and delivery. Prudent cashflow and capital management remained priorities throughout.



Performance Across the Year

In the first half, revenue and gross profit tracked at acceptable levels, supported by construction activity and continuing operations across Westland and Christchurch. The second half brought a pronounced change in market activity, with fewer opportunities available and increased competition for the work that remained.

From February to June, customer caution and disruption caused planned work to be deferred or stopped. Lower activity and tighter margins reduced the contribution available to support the company's overhead base, with Canterbury particularly affected by the difficult trading environment.

At the same time, the GDC utilities contract delivered a material negative result. Management turnover, difficult delivery conditions and weaknesses in contract planning and commercial control affected performance. The departure of the West Coast Operations Manager further reduced senior operational capacity at a critical point. The new Chief Executive has established a recovery programme, reset leadership and delivery arrangements, and strengthened oversight of the contract.



Operational Review

Westland Branch

Westland remains the foundation of the business. Roading and landfill contracts performed at or above expectations, while maintenance activity and targeted larger works provided stability. Westroads commenced work as a delivery partner on the new IDC contract, creating an important platform for the future. The wider utilities team continued to build constructive client relationships and demonstrate the value of the company's core maintenance and delivery capability.

Greymouth

Greymouth utilities had a very difficult year and recorded a significant loss. Management turnover and challenges in contract planning, cost control and delivery discipline affected performance. Metals and Parks and Reserves produced modest results. Leadership and operational structures have now been reset, with priorities focused on contract recovery, stronger commercial control, client confidence and consistent delivery.

Christchurch Branch

The Canterbury market remained exceptionally competitive, with reduced tender volumes and very tight margins. Revenue was insufficient to meet budget or support the previous cost structure. The branch has been refocused and resized while retaining the capability required to pursue sustainable work. Forward workload strengthened through June, relationships with Christchurch City Council remained important, and re-entry into the subdivision market broadened the prospective client base.





Leadership and Management

After 20 years leading the company as General Manager, Graeme Kelly moved into a pricing-focused role where his technical knowledge and industry experience continue to benefit Westroads. Clark Butcher commenced as Chief Executive in May 2026, bringing renewed focus to accountability, commercial performance and execution.

The leadership transition was accompanied by a substantial restructuring of the senior team. Two senior leaders left the business, a Chief Operating Officer was appointed and a smaller executive structure was established. The new model places stronger technical and delivery capability closer to operations, clarifies decision-making and supports earlier identification and resolution of emerging issues.

The company's strategic direction remains focused on sustainable growth, diversification and operational excellence. The transformation strengthens Westroads' capacity to deliver that strategy through improved contract performance, business development, tendering and commercial controls, an overhead base aligned with sustainable activity, and clearer expectations across the organisation. It also includes a deliberate reset of culture and values, led by the Chief Executive, to establish the standards, behaviours and accountability required for sustained performance.

Strategic and Governance Developments

The planned retirement of a director at the 2026 Annual General Meeting provided an opportunity for Westland District Council to strengthen long-term governance continuity through the appointment of two new directors. Throughout the year, the Board engaged actively with the Council Controlled Organisation Oversight Committee on company performance, leadership transition and director recruitment.

The Board maintained close oversight of financial performance, contract risk, transformation delivery and organisational capability. Plant replacement and capital expenditure were prioritised according to risk, operational need and financial return. Westroads also achieved recertification to ISO 9001:2015 and ISO 45001:2018.

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Stakeholder Engagement

Open engagement with Westland District Council, clients and key partners has been particularly important during a year of significant change. Westroads also continued to engage with Mana Whenua, recognising the importance of partnership and shared outcomes. The new executive team has increased its focus on client relationships and business development, including opportunities in existing markets and aligned sectors within the company's current geography.

People and Culture

Staff numbers reduced as the company aligned its workforce and cost base with current and forecast work. These changes were difficult but necessary. The organisational reset provides clearer accountability and expectations, with recruitment to resume as sustainable work is secured. Alongside the structural changes, the Chief Executive is leading a review of Westroads' values and a broader reset of organisational culture. Consistent standards are being established and reinforced across the business, supported by an ethos of being 'hungry, humble and smart'. While these words are not intended to predetermine the company's refreshed values, they reflect the behaviours expected as Westroads builds a more accountable, collaborative and performance-focused culture. Investment in training, development and engagement will support this change.

Health and Safety

A health and safety reset has commenced, including a full review of critical risks, Golden Rules and collaboration with clients. The company recorded two lost-time injuries during the year, while maintaining a strong Total Recordable Injury Frequency Rate. The Board and management continue to emphasise visible leadership, behavioural safety, reporting and learning. Engagement with the Business Leaders' Health and Safety Forum and external health and safety advisers supports the continuing development of governance and management capability.









Looking Ahead

The 2027 financial year begins with a clearer operating model, renewed executive leadership and a more disciplined focus on delivery. The new West Coast IDC partnership provides an important base, and significant works secured for the year ahead have improved forward visibility. The transformation programme now extends across operational performance, leadership, culture and values, and the evaluation of wider market opportunities. There remains considerable work to do to secure sufficient profitable activity, complete the GDC utilities recovery and deliver consistent performance.

The Board will monitor the transformation through clear measures covering safety, contract performance, cashflow, overhead recovery, tender conversion, forward workload, client outcomes, culture and organisational capability. Management's priorities are to stabilise performance, restore profitability and build a more diversified and resilient Westroads. Growth opportunities beyond the company's current geography will be considered selectively where a robust business case demonstrates strategic fit and sustainable value. Growth will be organic and funded from free cashflow, with investment balanced against the company's requirements for dividends, asset replacement and debt repayment. This discipline will ensure that expansion supports the long-term strength of the business.

The experience of 2026 has reinforced the importance of responding quickly to changing conditions, identifying underperformance early and maintaining strong commercial and operational discipline. The changes made during the year provide a sound platform for the next phase of the company's development, with sustained improvement in performance the measure of progress.

Acknowledgements

We thank the Board of Directors for its commitment and constructive challenge through a demanding year. We acknowledge Ross Pickworth for his service to the company and Graeme Kelly for his long-standing contribution and continuing commitment in his new role.

We also thank our people for continuing to serve communities in difficult conditions while adapting to substantial change, and our clients and partners for their ongoing relationships with Westroads.

Finally, we thank the Westland District Council Mayor, Councillors, officers and the Council Controlled Organisation Oversight Committee for their support, scrutiny and engagement. We look forward to working closely together in the year ahead.

M F Rogers
Chair
25 September 2026

C Butcher
Chief Executive
25 September 2026

Governance

Board of Directors

The Company was governed by a five-member Board of Directors including:



Mark Rogers
Chairman
Commenced 2019



Rob Caldwell
Deputy Chair and Chair Risk and Assurance
Commenced 2021



Ross Pickworth
Director
Commenced 2017



Susie Roulston
Director
Commenced 2026



James Gough
Director
Commenced 2026

The director's role includes:

- Strategic governance;
- Financial oversight;
- Management performance review;
- Overseeing tender prices for major tenders; and
- Ensuring statutory and regulatory compliance.

One director retires each year in rotation. Directors can make themselves available for re-appointment.

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

Senior Leadership Team

The leadership team consists of 5 members including:



Clark Butcher

CEO

Commenced May 2026



Piet Michau

Chief Operations Officer

Commenced July 2026



Kriek Oelofse

Systems Manager



Brendon Rea

Fleet Manager



Andrew Anderson

Finance Manager

Directors' Report

Westroads Ltd Directors' Report For The Year Ended 30 June 2026

The directors of Westroads Ltd have pleasure in presenting the Annual Report together with the audited financial statements of the Company operations for the year ending 30 June 2026.

Westroads Ltd was founded in January 1995 and commenced operations 1 January 1996.

Nature and Scope of Activities

The nature of Westroads Limited activities are that of a general contractor and trading organization offering goods and services for sale and plant and equipment hire. Its activities included:

- Three Water Services – maintenance and construction.
- Roading – maintenance and construction, including bridge maintenance and construction.
- Greenspace maintenance and construction, including maintenance of council parks and reserves.
- Waste Management services including landfill transfer stations operation.
- General civil construction activities including carparks, driveways and building pad construction.
- Vehicle and equipment maintenance services including automotive maintenance and engineering services.
- The manufacture and supply of aggregates/sand and base course products.
- The supply of goods, materials, services and equipment for sale or hire.
- Any other relevant activity as determined by the Directors from time to time.

NZ$ (000's)	2026
Results For The Year Ended 30 June 2026	
Net Surplus (Loss) before Taxation	(860)
less Subvention Payment	0
less Income Taxation	(188)
Net Surplus (Loss) After Taxation	**(672)**
Other Comprehensive Income	0
Total Other Comprehensive Income	**(0)**
Total Comprehensive Income	**(672)**
Movements in Equity	
Equity (Opening Balance)	11,927
Distributions to Owners	(330)
Loss after Taxation	(672)
Total Other Comprehensive Income	0
Equity (Closing Balance)	**10,925**

Directors' Interests

Directors did not have any interests in transactions with the company during the year.
Refer note 17 Related Party Transactions.

There were no notices from Directors requesting to use company information received in their capacity as directors which would not otherwise be available to them.



Mark Rogers

Cumberland Property Group Limited	Chair
Cumberland Rural Properties Limited	Chair
Fulton Hogan Limited	Shareholder
Kingsdown-Salisbury Hall Society Incorporated	Committee Treasurer
MVHB Professional Services Limited	Shareholder and Director
PrimePort Timaru Limited	Director
Te Runanga o Arowhenua Limited	Chair
The Rogers Family Trust	Trustee
Timaru District Holdings Limited	Chair

Rob Caldwell

Network Waitaki Limited	Director

Ross Pickworth

Ashburton Contracting Limited	Director
ElectraServe Limited	Director
Industrial Controls South Canterbury Limited	Director
Kaikoura Hurunui Water Services Limited	Director
Network Tasman Limited	Director
Pipeline and Civil Limited	Chair
Pipeline Group Limited	Chair
PLC Plant Limited	Chair
West Oak Trading Limited	Director and Shareholder
Waiotahi Contractors Limited	Chair

Susie Roulston

Hayden Roulston Limited	Shareholder
Lincoln University	Chief Operating Officer
Lincoln University Property Joint Venture Limited	Director

James Gough

Canterbury Rugby Union	Independent Director
Development West Coast	Advisory Board Member
Fendalton-Waimairi- Harewood Community Board	Board Member
Gough Corporation Holdings Limited (and related companies)	Director & Shareholder
Gough Family Investments Limited	Director & Shareholder
Gough Investment Corporation Limited	Director
Gough Property Corporation Limited	Director & Shareholder
Home in Place New Zealand Limited	Independent Director
James Gough Limited	Director & Shareholder
Property Council New Zealand	South Island Regional Committee Member
Te Runanga o Waihao Holdings Limited	Independent Director
The Terrace Carpark Limited	Director
The Terrace Christchurch Limited	Executive Director
The Terrace on Avon Limited	Alternate Director
Transwaste Canterbury Limited	Independent Director

Remuneration of Directors

Remuneration and other benefits paid or due to directors on behalf of the Company for services as a director during the year, are as follows:

R Pickworth	$39,250
M Rogers	$52,250
R Caldwell	$43,000
S Roulston	$23,208
J Gough	$22,458
	$180,167

Donations

The total amount of donations made by the Company during the year was $1,629.62.

Auditors

The Auditor-General is appointed under Section 15 of the Public Audit Act 2001 and Section 70 of the Local Government Act 2002. Ernst & Young has been appointed to provide these services.

Directors' Declaration

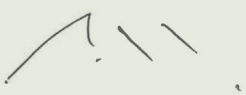
In the opinion of the directors of Westroads Ltd, the financial statements and notes on pages 19 to 46:

- Comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 30 June 2026 and the results of their operations and cash flows for the year ended on that date; and
- Have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance of the financial statements with the Financial Reporting Act 2013.

The directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

For and on behalf of the Board:



M Rogers

Chair

25 September 2026



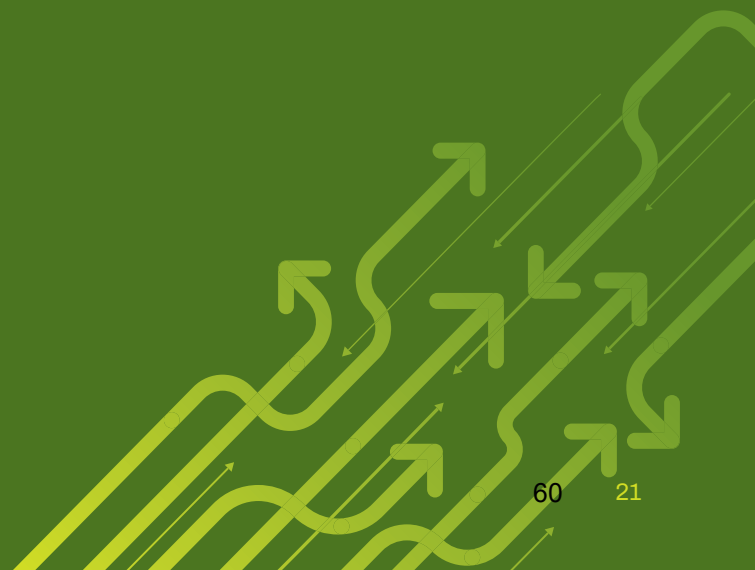
R Caldwell

Deputy Chair & Chair of Risk & Assurance

25 September 2026



Financial Statements



STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2026

NZ$ (000's)	Note	2026	2025
Revenue from Contracts with Customers	1	30,627	31,772
Cost of Sales		23,403	23,401
Gross Profit		7,223	8,371
Other Income	3	480	282
Less Depreciation	2, 14 & 15	1,957	2,185
Less Administrative Expenses	2	6,422	6,037
Results from Operations		(676)	431
plus Finance Income		2	13
less Finance Expense	4	187	224
Net Finance Costs		211	211
Profit/(Loss) before Income Tax		(860)	220
less Subvention Payment		-	200
less Income Tax Expense	5	(188)	52
Profit/(Loss) for the Period		(672)	(33)
Attributable to:			
Equity Holders of the Parent		(672)	(33)
		(672)	(33)
Other Comprehensive Income			
Gain on Land & Building Revaluation		0	991
Deferred Taxation on Revaluation	5	0	(155)
Total Other Comprehensive Income		0	836
Total Comprehensive Income for the Year		(672)	802
Attributable to:			
Equity Holders of the parent		(672)	802
		(672)	**802**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2026

NZ$ (000's)	Note	Share Capital	Asset Revaluation Reserve	Retained Earnings	Total
Balance 1 July 2025		1,385	2,110	8,431	11,926
Profit/(Loss) for the Period		0	0	(672)	(672)
Other Comprehensive Income		0	0	0	0
Deferred Tax on Revaluation		0	0	0	0
Dividends to Equity Holders	6	0	0	(330)	(330)
Balance 30 June 2026		1,385	2,110	7,428	10,924
Balance 1 July 2024		1,385	1,275	8,727	11,387
Profit/(Loss) for the Period		0	0	(33)	(33)
Other Comprehensive Income		0	991	0	991
Deferred Tax on Revaluation		0	(155)	0	(155)
Dividends to Equity Holders	6	0	0	(262)	(262)
Balance 30 June 2025		1,385	2,110	8,431	11,926

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2026

NZ$ (000's)	Note	2026	2025
EQUITY			
Share Capital	6	1,385	1,385
Retained Earnings		7,428	8,431
Asset Revaluation Reserve		2,110	2,110
		10,924	**11,926**
Represented by:			
CURRENT ASSETS			
Cash and Cash Equivalents	7	1,334	296
Trade and Other Receivables	8	3,161	2,329
Prepayments		38	84
Inventory	9	1,639	1,482
Work in Progress		15	48
Subvention Payment Receivable		0	0
Contract Assets	10	2,028	1,396
Tax Refund		88	0
Total Current Assets		**8,303**	**5,635**
CURRENT LIABILITIES			
Trade and Other Payables	12	2,956	1,957
Contract Liabilities	10	214	212
Subvention Payment Payable		0	200
Loan and Other Borrowings	11	1,413	2,426
Employee Benefit Liabilities	13	1,332	1,381
Tax Payable		18	18
Lease Liability	14	106	101
Total Current Liabilities		**6,022**	**6,295**
Working Capital		**2,281**	**(660)**
NON-CURRENT ASSETS			
Property Plant and Equipment	15	11,133	12,687
Term Investments		0	26
Deferred Tax Asset	5	131	0
Right of Use Assets	14	304	400
Total Non-Current Assets		11,569	13,113
NON-CURRENT LIABILITIES			
Loan and Other Borrowings	11	2,551	0
Employee Benefit Liabilities	13	125	112
Deferred Tax Liability	5	0	56
Lease Liability	14	251	357
Total Non-Current Liabilities		**2,927**	**525**
Net Assets		**10,924**	**11,926**

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2026

NZ$ (000's)	Note	2026	2025
Cash Flows from Operating Activities			
Cash was provided from:			
Receipts from Customers and Other Sources		29,308	32,244
Interest Received		2	13
Total Cash Inflows from Operating Activities		**29,310**	**32,257**
Cash was disbursed to:			
Payments to Employees and Suppliers		28,808	29,272
Income Taxes Paid		106	86
Subvention Payments Made		200	200
Interest Paid		187	224
Total Cash Outflows from Operating Activities		**29,301**	**29,782**
Net Cash Inflow from Operating Activities	**16**	**10**	**2,474**
Cash Flows from Investing Activities			
Cash was provided from:			
Proceeds from Sale of Property, Plant and Equipment		944	567
Total Cash Inflows from Investing Activities		**944**	**567**
Cash was applied to:			
Purchase of Property, Plant and Equipment		1,049	2,315
Total Cash Outflows from Investing Activities		**1,049**	**2,315**
Net Cash Outflow from Investing Activities		**(106)**	**(1,748)**
Cash Flows from Financing Activities			
Cash was provided from:			
Proceeds of Bank Advances		10,667	5,710
Total Cash Inflows from Financing Activities		**10,667**	**5,710**
Cash was applied to:			
Repayment of Loans		9,130	6,010
Increase in Investments		(26)	(74)
Payment of Lease Liabilities	14	101	100
Dividends Paid		330	262
Total Cash Outflows from Financing Activities		**9,535**	**6,298**
Net Cash Inflow/(Outflow) from Financing Activities		**1,132**	**(588)**
Net Increase/(Decrease) in Cash Held		**1,036**	**138**
Add Opening Bank Balance at 1 July		297	159
Bank Balance at 30 June		**1,333**	**297**
Made up of:			
Cash		1,333	297
		1,333	**297**

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2026

NZ$ (000's)	ACTUAL 2026	BUDGET 2026
Gross Revenue	30,627	35,174
Less Cost of Sales	23,403	24,980
Gross Profit	**7,223**	**10,194**
Plus Other Income	480	172
Less Depreciation	1,957	2,188
Less Administrative Expenses	6,422	6,364
Less Net Finance Costs	184	226
Net Profit (Loss) Before Taxation	**(860)**	**1,587**
Taxation Expense	(188)	444
Subvention Payments	0	200
Net Surplus (Loss) After Taxation	**(672)**	**943**
Equity at 1 July	11,927	11,927
Dividends	330	330
Earnings Retained	(672)	613
Equity At 30 June 2026	**10,925**	**12,540**
Return on Average Shareholders Funds Before Tax and Revaluations	-7.53%	10.00%
Percentage of Shareholders Funds to Total Assets	55%	45-100%
Distributions as a Percentage of After Tax Profits	-49.1%	40-70%
Compliance With Statutory and Regulatory Obligations	No Breaches	No Breaches

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 30 JUNE 2026

REPORTING ENTITY

Westroads Limited (the Company) is registered under the Companies Act 1993 and is domiciled in New Zealand.

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 financial statements of the Company for the year ended 30 June 2026 were authorised for issue in accordance with a resolution of the directors on 25 September 2026.

BASIS OF PREPARATION

Statement of Compliance

The financial statements have been prepared in accordance 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.

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.

STANDARDS OR INTERPRETATIONS NOT YET EFFECTIVE

There are no standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are material to the company.

Measurement base

The financial statements have been prepared on a historical cost basis except for land and buildings which were revalued in June 2025.

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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 1	Revenue from contracts with customers;
Note 15	Depreciation and estimated useful lives of property, plant and equipment.

CHANGES IN ACCOUNTING POLICIES

There are no new standards, interpretations, and amendments in the current year that impact on the annual financial statements for the year ended 30 June 2026 and therefore there are no changes in the company's accounting policies.

MATERIAL ACCOUNTING POLICIES

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:

PROPERTY, PLANT & EQUIPMENT

Recognition and measurement

With the exception of land and buildings, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land and buildings are measured at fair value amount less subsequent depreciation.

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 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 are as follows:

	2026
Buildings	4-50 years
Plant and Equipment	1-20 years
Office Furniture & Equipment	2-7.5 years

Revaluation

Land and buildings are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost.

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Revaluations of property, plant, and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit.

Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in revaluation reserves in respect of those assets are transferred to the accumulated surplus/(deficit) within equity.

Definite useful lives

Mining licences that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. There is no remaining useful lives for the mining licences.

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 manufactured inventories, 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. In the case of development land inventory, cost includes any 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.

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 NZ 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 Company'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

The Company applies NZ IFRS 15 to measure Contract assets and Contract liabilities. These items arise from contracts entered into 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.

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.

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.

FAIR VALUE

The Company uses various valuation methods to determine the fair value of certain assets. The inputs to the valuation methods used to measure fair value are categorised into two levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

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 netted off against cash and cash equivalents and will only show in current liabilities if overall position is negative.

CONTRACT ASSETS

Contract assets primarily relate to the Company's rights to consideration for work performed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights have become unconditional. This usually occurs when the Company issues an invoice in accordance with contractual terms to the customer. Payments from customers are received based on a billing schedule / milestone basis, as established in our contracts.

CONTRACT LIABILITIES

Contract liabilities primarily relate to the Companies obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when work is performed under the contract. If the net amount of the Company's rights to consideration for work performed after deduction of progress payments received is negative, the difference is recognised as a liability and included as part of contract liabilities.

The Company as a lessee

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognises a Right of Use asset (ROU) and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low-value assets where the Company recognises the lease payments as another operating expense on a straight-line basis over the term of the lease. Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate (IBR). Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

Lease liabilities are presented as a separate line in the balance sheet and are subsequently measured by increasing the carrying amount to reflect interest on the lease (using the effective interest method) and reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability if:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- Lease payments changing due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

ROU assets comprise of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Wherever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under NZ IAS 37. The costs are included in the related ROU asset, unless those costs are incurred to produce inventories. ROU assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The estimated useful lives of ROU assets are based on the lease term. Depreciation starts at the commencement date of the lease. ROU assets are presented as a separate line in the balance sheet. The Company applies NZ IAS 36 to determine whether a ROU asset is impaired and accounts for any identified loss under the same policy adopted for property, plant and equipment. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in other operating expenses in the income statement.

WESTROADS LIMITED
NOTE TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2026

1. REVENUE FROM CONTRACTS WITH CUSTOMERS

NZ$ (000's)	2026	2025
Over Time		
Maintenance Contracts	15,815	16,249
Construction Contracts	10,616	11,561
Other Contracts	2,738	2,637
Total Contracts Revenue	**29,168**	**30,447**
At a point in time		
Sales of Goods And Services Metal	1,459	1,325
Total Revenue	**30,627**	**31,772**

Under NZIFRS 15, revenue is recognised when a customer obtains control of the goods or services. Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised if it meets the criteria below.

i. Maintenance Contracts

The Company primarily generates service revenue from the following activities:

- roading and footpaths;
- amenity assets including water and wastewater; and
- parks, trees and cleaning.

Typically, under the performance obligations of service contracts, the customer consumes and receives the benefit of the service as it is provided. As such, service revenue is recognised over time as the services are provided.

ii. Construction Contracts

The contractual terms and the way in which the Company operates its construction contracts is predominantly derived from projects containing one performance obligation. There are numerous milestones in each project, however the performance obligation is the delivery of completed construction project as this primary outcome of each contract. Under these performance obligations, customers either simultaneously receive and consume the benefits as the company performs them or performance creates or enhances an asset that the customer controls as the asset is created or enhanced. Therefore, contracted revenue is recognised over time based on stage of completion of the contract. Transaction price is based on contract value.

iii. Sale of Goods Revenue

Is recognised at a point in time when the customer obtains control of goods and services, specifically when physical goods are delivered to the customer. Transaction price is based on the agreed sales price.

iv. Other Contracts

Other contracts included contracts that cannot be classified under Maintenance or Construction - such as smaller Plumbing contracts and operation of Landfill management assets is recognised over time. Under these performance obligations, customers either simultaneously receive and consume the benefits as the Company performs them.

v. Variable Consideration

Westroads has not incurred any claim for liquidated damages during the financial year.

vi. Warranties and Defect Periods

Construction and service contracts can include defect and warranty periods which vary from contract to contract, following completion of the project. These obligations are not deemed to be separate performance obligations and therefore are estimated and included in the total costs of the contracts. Where required, amounts are recognised in provisions.

Key estimates and judgements: Revenue recognition

- **Stage of completion of construction contracts**

  Determining the stage of completion requires an estimate of expenses incurred to date as a percentage of total estimated costs. The progress to satisfaction is assessed by reference to measure and value of work performed and agreed by the client before an invoice is submitted for payment, therefore the satisfaction of the performance obligation represents a faithful depiction of the transfer of goods or services.

- **Modifications**

  When a contract modification exists and the Company has an approved enforceable right to payment, revenue in relation to claims and variations is only included in the transaction price when the amount claimable becomes highly probable. Management uses judgement in determining whether an approved enforceable right exists and the amount that meets the "highly probable" threshold.

- **Variable consideration**

  Where consideration in respect of a contract is variable, the expected value of revenue is only recognised to the amount management considers is recoverable. This is assessed on a periodic basis and is based on all available information, including historic performance. When modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise.

Timing of revenue and payment

Payment is required on the 20th day of the month after the issuing of invoice. The only difference in timing between recognition of income and receipt of payment are Contract Retentions, which are classified as Contract Assets and Contract Liabilities in the Statement of Financial Position. Retentions are released when a certificate of completion is produced and the remaining balance after the defects period documented in the contact is reached.

2. NATURE OF EXPENSES

The following items are included in the expenditure of the Company

NZ$ (000's)	2026	2025
Audit Fees to Ernst and Young Comprising Audit of Financial Statements	90	88
Depreciation and Amortisation Leases	96	98
Depreciation and Amortisation	1,862	2,087
Loss on Sale of Property, Plant and Equipment	163	9
Directors' Fees	180	137
Donations	2	2
Rental and Operating Lease Costs	62	62
Bad Debts Written Off	55	1
Personnel Expenses		
Wages and Salaries	11,147	10,981
Contributions to Defined Contribution Plans	513	491
Long Service Leave	17	(5)
Retiring Gratuities	3	5
Total Expenses	**11,680**	**11,472**

Personnel expenses are split between cost of sales and administration expenses in the Statement of Comprehensive Income.

3. OTHER INCOME

NZ$ (000's)	2026	2025
Gain on Sale of Property, Plant and Equipment	367	184
Wage Subsidies	0	47
Supplier Rebates	37	49
Recoveries	76	3
	480	**283**

4. FINANCE EXPENSES

NZ$ (000's)	2026	2025
Interest Expense on Lease Liabilities	19	23
Other Finance Costs	168	200
	187	**223**

5. TAXATION

The taxation expense that would arise at the standard rate of corporation tax in New Zealand is reconciled to the tax expense as follows:

NZ$ (000's)	2026	2025
Surplus/(deficit) Before Taxation	(860)	219
Prima Facie Taxation @ 28%	(241)	61
(Less) Tax Effect Losses Brought Forward	0	0
Plus/(Less) Taxation Effect of Permanent Differences	1	2
(Less) Tax Effect of Subvention Payment to WDC	0	(56)
(Less) Tax Effect Temporary Difference Building Depreciation	49	44
(Less) Tax Effect of Non-Assessable Income & Non-Deductible Expenses	5	0
Taxation Expense	**(186)**	**51**
The Taxation Charge is Represented By:		
Current Taxation	0	128
Reduction in Prior Year Taxation	1	(1)
Deferred Taxation Movement	(187)	(74)
	(186)	**53**
Deferred Taxation (liability)/asset		
Opening Balance	(56)	26
Movement Recognised in Profit or Loss	187	74
Movement Recognised in Other Comprehensive Income	0	(155)
	131	**(55)**
Deferred Tax Assets and Liabilities are Attributable to the Following:		
Tax Losses Carried Forward	236	0
Employee Benefit Plans (Asset)	13	11
Accruals (Asset)	325	285
Revaluation Carrying Losses	(291)	(298)
Retentions (Liability)	(243)	(222)
Property, Plant and Equipment (Liability)	91	168
	131	**(56)**

6. SHARE CAPITAL

At 30 June 2026 the Company has issued 1,385,326 (2025: 1,385,326) shares which are fully paid. The Par value of the shares is $1 per share. All shares carry equal voting rights and the right to share in any surplus on winding up of the company. None of the shares carry fixed dividend rights.

A dividend of $330,000 was paid during the year (2025: $262,458). Dividends paid per share equated to $0.24 (2025: $0.19).

7. CASH AND CASH EQUIVALENTS

NZ$ (000's)	2026	2025
Cash in Bank	1,334	296
Total Cash and Cash Equivalents	**1,334**	**296**

8. TRADE AND OTHER RECEIVABLES

NZ$ (000's)	2026	2025
Trade Debtors – Non-Related Parties	2,294	1,439
Trade Debtors – Related Parties	913	893
Cost Fluctuation Adjustment Accruals	19	7
Total	**3,226**	**2,339**
Less allowance for expected credit loss	65	10
Total Receivables	**3,161**	**2,329**

NZ$ (000's)	Gross Receivable 2026	Expected Credit Loss 2026	Gross Receivable 2025	Expected Credit Loss 2025
Not past due	2,926	0	1,883	0
Past due 0-30 days	58	0	368	0
Past due 31-120 days	52	0	71	0
Past due 121-360 days	74	0	0	0
Past due more than 1 year	97	(65)	10	(10)
Total Cash and Cash Equivalents	**3,208**	**(65)**	**2,332**	**(10)**

9. INVENTORY

NZ$ (000's)	2026	2025
Manufactured inventories and work in progress		
Metal Stocks	1,567	1,398
Other Supplies	71	84
	1,639	**1,482**

Cost of inventories recognised as an expense.
During the year ended 30 June 2026 $1,033,625, (2025: $1,286,931) was recognised as an expense for inventories. This is recognised in cost of sales.

10. CONTRACT ASSETS AND LIABILITIES

Contract Assets

Contract assets primarily relate to the Company's rights to consideration for work performed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights have become unconditional. This usually occurs when the Company issues an invoice in accordance with contractual terms to the customer. Payments from customers are received based on a billing schedule / milestone basis, as established in our contracts. Contact assets are disaggregated according to contract type:

NZ$ (000's)	2026	2025
Maintenance Contracts	480	181
Construction Contracts	1,521	1,182
Other Contracts	27	32
Total Current Contract Asset	**2,028**	**1,395**

As of 30 June 2026, the aggregate amount of the transaction price allocated to the remaining performance obligations is $18,768 (2025: $15,853). The Company will recognise this revenue when the performance obligations are satisfied. 100% of remaining performance obligations are expected to occur within the next two years.

Revenue recognised for the year ended 30 June 2026 from performance obligations satisfied (or partially satisfied) in previous periods amounted to $8,050. (2025:$9,126)

Contract liabilities primarily relate to the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when work is performed under the contract. If the net amount of the Company's rights to consideration for work performed after deduction of progress payments received is negative, the difference is recognised as a liability and included as part of contract liabilities.

NZ$ (000's)	2026	2025
Maintenance Contracts	33	0
Construction Contracts	169	210
Other Contracts	13	2
Total Contract Liabilities	**214**	**212**

The opening balance of contract liabilities was $212,222 in 2026, all of which was recognised as revenue in the 2026 financial year.

11. LOAN & BORROWINGS

NZ$ (000's)	2026	2025
WDC Loans	3,700	2,426
Caterpillar Finance Loan	263	0
	3,963	2,426
The WDC loans and Caterpillar Finance Loan are split as follows:-		
Current Lending Debt	1,413	2,426
Non-current Lending Debt	2,551	0
	3,963	**2,426**

Terms and conditions of loans & borrowings and their balances are as follows:-

NZ$ (000's)	2026	2025	Interest Repricing Due	Maturing
WDC - LGFA - WN2615 ($1,026k) - Interest rate - 5.54%	0	1,026	Variable	2026
WDC - LGFA - WN0925 ($1,400k) - Interest rate - 3.665%	0	1,400	Fixed	2025
WDC - LGFA - WN5028 ($1,400k) - Interest rate - 3.91%	1,400	0	Fixed	2028
WDC - LGFA - WN1427 ($1,300k) - Interest rate - 3.61%	1,300	0	Fixed	2027
WDC - LGFA - WN1227 ($1,000k) - Interest rate - 4.03%	1,000	00	Fixed	2027
Caterpillar Finance	263	00	Fixed	2029

(Carrying value is not materially different to Face value).

In managing interest rate risks the Company aims to reduce the impact of short-term fluctuations on the Company's earnings. Over the longer-term, however, permanent changes in interest rates will have an impact on profit. At 30 June 2026, it is estimated that a 1% increase in interest rates would reduce the Company's 2026 profit before tax by $39,000 (estimated decrease in 2025: $24,000.) The company has no formal interest rate hedging policy. Loan covenants include EBIT: Interest Cover Ratio target greater than 2:1 and Shareholders Funds to Total Assets ratio greater than 45%. The Interest Cover Ratio was not met but was waived by WDC within the 90 day window and therefore is not an Event of Default.

12. TRADE AND OTHER PAYABLES

NZ$ (000's)	2026	2025
Trade Payables	2,727	1,659
Trade Payables – Related Parties	17	14
GST Payable	112	158
Accruals and Other Liabilities	101	126
	2,956	**1,957**

13. EMPLOYEE ENTITLEMENTS

The Company has the following current employee entitlements

NZ$ (000's)	2026	2025
Current		
Annual Leave	802	797
Time in Lieu/Stat Leave	29	35
Long Service Leave	59	55
Sick Leave	23	20
Accrued Salary and Wages	420	474
Total Current Employee Entitlements	**1,332**	**1,381**
Non Current		
Retirement Gratuities	47	44
Long Service Leave	78	68
Total Non Current Employee Entitlements	**125**	**112**

14. RIGHT OF USE ASSET AND LEASE LIABILITY

The Company recognises a right-of-use asset (ROU) and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low- value assets where the Company recognises the lease payments as another operating expense on a straight-line basis over the term of the lease.

Right of Use Asset

NZ$ (000's)	Commercial Property	Gravel Extraction Consent	Photo Copying Equipment	Total
As at 1 July 2024	456	24	0	480
Additions	0	0	16	16
Deletions	0	0	0	0
Depreciation expense	(91)	(3)	(4)	(98)
Total ROU Assets as at 30 June 2025	**365**	**21**	**12**	**398**

NZ$ (000's)	Commercial Property	Gravel Extraction Consent	Photo Copying Equipment	Total
As at 1 July 2025	365	21	12	398
Additions	0	0	0	0
Deletions	0	0	0	0
Depreciation expense	(88)	(3)	(5)	(96)
Total ROU Assets as at 30 June 2026	**278**	**19**	**8**	**304**

The lease of the land and buildings in Christchurch contains an option to renew the contract for a further three years at 2026. It is reasonably certain that the lease will be renewed at this date, as such the right of asset for the Christchurch building has been calculated with rights renewed in 2026.

Lease liability – Maturity Analysis

Lease liabilities under NZ IFRS 16: NZ$ (000's)	Note	2026 Total Lease Liability	2025 Total Lease Liability
Current		106	101
Non Current		251	357
		357	**458**
Total Cash Outflow for Leases – Principal Portion		101	100
Total Cash Outflow for Leases – Interest Portion	4	19	23
Total Lease Expenditure		**120**	**123**
Cashflow For Liquidity Risk Note			
6 Months Post Balance Date		60	60
6-12 Months Post Balance Date		60	60
More Than 1 Year		266	386
		386	**506**

15. PROPERTY, PLANT, AND EQUIPMENT

NZ$ (000's)	Land & Buildings	Plant & Equipment	Office Furniture & Equipment	Total
Cost or Valuation				
Balance at 1 July 2024	3,269	22,904	660	26,833
Additions	0	2,258	57	2,315
Net Gain/(Loss) on Revaluation	991	0	0	991
Disposals	0	(1,506)	0	(1,506)
Balance at 30 June 2025	**4,260**	**23,656**	**716**	**28,632**
Balance at 1 July 2025	4,260	23,656	716	28,632
Additions	331	665	53	1,049
Net Gain/(Loss) on Revaluation	0	0	0	0
Disposals	0	(2,788)	0	(2,788)
Balance at 30 June 2026	**4,591**	**21,533**	**770**	**26,893**
Depreciation and Impairment Losses				
Balance at 1 July 2024	745	13,706	521	14,972
Depreciation for the Year	76	1,950	61	2,087
Disposals/Write-back on Revaluation	0	(1,114)	0	(1,114)
Balance at 30 June 2025	**821**	**14,542**	**582**	**15,945**
Balance at 1 July 2025	821	14,542	582	15,945
Depreciation for the year	86	1,705	70	1,862
Disposals/Write-back on Revaluation	0	(2,047)	0	(2,047)
Balance at 30 June 2026	**907**	**14,201**	**653**	**15,760**
Carrying Amounts				
At 1 July 2024	2,524	9,198	138	11,861
At 30 June 2025	3,439	9,113	134	12,687
At 1 July 2025	3,439	9,113	134	12,687
At 30 June 2026	3,684	7,332	117	11,133

Security

At 30 June 2026 all properties with a carrying value of $3,684,003 (2025: $3,439,073) are subject to a registered mortgage to secure bank loans.

At 30 June 2026 no plant and equipment was subject to a registered chattel security (2025: $0). All plant & equipment is subject to a general registered debenture.

Finance Lease

Note 14 Provides further information about finance leases.

Revaluation

On 30th June 2025 the Company's land and buildings were independently valued by registered valuers, CVL (Coast Valuations Ltd). The fair value is determined based on comparable sales values to determine its fair value. The Company's land and buildings are valued every three years.

16. RECONCILIATION OF NET SURPLUS AFTER TAXATION WITH CASH INFLOW FROM OPERATING ACTIVITIES

NZ$ (000's)	2026	2025
Net Loss after Taxation	(672)	(33)
Add/(less) Non Cash Items:		
Depreciation and Amortisation	1,957	2,185
Increase/(decrease) in Provision for Doubtful Debts	65	10
Increase/(decrease) in Deferred Tax	(187)	(74)
Increase/(decrease) in Employee Entitlements (non-current)	13	(32)
Total Non-Cash Items	**1,849**	**2,089**
Add/(less) Items Classified as Investment and Financing Activities:		
Net loss (gain) on Sale of fixed assets	(205)	(175)
Total Investing and Financing Activity Items	**(205)**	**(175)**
Add/(less) Movements in Working Capital Items:		
(Decrease)/increase in Accounts Payable and Accruals	999	76
Increase/(decrease) in Employee Entitlements	(49)	353
Increase/(decrease) in Provision for Taxation	(107)	40
Decrease (Increase) in Contract Assets	(633)	201
Increase/(decrease) in Contract Liabilities	2	(48)
Increase/(decrease) in Subvention Payment Payable	(200)	0
Decrease (Increase) in Receivables and Prepayments	(852)	93
(Increase)/decrease in Inventory	(156)	(109)
(Increase)/decrease in Work in progress	34	(13)
Working Capital Movement – Net	**(962)**	**(593)**
Net Cash Inflows from Operating Activities	**10**	**2,474**

17. TRANSACTIONS WITH RELATED PARTIES

During the year the Company transacted business with businesses in which Directors or Shareholders had an interest. Details of these interests are as follows:

Director/ Shareholder	Business in which an Interest is Declared	Type of Transaction	Transaction Amount	Balance at 30 June
1 July 2025 to 30 June 2026			**(000's)**	**(000's)**
WDC	Westland District Council	Payment – Rentals & Rates	153	8
WDC	Westland District Council	Westroads Sales	10,719	913
WDC	Westland District Council	Subvention Payment	200	0
WDC	Westland District Council	LGFA Loans, Interest & Fees	0	3,753
WDC	Westland District Council	Bond Receivable	0	53
WDC	Westland District Council	Dividend	330	0
WDC	Destination Westland Ltd	Payment – Rentals	43	9
WDC	Destination Westland Ltd	Sale – Property Repairs	10	0
WDC	Destination Westland Ltd	Purchase of Property.	331	0

1 July 2024 to 30 June 2025			**(000's)**	**(000's)**
WDC	Westland District Council	Payment – Rentals & Rates	379	1
WDC	Westland District Council	Westroads Sales	11,094	889
WDC	Westland District Council	Subvention Payment	200	200
WDC	Westland District Council	LGFA Loans, Interest & Fees	0	2,426
WDC	Westland District Council	Bond Receivable	0	74
WDC	Westland District Council	Dividend	262	0
WDC	Destination Westland Ltd	Payment – Rentals	49	8
WDC	Destination Westland Ltd	Sale – Property Repairs	33	0
P M Cuff	Cuffs Ltd	Purchase – Accounting Services	4	0
P M Cuff	The Beachfront Hotel Ltd	Purchase – Accomodation	5	0
C Rea	Hokitika Automotive Ltd	Payment – Plant Materials & Service	48	4
C Rea	ChatR Communications Ltd	Payment – Plant Materials & Service	25	1
M Rogers	Men At Work Ltd	Payment – Traffic Management	22	9

All amounts billed are based on normal market rates and payable or receivable under normal payment terms and no related party debts have been written off or forgiven during the year.

Key management personnel disclosure

Reporting of Key management personnel includes the entire Senior Leadership Team, and the directors.

NZ$ (000's)	2026	2025
Key Management Personnel Compensation Comprised		
Short-Term Employee Benefits	1,605	1,657
	1,605	1,657

There are no loans to or from key management personnel.

Remuneration of Employees

Thirty-nine senior employees remuneration and benefits totalled more than $100,000, the combined total of these thirty-nine employees was $5,268,664 broken into the following bands.

Salary Range		Employees
100,000	110,000	11
110,000	120,000	9
120,000	130,000	6
130,000	140,000	2
140,000	150,000	4
150,000	160,000	1
160,000	170,000	3
170,000	180,000	3
190,000	200,000	0
200,000	210,000	1
320,000	330,000	1
		41

18. CAPITAL COMMITMENTS

At 30 June 2026, the Company had no capital commitments (2025: $30,000).

19. FINANCIAL INSTRUMENTS

The accounting policy for financial instruments has been applied to the items below:

NZ$ (000's)	2026	2025
Financial Assets at Amortised Costs		
Cash and Cash Equivalents	1,334	296
Trade Accounts Receivable	3,161	2,329
Financial Liabilities at Amortised Cost		
Trade and Other Payables	2,956	1,957
Borrowings	3,963	2,426

The amounts reported above represent the company's maximum credit exposure for each class of financial instrument. The anticipated contractual cash flows of the financial instruments are not expected to be material and are all anticipated to occur within twelve months of the balance date, except for borrowings, which are analysed in note 12.

The Company is party to financial instruments as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable and trade creditors.

The Company has a series of policies providing risk management for interest rates and the concentration of credit.

The Company is risk averse and seeks to minimise exposure from its treasury activities. Its policies do not allow any transactions which are speculative in nature to be entered into.

Interest Rate Risk

The company is exposed to fair value and cash flow interest rate risk.

Fair value interest rate risk

Fair value interest rate risk is the risk that a financial instrument will fluctuate due to changes in market interest rate. Borrowings at fixed rates expose the company to fair value interest rate risk. The company have fixed rate borrowings measured at amortised cost, with relatively short maturity periods and interest repricing schedules. The directors do not consider the fair value interest rate risk to be significant at this time

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. The company has most borrowings at variable rates. Accordingly, there is an interest rate risk at present (refer note 12.) The directors consider that this risk is balanced by the considerable benefit of the present lower floating rates.

Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no exposure to currency risk.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the company, causing the company to incur a loss. The maximum exposure to credit risk at 30 June 2026 is equal to the carrying value for cash and cash equivalents, trade and other receivables. Credit risk is managed by restricting the amount of cash and derivative financial instruments which can be placed with any one institution and these institutions are all New Zealand registered banks with at least a Standard & Poor's rating of A. As at 30 June 2026, the Company's total cash held at BNZ is $1,333,649. BNZ has a Standards and Poor's rating of AA-. (2025: $295,834).

Accordingly, the company does not require any collateral or security to support financial instruments with organisations it deals with.

The company has a credit policy in place under which customers are individually analysed for credit worthiness and assigned a purchase limit. If no external ratings are available, the Company reviews the customer's financial statements, trade references, bankers' references and/or credit agencies' reports to assess credit worthiness.

Concentrations of credit risk with respect to accounts receivable are high due to the reliance on the Westland District Council and Grey District Council for a high proportion of the Company's revenue. However, both Councils are considered high credit quality entities.

Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with its financial liabilities as they fall due. The company manages liquidity risk by maintaining adequate cash reserves, monitoring forecast and actual cash flows, actively managing trade receivables, and ensuring that sufficient funding facilities are available to meet its obligations as they fall due. The company regularly reviews its cash flow forecasts, debtor collections and funding requirements. The company expects to meet its obligations from operating cash flows, including receipts from customers, available cash reserves and committed borrowing facilities.

NZ$ (000's)	Carrying Amount	Contractual Cashflow	Less than 6 months	6-12 months	More than 1 year
Payables (excl Income in Advance, Taxes Payable and Subventions)	2,956	2,956	2,956	0	0
Secured Loans	3,963	3,941	48	94	3,799
Lease Liabilities	357	386	60	60	266
Debtors	3,227	3,227	3,227	0	0
	4,050	**4,057**	**(162)**	**154**	**4,065**

Fair Values

The estimated fair values of the financial assets and liabilities is equal to their carrying amounts are as stated in the Statement of Financial Position.

Capital Management

The Company's capital includes share capital and retained earnings.

The Company has a policy of shareholder's funds being in the ratio of 45-100% of total assets.

The Company has a policy to maintain a level of earnings before interest and tax to cover interest costs two times.

NZ$ (000's)	2026	2025
Earnings Before Interest and Tax	(673)	443
Less Finance Expense	187	224
Ratio	**-3.60**	**1.98:1**

20. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

At 30 June 2026, the Company had the following contingent liabilities:

NZ$ (000's)	2026	2025
Guarantees:		
(a) Performance Bonds in favour of Westland District Council	1,094	1,085
(b) Performance Bonds in favour of Grey District Council	395	395
(c) Mining Bonds	7	7
(d) Performance Bond in favour of Christchurch City Council	299	555
(e) Performance Bond in favour of Director General of Conservation	165	165
	1,960	**2,207**

There are no contingent assets.

Contingent Liability – Taumata Arowai Proceedings

On 31 March 2026, the Company received formal advice from the Water Services Authority – Taumata Arowai that prosecution proceedings would be brought against Westroads in relation to alleged failures to comply with its duty to supply drinking water that is safe and complies with drinking water standards.

As at balance date and the date of publication of this report, court proceedings had not commenced. The outcome of the proceedings, including any potential fine that may be imposed by the Court, remains uncertain. Consequently, no reliable estimate can currently be made of the costs of the court process or any potential fine.

The Company considers that it has sufficient insurance coverage available in relation to the matter.

21. SOCIAL REPORTING

Lost Time Injury

	2025/26	2024/25	Target
Full Days Lost due to Workplace Accidents/Incidents	159	277	0
Lost Time Injury Days as % of all days worked	0.482%	0.848%	0%
Incidents notifiable to WorkSafe NZ	0	0	0

Westroads Ltd continued to Promote Zero Harm by ensuring the following:

- Employees are trained, supervised and monitored.
- Employees are encouraged to report all incidents, accidents and near misses.
- Employees are encouraged to complete improvement forms to improve safety.
- Employees must complete a daily personal risk assessment (Take5) to identify hazards and minimise the risk on all worksites.
- Site Audits are regularly completed.
- Safety Briefs are conducted with the team every 2nd month.
- Team Annual Medical checks.
- Continuously monitoring and updating Health and Safety Systems.

Training Expenditure

	2025/26	2024/25	Target
	(000's)	(000's)	
Training Expenditure	298	258	245
Training as % of Revenue	0.972%	0.813%	0.8%

Staff Turnover

Staff turnover was at 26% (2025: 17%). 31 staff left their employment and cited the following reasons:

Of the 20 staff who left:	2025/26	%	2024/25	%
Retirement	2	6%	2	10%
Performance/Terminated	2	6%	4	20%
No Reason/Job Satisfaction/Study/More Money	19	61%	8	40%
Redundancy	8	26%	0	0%
Relocation	0	0%	3	15%
Personal/Medical	0	0%	3	15%
	31	**100%**	**20**	**100%**

Overall, there was a decrease of 5.1% in the number of jobs (2025: increase of 4.9%). As at 30 June 2026, Westroads had 117 staff employed, or 115 full time equivalent.

The average age of staff is 48 years of age (2025: 47).	2025/26	%	2024/25	%
55 Years or older	45	38%	46	37%
60 Years or older	28	24%	30	24%
65 Years or older	11	9%	12	10%

22. IMPUTATION CREDITS

NZ$ (000's)	2026	2025
Imputation Credits Available for use In Subsequent Period	2,357	2,417

Auditors Report

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Westroads Limited's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Westroads Limited (the Company). The Auditor-General has appointed me, Brendan Summerfield, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Company that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year ended on that date and the notes to the financial statements that include accounting policy information and other explanatory information on pages 22 to 48; and
- the performance information that consists of the statement of performance for the year ended 30 June 2026 on pages 47 and 48.

In our opinion:

- the financial statements of the Company present fairly, in all material respects its financial position as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with generally accepted accounting practice in accordance with New Zealand equivalents to International Financial Reporting Standards.
- the performance information accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026, and has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements and performance information

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and comply with generally accepted accounting practice in accordance with New Zealand equivalents to International Financial Reporting Standards. The Board of Directors is also responsible for preparing the performance information contained in the statement of performance of the Company in accordance with the Act.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

For the budget information reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the Company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and performance information.

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

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and performance information consisting of statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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

Other than in our capacity as auditor, we have no relationship with, or interests in, the Company or Group.



Brendan Summerfield
Ernst & Young
On behalf of the Auditor-General
Christchurch, New Zealand
25 September 2026

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Bankers: Bank of New Zealand, Cnr Mackay & Tainui Streets, Greymouth
Solicitors: Lane Neave
Company Number: 637577
Country of Incorporation: New Zealand
Insurer: AON

Westroads

RALENTIR







Westroads

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DESTINATION WESTLAND

BUILT ON CONNECTION · GROUNDED IN SOLUTIONS · FOCUSED ON COMMUNITY

DESTINATION WESTLAND LIMITED

Annual Report 2026

For the year ended 30 June 2026

ANNUAL REPORT 2026

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SECTION ONE — OUR YEAR

About Destination Westland

WHO WE ARE AT 30 JUNE 2026

OUR MISSION

We manage and develop the infrastructure our region depends on — from Hokitika Airport and Glacier Country Heliport that keep people, the economy and tourism moving, to property assets that generate sustainable revenue for the long term. As a responsible steward of public assets, we work alongside our shareholder, iwi and the communities we serve to deliver safe, practical outcomes — and to remain financially resilient so aviation and community services can thrive for generations to come.

OUR PURPOSE

To connect people, place and community — operating safe airport, heliport and property assets that serve our region, support tourism and our community, care for our environment, and create lasting value for ratepayers today and into the future.

OUR VALUES

Safety First

Not a competing priority — the foundation everything else is built on. We hold ourselves and those who work with us to the highest standards.

Solutions-Focused

We meet challenges with clarity and action, finding practical, workable answers that move things forward.

Customer-Oriented

Our stakeholders are at the centre of everything we do. We listen, we understand, and we deliver services that earn trust.

Responsive & Practical

We don't overcomplicate things. We show up, follow through, and give people straightforward answers and timely action.

Easy to Work With

Good relationships are built on good experiences — straightforward, reliable and constructive every time.

Community Connected

We are part of the fabric of this region. Our decisions reflect our responsibility to ratepayers, mana whenua and the communities who depend on us.

A SEVENTH VALUE

Thinking Beyond Aviation

A sustainable future requires more than runway revenue. We are actively exploring how our land and property assets can generate new opportunities — building the financial resilience that protects our core services and ensures we can keep delivering for our community long into the future.

WHAT WE DO

Managing core infrastructure

Developing and executing a long-term strategy to oversee and enhance Westland's critical infrastructure — the Airport, Heliport and Property portfolio.

Leveraging our assets

Generating operating profit across our focus areas by boosting aviation movements, enhancing land utilisation and fostering business growth linked to our assets.

Attracting investment

Working with government partners and private investors aligned to our core focus areas to establish sustainable, appropriate capital and infrastructure investment.

Airport · Heliport · Property

The purpose, mission and values above were adopted by the Board during the year ended 30 June 2026 and are carried into the Statement of Intent 2026–2029.



SECTION ONE — OUR YEAR

Review of the Year

BOARD REVIEW FOR THE YEAR ENDED 30 JUNE 2026

The Board of Destination Westland Limited presents its review of the Company's operations for the year ended 30 June 2026.

The year at a glance

TOTAL REVENUE & GAINS	TOTAL EXPENDITURE	DEFICIT AFTER TAX	TOTAL EQUITY
$2,763k	$2,843k	$(335)k	$16,924k
FY25: $3,093k	FY25: $2,863k	FY25: $232k	FY25: $15,489k

The result for the year reflects an income tax charge of $188,000, of which $215,000 is a non-cash deferred tax movement arising from changes in the measurement and tax base of the Company's assets, and a subvention payment of $67,000 to Westland District Council for a prior income year. Total comprehensive income of $1,435,000 includes the revaluation of land, buildings and runway.

Aviation

Regulatory certification

In November 2025 the Company completed Civil Aviation Authority recertification under Civil Aviation Rules Part 139 for both Hokitika Airport and Glacier Country Heliport. Recertification confirms that both aerodromes continue to meet the required standards for safety, operations and management systems. The Board acknowledges the operations team for the considerable work involved in preparing for and completing the process at both sites.

Hokitika Airport

AIRCRAFT MOVEMENTS	TOUCH-AND-GO CIRCUITS	AIR AMBULANCE MOVEMENTS	SCHEDULED PASSENGERS
4,937	1,457	95	34,447
FY25: 4,882 (1.1%)	FY25: 1,319 (+10.5%)	Led by the NZ Flying Doctor Service	FY25: 37,909 (-9.1%)

Hokitika Airport recorded 4,937 aircraft movements in the year ended 30 June 2026, up 1.1% on the 4,882 recorded in 2025. Movements comprised 1,674 landings, 1,806 take-offs and 1,457 touch-and-go circuits.

Air New Zealand operated 1,110 scheduled services between Hokitika and Christchurch, in line with the prior year's 1,116, and seat capacity was maintained. Passenger numbers were 34,447, down 9.1% on 2025, and the average load factor was 61% compared with 66%. April was the exception, with passengers up 9.1% on the prior year. The Company continues to work with Air New Zealand and regional partners to support demand for the service.

The airport continues to provide essential services to the region. Air ambulance operators, led by the New Zealand Flying Doctor Service, recorded 95 movements, and night movements increased to 108.

General aviation and flight training drove the growth. Touch-and-go circuits rose 10.5% and microlight movements rose 19.8%, reflecting strong activity from the Hokitika Aero Club, whose movements increased 18%, alongside visiting training organisations. More than 400 different aircraft used the airport during the year.

Glacier Country Heliport

COMMERCIAL LANDINGS	PASSENGERS CARRIED	OF THE 2018/19 PEAK	BUSIEST YEAR
12,426	50,697	78%	since 2019
FY25: 10,970 (+13.3%)	FY25: 44,656 (+13.5%)	Landings recovered	Pre-pandemic recovery continuing

Glacier Country Heliport had its busiest year since before the COVID-19 pandemic. Commercial operators recorded 12,426 landings in the year ended 30 June 2026, up 13.3% on the 10,970 recorded in 2025. They carried 50,697 passengers, up 13.5% on 44,656. Activity has now recovered to around three-quarters of the pre-pandemic peak in 2018/19, when the heliport recorded 16,031 landings and 67,876 passengers.

Summer remained the peak, with shoulder seasons also strengthening markedly. November landings were up 50% on the prior year, and May landings almost doubled, which spreads activity more evenly across the year.

Pensioner housing

The Company owns 63 pensioner housing units across seven complexes in Hokitika and Ross. Occupancy for the year was 97.5% (2025: 96.9%), with 7 tenancy changes (2025: 7) and an average re-letting period of 23 days (2025: 43). 54 of the 63 units were tenanted for the full year.

OCCUPANCY	UNITS	TENANCY CHANGES	DAYS TO RE-LET
97.5%	63	7	23
FY25: 96.9%	Seven complexes	FY25: 7	FY25: 43 days (average)

Complex	Units	Occupancy 2026	Occupancy 2025
199 Revell St	4	100.0%	87.1%
205 Revell St	6	83.3%	82.8%
97 Tancred St	10	96.2%	98.8%
84 Sewell St	22	100.0%	99.0%
26 Gibson St, Ross	4	100.0%	100.0%
123 Tudor St	9	97.6%	99.5%
68 Gibson Quay	8	99.9%	100.0%

During the year the Company formalised its oven replacement programme, moving from replacing appliances as they fail to a planned schedule across the portfolio. This sits alongside routine interior repainting and flooring replacement, and reflects a more proactive approach to maintaining the housing stock.

Hokitika Wildfoods Festival

March 2026 marked the final Hokitika Wildfoods Festival delivered by the Company on behalf of Westland District Council. The Company took on management of the festival in 2018, delivering its first event in 2019. From 1 July 2026 the festival has returned to the Council, which will deliver it in-house. The Board thanks the Council for the opportunity to manage the festival, and acknowledges the festival team, contractors, sponsors, stallholders and partners whose work has continued to make it one of the West Coast's iconic events.

The festival finished strongly. Ticket sales for 2026 were up 2.5% on 2025 and 27.8% on 2024, continuing the growth in ticket sales achieved every year under the Company's management.

The Company will continue to support the Council through the transition and wishes it every success with future festivals.

Environmental sustainability

SCOPE 1 AND 2 EMISSIONS
20.4 t
FY25: 28 t (-27%)

ELECTRICITY CONSUMED
67k kWh
FY25: 101k kWh (-34%)

FUEL USED (VOLUME)
4,926 L
FY25: 6,251 L (-21%)

NEW BASELINE YEAR
2025-26
For future reduction targets

The Company published its 2026 Greenhouse Gas Emissions Inventory for the year ended 30 June 2026, prepared in line with the Greenhouse Gas Protocol and Ministry for the Environment guidance. Total emissions across Scopes 1, 2 and 3 were 38.5 tCO2e. Scope 1 and 2 emissions fell 27% to 20.4 tCO2e (2025: 28.0 tCO2e), with electricity consumption down 34% to 66,750 kWh and fuel use down 21% by volume to 4,926 litres; the Scope 1 and 2 profile for the year was diesel transport 38.2%, purchased electricity 35.7%, petrol transport 25.3% and refrigerants and other gases 0.9%.

Total reported emissions are not directly comparable with the prior year. During the year the Company voluntarily widened its inventory to include additional Scope 3 categories reported for the first time, including purchased goods and services and upstream transportation, and business travel rose with the increased number of entertainers at the 2026 Wildfoods Festival. The transfer of the Wilderness Trail maintenance function back to Westland District Council also removed a significant source of diesel emissions from the Company's operational boundary. For these reasons the emissions baseline year has been reset to 2025-26 and a revised reduction target will be established against that baseline.

SECTION TWO — GOVERNANCE

Directors' Report

FOR THE YEAR ENDED 30 JUNE 2026

The Directors of Destination Westland Limited present the Annual Report together with the audited financial statements of the Company's operations for the year ended 30 June 2026. The Board's review of the year is set out in Section one.

Type of entity and legal basis

The Company is incorporated in New Zealand under the Companies Act 1993. The Company is wholly owned by Westland District Council and is a council-controlled organisation as defined in section 6 of the Local Government Act 2002. The Company was founded in December 2001 and commenced operation on 1 July 2002. The registered office of the Company is at Hokitika Airport, 13 Airport Drive, Hokitika.

The Company's purpose and mission

During the year the Board refreshed the Company's purpose, mission and values. These were adopted during the year and are carried into the Statement of Intent 2026–2029; they describe the Company as it stood at 30 June 2026 and are set out on the About Destination Westland page at the front of this report.

Our purpose is to connect people, place and community — operating safe airport, heliport and property assets that serve our region, support tourism and our community, care for our environment, and create lasting value for ratepayers today and into the future.

Structure of the Company's operations, including governance arrangements

The Company comprises a Board of three Directors who oversee the objectives of the Company, and a Chief Executive who is responsible for its day-to-day operations.

Principal activities

The Company's principal activities during the year were:

- Operation of the aerodrome at Hokitika Airport;
- Management of land and buildings surrounding the airport as landlord;
- Operation of the Glacier Country Heliport at Franz Josef;
- Ownership and management of the Company's property portfolio, including pensioner housing, and management of Westland District Council owned property, including baches on road reserves.

Directors' interests

Directors have had no interests in transactions with the Company during the year other than as disclosed in Note 15 to the financial statements.

There were no notices from Directors requesting to use Company information received in their capacity as Directors which would not otherwise be available to them.

Changes of Directors

G M Bishop was appointed as a Director and Chair on 1 January 2026. C G Gourley ceased as a Director on 4 March 2026. M L Tacon served as Interim Chair until the appointment of G M Bishop and continues as a Director.

Entries in the interests register

As at 30 June 2026 the Directors have declared general disclosures of interest in the following entities:

Director	Entity	Interest
G M Bishop (Chair)	Cirrus Consultancy Limited	Director / Shareholder
	Cue Energy Resources Limited	Director
	Life Flight Trust	Deputy Chair
	SRSL Assets Limited	Director
	Whanganui District Holdings Limited	Director
M L Tacon	Proprietors of Mawhera Incorporation	Committee of Management Member
P J De Goldi	Cumberland Property Group Limited	Director
	Cumberland Rural Property Limited	Director
	Fulton Hogan Limited	Shareholder
	Cylinder Beach Brewing Company Limited	Director
C G Gourley (to 4 March 2026)	Fern Energy Limited	Chief Operations Manager
	The Start Limited	Director / Shareholder
	GCF1 Limited	Director
	Grist Consulting Limited	Managing Partner
	MoneyGoRound Limited	Director
	SFT Group Holdings Limited	Chair
	Southwark Equities Limited	Director

Directors' remuneration

The Directors received the following remuneration during the year:

Director	Remuneration
G M Bishop — Chair (from 1 January 2026)	$20,000
M L Tacon — Director (Interim Chair to 31 December 2025)	$25,833
P J De Goldi — Director	$20,000
C G Gourley — Director (to 4 March 2026)	$15,000
Total	**$80,833**

Indemnity and insurance

Directors' and Officers' Liability Insurance has been arranged by the Company.

Donations

The total amount of donations made by the Company during the year is $NIL (2025: $NIL).

Auditors

The Auditor-General is appointed under section 14 of the Public Audit Act 2001 and section 70 of the Local Government Act 2002. Ernst & Young (EY) has been appointed to provide these services on behalf of the Auditor-General.

SECTION TWO — GOVERNANCE

Directors' Declaration

FOR THE YEAR ENDED 30 JUNE 2026

In the opinion of the Directors of Destination Westland Limited, the financial statements and notes on pages 14 to 29 and the statement of service performance on pages 11 to 13:

- comply with New Zealand generally accepted accounting practice and give a true and fair view of the financial position of the Company as at 30 June 2026 and the results of its operations and cash flows for the year ended on that date; and
- have been prepared using appropriate accounting policies, which have been consistently applied and supported by reasonable judgements and estimates.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate preparation of the financial statements in accordance with Tier 2 Public Benefit Entity Accounting Standards.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide reasonable assurance as to the integrity and reliability of the financial statements.

These financial statements were authorised for issue by the Board on 30 September 2026.

Signed for and on behalf of the Board

G M Bishop
Chair

Date: 30 September 2026

M L Tacon
Director

Date: 30 September 2026



SECTION THREE — PERFORMANCE

Statement of Service Performance

FOR THE YEAR ENDED 30 JUNE 2026

Destination Westland reports its performance against the measures and targets set in the Statement of Intent 2025–2028. Each measure shows the target, the result for the year and whether the target was achieved.

MEASURES REPORTED	ACHIEVED	NOT ACHIEVED	NOT MEASURED
15	10	4	1
Statement of Intent 2025–2028	Target met or exceeded	Target not met	No result for the year

Financial results

Manage financial performance to show year on year growth while maintaining a strong balance sheet

MEASURE	TARGET	RESULT 2026	OUTCOME
Interest cover	Greater than 2	**0.23x**	NOT ACHIEVED
Pre-tax return on equity	1% – 6%	**-0.5%**	NOT ACHIEVED
Net debt to EBITDA	Less than 5x	**4.52x**	ACHIEVED
Funds from operations to net debt	12% – 20%	**15.7%**	ACHIEVED

Basis of the financial measures: interest cover is earnings before interest and tax divided by interest expense, consistent with the basis used in the Statement of Intent. Pre-tax return on shareholder funds is the surplus or deficit before income tax divided by opening shareholder funds. EBITDA is the surplus or deficit before income tax plus interest expense and depreciation and impairment. Net debt is total loans less bank accounts and cash. Funds from operations is EBITDA less cash interest paid and cash income taxes paid, following S&P Global Ratings' definition; the subvention payment is a distribution to the shareholder and is not deducted. Funds from operations is measured against net debt, as specified in the Statement of Intent.

Health, safety and risk

Meet our obligations under the Civil Aviation Act and the Health and Safety at Work Act and drive safety improvements

MEASURE	TARGET	RESULT 2026	OUTCOME
CAA audit findings	Zero "major" findings	**Nil major findings**	ACHIEVED
Safety Management System	Independent review of the SMS completed	**Completed**	ACHIEVED
Notifiable incidents to WorkSafe	Zero	**Nil**	ACHIEVED
Total recordable injury frequency rate (TRIFR)	Less than 2	**Nil**	ACHIEVED
Health and safety systems and performance	Quarterly review completed	**4 of 4 reviews completed**	ACHIEVED

Communication

Maintain a high level of communication with our shareholder and tenants

MEASURE	TARGET	RESULT 2026	OUTCOME
Shareholder communication	Meet the communication requirements of the CCO committee	**Requirements met**	ACHIEVED
Independent tenant satisfaction survey	Survey completed by 30 June 2026	**Survey completed in the first week of July 2026**	NOT ACHIEVED

Environmental

Pursue sustainability initiatives that reduce our carbon footprint and waste

MEASURE	TARGET	RESULT 2026	OUTCOME
Greenhouse gas emissions (Scope 1 and 2)	Annual reduction	**20.4 tCO_2e (FY25: 28.0 tCO_2e) — a reduction of 27%**	ACHIEVED
Transition to net zero by 2050	Five-year plan prepared showing clear evidence of progress	**Plan prepared**	ACHIEVED
Waste	Annual reduction	**Not measured in FY26**	NOT MEASURED

Basis of the greenhouse gas measure: when the Statement of Intent 2025–2028 was adopted in June 2025, the Company's greenhouse gas inventory covered Scope 1 and Scope 2 emissions, and the annual reduction measure was set on that basis. Performance against the measure is reported on the same basis and covers Scope 1 and Scope 2 emissions only. During the year the Company voluntarily widened its inventory to include additional Scope 3 categories that were not reported in the prior year; Scope 3 emissions are not part of this measure and are not reported here. Scope 3 reporting is not required of the Company: the mandatory climate-related disclosures regime under the Financial Markets Conduct Act 2013 applies only to climate reporting entities, which the Company is not, and Scope 3 is optional under the Greenhouse Gas Protocol Corporate Standard that the inventory follows. The transfer of the Wilderness Trail maintenance function to Westland District Council during the year also removed a significant diesel emissions source from the Company's operational boundary, and the emissions baseline year has been reset to 2025–26, against which a revised reduction target will be established. Full details, including the Company's Scope 3 inventory, are in the 2026 Greenhouse Gas Emissions Inventory Report.

Aeronautical

Grow passenger movements at Hokitika Airport

MEASURE	TARGET	RESULT 2026	OUTCOME
Annual passenger movements (arrivals and departures at Hokitika Airport)	Increase passenger numbers by 20%	**34,447 movements, -9.1% on FY25 (37,909); target 45,491**	NOT ACHIEVED

Aeronautical activity

Scheduled air services — Hokitika Airport	FY26	FY25	Change
Passenger movements (arrivals and departures)	34,447	37,909	-9.1%
Scheduled flight movements	1,110	1,116	-0.5%
Seats offered	56,809	57,038	-0.4%
Average load factor	60.6%	66.5%	-5.9 pts

Outcome key: Achieved (green), Not achieved (red), Not measured (grey), To confirm (blue). Financial ratios are calculated from the audited financial statements; other results are to be entered from operational records.

Financial performance against the Statement of Intent

The following compares the actual financial results for the year with the prospective financial statements for 2026 included in the Statement of Intent 2025–2028.

The Statement of Intent presented the change in fair value of investment property as an item of expenditure. Following the change in presentation adopted in the 2025 audited financial statements, which was made after the Statement of Intent was published, fair value movements on investment property are presented within other gains and losses. The budget column has been re-presented on that basis: budgeted total revenue and gains and budgeted total expenses are each $40,000 lower than shown in the Statement of Intent, and the budgeted surplus before taxation is unchanged.

	Actual 2026 $000	Budget 2026 $000
Revenue		
Revenue from exchange transactions	2,552	2,278
Revenue from non-exchange transactions	268	-
Other gains/(losses)	(58)	(40)
Total revenue and gains	**2,763**	**2,238**
Expenditure		
Operating expenses	996	949
Depreciation and impairment losses	346	325
Interest costs	104	105
Service delivery costs	840	91
Occupancy costs	557	592
Total expenditure	**2,843**	**2,062**
Surplus/(deficit) before taxation	(80)	176
Taxation expense/(credit)	188	49
Subvention payment	67	-
Surplus/(deficit) after taxation	**(335)**	**127**
Other comprehensive income	1,770	324
Total comprehensive income for the year	**1,435**	**451**
Shareholder funds		
Opening shareholder funds	15,489	15,357
Total comprehensive income for the year	1,435	451
Closing shareholder funds	**16,924**	**15,808**
Financial ratios		
Pre-tax return on shareholder funds	-0.5%	1.1%
Shareholder funds to total assets	72.7%	73.6%

Opening shareholder funds and total comprehensive income agree to the statement of changes in equity and the statement of comprehensive income; closing shareholder funds agrees to the statement of financial position. The Statement of Intent published budgeted closing shareholder funds and budgeted total comprehensive income; budgeted opening shareholder funds above is the difference between the two. Budgeted opening shareholder funds differ from actual opening shareholder funds because equity at 30 June 2025 was estimated at the time the Statement of Intent was prepared.

Aeronautical assets

	Actual 2026 $000	Budget 2026 $000
Revenue from aeronautical assets	608	647
Aeronautical assets value (carrying amount at 30 June)	6,814	6,015

SECTION FOUR — FINANCIAL STATEMENTS

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2026

Revenue from Exchange Transactions

	Note	2026 $000	2025 $000
Lease Income	12	1,429	*1,385*
Services		525	*694*
Management Fees		120	*218*
Landing Fees		457	*417*
Interest Revenue		18	*41*
Bad Debt Recovered		3	*8*
Total Revenue from Exchange Transactions		**2,552**	**2,763**

Revenue from Non-Exchange Transactions

Grants		268	*242*
Total Revenue from Non-Exchange Transactions		**268**	**242**
Total Revenue		**2,820**	**3,005**

Other gains/(losses)

Fair Value movement on Investment Property	13	(40)	*89*
Gain on Disposal of Investment Property	13	1	-
Gain on Disposal of Assets		5	*1*
Loss on Disposal of Assets		(23)	*(2)*
Net other gains/(losses)		**(57)**	**88**
Total Revenue and Gains		**2,763**	**3,093**

Less Expenditure

Operating Expenses	2	996	*942*
Depreciation & Impairment Losses	10	346	*345*
Interest Expense	11	104	*172*
Service Delivery Costs		840	*861*
Occupancy Costs		557	*543*
Total Expenses		**2,843**	**2,863**
Surplus/(Deficit) before Income Tax		**(80)**	**230**
Income Tax Expense/(Credit)	3	188	*(2)*
Subvention Payment	3	67	-
Surplus/(Deficit) for the Period		**(335)**	**232**

Other Comprehensive Income

Gain on Land, Building & Runway Revaluation		2,458	-
Deferred Taxation on Revaluation		(688)	-
Total Other Comprehensive Income		**1,770**	**-**
Total Comprehensive Income		**1,435**	**232**

The above statement should be read in conjunction with the accounting policies and notes to the financial statements.

SECTION FOUR — FINANCIAL STATEMENTS

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2026

	Note	Share Capital $000	Asset Revaluation Reserve $000	Retained Earnings $000	Total $000
Balance 1 July 2025		9,130	5,583	776	15,489
Surplus/(deficit) for the period		-	-	(335)	(335)
Other comprehensive income - revaluation of land, buildings and runway		-	2,458	-	2,458
Deferred tax on revaluations		-	(688)	-	(688)
Balance 30 June 2026		**9,130**	**7,353**	**441**	**16,924**
Balance 1 July 2024		9,130	5,583	544	15,257
Surplus/(deficit) for the period		-	-	232	232
Balance 30 June 2025		**9,130**	**5,583**	**776**	**15,489**

The above statement should be read in conjunction with the accounting policies and notes to the financial statements.

SECTION FOUR — FINANCIAL STATEMENTS

Statement of Financial Position

AS AT 30 JUNE 2026

EQUITY

	Note	2026 $000	2025 $000
Share capital	4	9,130	*9,130*
Retained earnings		441	*776*
Asset revaluation reserve		7,353	*5,583*
Total Equity		**16,924**	**15,489**

represented by:

CURRENT ASSETS

Bank accounts and cash		826	*268*
Inventory		20	*17*
Prepayments		50	*45*
Debtors and other receivables - exchange transactions	5	100	*177*
Total current assets		**996**	**507**

CURRENT LIABILITIES

Bank overdraft		1	*3*
Creditors and other payables - exchange transactions		252	*211*
Employee entitlements	9	69	*76*
Loans	11	1,500	*2,500*
Bonds		37	*60*
Tax payable		36	*68*
Income in advance		37	*35*
Total current liabilities		**1,932**	**2,953**
Working capital (deficit)		**(936)**	**(2,446)**

NON-CURRENT ASSETS

Property, plant and equipment	10	21,147	*18,952*
Investment property	13	1,140	*1,505*
Total non-current assets		**22,287**	**20,457**

NON-CURRENT LIABILITIES

Loans	11	1,000	-
Deferred tax liability	3	3,427	*2,522*
Total non-current liabilities		**4,427**	**2,522**
Net Assets		**16,924**	**15,489**

The above statement should be read in conjunction with the accounting policies and notes to the financial statements.

SECTION FOUR — FINANCIAL STATEMENTS

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2026

CASH FLOWS FROM OPERATING ACTIVITIES

	Note	2026 $000	2025 $000
Receipts from exchange transactions		2,584	*2,867*
Receipts from non-exchange transactions		268	*242*
Interest received		18	*41*
Payments to suppliers and employees		(2,359)	*(2,515)*
Interest paid		(103)	*(153)*
Income taxes paid (net of refunds)		(5)	*(3)*
Subvention payment to Westland District Council		(67)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	**14**	**336**	**479**

CASH FLOWS FROM/(TO) INVESTING ACTIVITIES

Proceeds from sale of property, plant and equipment		16	*3*
Payments to acquire property, plant and equipment		(118)	*(245)*
Payments to acquire and develop investment property		-	*(21)*
Proceeds from sale of investment property		326	-
NET CASH FLOWS FROM/(TO) INVESTING ACTIVITIES		**224**	**(263)**

CASH FLOWS FROM/(TO) FINANCING ACTIVITIES

Loan advances/(repayments)		-	*(500)*
NET CASH FLOWS FROM/(TO) FINANCING ACTIVITIES		**-**	**(500)**

Net increase/(decrease) in cash for the year	**560**	*(284)*
Add opening bank accounts and cash	265	*549*
Closing bank accounts and cash	**825**	**265**

Made up of:

Bank accounts and cash	826	*268*
Bank overdraft	(1)	*(3)*
	825	**265**

The above statement should be read in conjunction with the accounting policies and notes to the financial statements.

SECTION FOUR — FINANCIAL STATEMENTS

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2026

1. Basis of Preparation and General Accounting Policies

These notes adopt an integrated format: the accounting policy relevant to each note is set out at the start of that note. Note 1 contains the basis of preparation and the policies that do not relate to a specific note. There has been no change to the accounting policies themselves.

Reporting entity

Destination Westland Limited is registered under the Companies Act 1993 and is domiciled in New Zealand. The Company is wholly owned by Westland District Council and is a council-controlled organisation as defined in section 6(1) of the Local Government Act 2002. The Company is an airport authority under the Airport Authorities Act 1966. The Civil Aviation Act 2023 took effect on 5 April 2025 and provides for airport operators to register under the new Act by 5 April 2030; until then the Company continues to operate under the Airport Authorities Act.

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

The Company is a public benefit entity for financial reporting purposes. This has been reviewed each year and confirmed again for the year ended 30 June 2026.

Statement of compliance

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. The Company 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 under Tier 2 as it is not publicly accountable and has expenses of less than $33 million.

All transactions are reported using the accrual basis of accounting. The financial statements were approved by the Board of Directors on 30 September 2026.

Going concern

The financial statements have been prepared on a going concern basis. At 30 June 2026 the Company had a working capital deficit of $936,000, reflecting $1,500,000 of loans from Westland District Council falling due within twelve months. The Directors have assessed the Company's ability to continue as a going concern, including its forecast cash flows and its funding arrangements with the Council. Westland District Council has confirmed in writing that it does not intend to require repayment of the loans within twelve months of the date these financial statements are authorised for issue, and that it will continue to provide financial support as required. On that basis the Directors consider the going concern assumption to be appropriate.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain classes of property, plant and equipment and of investment property.

Functional and presentation currency

These financial statements are presented in New Zealand dollars ($), which is the Company's functional currency. All financial information has been rounded to the nearest thousand dollars ($000).

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 are recognised in the period in which the estimate is revised and in any future periods affected. The principal areas of estimation are the fair value of investment property (Note 13), the useful lives of property, plant and equipment (Note 10) and the allowance for expected credit losses on receivables (Note 5).

Goods and services tax (GST)

All amounts are stated exclusive of GST, except for debtors and other receivables and creditors and other payables, which are stated inclusive of GST. Where GST is not recoverable as input tax it is recognised as part of the related asset or expense.

Revenue

Revenue is classified as arising from either exchange or non-exchange transactions. Exchange transactions are those in which the Company receives assets or services, or has liabilities extinguished, and directly gives approximately equal value in exchange. Revenue from exchange transactions is recognised when it is probable that the economic benefits or service potential will flow to the Company and the amount can be measured reliably. The Company's exchange revenue comprises lease income, services (management fees, landing fees and marketing revenue) and interest income.

Lease income from property is recognised on a straight-line basis over the term of the lease. Revenue from services is recognised at a point in time or over time as the Company satisfies its performance obligations. Management fees are recognised over the term of the contract and invoiced monthly. Landing fees arise when the associated aircraft takes off or lands and are payable monthly. Interest income is recognised as it is earned.

In a non-exchange transaction the Company receives value from another entity without directly giving approximately equal value in exchange. Grants are recognised as revenue when the conditions attached to the grant have been satisfied; where conditions remain unfulfilled at balance date the amount received is recognised as income in advance.

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.

Changes in accounting policies

There have been no changes in the Company's accounting policies since the date of the last audited financial statements. The presentation of the notes has been changed to the integrated format described above.

New or amended standards adopted

There are no new or amended PBE Standards that the Company was required to apply for the year ended 30 June 2026.

Standards issued and not yet effective, and not early adopted

The following standard and amendment have been issued but are not yet effective, and have not been early adopted:

2024 Omnibus Amendments to PBE Standards (amendments to PBE IPSAS 1). These amendments clarify the principles for classifying a liability as current or non-current. They are effective for the year ending 30 June 2027 and are not expected to have a significant impact on the Company's financial statements.

PBE IFRS 17 Insurance Contracts establishes principles for recognising, measuring, presenting and disclosing insurance contracts, and replaces PBE IFRS 4. It is effective for the year ending 30 June 2027. The Company has not issued insurance contracts and the standard is not expected to have any impact on the Company's financial statements.

2. From Operations - Nature of Expenses

The following items are included in the expenditure of the company:

	2026 $000	2025 $000
Audit fees to EY comprising audit of financial statements	74	*77*
Directors' fees	81	*70*
Movement in provision for doubtful debts	(1)	*(1)*
Bad debts written off	2	*6*

Personnel expenses

Wages and salaries	562	*599*
Contributions to defined contribution plans	17	*17*
Total personnel expenses	**579**	**616**

Wages and salaries include a severance payment of $8,000 (2025: nil). The payment was not made to key management personnel.

3. Income Tax

ACCOUNTING POLICY

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, calculated using tax rates that have been enacted or substantively enacted at balance date. A subvention payment made to Westland District Council in respect of a group loss offset is recognised as part of income tax expense.

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. Deferred tax is measured at the tax rates expected to apply when the asset is realised or the liability is settled. Deferred tax liabilities are 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 they can be utilised. Current and deferred tax is recognised in the surplus or deficit, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

	2026 $000	2025 $000
Surplus/(deficit) before taxation	(80)	*230*
Prima facie taxation at 28%	(22)	*64*
Plus/(less) taxation effect of permanent differences	11	*(25)*
Deferred tax on changes in measurement and tax base	355	-
Prior period adjustment - current tax of a prior year	(67)	*(41)*
Subvention payment for a prior income year	67	-
Prior period adjustment - deferred tax of a prior year	(89)	-
Income tax expense/(credit) and subvention payment	**255**	**(2)**

Income tax expense and subvention payment are represented by:

Current tax expense - current year	40	*79*
Deferred tax expense/(benefit) - current year	304	*(40)*
Prior period adjustment - current tax of a prior year	(67)	*(41)*

Subvention payment for a prior income year	67	-
Prior period adjustment - deferred tax of a prior year	(89)	-
	255	**(2)**

Deferred taxation liability/(asset)

Balance at 1 July	2,524	*2,562*
Movement recognised in surplus or deficit	215	*(40)*
Movement recognised in other comprehensive income	688	-
Balance at 30 June	**3,427**	**2,522**

Deferred tax assets and liabilities are attributable to the following:

Property, plant and equipment and investment property (liability)	3,447	*2,540*
Employee entitlements (asset)	(17)	*(15)*
Receivables impairment (asset)	(3)	*(3)*
	3,427	**2,522**

4. Share Capital

	2026	2025
Number of shares authorised and issued (fully paid, no par value)	4,000,100	*4,000,100*
Share capital ($000)	9,130	*9,130*

At 30 June 2026 the Company had authorised and issued 4,000,100 shares which are fully paid up and have no par value (2025: 4,000,100).

All shares carry equal voting rights and the right to share in any surplus on winding up of the Company. None of the shares carry fixed dividend rights.

No dividends were declared during the year ended 30 June 2026 (2025: nil).

5. Debtors and Other Receivables

ACCOUNTING POLICY

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

Receivables with a short duration are not discounted. Impairment of individually significant receivables is assessed on an instrument-by-instrument basis. Receivables which are not individually significant are assessed collectively on a portfolio basis according to the number of days overdue, taking into account historical loss experience for portfolios with a similar number of days overdue. Impairment losses directly reduce the carrying amount of receivables and are recognised in the surplus or deficit.

All trade debtors, contract receivables and related party debtors relate to exchange transactions.

	2026 $000	2025 $000
Trade debtors	35	*91*
Contract receivables	48	*59*
Related party debtors	9	*33*
Accrued revenue	5	-

	2026 $000	2025 $000
Contra accounts	13	*5*
Provision for doubtful debts	(10)	*(11)*
	100	**177**

All receivables relate to New Zealand and their status at the reporting date is as follows:

	Gross 2026 $000	Provision 2026 $000	Gross 2025 $000	Provision 2025 $000
Not past due	67	-	*143*	-
Past due 0-30 days	6	-	*20*	*1*
Past due 31-120 days	6	1	*4*	*1*
Past due 121-360 days	5	3	*7*	*1*
Past due more than 1 year	8	6	*9*	*8*
	92	**10**	**183**	**11**

Trade receivables have general payment terms of the 20th of the month following invoice.

6. Contingent Liabilities & Contingent Assets

ACCOUNTING POLICY

Contingent liabilities and contingent assets are disclosed, but not recognised, where a possible obligation or asset arises from past events whose existence will be confirmed only by the occurrence of uncertain future events not wholly within the control of the Company.

At 30 June 2026 the Company had the following contingent liabilities:

	2026 $000	2025 $000
Guarantee - bond for the mining licence for the extraction of gravel (NZPAM / Ministry of Economic Development)	10	*10*
Total contingent liabilities	**10**	**10**

The Company has no contingent assets at balance date (2025: nil).

7. Commitments

Capital commitments

The Company has no capital commitments at 30 June 2026 (2025: nil).

Other commitments

Nil (2025: nil).

Operating lease commitments are disclosed in the operating leases note.

8. Post Balance Date Events

There are no events after balance date that affect the readers of these financial statements.

9. Employee Disclosure

ACCOUNTING POLICY

Employee entitlements expected to be settled within twelve months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries

and wages accrued up to balance date and annual, lieu and alternative leave earned but not yet taken. Obligations for contributions to KiwiSaver are accounted for as a defined contribution plan and recognised as an expense when incurred.

Destination Westland has the following current employee entitlements:

	2026 $000	2025 $000
Holiday pay accrued (annual, lieu and alternative leave)	63	*68*
Wages accrued	6	*8*
Total current employee entitlements	**69**	**76**

Destination Westland has no non-current employee entitlements (2025: nil).

10. Property, Plant and Equipment

ACCOUNTING POLICY

Land improvements, buildings, runway and lighting are carried at fair value and are revalued at least every three years, or earlier if the carrying value differs materially from fair value. All other property, plant and equipment is recorded at cost less accumulated depreciation and impairment losses. Cost includes expenditure directly attributable to the acquisition of the asset; the cost of self-constructed assets includes materials, direct labour and other costs directly attributable to bringing the asset to a working condition for its intended use. Where parts of an item have different useful lives they are accounted for as separate components. The cost of replacing part of an item is capitalised if it is probable that future economic benefits will flow to the Company; day-to-day servicing costs are expensed as incurred.

Depreciation is recognised on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are:

Asset class	2026	2025
Buildings	3–50 years	3–50 years
Land improvements	3–50 years	3–50 years
Plant and equipment	1.5–25 years	1.5–25 years
Runway	10–50 years	10–50 years

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists the asset's recoverable amount, being the greater of its value in use and its fair value less costs to sell, is estimated and an impairment loss is recognised in the surplus or deficit if the carrying amount exceeds the recoverable amount.

Cost or valuation

	Land and buildings $000	Plant and equipment $000	Runways and infrastructure $000	Work in progress $000	Total $000
Balance at 1 July 2025	14,465	1,015	6,314	153	21,947
Reclassification	(66)	132	(1)	(65)	-
Additions	36	68	-	17	121
Transfers	16	(9)	-	(7)	-
Revaluation	2,124	-	334	-	2,458
Written off	-	-	-	(4)	(4)
Disposals	3	(166)	-	-	(163)
Balance at 30 June 2026	**16,578**	**1,040**	**6,647**	**94**	**24,359**

Accumulated depreciation and impairment

	Land and buildings $000	Plant and equipment $000	Runways and infrastructure $000	Work in progress $000	Total $000
Balance at 1 July 2025	1,597	616	782	-	2,995
Reclassification	(50)	50	-	-	-
Depreciation for the year	208	103	35	-	346
Disposals	3	(132)	-	-	(129)
Balance at 30 June 2026	**1,758**	**637**	**817**	**-**	**3,212**

Carrying amounts

	Land and buildings $000	Plant and equipment $000	Runways and infrastructure $000	Work in progress $000	Total $000
At 1 July 2025	**12,868**	**399**	**5,532**	**153**	**18,952**
At 30 June 2026	**14,820**	**403**	**5,830**	**94**	**21,147**

Prior year - year ended 30 June 2025

Cost or valuation

	Land and buildings $000	Plant and equipment $000	Runways and infrastructure $000	Work in progress $000	Total $000
Balance at 1 July 2024	14,465	947	6,314	1,794	23,520
Additions	116	24	-	86	226
Disposals	(48)	(24)	-	-	(72)
Balance at 30 June 2025	**14,465**	**1,015**	**6,314**	**153**	**21,947**

Accumulated depreciation and impairment

	Land and buildings $000	Plant and equipment $000	Runways and infrastructure $000	Work in progress $000	Total $000
Balance at 1 July 2024	1,388	535	747	-	2,670
Depreciation for the year	211	99	35	-	345
Disposals	(2)	(18)	-	-	(20)
Balance at 30 June 2025	**1,597**	**616**	**782**	**-**	**2,995**
Carrying amount at 30 June 2025	**12,868**	**399**	**5,532**	**153**	**18,952**

Security: at 30 June 2026 all assets are subject to a general security in favour of Westland District Council in respect of the LGFA on-lent loans (2025: registered mortgage over properties valued at $8,320,000 plus general security).

11. Loans

Loans	2026 $000	2025 $000
Term loan - WDC on-lent LGFA borrowings	2,500	*2,500*
Total loans	**2,500**	**2,500**

The term loan is split as follows	2026 $000	2025 $000
Current - WDC loan (LGFA)	1,500	*2,500*
Non-current - WDC loan (LGFA)	1,000	-
	2,500	**2,500**

Maturity analysis	2026 $000	2025 $000
Not later than 1 year	1,500	*2,500*
Later than 1 year and not later than 2 years	1,000	-
	2,500	**2,500**

Terms and conditions of loans and borrowings	Rate	Maturing	2026 $000	2025 $000
WDC LGFA loan WL1225	4.41%	15 December 2025	-	*1,000*
WDC LGFA loan WN0626	3.98%	8 June 2026	-	*1,500*
WDC LGFA loan WN2815	4.30%	15 May 2028	1,000	-
WDC LGFA loan WN4027	3.78%	7 April 2027	1,500	-
			2,500	**2,500**

Carrying value is not materially different to face value. Loans WL1225 and WN0626 matured during the year and were refinanced as WN2815 and WN4027 respectively.

Interest rate sensitivity	2026 $000	2025 $000
Effect on surplus before tax of a 1% increase in interest rates	25	*25*

Interest on the loans is accrued daily and is recognised as an expense as it accrues. Accrued interest at balance date is included in creditors and other payables.

Loan covenants

The loan agreement with Westland District Council requires the Company to meet the following financial undertakings, tested at 30 June:

	2026	2025	Required
Interest cover ratio (clause 5.1(a))	0.06	*2.09*	**2**
Equity ratio - shareholder funds to total assets (clause 5.1(b))	72.69%	*73.88%*	**45.00%**

The equity ratio undertaking was met at 30 June 2026. The Lender waived the interest cover undertaking in writing in respect of the year ended 30 June 2026.

12. Operating Leases

ACCOUNTING POLICY

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are operating leases; except for investment property, the leased assets are not recognised in the statement of financial position. Investment property held under an operating lease is recognised in the statement of financial position at its fair value. Payments made under operating leases are recognised in the surplus or deficit on a straight-line basis over the term of the lease, and lease income received as lessor is recognised on the same basis.

Operating leases as lessee

The Company has no non-cancellable operating leases as lessee at 30 June 2026 (2025: nil).

Operating leases as lessor

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	2026 $000	2025 $000
Not later than one year	135	*92*
Later than one year and not later than five years	206	*254*
Later than five years	81	*157*
Total non-cancellable operating leases	**422**	**503**

The Company leases land, buildings, the terminal area, carparks and storage units to tenants with varying terms negotiated at market rates. Significant leases include the Air New Zealand terminal lease and land leases of up to 30 years.

No contingent rents have been recognised during the period.

13. Investment Property

ACCOUNTING POLICY

Properties leased to third parties under operating leases are classified as investment property. Investment property is measured initially at cost, including transaction costs, and subsequently at fair value as determined annually by an independent valuer. Gains or losses arising from a change in fair value are recognised in the surplus or deficit.

	2026 $000	2025 $000
Opening balance 1 July	1,505	*1,395*
Additions / improvements	-	*21*
Disposals - carrying value	(325)	*-*
Fair value gains/(losses) on valuation	(40)	*89*
Balance at 30 June	**1,140**	**1,505**
Gain/(loss) on disposal recognised in surplus/deficit	1	*-*

Investment properties are valued annually effective 30 June to fair value by an independent registered valuer (Coast Valuations). The 2026 valuation resulted in a net decrease in fair value of $40,000, recognised in surplus/deficit under PBE IPSAS 16.

Investment property disposed of during the year is disclosed in the related parties note.

14. Reconciliation of Net Surplus after Taxation to Net Cash Flows from Operating Activities

	2026 $000	2025 $000
Net surplus/(deficit) after taxation	(335)	*232*
Add/(less) non-cash items:		
Depreciation and impairment losses	346	*345*
Bad debts written off	2	*6*
Increase/(decrease) in provision for doubtful debts	(1)	*(1)*
Change in fair value of investment properties	40	*-*
Work in progress written off to expense	4	*-*
Increase/(decrease) in deferred tax liability (surplus/deficit portion)	217	*(40)*
Total non-cash items	**608**	**310**
Add/(less) items classified as investing activity:		
Net loss/(gain) on sale of property, plant & equipment and investment property	18	*(1)*
Movement in capital creditors (reclassified to investing)	(3)	*(29)*
Total investing activity items	**15**	**(30)**
Add/(less) movements in working capital items:		
Increase/(decrease) in accounts payable and accruals	40	*(206)*
Increase/(decrease) in employee entitlements	(7)	*(33)*
Increase/(decrease) in income received in advance	2	*(93)*

Increase/(decrease) in bonds held	(23)	-
Increase/(decrease) in taxation payable	(32)	*34*
Decrease/(increase) in inventory	(3)	*22*
Decrease/(increase) in receivables and prepayments	71	*243*
Working capital movement - net	**48**	**(33)**
Net cash inflows from operating activities	**336**	**479**

15. Transactions with Related Parties

During the year the Company transacted with businesses in which Directors and the Shareholder had an interest. Details of these interests are as follows:

Director	Related party	Type of transaction	Transactions 2026 $000	Balance 2026 $000	Transactions 2025 $000	Balance 2025 $000
WDC	Westroads Ltd	Maintenance contracting services	11	-	*33*	-
WDC	Westroads Ltd	Royalties received	19	7	*13*	-
WDC	Westroads Ltd	Lease receipts and reimbursements	24	10	*35*	*8*
WDC	Westroads Ltd	Sale of investment property	331	-	-	-
WDC	Westland District Council	Occupancy costs and on-charges	431	128	*397*	*51*
WDC	Westland District Council	Interest on LGFA on-lent loans	104	27	*173*	*26*
WDC	Westland District Council	Sales and lease receipts	136	4	*323*	*25*
WDC	Westland District Council	LGFA on-lent loan	-	2,500	*500*	*2,500*
C Gourley [1]	Fern Energy Limited	Fuel	6	1	*12*	*1*
P J De Goldi	Fulton Hogan Limited	Runway maintenance	5	1	*7*	*1*
P J De Goldi	Fulton Hogan Limited	Sales and lease receipts	6	-	-	-
		Total	**1,073**	**2,678**	**1,493**	**2,612**

[1] C Gourley ceased as a director on 4 March 2026. Transactions with Fern Energy Limited are disclosed to that date. G M Bishop was appointed Chair on 1 January 2026; the Company had no transactions with entities in which he has an interest other than directors fees.

Key management personnel

Key management personnel of the Company comprise the Directors, the Chief Executive and the Operations Manager.

	2026 $000	2025 $000
Short-term employee benefits	288	*264*
Directors' remuneration	81	*70*
Total key management personnel compensation	**369**	**334**

There are no loans to or from key management personnel.

16. Financial Instruments

ACCOUNTING POLICY

The Company categorises its financial assets as being at amortised cost (bank accounts and cash, and debtors and other receivables) and its financial liabilities as being at amortised cost (creditors and other payables, and loans). Financial assets and liabilities are initially measured at fair value and subsequently at

amortised cost using the effective interest method, less impairment.

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 comprise cash on hand, cheque or savings accounts and call deposits held with banks. Bank overdrafts repayable on demand that 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. Loans on-lent by Westland District Council are carried at amortised cost; zero coupon loans are carried at the amount on-lent, with the discount accrued as interest over the term.

The accounting policy for financial instruments has been applied to the items below:

Financial assets at amortised cost

	2026 $000	2025 $000
Bank accounts and cash (net of overdraft)	825	*265*
Debtors and other receivables - exchange transactions	100	*177*

Financial liabilities at amortised cost

Creditors and other payables - exchange transactions	252	*211*
Loans	2,500	*2,500*

The amounts reported above represent the Company's maximum credit exposure for each class of financial instrument. The anticipated contractual cash flows of the financial instruments are not expected to be materially different from the values shown above, and are all anticipated to occur within twelve months of balance date, except loans:

Contractual cash flows of loans (undiscounted, principal and interest)

	2026 $000	2025 $000
Loan balance (carrying amount incl. accrued interest)	2,527	*2,526*
Less than 1 year	1,608	*2,604*
1 to 2 years	1,043	-
Total contractual cash flows	**2,651**	**2,604**

The Company has no significant exposure to credit risk: receivables are due largely from Westland District Council and its subsidiaries, and bank accounts and cash are held with registered banks.

Weighted average effective interest rates

	2026 %	2025 %
Bank accounts and cash	2.30%	*3.29%*
Bank overdraft *	7.85%	*8.80%*
Loans	3.99%	*4.15%*

** No interest expense was incurred on the overdraft facility during the year as the facility was not utilised (limit $5,000).*

The Directors do not consider there is any significant exposure to interest rate risk. There are no interest rate options or interest rate swap agreements in place at 30 June 2026 (2025: nil).

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Company, causing the Company to incur a loss. Financial instruments which potentially subject the Company to risk consist principally of bank accounts and cash and debtors and other receivables. Concentration of credit risk with respect to receivables is high due to the reliance on Westland District Council for a high proportion of the Company's revenue; however the Council is considered a high credit quality entity. The Company invests with high credit quality financial institutions and does not require collateral or security to support financial instruments with organisations it deals with.

Capital management

The Company's capital includes share capital and retained earnings. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company has a policy of shareholders' funds being in the ratio of 50-100% of total assets.

Shareholders' funds as a percentage of total assets at 30 June 2026: 72.7% (2025: 71.3%).

SECTION FIVE

Independent Auditor’s Report

To the readers of Destination Westland Limited’s financial statements and performance information for the year ended 30 June 2026

The report of Ernst & Young, on behalf of the Auditor-General, follows this page.

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Destination Westland Limited's financial statements and performance information for the year ended 30 June 2026

The Auditor-General is the auditor of Destination Westland Limited (the Company). The Auditor-General has appointed me, Brendan Summerfield, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and performance information on his behalf.

Opinion

We have audited:

- the financial statements of the Company that comprise the statement of financial position as at 30 June 2026, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 14 to 29; and
- the performance information that consists of the statement of service performance for the year ended 30 June 2026 on pages 11 to 13.

In our opinion:

- the financial statements of the Company present fairly, in all material respects its financial position as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with generally accepted accounting practice in accordance with Public Benefit Entity Accounting Standards Reduced Disclosure Regime.
- the performance information accurately reports, in all material respects, the Company's actual performance compared against the performance targets and other measures adopted for the year ended 30 June 2026, and has been prepared, in all material respects, in accordance with section 68 of the Local Government Act 2002 (the Act).

Basis for our opinion

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

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

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

Responsibilities of the Board of Directors for the financial statements and performance information

The Board of Directors is responsible on behalf of the Company for preparing financial statements that are fairly presented and comply with Public Benefit Entity Accounting Standards Reduced Disclosure Regime. The Board of Directors is also responsible for preparing the performance information contained in the statement of service performance of the Company in accordance with the Act.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and performance information, the Board of Directors is responsible on behalf of the Company for assessing the Company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate the Company or to cease operations, or there is no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

For the budget information reported in the financial statements and performance information, our procedures were limited to checking that the information agreed to the Company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and performance information.

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

- We identify and assess the risks of material misstatement of the financial statements and performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- We evaluate the overall presentation, structure and content of the performance information, including the disclosures, and assess whether the performance information achieves its statutory purpose of enabling the Company's readers to judge the actual performance of the Company against its objectives in its statement of intent.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and performance information consisting of statement of performance, and our auditor's report thereon.

Our opinion on the financial statements and performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

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

Other than in our capacity as auditor, we have no relationship with, or interests in, the Company.



Brendan Summerfield
Ernst & Young
On behalf of the Auditor-General
Christchurch, New Zealand
30 September 2026

DESTINATION WESTLAND

BUILT ON CONNECTION · GROUNDED IN SOLUTIONS · FOCUSED ON COMMUNITY

Hokitika Airport
13 Airport Drive
Hokitika 7810

www.destinationwestland.co.nz

Report to Council

DATE: 26 November 2026

TO: Mayor and Councillors

FROM: Chief Financial Officer

FINANCIAL PERFORMANCE – October 2026

1. Summary

1.1. The purpose of this report is to provide an indication of Council's financial performance for the month to 31 September 2026.

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 2025, which are set out in the Long-Term Plan 2025–2034.

1.4. This report concludes by recommending that Council receive the financial performance report to 31 October 2026.

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), 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. The financial performance report to 31 October 2026 is attached as **Appendix 1** and contains the following elements;

3.2.1. Financial Dashboard
3.2.2. Statement of Comprehensive Revenue and Expense
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4. Options

4.1. Option 1: That Council receives the Financial Performance Report to 31 October 2026.

4.2. Option 2: That Council does not receive the Financial Performance Report to 31 October 2026.

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 October 2026 be received.

Stephen Lewis
Chief Financial Officer

Appendix 1: Finance Performance Report for 31 October 2026

Appendix 1



Financial Performance

Year to 31 October 2026

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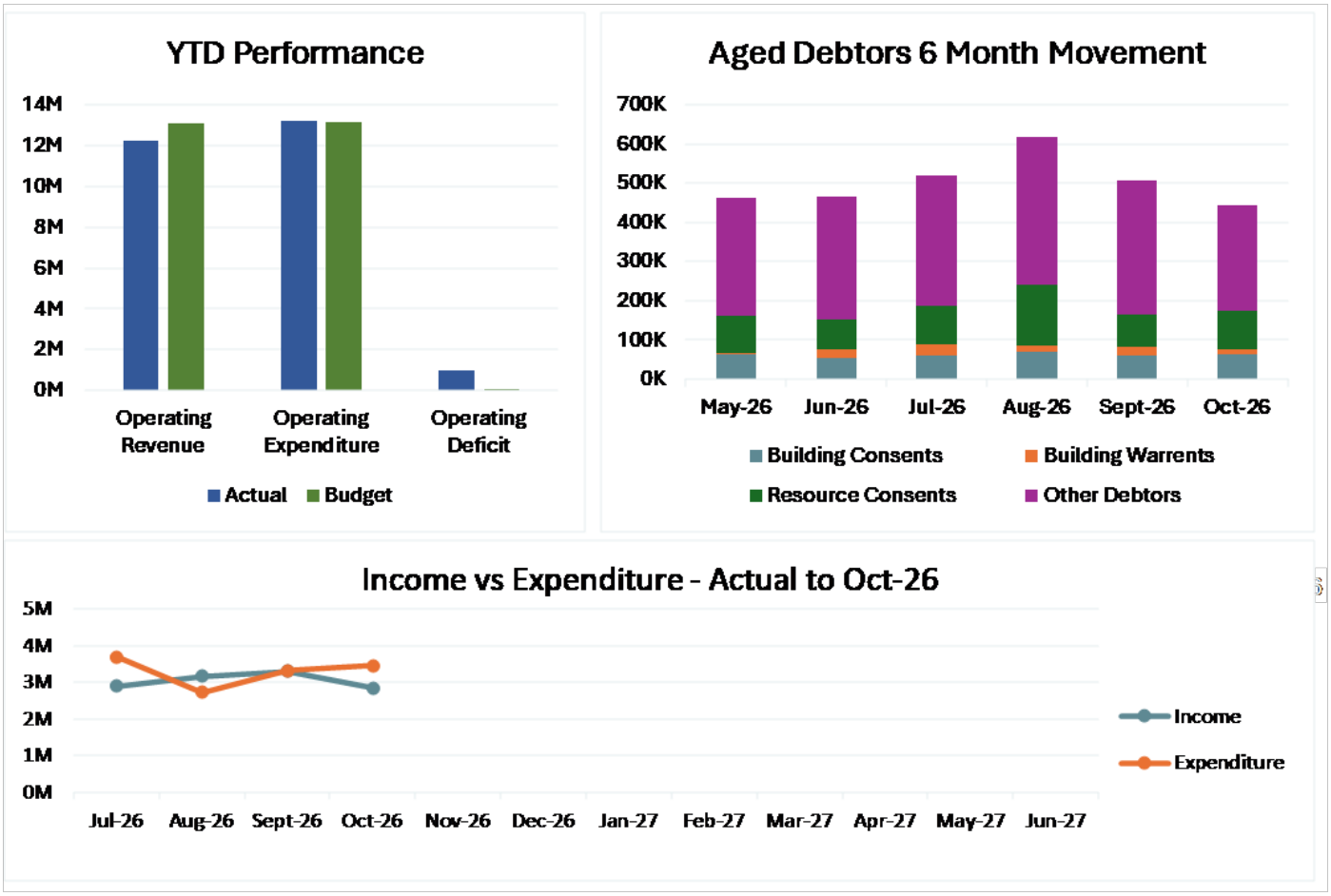
Financial Dashboard



Operating Performance	Actual YTD	Budget/Target	Status
Revenue	$12,220,908	$13,093,713	
Expenses	$13,208,728	$13,149,362	
Operating Surplus / (Deficit)	($987,819)	($55,650)	
Balanced Budget Ratio	92.5%	≥100.0%	
Rates to Operating Revenue	72.5%	68.2%	
Liquidity & Reserves			
Current Ratio	190.3%	≥100.0%	
Net Working Capital	$13,327,793	≥$0	
Cash & Equivalents	$10,067,811	Movement	
Deposits	$6,000,000	Movement	
Debt & Borrowing			
Total Gross Debt	$41,052,632	$85,600,000	
Net Debt	$24,984,821	$76,851,908	
Liquidity Risk	140.1%	≥110.0%	
Interest to Operating Revenue	3.1%	≤10.0%	
Interest to Rates Revenue	4.2%	≤15.0%	
Interest Cover Ratio	-0.7	≥2	

Statement of Comprehensive Revenue and Expenditure

	Notes	Actual YTD ($000)	YTD Budget ($000)	Variance YTD ($000)	Var/Bud %	Full Year Budget ($000)	Full Year Forecast ($000)
Revenue							
Rates	01	8,859	8,927	(69)	(1%)	27,677	27,677
Grants and subsidies	02	1,296	2,583	(1,286)	(50%)	9,241	9,241
Interest Revenue	03	208	187	21	11%	565	565
Fees and Charges	04	1,146	940	206	22%	2,796	2,796
Other Revenue	05	712	456	255	56%	1,527	1,527
Total Operating Revenue		12,221	13,094	(873)	(7%)	41,806	41,806
Expenditure							
Employee Benefit expenses	06	2,522	2,872	(351)	(12%)	8,617	8,617
Finance Costs	07	559	507	51	10%	1,522	1,522
Depreciation	08	3,644	3,644	-	0%	10,931	10,931
Other Expenses	09	6,461	6,126	335	5%	18,332	18,332
Total Operating Expenditure		13,185	13,149	35	0%	39,403	39,403
Operating Surplus/(Deficit) Excluding Hokitika Airport Project		**(964)**	**(56)**	**(908)**	**1,632%**	**2,403**	**2,403**
Hokitika Airport Project Revenue and Expense							
add Grants Revenue		-	-	-	-	14,789	16,900
less Interest Expense		(24)	-	(24)	-	-	(72)
less Vested Asset Expense		-	-	-	-	(16,829)	(16,829)
Operating Surplus/(Deficit)		**(988)**	**(56)**	**(932)**	**1,675%**	**363**	**2,403**

Notes to the Statement of Comprehensive Revenue and Expenditure

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

01 Rates

- Rates revenue is under budget due to rates write-offs exceeding budget by $77k.

02 Grants and subsidies revenue

- Transport grants claimed to date total $818k. This is under budget by $667k due to timing.
- Grant revenue from the Jackson Bay Wharf project is under budget by $452k. This is primarily a timing variance, with grant revenue expected to be recognised as claims are submitted.

03 Interest revenue

- Interest Revenue is 21k higher than budget due to higher-than-expected interest rates.

04 Fees and charges revenue

- Building consent fee revenue is higher than budget by $50k due to timing, with the majority of annual Building Warrant of Fitness renewals occurring in June and July.
- Refuse fee revenue is higher than budget by $64k, $20k of this variance is due to a one-off charge for dumping a boat wreckage at Haast Landfill. This variance is offset by a variance in refuse collection costs.
- Waste disposal levy revenue is higher than budget by $58k, partially offset by an $18k variance to budget in waste levy payments.

05 Other revenue

- Non-cash gain on swaps of $17k recognized this year (Down from $381k at September) due favourable movements in interest rates since prior year. Swaps are market driven and also move to par as they move to the maturity date.
- Recreational contributions are $50k higher than budget due to the timing of several larger contributions received during July and August.

06 Employee benefit expenses

- Variance reflects vacant positions.

07 Finance costs

- Interest expense is higher than budget, reflecting higher-than-expected interest rates.

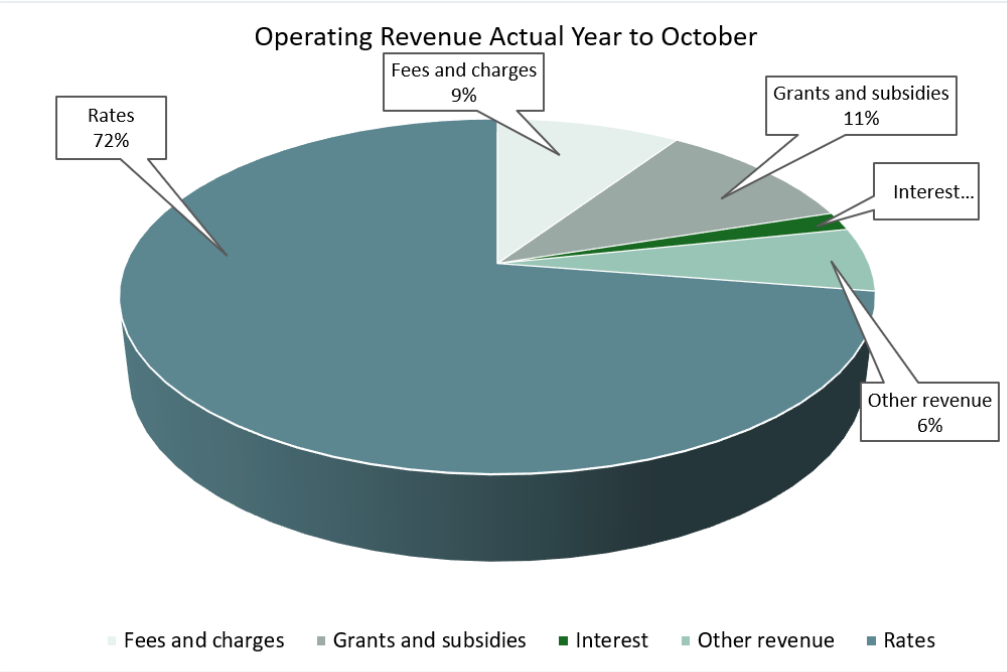
08 Depreciation expense

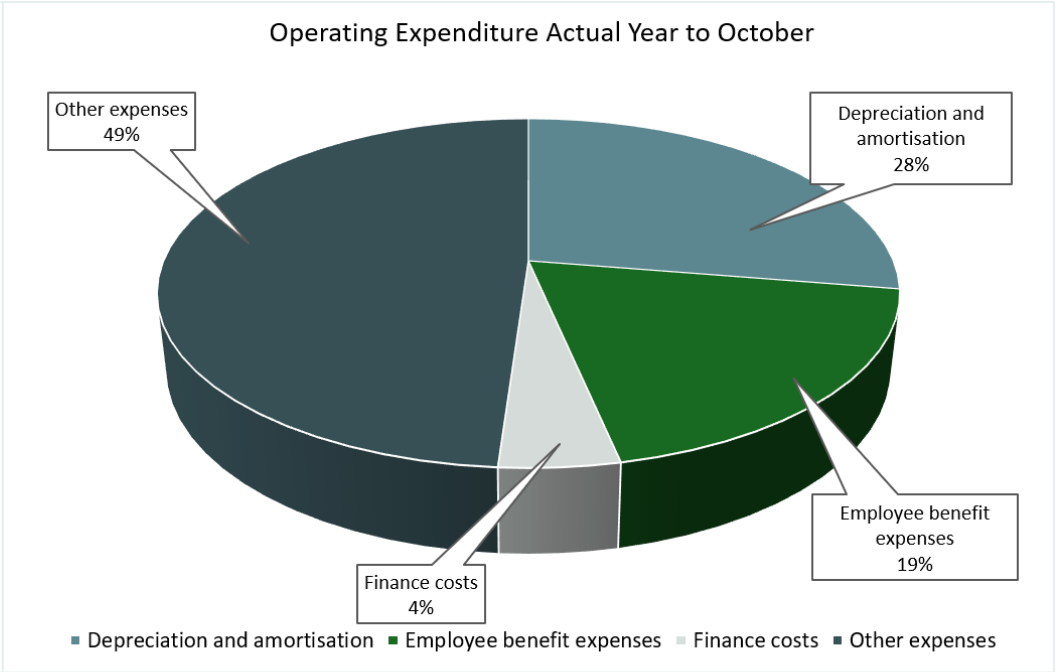
- Depreciation is accrued to budget pending the 2025/26 audit

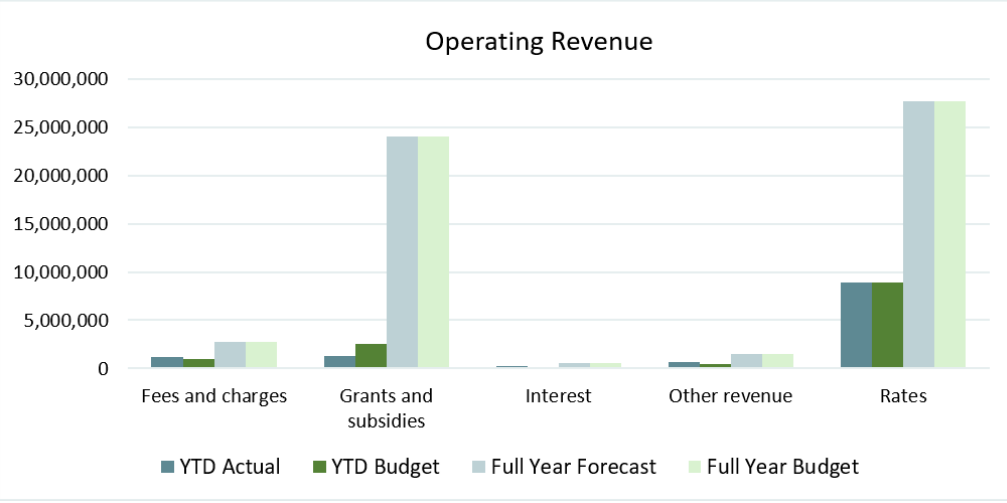
09 Other expenses

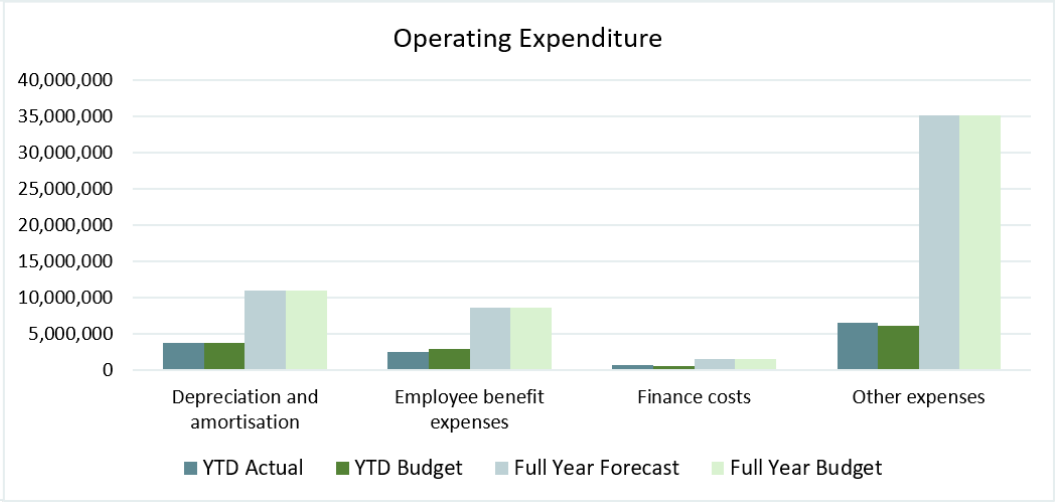
- Timing variance of $176k as Asset valuations were completed in the first months of the year as part of the annual report process.
- Expenditure on community grants for public toilet maintenance is $98k below budget, reflecting timing differences in community grant payments.
- Refuse collection costs are $112k over budget, largely due to increased contractor costs, inflationary pressures and higher waste volumes.

Revenue & Expenditure Graphs









Debtors at 31 October 2026

31/10/2026 Current Year					
Type	**Over 90 Days**	**60-90 Days**	**30-60 Days**	**Current**	**Total ($)**
Building Consents	41,845	12,516	8,153	1,674	64,188
Building Warrants	3,801	615	5,577	3,012	13,004
Resource Consents	74,886	4,136	841	17,072	96,935
Sundry Debtors	1,032,329	2,589	6,315	129,880	1,171,112
Grand Total	**1,152,860**	**19,855**	**20,885**	**151,638**	**1,345,239**

31/10/2025 Prior Year Comparison					
Type	**Over 90 Days**	**60-90 Days**	**30-60 Days**	**Current**	**Total ($)**
Building Consents	25,686	2,283	10,435	20,108	58,513
Building Warrants	1,160	5,590	2,801	2,066	11,616
Resource Consents	87,340	6,615	4,153	24,950	123,058
Sundry Debtors	88,954	12,199	60,826	110,112	272,092
Grand Total	**203,140**	**26,687**	**78,215**	**157,237**	**465,279**

Grants outstanding as at 31/10/2026		
Date Invoiced	**Project**	**Total ($)**
11/09/2026	Cycle Trail - Ross culvert bridges	121,900
19/08/2026	Hokitika Airport - Milestone 3	1,150,000
		1,271,900

Note: The Over 90 Days balance in Sundry Debtors includes $900k relating to the Racecourse land sale agreement. This is structured under a mortgage agreement where the purchase price is paid down incrementally as individual subdivided lots are sold by the developer.

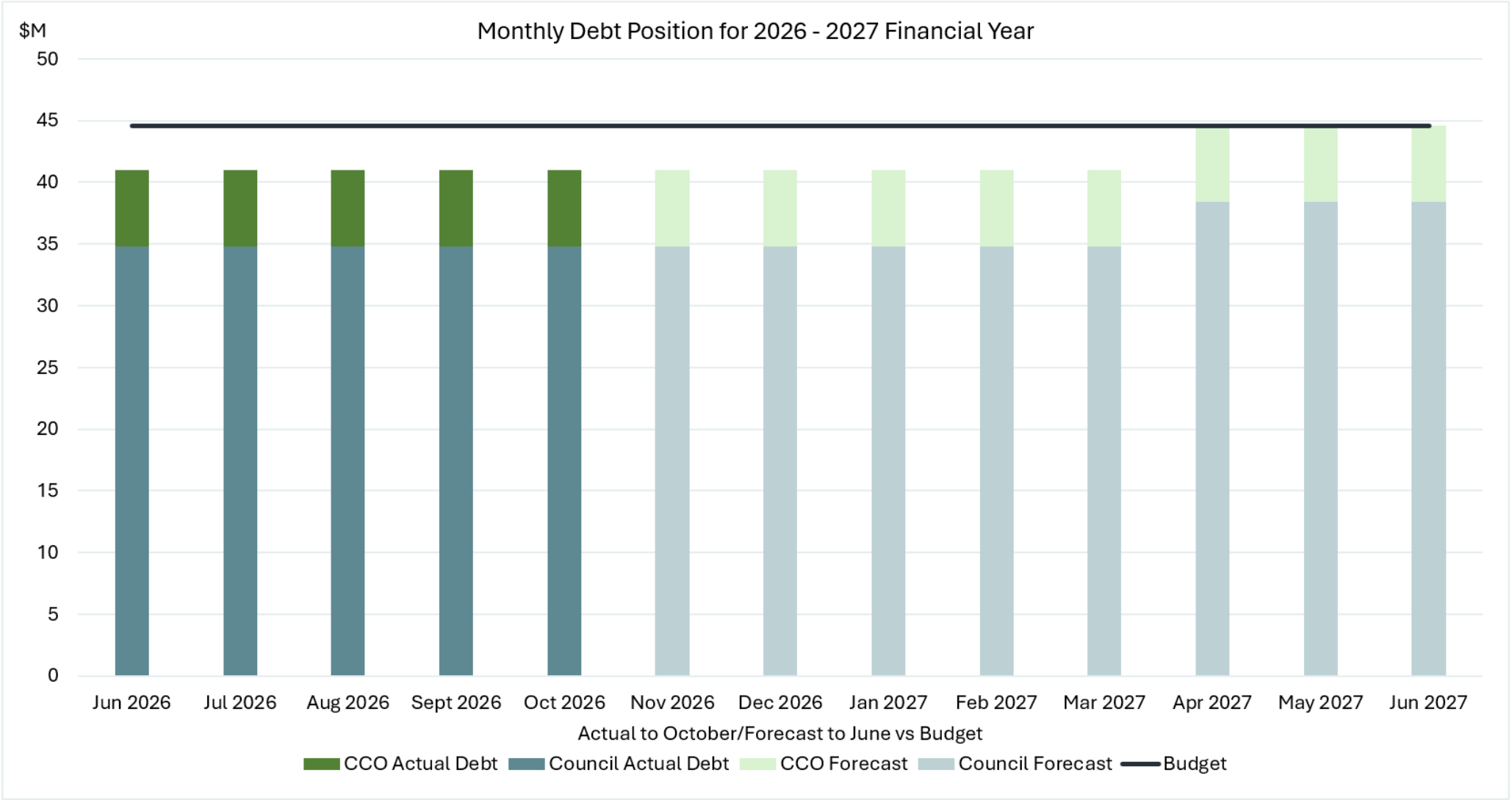
Rates Debtors at 31 October 2026

Rates Debtors at 30 September 2026		**1,045,410**
Instalment	6,957,333	
Less payments received	(1,015,948)	
Paid in advance change	(1,278,521)	
Previous years write off's	-	
Write off's	(453)	
Penalties	-	
Discounts	(310)	
Court Cost	-	
Legal Fees	6,446	
		4,668,548
Total Rates Debtors at 31 October 2026		**5,713,958**
Receivables included above at 31 October 2026	5,713,958	
Receivables at 31 October 2025	5,087,630	
Increase/(decrease) in arrears		**626,327**

	Oct 2026	**Oct 2025**
Rates Arrears %		
Average rates levied prior year ($)	23,160,227	20,320,033
Arrears balance ($)	477,213	358,724
Rates Arrears %	**2.06%**	**1.77%**

Rates arrears represent rates from previous rating years that remain unpaid. Expressing arrears as a percentage of rates levied in the preceding year provides a consistent measure of outstanding debt relative to the rates base from which the arrears primarily arise. At October 2026, arrears were 2.06% of prior-year rates levied, compared with 1.77% at October 2025, an increase of 0.29 percentage points. This measure allows comparison between years while accounting for changes in the total rates levied.

Debt Position



Capital Expenditure

Capital Projects 2025/26
As at 31/10/2026

Project / Activity	YtD Expenses ($000)	Annual Plan ($000)	Forecast ($000)
Leadership	35	2,465	2,465
Planning & Regulatory Services	1	233	233
Water Supply	453	947	947
Waste Water	181	3,167	3,167
Solid waste	38	723	723
Storm water	396	2,563	2,563
Cemeteries	0	87	87
Swimming pools	225	586	586
Facilities &Leisure Services - other	56	614	614
Parks & reserves	302	5,362	5,362
Land transportation	77	5,308	5,308
Unbudgeted capital expenditure	91	0	91
CCO Funded Project	250	14,400	14,400
Total	**2,105**	**36,455**	**36,546**

Dashboard Glossary

- **Revenue:** Total income from rates, grants, and fees etc.
- **Expenses:** Total costs to run the organisation (staff, maintenance, etc.).
- **Balanced Budget Ratio:** Measures if Council is collecting enough to cover operating costs.

$$\frac{\text{Operating Revenue}}{\text{Operating Expenses}} \times 100$$

- **Rates to Operating Revenue:** Shows how much Council's budget depends on property rates.

$$\frac{\text{Rates Revenue}}{\text{Operating Revenue}} \times 100$$

- **Current Ratio:** Measures Council's ability to pay bills due within the next year.

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$

- **Net Working Capital:** The "cash buffer" available for daily operations.

$$\text{Current Assets} - \text{Current Liabilities}$$

- **Cash & Equivalents:** Money in the bank or assets that can be turned into cash instantly.
- **Deposits:** Money held in longer-term bank accounts or term investments.
- **Total Gross Debt:** The total amount of money borrowed.
- **Net Debt:** Total debt less available liquid financial assets and investments.

$$\text{Total Gross Debt} - \text{Cash \& Equivalents}$$

- **Liquidity Risk (LGFA):** Ensures Council have enough cash/credit to cover upcoming debt payments.

$$\frac{\text{Total Gross Debt} + \text{Cash} + \text{Available Credit Lines}}{\text{Total Gross Debt}}$$

- **Interest to Operating Revenue:** How much of Council's total income is "eaten up" by interest.

$$\frac{\text{Interest Expense}}{\text{Operating Revenue}} \times 100$$

- **Interest to Rates Revenue (LGFA):** How much of the ratepayers' money goes toward interest.

$$\frac{\text{Interest Expense}}{\text{Rates Revenue}} \times 100$$

- **Interest Cover Ratio:** How many times your surplus can "cover" your interest costs.

$$\frac{\text{Operating Surplus (before interest)}}{\text{Interest Expense}} \times 100$$

- **Capital Expenditure (CAPEX):** Money spent on building or fixing long-term assets (roads, pipes).
- **Essential Services Ratio:** Compares spending on core infrastructure to how fast that infrastructure is wearing out (depreciation).

$$\frac{\text{CAPEX on Core Assets}}{\text{Depreciation on Core Assets}} \times 100$$

Report to Council

DATE: 26 November 2026

TO: Mayor and Councillors

FROM: General Manager Regulatory and Compliance

DANGEROUS, AFFECTED AND INSANITARY BUILDINGS POLICY 2026

1. Summary

The purpose of this report is for Council to consider the adoption of the Dangerous, Affected and Insanitary Buildings Policy 2026.

The matter arises from the statutory requirement to review this policy every five years, with the existing policy due for review in 2023.

This report concludes by recommending the adoption of the revised Dangerous, Affected and Insanitary Buildings Policy 2026.

2. Background

The Building Act 2004 requires each Council to have a Dangerous, Affected and Insanitary Building Policy, and that this is reviewed every five years.

The Ministry of Business, Innovation and Employment (MBIE) also update their guidance regarding the content of such policies which places greater emphasis on a risk-based approach, improved documentation of decisions, and clearer processes for engaging with building owners and occupiers.

The review also provided an opportunity to ensure consistency with national practice and improve clarity for stakeholders.

3. Current Situation

Council currently operates under an existing Dangerous, Affected and Insanitary Buildings Policy that does not reflect current legislative expectations or MBIE guidance.

While the existing policy provides a framework for identifying and managing dangerous and insanitary buildings, it does not sufficiently incorporate updated risk assessment methodologies or clearly outline how Council engages with building owners, particularly in relation to communication, timeframes, and enforcement processes.

The proposed Dangerous, Affected and Insanitary Buildings Policy 2026 was publicly notified on Council's website and in local newspapers, with submissions invited from 31 August 2026 to 2 October 2026.

Council received one submission, who did not wish to be heard and therefore no hearing is required. The submitter supported the proposed policy and recommended that it include additional matters relating to the Health Act 1956.

Matters arising under the Health Act 1956 cannot legally be incorporated into this policy, as the policy is prepared under the Building Act 2004 and must remain within the scope of that Act.

The proposed policy already provides for a coordinated approach between relevant Council departments. Where an investigation identifies matters that may fall within the responsibilities of an Environmental Health Officer (EHO), those matters will be referred to the relevant EHO for consideration and any appropriate action under the Health Act 1956.

No further amendments to the proposed policy are recommended in response to the submission.

4. Options

4.1. **Option 1**: Adopt the Dangerous, Affected and Insanitary Buildings Policy 2026.
4.2. **Option 2:** Do not adopt the Dangerous, Affected and Insanitary Buildings Policy 2026 and retain the existing policy.

5. Assessment of Options

5.1. **Option 1**

5.1.1. **Pros**

- Ensures compliance with the Building Act 2004.
- Aligns Council with MBIE guidance and national best practice.
- Introduces a robust risk assessment framework.
- Improves transparency and consistency in engagement with building owners.

5.1.2. **Cons**

- Requires staff time and resources to implement and communicate changes.
- May result in increased enforcement activity in the short term.

5.1.3. **Financial Implications**

- Minor costs associated with policy implementation, staff training, and public consultation.
- These costs are expected to be accommodated within existing operational budgets.

5.1.4. **Significance and Engagement Assessment**

- The level of significance has been assessed as being low to moderate, as the policy affects property owners and public safety but does not result in immediate financial impacts on the wider community.
- Public consultation is considered necessary as required under the Building Act 2004 when adopting or amending a Dangerous, Affected and Insanitary Buildings Policy

5.2. **Option 2**

5.2.1. **Pros**

- No immediate implementation costs.
- Minimal disruption to current processes.

5.2.2. **Cons**

- Does not meet current legislative and guidance expectations.
- Increases legal and reputational risk.
- Does not improve risk assessment or owner engagement processes.

5.2.3. **Financial Implications**

- There are no immediate financial implications; however, potential future costs may arise from non-compliance or ineffective management of dangerous buildings.

5.2.4. **Significance and Engagement Assessment**

- The level of significance has been assessed as being low to moderate, as the policy affects property owners and public safety but does not result in immediate financial impacts on the wider community.
- Public consultation is required under the Building Act 2004 when adopting or amending a Dangerous, Affected and Insanitary Buildings Policy.

6. Risk Assessment

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

Risk	Likelihood	Impact	Mitigation
Legal and compliance risk Failure to update the policy may result in non-compliance with the Building Act 2004.	Medium	medium	Adoption and implementation of this updated policy
Public safety risk An outdated policy may reduce Council's ability to effectively identify and manage dangerous or insanitary buildings.	High	High	Adoption and implementation of this updated policy
Reputational risk Council may be perceived as not following national best practice or MBIE guidance.	Low	Low	Adoption and implementation of this updated policy

7. Preferred Options and Reasons

7.1. The preferred option is Option 1.

7.2. The reason that Option 1 has been identified as the preferred option is that it ensures legislative compliance, aligns with MBIE guidance, strengthens Council's risk management approach, and provides clearer and more consistent processes for engaging with building owners.

8. Recommendations

8.1. That the report be received.

8.2. That Council receives and considers the submission made on the Dangerous, Affected and Insanitary Buildings Policy 2026.

8.3. That Council notes that matters arising under the Health Act 1956 cannot legally be incorporated into a policy made under the Building Act 2004.

8.4. That Council notes that the proposed policy provides for relevant matters identified during investigations to be referred to the appropriate health officer.

8.5. That Council adopts the Dangerous, Affected and Insanitary Buildings Policy 2026, as set out in Appendix 2, with effect from 7 December 2026

Lee Webster
General Manager – Regulatory and Compliance

Appendix 1: Te Whatu Ora submission
Appendix 2: Dangerous, Affected and Insanitary Buildings Policy 2026

30 September 2026

Westland District Council
36 Weld Street
Hokitika 7810

Tēnā koutou

Technical Advice on Westland District Council proposed Dangerous, Affected and insanitary Buildings Policy

1. This public health technical advice has been compiled by the National Public Health Service (NPHS) Te Waipounamu region, Health New Zealand – Te Whatu Ora. NPHS Te Waipounamu services the South Island including the Westland Region.

2. NPHS recognises its responsibilities to improve, promote and protect the health of people and communities of Aotearoa New Zealand under the Healthy Futures (Pae Ora) Act 2022 and the Health Act 1956.

3. The Healthy Futures (Pae Ora) Act (2022) requires the health sector to protect and promote healthy communities and health equity across different population groups by working together with multiple sectors to address the determinants of health.

4. This technical advice sets out matters of interest and concern to NPHS Te Waipounamu, and information included is based on evidence about public health and equity.

5. Health and wellbeing are influenced by a wide range of factors beyond the health sector. These factors are often referred to as the 'determinants of health', and can be described as the environmental, economic and social conditions in which people are born, grow, live, work and age.

6. The following provides comments on Council's Dangerous, Affected and Insanitary Buildings Policy and offers recommendations to strengthen the policy..

Specific Comments

7. NPHS Te Waipounamu acknowledges Council for the development and review of its Dangerous, Affected and Insanitary Buildings Policy (the Policy). Councils have an important role to play in responding to issues related to these types of buildings.

8. Living in insanitary and/or dangerous conditions has associated negative health effects. Councils have a range of legislative and regulatory tools available to them that can contribute to minimising the potential risks that insanitary and dangerous building conditions may pose to human health.

9. It is positive that Council acknowledges its obligations under the Building Act 2004 in relation to dangerous and insanitary buildings. However, there are also relevant provisions within the Health Act 1956 that may apply when considering and assessing buildings that could be deemed insanitary. The Policy refers to the Health Act only insofar as Council notes that it must separately consider its obligations under that Act to ensure all relevant public health risks and enforcement powers are appropriately assessed and applied. Beyond this reference, there is no discussion of the Health Act 1956, its statutory powers and functions, or the roles of Medical Officers of Health and Health Protection Officers, and Council's own Environmental Health Officer who would ordinarily provide specialist public health advice to a Building Control Officer where such advice is sought.

10. NPHS Te Waipounamu supports Council engaging with Fire and Emergency New Zealand (FENZ) in accordance with s121(2) of the Building Act.

Recommendations

11. NPHS Te Waipounamu recommends that the Policy includes reference to Council seeking advice from the Medical Officer of Health during the investigation process where insanitary conditions are identified or where the occupants are neglected or infirm.

12. NPHS Te Waipounamu recommends that the Policy makes specific reference to the following relevant sections of the Health Act 1956. Council's response to dangerous and insanitary buildings is intertwined with its roles in relation to sections 23, 29, 39, 41, 42, 126 and 128 of the Health Act 1956, which include specific definitions and actions associated with insanitary housing and section 126 which defines infirm and neglected persons

    a. Section 23 outlines the general powers and duties of local authorities with respect to the improvement, promotion and protection of public health. It directs them to appoint Environmental Health Officers, inspect their districts for the purposes of ascertaining any nuisances, or any conditions likely to be offensive and injurious to health. On identifying such conditions, they are to cause all proper steps to be taken to abate such nuisances or removal of the condition. In addition, local authorities are required to furnish from time to time any reports on sanitary conditions or diseases that the Medical Officer of Health may require.

    b. Section 29 of the Health Act 1956 defines the term nuisance, which may relate to overcrowding and insanitary conditions that are likely to cause injury to the health of people, and dwellings that are unfit for human habitation. Incidents of severe domestic squalor can include extremely unhygienic conditions and hoarding, where the accumulation of material has led to the living environment being unclean, insanitary, or dangerous. This section of the Health Act also applies to areas of land outside the building for the purposes of reducing harbourage for pests and accumulation on properties.

    c. Section 39 of the Health Act 1956 requires that for any person to allow a building to be used as a dwellinghouse without an adequate supply of potable water, a means of disposal of wastewater in a sanitary manner, and sufficient suitable sanitary conveniences available

for the occupants, they commit an offence.

d. Sections 41 and 42 of the Health Act 1956 detail the circumstances in which Council may issue a cleansing order or require repairs and/or issue closing orders due in part to insanitary conditions likely to cause injury to the health of any persons living there.

e. Section 126 of the Health Act 1956 refers to infirm and neglected persons. These persons are often affected by dangerous and/or insanitary buildings and living conditions. A committal order can be sought by the Medical Officer of Health if they can prove that:

   i. The person is aged or infirm; and,

   ii. Is living in an insanitary condition without proper care.

This power must be exercised with restraint. The decision is made by the District Court and the threshold to deny someone their normal freedoms is very high.

f. Nuisance conditions or substandard housing should be dealt with using the other appropriate legislative and regulatory tools available, rather than through invoking section 126.

g. Section 128 confers powers of entry on Medical Officers of Health, Health Protection Officers or any other person authorised by the Medical Officer of Health or the local authority to any dwellinghouse or building to inspect and execute any works empowered by the Act.

13. NPHS Te Waipounamu acknowledges that Council refers to environmental interventions as orders, but NPHS recommends that the Policy expands on the enforcement options that are available to Council and includes details regarding responses and actions in relation to those environmental interventions, for example the use of cleansing orders and the abatement of nuisance conditions under the Health Act 1956.

14. NPHS Te Waipounamu recommends that the role of key Council staff, such as Environmental Health Officers, be expanded on in the policy. These responsibilities may include assessing whether the building meets Building Act 2004 and Health Act 1956 requirements, acting to remedy insanitary or nuisance conditions, and referring to the Medical Officer of Health where they consider further action is necessary.

15. NPHS Te Waipounamu recommends that the Policy recognises the complex nature of people who occupy dangerous, affected or insanitary buildings and identifies how Council intends to liaise with agencies from a health perspective. A multi-agency approach has been identified as model of best practice in situations where people occupy dangerous, affected or insanitary buildings. This will usually include Council (Environmental Health Officer and Building Control staff), NPHS (Health Protection Officers and Medical Officers of Health) Fire and Emergency NZ, as well as appropriate health care providers (such as general practitioners, older

persons' health services and/or mental health services), relevant community social support services (such as Age Concern), and relevant community support organisations.

16. Council could consider setting up an interagency group to provide pathways for referral, as well as guidelines and information to ensure that the people living in severe domestic squalor are assisted in a consistent, sustainable, and efficient way. Such groups have been successful in other regions.

17. For reasons of completeness of the regulatory framework aimed at addressing public health issues in buildings used for human habitation, we believe the policy needs to reference:

    The Housing Improvement Regulations 1947
    The Healthy Homes Standards 2025

    We understand these provisions are administered by the Ministry of Business Innovation and Employment.

Conclusion

18. NPHS Te Waipounamu does not wish to be heard with respect to this technical advice.

Vince Barry
Regional Director
National Public Health Service
Te Waipounamu Region



Dr Cheryl Brunton
Medical Officer of Health
National Public Health Service
Te Waipounamu Region

Contact details

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NPHS Te Waipounamu
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Dangerous, Affected and Insanitary Building Policy

Version: 2

August 2026

DOCUMENT CONTROL

VERSION	DATE	COMMENTS
1	21/09/2006	Adoption by Council
2	24/11/2011	Adoption following policy review
3	20/10/2018	Adoption following policy review and amended as a result of special consultative procedure and the Building (Earthquake-prone Buildings) Amendment Act 2016
4		

DOCUMENT APPROVALS

	NAME	DATE
REVIEWER	Saskia Sheehan	
APPROVER	Ana Coleman	

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DRAFT POLICY

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1 Policy Context

This policy outlines how Westland District Council (WDC) will continue to fulfil its responsibilities in accordance with the requirements set out in Building Act 2004.

2 Policy Objectives

Section 131 and 132A of the Building Act 2004 requires territorial authorities to adopt a policy on dangerous, affected and insanitary buildings within their district, and to review this every five years. If amended, a copy of the new version is to be provided to MBIE as specified in Section 132(3). The requirement for this document to also include a policy on earthquake-prone buildings was removed by the Building (Earthquake-prone Buildings) Amendment Act 2016 and replaced with new national provisions now residing in Subpart 6A of the Building Act 2004.

The policy is required to state:

1. The approach that the Westland District Council will take in performing its functions under the Building Act 2004.
2. Westland District Council's priorities in performing those functions.
3. How the policy will apply to heritage buildings.

While addressing insanitary buildings under the Building Act, the council is also required to consider obligations under the Health Act, as each statute serves distinct but complementary public health purposes, and these considerations are undertaken separately to ensure all relevant risks and enforcement powers are appropriately addressed.

In developing, adopting and reviewing this policy, Westland District Council has followed the consultative procedure set out in section 83 of the Local Government Act 2002, as required by section 132 of the Building Act 2004, and has made extensive use of the guidance documents provided by the Ministry of Business, Innovation and Employment and its predecessor agencies.

3 Policy Statement

3.1 Policy Principles

Early detection and rectification of dangerous, affected, and insanitary buildings is strongly connected with the Council's aim of having a safe District. The Council acknowledges that the provisions of the Building Act 2004 (the Act) in regard to dangerous, affected, and insanitary buildings reflect the Government's broader concern with the health and safety of people who use buildings.

Section 4 of the Building Act lays down the following principles to be applied in performing functions or duties or exercising powers under the Act:

(2) In achieving the purpose of this Act, a person to whom this section applies must take into account the following principles that are relevant to the performance of functions or duties imposed, or the exercise of powers conferred, on that person by this Act:

(a) when dealing with any matter relating to 1 or more household units,—

(i) the role that household units play in the lives of the people who use them, and the importance of—

(A) the building code as it relates to household units; and

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(B) the need to ensure that household units comply with the building code:

(ii) the need to ensure that maintenance requirements of household units are reasonable:

(iii) the desirability of ensuring that owners of household units are aware of the maintenance requirements of their household units:

(b) the need to ensure that any harmful effect on human health resulting from the use of particular building methods or products or of a particular building design, or from building work, is prevented or minimized:

(c) the importance of ensuring that each building is durable for its intended use:

(d) the importance of recognizing any special traditional and cultural aspects of the intended use of a building:

(e) the costs of a building (including maintenance) over the whole of its life:

(f) the importance of standards of building design and construction in achieving compliance with the building code:

(g) the importance of allowing for continuing innovation in methods of building design and construction:

(h) the reasonable expectations of a person who is authorized by law to enter a building to undertake rescue operations or firefighting to be protected from injury or illness when doing so:

(i) the need to provide protection to limit the extent and effects of the spread of fire, particularly with regard to—

(i) household units (whether on the same land or on other property); and

(ii) other property:

(j) the need to provide for the protection of other property from physical damage resulting from the construction, use, and demolition of a building:

(k) the need to provide, both to and within buildings to which section 118 applies, facilities that ensure that reasonable and adequate provision is made for persons with disabilities to enter and carry out normal activities and processes in a building:

(l) the need to facilitate the preservation of buildings of significant cultural, historical, or heritage value:

(m) the need to facilitate the efficient use of energy and energy conservation and the use of renewable sources of energy in buildings:

(n) the need to facilitate the efficient and sustainable use in buildings of—

(i) materials (including materials that promote or support human health); and

(ii) material conservation:

(o) the need to facilitate the efficient use of water and water conservation in buildings:

(p) the need to facilitate the reduction in the generation of waste during the construction process.

(q) the need to ensure that owners, designers, builders, and building consent authorities are each accountable for their role in ensuring that—

(i) the necessary building consents and other approvals are obtained for proposed building work; and

(ii) plans and specifications are sufficient to result in building work that (if built to those plans and specifications) complies with the building code; and

(iii) building work for which a building consent is issued complies with that building consent; and

(iv) building work for which a building consent is not required complies with the building code.

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3.2 Overall Approach

Subpart six, Sections 121 to 130 of the Act provide the authority necessary for Council to take action on dangerous, affected, or insanitary buildings, and sets out how these actions are to be taken.

Council is committed to ensuring that the Westland District is a safe and healthy place to live and work while also ensuring that the District continues to develop and thrive.

The public are encouraged to discuss their development plans with Council and to obtain building consent for work Council deems to be necessary before any work commences. This aims to minimise the creation of dangerous or insanitary conditions that could be injurious to the health of occupants, or where safety risks are likely to arise from a change in the use of a building.

Council follows up on complaints from various sources and observations from council officers to identify potentially dangerous and/or insanitary buildings and will continue this approach.

The development of the New Zealand Building Code and associated standards has created, over time, an effective "raising of the bar" for the standards which buildings and Building Owners must meet. Existing buildings must be maintained appropriately in order to continue to meet such standards.

The Council is actively involved in educating the public on Building Act matters with a view to encourage owners to obtain building consent where necessary.

Westland District Council recognises that West Coasters have a range of financial circumstances and preferences as to the style and condition of buildings they want to live and work in. At the same time, the Council treats building safety as a serious matter; buildings must be safe for their intended use and for Occupiers.

Accordingly, in applying the "offensive" trigger for insanitary building classification under Section 123 of the Building Act, the Council will prioritize human health and wellbeing rather than aesthetics. A building simply looking poorly maintained might offend some people, but would not normally trigger an insanitary building classification, unlike a building that released objectionable odours or discharges. The other triggers for an insanitary building classification, ("is…likely to be injurious to health", "has insufficient or defective provisions against moisture penetration so as to cause dampness in the building…", "does not have a supply of potable water that is adequate for its intended use", or "does not have sanitary facilities that are adequate for its intended use") are less subjective than the "offensive" trigger, and it is clear how the Council will be guided by these.

Similarly, the Section 121 definition of a dangerous building is focused on avoiding injury, death or property damage - more tangible and less subjective outcomes than avoiding offence – so the Council will be clearly guided by this definition.

3.3 Definitions of Buildings Covered by the Policy

The definitions of dangerous, affected and insanitary buildings are set out in sections 121, 121A and 123 of the Building Act 2004 as follows:

s121 Meaning of dangerous building

1) A building is dangerous for the purposes of this Act if,—
   a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause—

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i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
ii) damage to other property; or

b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely.

2) For the purpose of determining whether a building is dangerous in terms of subsection (1) (b), a territorial authority—

a) may seek advice from employees, volunteers, and contractors of Fire and Emergency New Zealand who have been notified to the territorial authority by the board of Fire and Emergency New Zealand as being competent to give advice; and
b) if the advice is sought, must have due regard to the advice.

s121A Meaning of affected building

A building is an affected building for the purposes of this Act if it is adjacent to, adjoining, or nearby—

a) a dangerous building as defined in section 121; or
b) a dangerous dam within the meaning of section 153.

(Note: Dangerous dams are dealt with by Regional Councils, so are not covered by this policy.)

s123 Meaning of insanitary building

A building is insanitary for the purposes of this Act if the building—

a) is offensive or likely to be injurious to health because—
i) of how it is situated or constructed; or
ii) it is in a state of disrepair; or
b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
c) does not have a supply of potable water that is adequate for its intended use; or
d) does not have sanitary facilities that are adequate for its intended use.

3.4 Identifying Dangerous, Affected or Insanitary Buildings

The Council takes a passive approach to the issue but will actively respond to and investigate all complaints received or issues identified by staff and identify from these investigations any buildings that are dangerous, affected, or insanitary. The MBIE flowchart is attached to show the steps Council will take to assess and manage these buildings (**Appendix A**).

An authorised Council officer will assess the building to determine:

- if there has been any unauthorised building work and / or unauthorised change of use;
- the standard of maintenance of any specified systems for fire safety, water supply or other building elements that provide amenity;
- the state of repair of the building structure and services;
- the safety level of the building compared to the relevant performance criteria of the New Zealand Building Code.

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- whether any other buildings should be regarded as an affected building.

The MBIE guidance document "Steps for identifying and managing dangerous, affected and insanitary buildings" will be used for this determination process (**Appendix B**).

Council or owners may obtain expert advice where appropriate and explore options to reduce or remove the danger, or to fix the dangerous or insanitary conditions.

3.5 Interactions with Building Owners and Building Act Sections

Before exercising its powers, Council will seek to discuss options for action with owners on a mutually acceptable approach, before issuing a Notice or erecting hoardings or signs. This will lead to a formal proposal from the owners for dealing with dangerous, affected or insanitary situations, or action being taken under the Health Act 1956.

Where discussions do not yield a mutually acceptable or co-operative approach and proposal, Council will commence proceedings in accordance with Section 124 of the Act.

Where parties other than the building owner, have access to the building, Council will exercise its powers without delay in the interests of protecting the public. The owner will be kept fully informed of the process.

3.6 Assessment & Action Prioritization Criteria

The Council will assess potentially dangerous or insanitary buildings, and affected buildings, in accordance with sections 121, 121A, or 123 of the Act as appropriate and in terms of the level of risk to public health, safety or property that is presented. The Council will give priority to buildings that have been determined to present such a high level of risk as to warrant immediate action to remove the risk. In forming its views as to the work or action that is required to prevent the building from remaining dangerous, affected, or insanitary, Council will consider some or all of the following:

- the type, size and complexity of the building and location of the building in relation to other buildings, public places and hazards.
- age of the building.
- how many people spend time in or near the building.
- current and likely future use of the building.
- the expected useful life of the building and any prolongation of that life.
- reasonable practicality of any work required.
- any special historical or culture value of the building.
- the economic impact of the Policy.
- any other matters that Council considers may be relevant considering the particular set of circumstances.

Council uses a risk matrix to determine the timeframe within which the assessment will be completed. (**Appendix B**).

3.7 Investigation and Enforcement Process - Dangerous, Affected and Insanitary Buildings

In accordance with Section 124 and Section 125 of the Building Act 2004 (the Act) Council:

a) respond to and investigate all building complaints received.

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b) assess the building/s using the determination process in Appendix B.
c) may request a written report on the building from Fire and Emergency New Zealand (Whakaratonga Iwi).
d) may request reports from other parties with relevant expertise to be supplied at the owners expense.

If the building is found to be dangerous, or insanitary, Council may do any or all of the following:

a) will advise and liaise with the owner(s) of buildings once a building has been identified as dangerous, affected or insanitary as per clause 2.5 above,
b) assess the level of risk presented by the building (or, in the case of an affected building, to the building) and, if required, take immediate action.
c) put up a hoarding or fence to prevent people approaching the building.
d) attach in a prominent place, on or adjacent to, the building a notice that warns people not to approach the building.
e) attach a written notice to the building requiring work to be carried out on the building within a time stated in the notice, being not less than 10 days, to reduce or remove the danger, or prevent the building from remaining in an insanitary condition.
f) issue a notice restricting entry to the building.
g) endeavour to give copies of that notice to the building owner, occupier, and every person who has an interest in the land, or is claiming an interest in the land, as well as Heritage New Zealand, if the building is a registered heritage building.
h) contact the owner at the expiry of the time in the notice to gain access to the building to ascertain whether the notice has been complied with.
i) where the danger or insanitary condition is the result of unauthorised building work, the owner will be formally requested to provide a written explanation as to how the work occurred, who carried it out, and under whose instructions.
j) pursue enforcement action under the Act if the requirements of the notice are not met within a reasonable period of time.

If the building is considered to be of immediate danger (as defined in Section 129 of the Act), Council may:

a) by warrant, undertake any action to remove that danger, which may include prohibiting persons from using or occupying the building or demolition of all or part of the building; or fix the insanitary conditions; and
b) undertake action to recover costs from the owner(s) when Council carries out works to remove the danger; and
c) inform the owner that the amount recoverable by Council will become a charge on the land on which the building is situated.

All owners have a right of appeal as defined in the Act, which can include applying to the Ministry of Business, Innovation and Employment for a determination under Section 177(3) of the Act.

3.8 Interaction between this Policy and Related Sections of the Act

Section 41 of the Building Act 2004 provides for situations where, because of the urgency of the work to be done, it is not practical to apply for a building consent before the work is undertaken. In cases where a building is assessed as being immediately dangerous the Council may not require a building consent to be obtained for any building work considered to be immediately necessary to remove the danger. However, prior to any action being taken it is essential that building owners provide a written proposal of any proposed works to the Council.

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3.9 Acting on Affected Buildings

When a building is determined to be dangerous, Council will assess if any adjacent, adjoining, or nearby building is affected (an affected building) as defined in Section 121A of the Act.

The owner of the affected building will be provided with a copy of any notice issued for the dangerous building under Section 124(2)(b),(c) or (d) of the Act, and information relating to Council's monitoring and enforcement actions in relation to the dangerous building.

Council may at its discretion, exercise any of its powers under Section 124(2)(a), (b), or (d) in relation to the affected building.

3.10 Recording Dangerous, Affected and Insanitary Status

Council will keep a register of buildings in their district deemed dangerous, affected or insanitary.

Any buildings identified as being dangerous or insanitary will have a requisition placed on the Council's records for the property on which the building is situated until the danger or insanitary condition is remedied.

In addition, the information will be placed on any Land Information Memorandum (LIMs) and will be available for public release in accordance with the provisions of Local Government Official Information and Meetings Act 1987.

Where the status of the building could affect any proposed building work, councils should consider whether the information should be disclosed in a project information memorandum.

4 Heritage Buildings (Pohere Taonga)

Westland District Council believes it is important that its heritage buildings are maintained so they are not dangerous or insanitary, in order to protect people and retain these important connections to the District's history and unique character. However, Westland District Council does not wish to see the intrinsic heritage values of these buildings adversely affected by building work.

Heritage buildings are those listed in Council's District Plan Schedule, Marae and buildings listed in the New Zealand Heritage List / Rārangi Kōrero. The Building Act 2004 recognises that special provision shall be made for such buildings. In the implementation of procedures under the Act with regards to dangerous, affected, or insanitary buildings, Council will consider any special traditional or cultural aspects of the intended use of a building and the need to facilitate the preservation of buildings of significant cultural, historical or heritage value.

This will be achieved by:

a) recognising the range of heritage buildings that exist in the District, including the New Zealand Historic Places list and statutory protection through listing in the District Plan.
b) consultation with owners and Heritage New Zealand in relation to any proposed written notice requiring work.
c) informing and involving relevant statutory organisations, including Heritage New Zealand, with regard to any heritage building identified as at risk.
d) considering heritage values when developing and managing upgrading proposals.
e) consideration of alternative methods to avoid unnecessary demotion of heritage buildings including:
    i) partial demotion.
    ii) temporary propping/support of the structure.
    iii) hoardings to restrict access.

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iv) partial deconstruction to make safe and salvage materials.

After undertaking the actions outlined above, Council will serve notices requiring upgrading or removal within specific timeframes, in consultation with building owners.

Heritage buildings will be assessed in the same manner as other potentially dangerous or insanitary buildings (as per ss121-123 of the Act), and discussions will be entered into with the owner and Heritage New Zealand (pursuant to s125(2)(f) where the building is contained in their List) to identify a mutually acceptable way forward which meets heritage objectives and Building Act requirements included in this Policy as near as is reasonably practicable in the circumstances.

A copy of any notice issued under s124 of the Act will be sent to Heritage New Zealand in the case of all heritage buildings. Any upgrading work must consider the principles of the International Council on Monuments and Sites (ICOMOS) NZ Charter, any advice from Council's heritage staff or other heritage professionals or organizations where applicable and should be designed to involve minimal loss to heritage fabric.

5 Economic Impact of Policy

The economic impact of this policy is assessed as being minor, since there are relatively few issues arising with respect to dangerous and insanitary buildings each year.

6 Objections

In the first instance, building owners or other directly affected parties who wish to object to a building being (or not being) declared dangerous, affected or insanitary should record their objections in writing to the Council's Chief Executive Officer, who will undertake an investigation of the circumstances of the building and the reasons behind the Council's decision on the matter and arrange for the Council or an appropriate Committee to review the decision and if necessary to hear evidence from parties involved. The Council's decision will be provided by way of response to an objection.

The Council reserves the right to recover actual and reasonable costs incurred in conducting review and objection processes, in accordance with fees set from time to time.

Priority will be given to objections where the building has been declared to be of such a risk as to require immediate remedial action so that no undue delays are caused.

6.1 Determinations

Further legal remedies and application to the Ministry of Business, Innovation and Employment for a Determination are also available to Building Owners. Building owners and a variety of other interested parties can formally object to the Council's decision through the right to apply to the Chief Executive of the Ministry of Business, Innovation and Employment for a determination. Determinations can be applied for concerning the Council's decisions to issue or not issue a consent or code compliance certificate, or to exercise its powers concerning dangerous, affected or insanitary buildings. Sections 176 – 190 of the Building Act lay out the requirements for determinations.

7 Policy Review

Pursuant to section 132 of the Building Act 2004 this policy is required to be reviewed by the Council every 5 years. Any amendment or replacement of the policy must be adopted in accordance with the special consultative procedure in section 83 of the Local Government Act 2002.

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A territorial authority must, as soon as practicable after adopting or amending a policy, provide a copy of the policy to the chief executive.

A territorial authority must complete a review of a policy within 5 years after the policy is adopted and then at intervals of not more than 5 years.

A policy does not cease to have effect because it is due for review or being reviewed.

A review of this policy will take place in MONTH 2027.

7.1 Policy Review and Version History

This policy was first adopted by the Westland District Council on Thursday 21 September 2006. It was first reviewed and amended in 2011 and was adopted on 25 August 2011 for the purposes of commencing the special consultative procedure pursuant to Section 132 of the Building Act 2004. The revised Policy was adopted after amendments were made as a result of the special consultative procedure on 24 November 2011. A further review was undertaken in 2018 and a proposed revised Policy was adopted on 23 August 2018 for the purposes of commencing the special consultative procedure. The revised Policy was adopted as a result of the special consultative procedure on 25th October 2018.

The policy is due for review by 25th October 2023.

8 Questions

Any questions regarding this policy should be directed to the Building Control Manager.

9 Relevant Documents and Legislation

- Building Act 2004

10 Policy Owner

This policy is owned by the General Manager Regulatory and Compliance.

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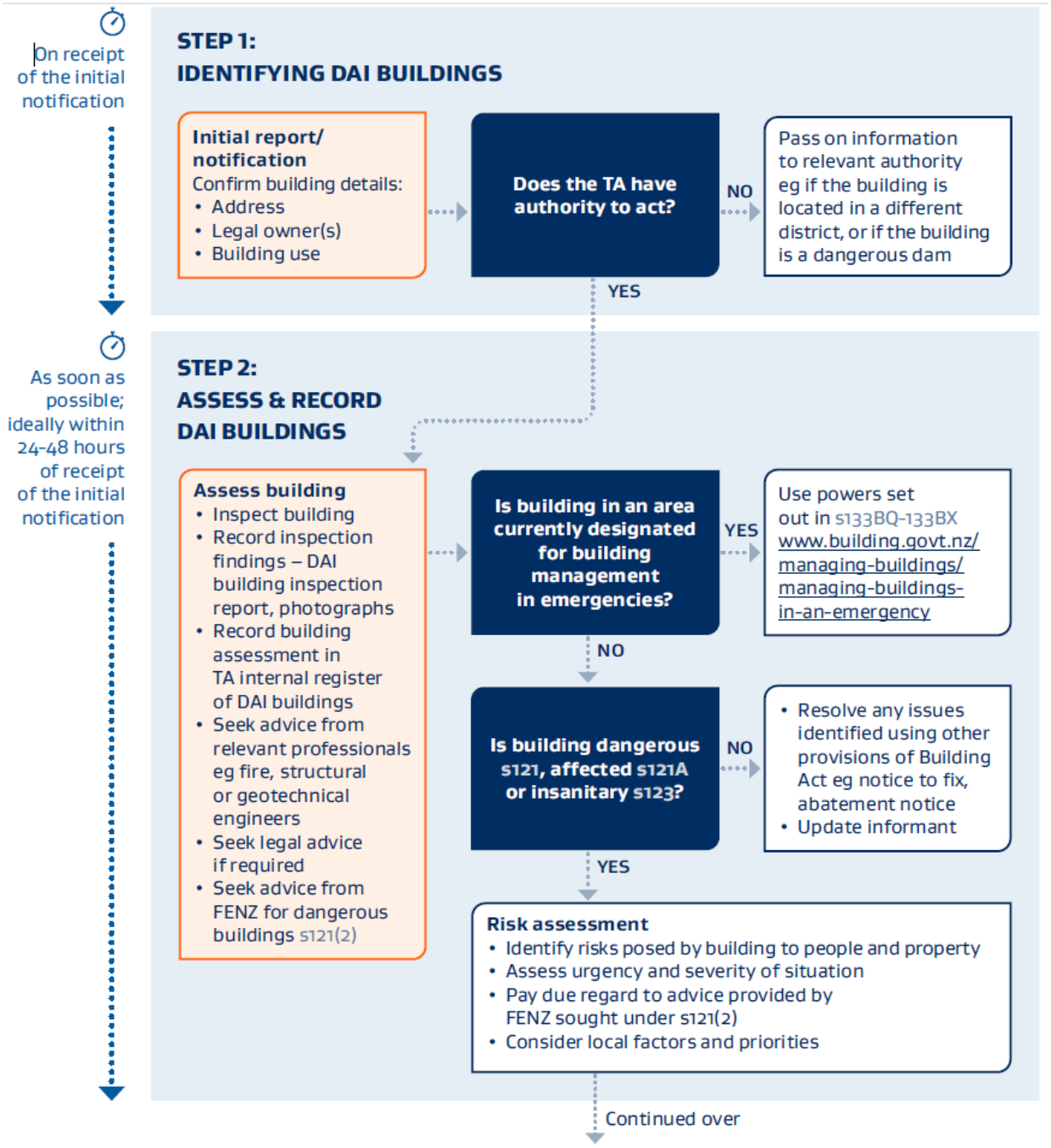
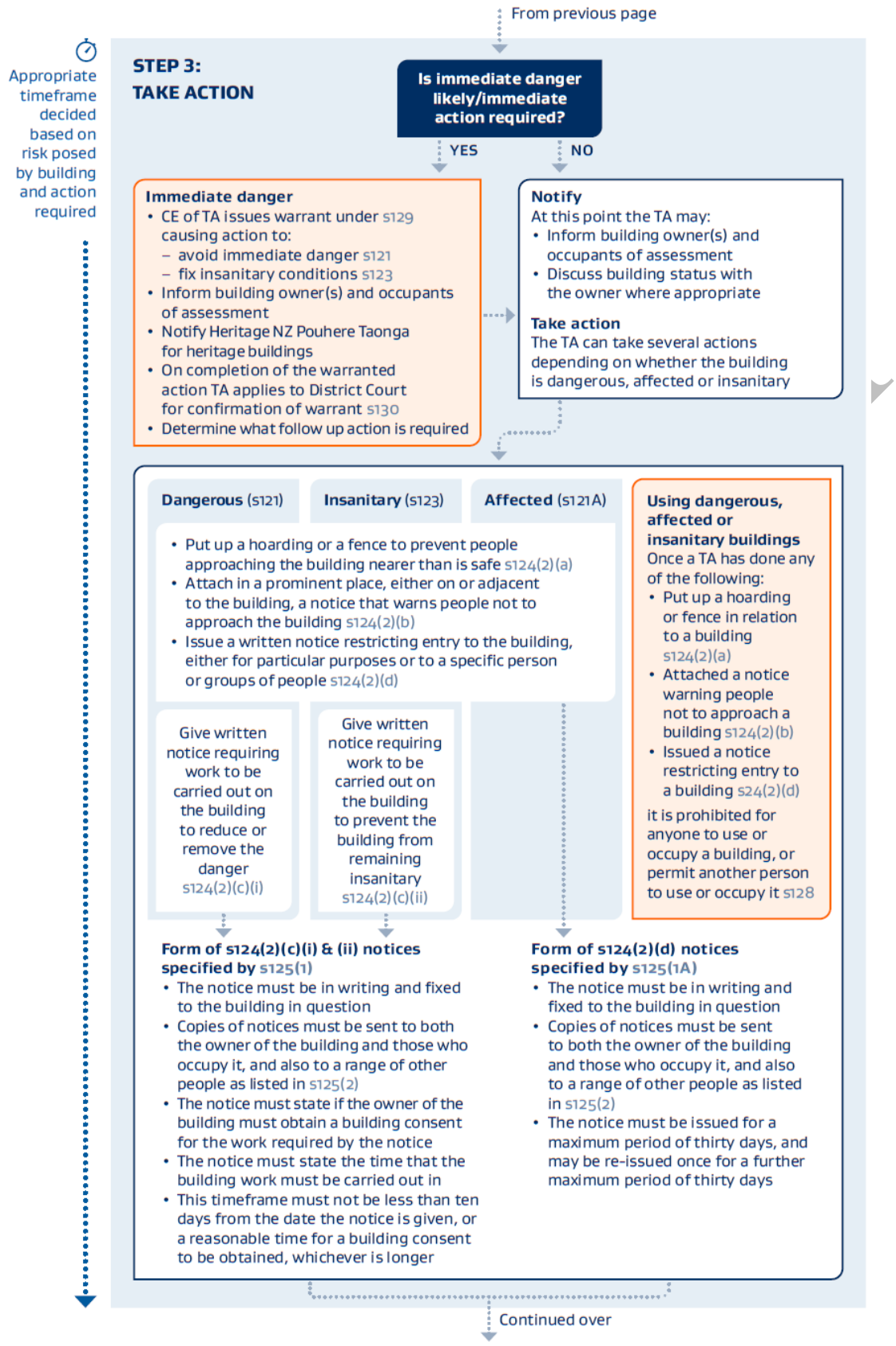
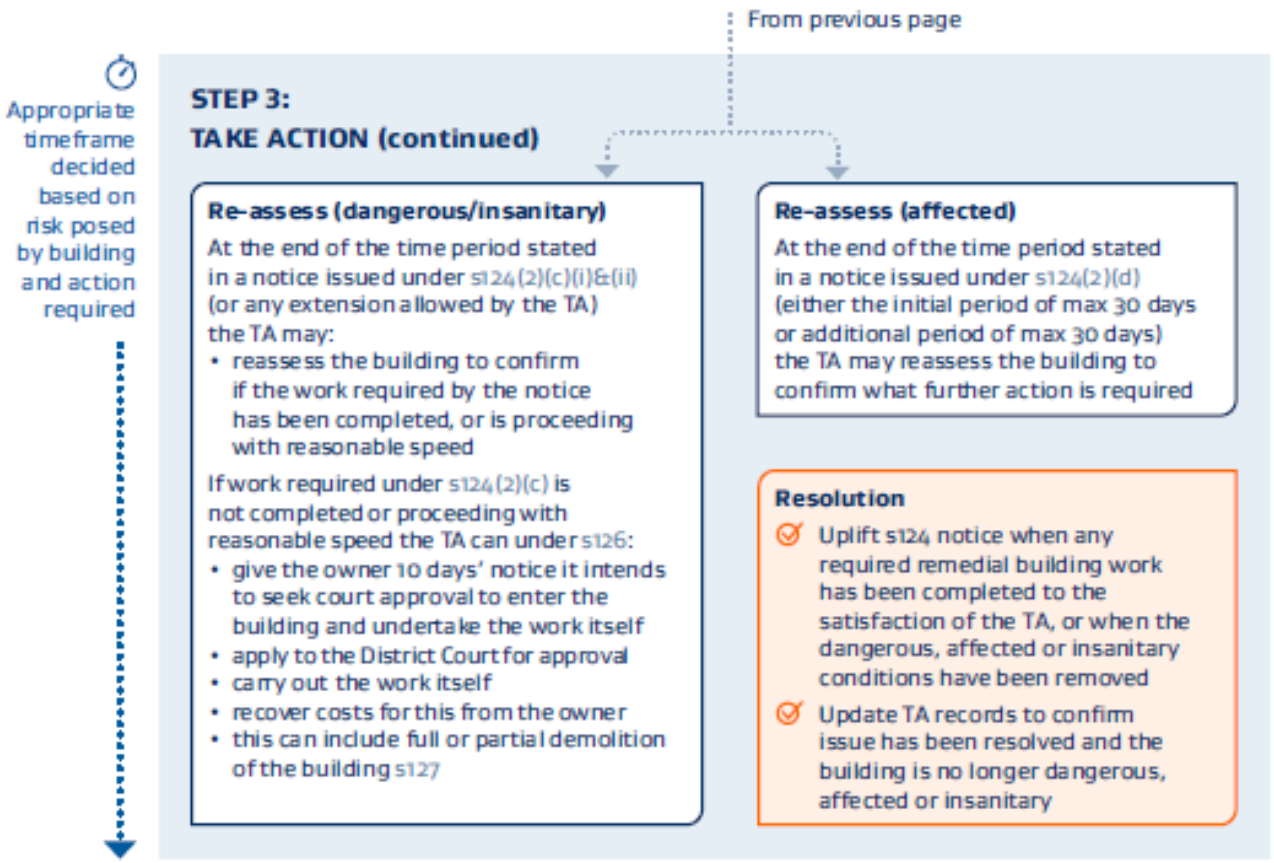
11 Appendix A: Building Performance Flowchart - Steps for Identifying and Managing DAI Buildings

This flowchart outlines the steps that councils will take when performing functions for managing a dangerous, affected or insanitary building from initial identification through to resolution.




From previous page
Appropriate timeframe decided based on risk posed by building and action required
STEP 3:
TAKE ACTION
Is immediate danger likely/immediate action required?
YES
NO
Immediate danger
• CE of TA issues warrant under s129 causing action to:
– avoid immediate danger s121
– fix insanitary conditions s123
• Inform building owner(s) and occupants of assessment
• Notify Heritage NZ Pouhere Taonga for heritage buildings
• On completion of the warranted action TA applies to District Court for confirmation of warrant s130
• Determine what follow up action is required
Notify
At this point the TA may:
• Inform building owner(s) and occupants of assessment
• Discuss building status with the owner where appropriate
Take action
The TA can take several actions depending on whether the building is dangerous, affected or insanitary
Dangerous (s121)
Insanitary (s123)
Affected (s121A)
• Put up a hoarding or a fence to prevent people approaching the building nearer than is safe s124(2)(a)
• Attach in a prominent place, either on or adjacent to the building, a notice that warns people not to approach the building s124(2)(b)
• Issue a written notice restricting entry to the building, either for particular purposes or to a specific person or groups of people s124(2)(d)
Give written notice requiring work to be carried out on the building to reduce or remove the danger s124(2)(c)(i)
Give written notice requiring work to be carried out on the building to prevent the building from remaining insanitary s124(2)(c)(ii)
Using dangerous, affected or insanitary buildings
Once a TA has done any of the following:
• Put up a hoarding or fence in relation to a building s124(2)(a)
• Attached a notice warning people not to approach a building s124(2)(b)
• Issued a notice restricting entry to a building s24(2)(d)
it is prohibited for anyone to use or occupy a building, or permit another person to use or occupy it s128
Form of s124(2)(c)(i) & (ii) notices specified by s125(1)
• The notice must be in writing and fixed to the building in question
• Copies of notices must be sent to both the owner of the building and those who occupy it, and also to a range of other people as listed in s125(2)
• The notice must state if the owner of the building must obtain a building consent for the work required by the notice
• The notice must state the time that the building work must be carried out in
• This timeframe must not be less than ten days from the date the notice is given, or a reasonable time for a building consent to be obtained, whichever is longer
Form of s124(2)(d) notices specified by s125(1A)
• The notice must be in writing and fixed to the building in question
• Copies of notices must be sent to both the owner of the building and those who occupy it, and also to a range of other people as listed in s125(2)
• The notice must be issued for a maximum period of thirty days, and may be re-issued once for a further maximum period of thirty days
Continued over



Glossary of abbreviations

Term	Explanation
DAI	Dangerous, affected and insanitary
TA	Territorial Authority
FENZ	Fire & Emergency New Zealand
CE	Chief Executive

12 Appendix B: Risk Matrix for Assessment & Action

Table 1. Definitions

	Level of risk/likelihood
Very high	Accessed daily by large groups of people (e.g. hospital, education facility, police station, prison, community centre, supermarket).
High	Accessed regularly by small groups of people (e.g. office, shops, apartment building).
Medium	Accessed daily (e.g. dwelling).
Low	Infrequent access, or exposure to hazard (e.g. detached domestic garage, workshop, sleepout).
Very low	Unlikely to be occupied, space typically used for storage only (e.g. farm shed, hay barn).
	Consequence of failure
Negligible	No injuries, no inconvenience to building users, no impact on adjacent buildings/property.
Minor	No injuries, some inconvenience to building users, likely impact on adjacent buildings/property.
Moderate	No injuries, inconvenience to building users, likely to impact on adjacent building/property.
Major	Serious injury or death (including injurious to health), evacuation or short-term sheltering may be required.
Extreme	Multiple deaths/serious injuries, failure of building likely to impact on adjacent building/property, evacuation or short/long term sheltering is required.

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Table 2. Assessment priority matrix

Risk calculator (level of risk/likelihood x consequences of failure).

Determine the level of risk/likelihood and the consequence of failure using the definitions provided in Table 1 above. Input these into the table below. **Consequence of failure**

Level of risk	**Negligible (1)**	**Minor (2)**	**Moderate (3)**	**Major (4)**	**Extreme (5)**
Very high (5)	5	10	15	20	25
High (4)	4	8	12	16	20
Medium (3)	3	6	9	12	15
Low (2)	2	4	6	8	10
Very low (1)	1	2	3	4	5

Table 3. Assessment timeframe

The score from Table 2 informs the timeframe in which initial action shall be taken.

Priority	**Score**	**Working days**
Immediate	≥15	1
High	10-+14	3
Medium	6-9	10
Low	≤5	20

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