



# AGENDA

## RĀRANGI TAKE

### NOTICE OF AN ORDINARY MEETING OF

# COUNCIL

to be held on **Thursday 23 January 2020** commencing at **1.00 pm**  
in the Council Chambers, 36 Weld Street, Hokitika

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Chairperson: His Worship the Mayor

Members: Cr Carruthers (Deputy)  
Cr Hart  
Cr Kennedy  
Cr Martin  
Kw Tumahai

Cr Davidson  
Cr Hartshorne  
Cr Keogan  
Cr Neale  
Kw Madgwick

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## **Council Vision:**

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

## **Purpose:**

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

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

### **1. NGĀ WHAKAPAAHA APOLOGIES**

### **2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST**

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

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Group Manager: Corporate Services (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.

### **3. 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.

#### **4. NGĀ MENETI O TE HUI KAUNIHĒRA MINUTES OF MEETINGS**

Minutes circulated separately

#### **5. NGĀ TĀPAETANGA PRESENTATIONS**

2.00pm – West Coast Wilderness Trail

3.00pm – Community Service Award

3.00pm – Presentations - Citizenship Ceremony

#### **6. ACTION LIST**

(Pages 5 - 7)

#### **7. PŪRONGO KAIMAHI STAFF REPORTS**

- CE Report (Pages 8 - 22)
- Quarterly Report (Pages 23 - 78)
- Franz Josef Master Plan (Pages 79 - 92)
- WHL Constitution (Pages 93 - 187)
- Council Chambers Layout (Pages 188 - 194)

#### **8. ADMINISTRATIVE RESOLUTIONS**

Warrant of Appointment – Building Control Officer

**Gavin Reginald  
John BIRD**

Warrant of  
Appointment -  
Building  
Control Officer

To act in the Westland District as:

- An Officer pursuant to Section 174 of the Local Government Act 2002
- An Authorised Officer pursuant to Section 22 of the Building Act 2004
- An Enforcement Officer pursuant to Section 371b of the Building Act 2004
- An Officer under the Westland District Council Bylaws
- An Enforcement Officer pursuant to Section 38 of the Resource Management Act 1991.

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

Nil

**DATE OF NEXT ORDINARY COUNCIL MEETING – 27 FEBRUARY 2020  
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA**

### Council Meetings - Action List

Date of Meeting	Item	Action	Completion Date/Target Date	Officer	Status
<b>28.06.18</b>	Kaniere School Students – Cycle trail	Council staff to get back to the Kaniere School Students regarding the proposal.	April 2020	DA	Council Engineers are working on a solution for road crossing near the Kaniere School. Scoping underway with Transportation Manager and plan to have concept completed to present to Kaniere School in the New Year
<b>04.04.19</b>	Speed Limits	Extension of some limits and open conversation with road users on suitable speed limits.	June 2020	DA	Council agreed to carry out a formal review on speed limits within the Westland District road network. This will involve full formal public consultation (in accordance with the timelines set in item 5.3 of the Report to Council) and the receipt and hearing of submissions prior to formally adopting any speed limit changes into the revised bylaw. Consultation to start in January 2020.
<b>18.04.19</b>	Transfer of Pensioner Housing to Destination Westland	Strategy Document to be developed with a working group.	May 2020	CE	Working with CE of DW on future pensioner housing strategy. Working group to be established under the Economic Development Committee in the new year. If assets are transferred, it would require an LTP amendment.
<b>27.06.19</b>	Manatu Whakaaetanga Partnership Agreement	Agreement has been signed by Te Rūnanga o Ngati Waewae.	Feb 2020	Mayor	Agreement to be signed by the Chair of Te Rūnanga o Makaawhio. Plans to sign the agreement yet to be confirmed
<b>27.06.19</b>	Cass Square	Working Group have met and overall concept discussed. District Assets to provide layout concept for further consideration with the Working Group.	June 2020	DA	An overarching plan is required for Cass Square. Sits within the Community work program. Any concept must now be taken into account around the future use of the Racecourse Reserve.
<b>25.07.19</b>	Haast Civil Defence and Community Development	Council resolved to release funds from the Marks Road Reserve Fund for Stage One – Purchase	May 2020	CE	Sale and purchase agreement to be resolved and working through with the party concerned.

Date of Meeting	Item	Action	Completion Date/Target Date	Officer	Status
		of Civil Defence Equipment for the Haast Community.			
25.07.19	Carnegie Building Project	The CE to seek additional external funding to minimise or eliminate the Council additional funding commitment.	Completed  On going	CE	
22.08.19	Fox Landfill	Council signed off on a staged approach and approved the short-term option to mitigate potential reputational risks to Council and environmental risks.  Council support staff in progressing their investigations into the engineering methodology, financial implications and funding mechanisms of the long-term options.	Completed  March 2020	OM	Work has been completed under budget.
28.11.19	Code of Conduct	Appointment of Independent Investigator	Dec 2020	EA	Letter to EQUIP confirming their appointment.
28.11.19	Confirmation of Appointments to Outside Organisations	Confirmation of Appointments required	Dec 2020	Community Development Advisor	Letter to Community Groups advising of appointments/liaison roles.
28.11.19	Marks Road – Sale of Land for FENZ	Special Consultative Procedure.	Feb 2020	Strategy & Communications Advisor	Undertake consultation.
28.11.19	Tohu Whenua Pou	MOU for installation and maintenance required.	March 2020	Community Development Advisor	Letter and MOU required.

Date of Meeting	Item	Action	Completion Date/Target Date	Officer	Status
28.11.19	Iwi representation around the Council table	Mayor to write to the Minister of Local Government seeking advice.	In progress	Mayor & CE	Advise sort from DIA – awaiting a response.

# Report



DATE: 23 January 2020  
TO: Mayor and Councillors  
FROM: Chief Executive

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## CHIEF EXECUTIVE'S QUARTERLY REPORT

### 1 SUMMARY

- 1.1 The purpose of this report is to:
  - 1.1.1 Provide an update on the positive aspects that are happening in the Westland District.
  - 1.1.2 Updates on any Matters of Significance & Priority.
- 1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which are set out in the Long Term Plan 2018-28.
- 1.3 This report concludes by recommending that Council receive the Chief Executive's report dated 23 January 2020.

### 2 MATTERS OF SIGNIFICANCE & PRIORITY LIST

#### 2.1 Recovery from 2-6 December 2019 Weather Event

As we all know the weather event that occurred from the 2-6 December 2019 created a significant impact on the district – both in terms of impact on livelihoods but also disruption to key infrastructure. The main arterial route down through South Westland was severed in many places and put a lot of pressure on NZTA and contractors to get this opened as quick as possible to alleviate concerns from affected businesses and allow visitors and holiday makers to lock down their travel arrangements.

Other significant issues that occurred where:

Slips at Haast pass, Knights points, numerous slips on Mt Hercules & Fox Hills

Bridges compromised XX (name bridges)

Fox Glacier lost power for 3 days



## Communication down in Fox for a number of days

- Impact on WDC assets include damage to local roads including Milltown Rd, Dorothy Falls Rd, Lake Kaniere Rd, Totara Valley Rd, One One Rd & Cron Rd in Hari Hari and Waiho Flat RD in Franz Josef,
- Fox River Landfill protection works – minor damage



- West Coast Cycleway – damage again at Milltown
- Water Plant – Fox Glacier. Required a generator to be flown in to ensure water supply.

### Actions taken following the event to date:

1. State highway 6 opened up for daylight hours prior to Christmas to allow traffic movements all the way south
2. State high opened 24/7 from 7<sup>th</sup> Jan 2020
3. An internal debrief has occurred in regards to how the Emergency Operating Centre was conducted through the event.
4. An agency debrief conducted on the 23<sup>rd</sup> Jan by an independent facilitator
5. Community debrief to be conducted with affected communities
6. A Mayoral Relief Fund opened on the 8<sup>th</sup> January for applications to come forward – applications close on the 31<sup>st</sup> January.
7. Remedial repair work for Fox River Landfill protection works completed
8. WCWT repairs completed and application made for cost recovery to MBIE.

Milltown Rd was also compromised on the 20<sup>th</sup> December with the Arahura River cutting into it. Repairs have been undertaken by Westroads.



## **2.2 Westland Racecourse**

With the successful procurement of the Westland Racing Club property we are in the process of developing and finalising a Memorandum of Understanding with the key stakeholder's prior to takeover date of the 28 Feb 2020.

Post takeover we will look to develop an overarching masterplan for the area which will be incorporated into the LTP process.

## **2.3 Franz Josef Wastewater Treatment Plant (WWTP)**

After a detailed design process, construction is progressing on the new ponds and associated infrastructure at the Franz Josef wastewater treatment plant. The upgrade includes lining of the ponds, pipework modifications including a series of manholes, a splitter chamber and pond penetrations, the installation of two pump stations and a pond influent screen to remove inorganics prior to treatment.

A variation to the resource consent was required due to a design change for the treated effluent disposal field. The new design incorporates five Rapid Infiltration Basins (RIBs) aimed at providing greater flexibility and drainage for treated effluent disposal.

The project is targeted to be physically completed by 28 March 2020. Commissioning of new equipment will be ongoing from February through March. The new ponds are expected to be fully operational in February.

Subsequent to the ponds upgrade project, the installation of new water and wastewater pipelines from the state highway to the ponds are progressing and expected to be operational by April.

#### **2.4 Hokitika Wastewater Treatment Plant**

There has been delay in the implementation of works at this site due to considerations relating to the ocean outfall option.

New perimeter fencing has been installed providing a higher level of site security. Tonkin and Taylor have submitted an issues and options report regarding upgrading the Hokitika ponds. Improvements include the ability to remove inorganics from entering the ponds via an inlet screen, desludging which will provide greater treatment capacity and reconfiguring the operation of the ponds to provide greater hydraulic residence time. Mechanical aeration is also installed.

#### **2.5 Kumara & Whataroa Water Treatment Plant (WTP) upgrades**

Both the Kumara and Whataroa Water Treatment Plants have been upgraded this year including mixed media and cartridge filtration, UV reactors and disinfection which provide multiple barriers to ensure contaminants are removed from the water supply which is a requirement to meet public health compliance. Both plants are also designed including resilience aspects and improved communication with operations.

The Kumara and Whataroa new water treatment plants are operational but in their final testing phase providing both townships with quality water that meets the NZ Drinking Water Standards.



The photo below shows the inside of the new building housing the latest technology in water treatment at Kumara.



Additional on the above – the civil contractor in charge of commissioning these two plants is well aware of the frustration within council due to the ongoing delays. There is still outstanding works to be completed and there is potential the contract will become frustrated without this work being completed. We are working close with the Project Managers to complete the project.

## 2.6 Fox WTP

The scope of works is to install a new water treatment plant at Fox Glacier due to the constraints of the existing plant and considering future tourism growth. Total estimated project cost is \$767,000 and \$468,000 were approved from TIF for this project. Project scope:

- Upgrade the access to the water intake
- A new treatment plant to meet NZ Drinking Water Standards
- Backup components
- Seismic rated building for the WTP and seismic protection of the reservoirs
- A seismic rated new shed to house a generator
- A back-up generator

Tenders for the design and build project for a new water treatment plant has been put in GETS, tenders received and evaluated. Due to the wide spread of Tenders received and the wide range of technologies suggested in light of minimal existing raw water data, it was decided to put the project on HOLD until more of this data is available.

Subsequently, further instruments have been purchased and installed for the data collection; this is still ongoing and estimated to take a further 3 – 4 months.

This information will then be presented to the Tenderers for review of their Tenders before a Contract will be awarded.

The new pipeline between the treatment plant and township was successfully completed.

## **2.7 Arahura Water Supply**

The scope of works is to install a new water treatment plant at Arahura for the township with a connection to the Marae due to the constraints of the existing plant. Total estimated project cost is \$347,000. Project scope:

- Pipeline from the WTP to the existing water storage reservoirs
- A new treatment plant to meet NZ Drinking Water Standards
- Backup components
- Seismic rated building for the WTP and seismic protection of the reservoirs
- A seismic rated new shed to house a generator
- A back-up generator

A resource Consent was granted for the new bore, further raw water samples obtained and the Tender document is currently being reviewed internally and with the external Engineer to Contract. It is expected to be on GETS in February 2020.

In parallel to this work, easements are being obtained for the land required to be used. Communication and gaining agreement with local Iwi and adjoining property trust is proving problematic.

## **2.8 Tourism Infrastructure Funding (TIF) applications**

### **Sunset Point**

Prices have been received to complete the new car parking, kerb, channelling, and access road. Resource and Building consents for the toilet installation will be lodged this week. Fill will continue to be received at the point under our resource consent filling out the basic dune shaping.

### **Haast toilets**

The Haast toilets have been completed and are operating. The MBIE claim has been completed and received. There are a few small issues to deal with and these will be addressed in conjunction with the roading team as resources are available.

### **Ross, Whataroa and Kumara Toilets**

Ross toilet is scheduled for completion by 17 Jan and the local I-site have agreed to take on the cleaning contract.

Whataroa toilets installation starts 17 Jan and temp toilets will be in place while the new facility is being installed.

Kumara toilets have yet to confirm an install date but we are working to have these installed shortly after Whataroa subject to building consent.

### **Haast Water Storage**

To purchase, replace and install a new water reservoir at Haast for the town water supply. The current tank is well past its serviceable life span and is leaking. This will provide potable water for the township permanent residents and for the increasing tourism visitors. Total project cost \$197,000 and requesting \$122,000.

A detailed cost comparison is being obtained at the moment and the most effective supplier will be selected in early 2020 for the completion of the project. The scope of works include:

- Preparation of a suitable area for the new tank
- Geo-technical study and design of the foundation for the tank
- Design, construct and commissioning of a new water reservoir

The existing burst control valve shall be re-utilised.

### **Hokitika & Franz Josef Campervan Dump Station Upgrades**

Funding has been approved to install a new campervan dump station at Franz Josef and upgrade the dump station facility at Hokitika. The total budget for the projects is \$169,000 of which \$102,000 has been funded. This has the support from NZMCA who are contributing \$5,000 towards the project.

Also approved in the last round of funding is the upgrade to the Franz Josef wastewater pumping station to meet the needs of tourism growth. Project budget is \$195,000 of which \$128,000 is MBIE funded.

Both projects are in the planning phase.

## **2.9 Responsible Camping Initiatives**

The new season for the responsible campers arrived with central government support for operational costs which covers reinstallation and removal post season of toilets and bins as required, servicing of sites, compliance officer costs and any additional signage and educational print material Total budget for 2019/20 season is \$401,000 which is %100 cover by MBIE.



Following discussion with MBIE an initiative was put in place to trial a Council / Private partnership for the provision of Responsible Camping Sites in Westland. Sites have been established at Tree Tops and Kokatahi with facilities (rubbish bin and toilets) provided by Council. While Council remains responsible for the servicing and maintenance of provided facilities, as they do at any other responsible camping sites, the management of campers is the responsibility of the land owner. A new toilet block is also proposed for Paringa.



New toilet block at Kokatahi.

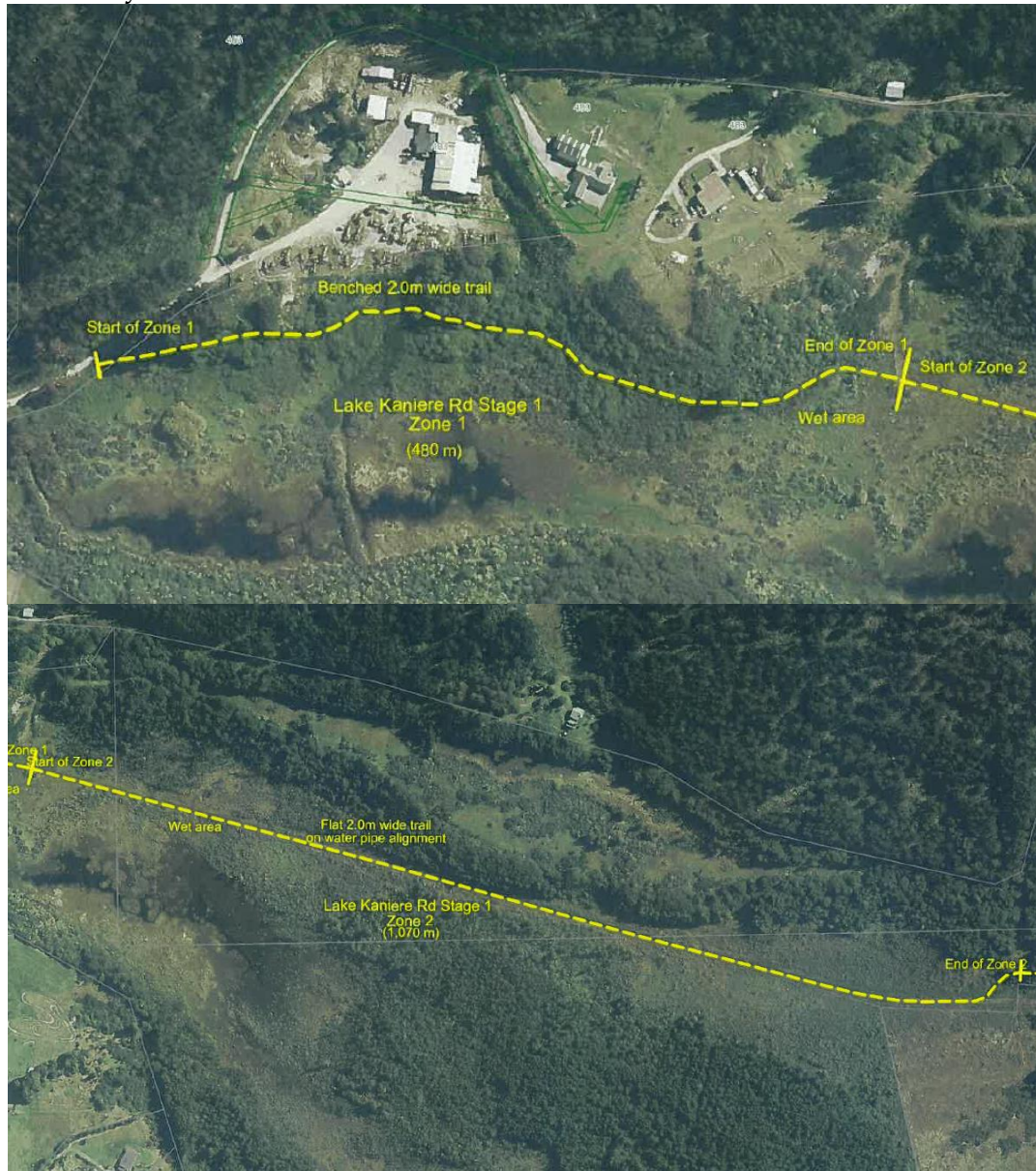
Council facilities have been placed at Whataroa on Council Reserve land, following a request from the Whataroa community at their last community meeting. Responsible Camping is permitted at this site, and it is a popular location for swimming, fishing and family outings.

Two Enforcement Officers have been appointed in South Westland and are actively educating people on areas where responsible camping is prohibited or restricted. Infringements are issued accordingly when warranted. Enforcement Officers are also in place to monitor compliance north and south of Hokitika. Council is still seeking an appropriately qualified person/persons to undertake enforcement duties in Franz Josef / Fox.

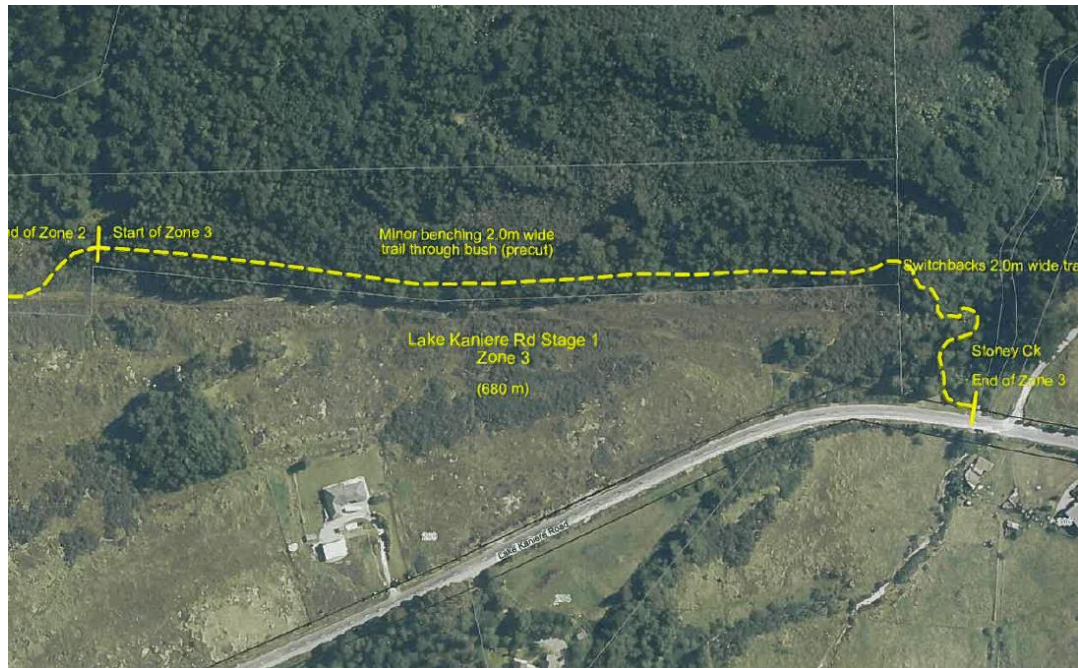
The Responsible Camping Working Group will meet in February to review the Responsible Camping 2019/2020 mid-season and advise of any concerns/issues.

## 2.10 West Coast Wilderness Trail - Enhancements.

Lake Kanieri off-road stage 1 started construction prior to Christmas following agreement with land owners. Progress has been good with construction well advanced and on track for completion by the end of February.







### 2.11 DWC Westland Sports Hub

The project to cover the courts is on track to be completed by the end of February prior to the start of the new netball season. The rebound ACE product requires the asphalt surface to have aged 12 months prior to application.

### 2.12 Carnegie Building

A tender was drafted for the construction work of the earthquake strengthening of the building as well as including upgrades to the climate control and lighting inside the building to museum standards. Tenders were put on GETS and the Tender was awarded end of 2019 to start physical works early 2020.

The Contract is being finalised at this stage working through a number of Tags that had been excluded in the original proposal.

In the meantime, the Carnegie Building has been emptied and all collection pieces safety stored.

The Building Consent has been applied for and is also progressing, this will be ready when physical works are to start.

### 2.13 Hokitika Beachfront

Hydroseeding was laid in early spring along the northern beachfront development area and has now established itself well. Trees have been sourced and planted in the new concrete edges planters. Picnic table furniture have been installed replacing the old painted sets with more furniture sets on order.

New water hazard warning signs have been installed at all beach access points.

The next phase will see the installation of a small carpark and continued mounding along Beach Street as Westroads continue to source fill material.

This will establish the basic shaping of the area south of the existing public toilets. New street poles have been installed in Weld Lane linking the walkway to future beachfront seating and sculpture. In collaboration with the storm water team drainage will be installed at the intersection of Weld land and Beach Street.

Way finding Kiosks are in the final stages of design and proofing, construction materials have been purchased and are ready for construction.

### **3 OTHER ACTIVITIES**

#### **3.1 Building, Planning and Environment**

##### **Building**

A focus of the Building Control Authority (BCA) this Quarter has been meeting requirements following the BCA Audit by IANZ. As part of the audit IANZ identified two serious non-compliances and twenty-one general non-compliances as related to wording in operational policies, or the electronic Alpha 1 system. The Building Control Manager submitted all required amended documentation, and Alpha 1 resolved technical issues within their software program by due dates. IANZ notified that Westland District Council had achieved all requirements of the Audit process and continues to be accredited as an approved BCA.

Letters have been sent to all owners with buildings that may be earthquake prone, advising of the requirement to undertake, and submit to Council, earthquake assessment reports.

##### **Animal Control**

There has been no classifications of menacing or dangerous dogs during this period.

The number of dogs registered in Westland District has increase from 1,400 (rounded) to almost 2,000. This reflects the change in operational activities and a focus on ensuring compliance with legislation and

regulation. The focus in early 2020 will be on nine remaining 'known' owners with unregistered dogs

### **Planning:**

38 Resource Consent Applications were received this quarter, down from 40 in the same quarter last financial year. It is worth noting that this is purely due to timing as overall applications received for the 2018-2019 financial year totalled 102 on par with the 104 applications received for the 2017-2018 financial year.

One of the 27 Resource Consents issued failed to meet statutory time frames by 1 day due to an error in the MAgiQ system which incorrectly calculated the time available. This error has been addressed.

The majority of applications were for residential dwellings and dwelling relocations in Rural Zone. Six consent applications have been submitted for varying forms of subdivisions. Applications of interest include the proposed construction of a new Mitre 10 within the Commercial Core Zone of Hokitika's town centre, upgrades to the Haast Power Generator via New Zealand Energy Limited, replacement of a selection of Oтира transmission poles via Transpower New Zealand Limited, and the modification of the heritage building the Bank of New Zealand (former) at the corner of Revell Street and Camp Street for the purpose of preservation.

Information gathering continues for the Tai Poutini Plan process. Information is being collected on where issues exist with current rules and where re-zoning may be beneficial in the District.

## **3.2 Finance**

Finance are currently starting work on the Annual Plan for 2020-21, various workshops will be arranged with Council in order to get direction. The Finance team together with the Strategy and Communications Advisor have also started planning the Long Term Plan project. This is a huge project that is carried out every three years. The first steering group meeting was held in December. The 4 Community outcomes have been added back into law and the Strategy and Communications Advisor is working to ensure that these are included in our Long Term Plan.

The eDRMS project is going well with the IS staff and Business Analyst now able to access a test system to start building the file structure. The plan is to have the eDRMS in place by 30 June 2020.

### 3.3 District Assets

#### Asset Management

A large body of work has been undertaken since July 2018 to improve and document asset knowledge within the organisation. This feeds into the ultimate goal of revising (or creating) Asset Management Plans in preparation for the 2021-2031 Long Term Plan.

To date, a number of gains have already been realised, including:

- Identifying undeveloped Council reserves
- Identifying Council's historic cemeteries and landfills
- Field inspections and condition ratings of Council's parks and reserves assets
- Independent Playground Safety Audits
- Partial CCTV capture of Council's 3 waters assets
- Identifying erosion risks of landfills
- Mapping Council's Parks, Reserves, Cemeteries and Landfills by township and across the District
- Clarifying community hall ownership and insurance statuses
- Grading our Asset Maturity level in each activity area
- Scoping potential Cycle Trail enhancement projects in detail
- Preliminary documentation of growth nodes by township to identify likely areas of future growth
- Forecasting the proportion of each township's drinking water pipeline will need to be replaced over the next 3, 10, 50 and 80 years and the associated costs
- Defining criticality levels for Council's Drinking Water Assets (this sets priorities for what projects need to be done ahead of others)
- Revising and refining the budgets for capital projects especially for 3 Waters activity areas for upcoming LTP
- Footpath condition inspections in Hokitika CBD
- Creation of Asset Management Policy

Over the next few months, one of the priority asset management work tasks will be updating data for Council's Buildings Portfolio (including Pensioner Housing units) in collaboration with Destination Westland. In addition, footpath condition assessments will continue in other townships, the risk register will be revised and updated, and plans created for Council's undeveloped (essentially vacant land) reserves. Writing of the Asset Management Plans will also continue in collaboration with Council's Capital Projects Manager to ensure 'big ticket' projects for the 10 years 2021-2031 are scoped and budgeted.



## 4 STAFFING UPDATE

- 4.1 There have been a number of changes to staff over the last quarter of 2019. We are sad to see Lavinia Hamilton leave us from the Finance Manager role but we will continue to see her in her new role with IBIS.

Jacque Spring our accounts officer departed just prior to Christmas and is heading back to the Middle East with her husband.

New comers to the team are:

Louis Sparks – our new Group Manager District Assets. Louis was the Engineering Manager for Cleanaway in Western Australia and comes with a good background in Waste Management, asset management, Civil engineering and project management. Louis starts on the 3 February.

Gavin Bird joins our Regulatory team as a Building Control Officer and comes preloaded with a strong background in the role.

Olivia Anderson has accepted the role of Business Support Officer – Trainee Planner and started on the 20<sup>th</sup> January. Olivia comes to us from Westland Milk Products and I am sure will make a great addition to our Council team.

Also over the summer period we have had two interns working within council:

Edwina Dowell-de Quadros (Winnie) a student engineer who returned again this year and assisted with District Assets assessments amongst other tasks.

Savannah Redmond who is currently a 3rd year Planning student has been supporting the planning team and learning the ropes – hopefully we will see her again post-graduation.

**5. LGOIMA UPDATE**

**5.1** Year to date, (01 July 2019 – 10 January 2020) 72 LGOIMA requests have been received. 32 of these requests are from media outlets.

<b>LGOIMA Number of days for completion year to date</b>	
<b>5 Days and under</b>	23
<b>&gt;6 – 10 Days</b>	13
<b>&gt;11 – 15 Days</b>	12
<b>&gt;16 – 20 Days</b>	5
<b>20 Days and over</b>	7
<b>Withdrawn</b>	1
<b>Transferred</b>	3
<b>Pending</b>	8

**6. RECOMMENDATION**

A) **THAT** the Quarterly Report from the Chief Executive dated 23 January 2020 be received.

**Simon Bastion**  
**Chief Executive**

# Report



**DATE:** 23 January 2020

**TO:** Mayor and Councillors

**FROM:** Strategy and Communications Advisor and Accountant

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## QUARTERLY PERFORMANCE REPORT TO 31 DECEMBER 2019

### 1 SUMMARY

- 1.1 The purpose of this report is to inform Council of its financial and service delivery performance for the three months ended 31 December 2019 (Q2).
- 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 Council as part of the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council receive the Quarterly Performance Report to 31 December 2019, attached as **Appendix 1**.

### 2 BACKGROUND

- 2.1 Council receives monthly financial reporting so that it has current knowledge of its financial performance and the quarterly reports provides information about the position against targets and objectives adopted in the Long Term Plan 2018-28.

### 3 CURRENT SITUATION

- 3.1 Council receives a quarterly report in a consistent format.

3.2 The Quarterly report to 31 December 2019 is attached as **Appendix 1** and contains the following elements:

3.2.1 Sustainability report on Financial Prudence.

3.2.2 Whole of Council Statement of Comprehensive Revenue and Expenditure, including variance analysis.

3.2.3 Funding Impact Statements for each activity group, including variance analysis.

3.2.4 Capital Expenditure 2019-20.

3.2.5 Council approved unbudgeted expenditure.

3.2.6 Treasury report including loans, internal borrowing, cash investments, debtors.

3.2.7 Reserve Funds Report.

3.2.8 Statements of Service Provision.

#### **4 OPTIONS**

4.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance of consultation and no options analysis is required.

#### **5 RECOMMENDATION**

A) **THAT** Council receives the Quarterly Report, Q2 September 2019 – December 2019

**Emma Rae**  
**Strategy and Communications Advisor**

**John Kagagi**  
**Accountant**

**Appendix 1:** Quarterly Report, Q2 – September 2019 – December 2019



# Quarterly Report

Q2 - September 2019 – December 2019

Emma Rae

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# Whole of Council Financial Summary

## Sustainability report

Total revenue	Total expenditure	Total surplus/(deficit)
<b>\$13.08M</b>	<b>\$11.81M</b>	<b>\$1.27M</b>
Is 5.36% more than the total budget of \$12.41M	Is 4.62% more than the total budget of \$11.29M	Is 13.69% more than the total budget of \$1.12M

### SUSTAINABILITY

#### Rates to operating revenue 61.77%

Rates Revenue	\$8.08M
Operating Revenue	\$13.08M

61.77% of operating revenue is derived from rates revenue. Rates revenue includes penalties, water supply by meter and is gross of remissions. Operating revenue excludes vested assets, and asset revaluation gains.

#### Balanced budget ratio 110.73%

Operating revenue	\$13.08M
Operating expenditure	\$11.81M

Operating revenue should be equal or more than operating expenditure. Operating revenue excludes vested assets and asset revaluation gains. Operating expenditure includes depreciation and excludes landfill liability and loss on asset revaluations. Year to date revenue is 110.73% of operating expenditure.

#### Interest to rates revenue (LGFA Cov.) 4.02%

Net interest and finance costs	\$0.32M
Rates Revenue	\$8.08M

4.02% of rates revenue is paid in interest. Our set limit is 25% of rates revenue. Net interest is interest paid less interest received. Rates revenue includes penalties, water supply by meter and gross of remissions.

#### Interest to operating revenue 2.48%

Net Interest and finance costs	\$0.32M
Operating revenue	\$13.08M

2.48% of operating revenue is paid in interest. Our set limit is 10% of operating revenue. Net interest is interest paid less interest received.

**Available financial accommodation to external indebtedness (LGFA Cov.)** **138.69%**

Gross Debt	\$18.62M
Undrawn committed facilities	\$3.98M
Cash and Cash Equivalents	\$3.22M

The liquidity risk policy requires us to maintain a minimum ratio of 110% which is also an LGFA covenant. Our current liability risk is 138.69%

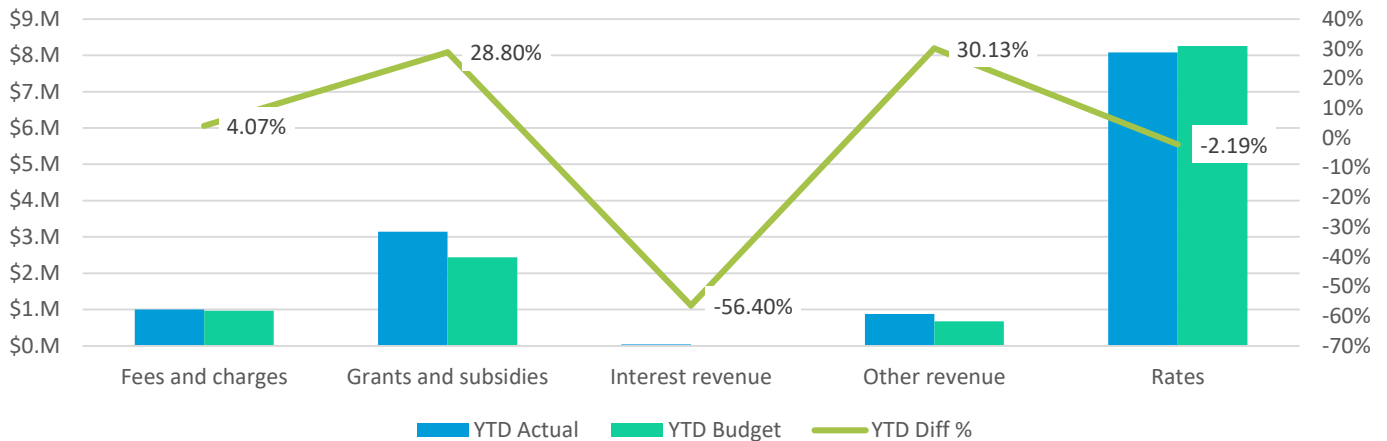
**Essential services ratio** **123.92%**

Capital expenditure	\$4.25M
Depreciation	\$3.43M

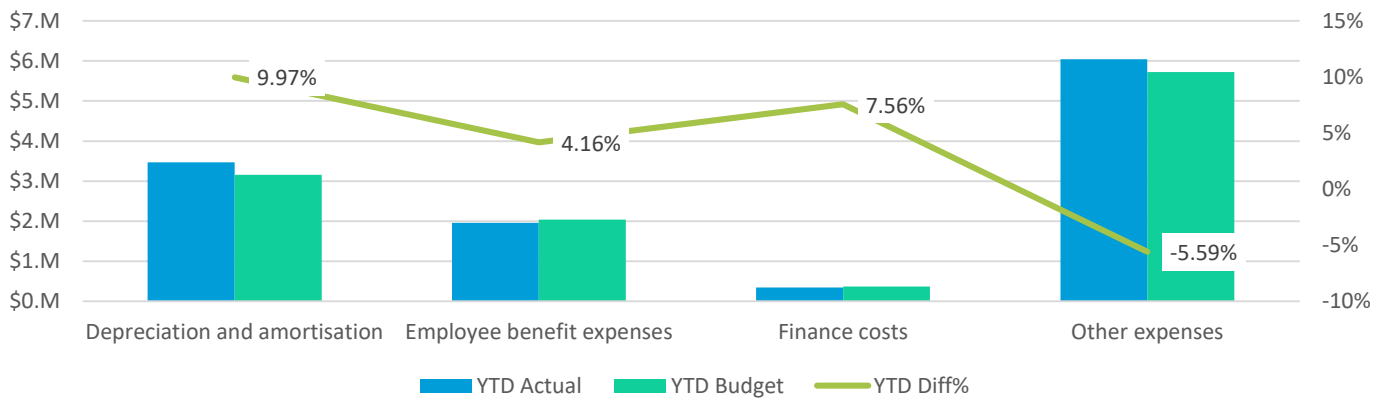
Capital expenditure should be equal or more than depreciation for essential services, for year to date capex is 123.92% of depreciation. Essential Services are Water Supply, Wastewater, Stormwater and Rooding.

## Revenue and Expenditure

### Revenue



### Expenditure



## Statement of Comprehensive Revenue and Expenditure

Statement of Comprehensive Revenue and Expense							
	Forecast	Annual Plan (\$000)	Annual Plan YTD (\$000)	Actual YTD (\$000)	Variance YTD (\$000)	Var/Bud %	Note
<b>Revenue</b>							
Rates	-	16,437	8,256	8,079	(177)	-2.1%	
Grants and subsidies	-	4,162	2,431	3,142	712	29.3%	1
Interest revenue	-	82	40	17	(22)	-56.4%	
Fees and charges	-	2,009	1,004	964	(41)	-4.1%	2
Other revenue	-	1,360	673	876	203	30.1%	4
<b>Total operating revenue</b>	-	<b>24,049</b>	<b>12,404</b>	<b>13,079</b>	<b>674</b>	<b>5.4%</b>	
<b>Expenditure</b>							
Employee benefit expenses	-	4,090	2,043	1,958	(85)	-4.2%	3
Finance costs	-	740	370	342	(28)	-7.6%	
Depreciation and amortisation	-	6,316	3,158	3,473	315	10.0%	
Other expenses	-	11,746	5,719	6,038	320	5.6%	5
<b>Total operating expenditure</b>	-	<b>22,892</b>	<b>11,290</b>	<b>11,811</b>	<b>521</b>	<b>4.6%</b>	
<b>Operating Surplus/(Deficit)</b>	-	<b>1,157</b>	<b>1,115</b>	<b>1,267</b>	<b>153</b>	<b>13.7%</b>	

## Notes to the Statement of Comprehensive Revenue and Expense

### Note 1: Grants and Subsidies Revenue

	Annual Plan (\$000's)	Annual Plan YTD (\$000's)	Actual YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
Grants & Contributions	1,943	967	1,701	734	76%	- Carnegie Building Grant MBIE Tourism Facilities Grant \$234k
Capital Subsidies	2,219	1,463	1,441	-22	-2%	- MBIE Haast conveniences project completion grant \$326k - MBIE WCWT Old Christchurch Road Construction, \$105k - NZTA Capital Subsidy \$397k under budget, seasonal - MBIE Franz WWT 3rd payment grant \$56k under budget
Total - Other Expenses	4,162	2,431	3,142	712	29%	

### Note 2: Fees & Charges

	Annual Plan (\$000's)	Annual Plan YTD (\$000's)	Actual YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
Waste Levy	38	19	16	-3	-16%	
Amusement Device Licences	-	-	-	-	0%	
Building Consents	79	39	47	8	19%	Increase in building and resource consents
Camping Ground Licence Fees	5	3	1	-2	-77%	
Compliance Certificates	50	25	28	3	11%	
Compliance Schedule Fees	36	18	27	9	48%	
Inspection Fees	195	98	95	-3	-3%	
Liquor Licenses	96	48	50	2	3%	Manager licences for summer season
Building Project Information	-	-	-	-	105%*	
Processing Fees	159	80	94	15	19%	
Building Checks	8	4	5	1	23%	
Monitoring Revenue	8	4		-4	-100%	
Building Accreditation	28	14	10	-4	-28%	
Refuse Site Fees	813	406	340	-66	-16%	- Franz Josef \$103k over budget - Hokitika refuse fees \$157k under budget. - Denis Road Refuse site \$12k under budget.
Burial Fees	32	16	12	-4	-24%	
Cass Square Hire Char	7	3		-3	-95%	
Land Information Memo	41	20	26	6	28%	
Photocopying Revenue	5	3	3		-2%	Library photocopying
Plant Hire	119	60	62	3	4%	
Rental	58	29	29		0%	
Resource Consents	82	41	46	5	12%	Increase in building and resource consents
Friends of the Library	2	1	2	1	62%	
Trade Waste Fees	107	53	53		-1%	
DVD Rental	7	3	4		4%	
Bach Licences	34	17	15	-2	-11%	
Total - Fees and Charges	2,009	1,004	964	-42	-4%	

\*Dollars are rounded to the nearest \$1000. Figures below \$500 are not shown.

### Note 3: Personnel Costs

	Annual Plan (\$000's)	Annual Plan YTD (\$000's)	Actual YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
Salaries & Wages	3,959	1,979	1,895	-84	-4%	Vacant roles in District Assets, Resource Management & Finance
Superannuation	119	59	58	-1	-2%	
ACC Levy	13	4	5	-	10%	
Total - Other Expenses	4,090	2,043	1,958	-85	-4%	

### Note 4: Other Revenue

	Annual Plan (\$000's)	Annual Plan YTD (\$000's)	Actual YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
Petrol Tax Income	133	66	64	-2	-3%	
Gain on Swap	-	-	266	266	0%	Market forces
Dividends	520	200	200		0%	
Food Premises Licences	48	24	17	-7	-28%	
Funeral Parlour Licences	-	-	-	-	-100%	
Hairdressers Licences	2	1	-	-1	-60%	
Hawkers Licences	2	1	-	-1	-77%	
Impounding Fees	1		4	3	1343%	In-house animal control department
Mobile Shop Licences	2	1	2	1	113%	
Offensive Trade Licences	1	-	-	-	-100%	
Dogs Registration	107	107	108	1	1%	July annual dog registration, over 98% dogs registered
Telephone	-	-	-	-	17%	
Nomination Fees	5	3	8	5	198%	Election nominations
PLBUILD - Commission	1	1	1		83%	
LIBRAR - Donations	2	1	1		-28%	
Fines	22	11	11	1	6%	Responsible camping 1k fines unbudgeted
Legal Fees Recovered	18	9		-9	-100%	
Retail Sales	1		4	4	1123%	Sale of extra bins, rubbish bags and waste collection costs - Chorus rental of post office building - Building sundry income
Sundry Income	27	13	15	1	9%	
Fees-TNZ					0%	
Fees-Other Activities					0%	
Recoveries	415	208	81	-126	-61%	- IHPS 122k recoveries under budget - Cemeteries 3k under budget - Library recoveries 1k under budget
Interloans	1				92%	
Imbalances					0%	
Reserve Fund Revenue	40	20	80	60	301%	- NEMA Mayoral Fund contribution 44k - Three mile reserve fund, 16k, - New member Kaniere waste water
Capital Contributions	13	7	11	4	65%	
Total - Other Expenses	1,360	673	876	203	30%	



## Note 5: Other Expenses

	Annual Plan (\$000's)	Annual Plan YTD (\$000's)	Actual YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
Administrative Expenses	630	316	332	16	4.96%	- Election printing costs \$29k - Telephone costs \$10k under budget, alternative online communication - Building control computer operating costs \$3k
Contractors	446	223	280	57	25.66%	- District assets contractors \$48k - Fox conveniences cleaning costs \$7k - Stock control security costs \$2k
Electricity	338	169	166	-3	-1.49%	Ross swimming pool electricity under budget \$3k
Honorarium	280	140	152	12	8.93%	Increased statutory honorarium current triennium
Insurance	266	89	102	13	14.45%	Increased premiums
Loss on Swaps	183	92	180	88	96.20%	Compensated for by unbudgeted gain in swaps \$266k
Maintenance	4,196	2,098	2,152	54	2.56%	Lower wastewater maintenance costs: - Hokitika \$20k - Franz \$22k - Fox Glacier \$8k - Haast \$5k
Management Contracts	1,837	919	937	19	2.04%	Franz Josef Refuse management contract
Professional Services	296	152	128	-24	-15.69%	- IHPS consultant fees under budget \$18k - Resource management consultant fees under budget \$3k - Democracy consultant fees under budget \$3k
Rates	219	64	64		-0.28%	
Refuse Collections	762	381	382	1	0.23%	- Envirowaste collections
Other Expenses	2,292	1,077	1,164	86	8.03%	- Three mile payment to Lions Club \$150k - Building control training and course fees \$3k under budget - HR course and training fees \$3k under budget
<b>Total - Other Expenses</b>	<b>11,746</b>	<b>5,719</b>	<b>6,038</b>	<b>320</b>	<b>5.59%</b>	

## Funding Impact Statement by Activity

Funding Impact Statement - Leadership						
	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	805	440	300	-140	-32%	- Rates write off & remissions due mainly to Glenfern Villas changing structure - Rates penalties \$14k written off
Fees and charges	177	89	90	1	1%	
Interest and dividends from investments	596	238	214	-24	-10%	'0120041 Interest Revenue \$24k
Local authorities fuel tax, fines, infringement fees, and other receipts	493	246	447	201	82%	'0150043 Gain on Swaps \$266k - 1100183 Mayoral Fund contributions \$44k NEMA Grant - IHPS Recoveries under budget \$109K
Internal charges and overheads recovered	4,866	2,433	2,460	27	1%	
<b>Total Operating Funding (A)</b>	<b>6,936</b>	<b>3,445</b>	<b>3,510</b>	<b>65</b>	<b>2%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	4,739	2,282	2,429	147	6%	- Mayoral grant flood event payments \$55k - District assets contractors \$48k - Elections NZ printing \$29 - HR Subscriptions \$1k - HR Advertising \$14k
Finance Costs	740	370	342	-28	-8%	- Finance expenses \$25k under budget - Interest Expense \$3k under budget
Internal charges and overheads applied	1,940	958	913	-45	-5%	- Lower overhead expense allocations across in house cost centres
<b>Total Applications of Operating Funding (B)</b>	<b>7,419</b>	<b>3,610</b>	<b>3,684</b>	<b>74</b>	<b>2%</b>	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>-483</b>	<b>-165</b>	<b>-174</b>	<b>-9</b>	<b>6%</b>	

Funding Impact Statement - Community Services						
	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	471	236	236	-	0%	
Targeted Rates	789	394	394	-	0%	
Subsidies and grants for operating purposes	31	25	525	500	2028%	Carnegie Building Grant \$500k
Local authorities fuel tax, fines, infringement fees, and other receipts	2	1	17	16	1446%	Three Mile fund contributions \$16k
<b>Total Operating Funding (A)</b>	<b>1,294</b>	<b>656</b>	<b>1,171</b>	<b>516</b>	<b>79%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	881	444	633	189	43%	- Three Mile payment to Hokitika Lions \$150k - Glacier Civil Defence Grant \$39k
Internal charges and overheads applied	237	119	117	-2	-1%	
<b>Total Applications of Operating Funding (B)</b>	<b>1,118</b>	<b>562</b>	<b>750</b>	<b>187</b>	<b>33%</b>	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>176</b>	<b>94</b>	<b>422</b>	<b>328</b>	<b>351%</b>	

## Funding Impact Statement - Leisure services and facilities

	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	1,736	868	868		0%	
Targeted Rates	1,178	589	589		0%	
Subsidies and grants for operating purposes	4	2	174	173	9652%	- WCWT MBIE grant
Fees and charges	86	43	36	-7	-16%	- Cass Square Hire charges under budget \$3k - Cemetery fees under budget \$4k
Local authorities fuel tax, fines, infringement fees, and other receipts	54	27	26	-1	-4%	
<b>Total Operating Funding (A)</b>	<b>3,058</b>	<b>1,529</b>	<b>1,693</b>	<b>165</b>	<b>11%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	2,136	1,007	956	-51	-5%	- Repairs and maintenance budgets under budget \$48k - Ross swimming electricity \$3k
Internal charges and overheads applied	283	141	147	5	4%	- Lower overhead expense allocations across in house cost centres
<b>Total Applications of Operating Funding (B)</b>	<b>2,418</b>	<b>1,149</b>	<b>1,103</b>	<b>-46</b>	<b>-4%</b>	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>639</b>	<b>380</b>	<b>590</b>	<b>210</b>	<b>55%</b>	
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>						
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital expenditure			433	433	0%	- WCWT Old Christchurch Rd Grant \$106k - MBIE Haast Conveniences Grant \$327K
<b>Total Sources of Capital Funding (C)</b>	<b>-</b>	<b>-</b>	<b>433</b>	<b>433</b>	<b>0%</b>	
<b>Application of Capital Funding</b>						
<b>Total Applications of Capital Funding (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>-</b>	<b>-</b>	<b>433</b>	<b>433</b>	<b>0%</b>	

## Funding Impact Statement - Planning Services

	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	553	276	276	-	0%	
Fees and charges	148	74	82	8	10%	- LIM's \$6k - Building checks \$1k
Local authorities fuel tax, fines, infringement fees, and other receipts	93	47	6	-40	-87%	- Resource Management recoveries \$40k under budget
<b>Total Operating Funding (A)</b>	<b>794</b>	<b>397</b>	<b>364</b>	<b>-33</b>	<b>-8%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	541	270	187	-83	-31%	- Resource Management Recoverable expenditure under budget \$38k - offset in revenue - Resource management salaries \$32k - Contractors, consultants, legal fees, vehicle expenses \$14k
Internal charges and overheads applied	866	433	400	-33	-8%	- Lower overhead expense allocations across in house cost centres
Total Applications of Operating Funding (B)	1,407	703	587	-116	-17%	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>-613</b>	<b>-306</b>	<b>-223</b>	<b>83</b>	<b>-27%</b>	

## Funding Impact Statement - Regulatory Services

	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	1,129	565	565	-	0%	
Subsidies and grants for operating purposes			234	234	0%	- MBIE Tourism Facilities Grant
Fees and charges	640	320	347	27	8%	- Processing Fees, Compliance Schedules & Certificates \$27k
Local authorities fuel tax, fines, infringement fees, and other receipts	183	145	161	16	11%	- Building control recoveries \$10k - Civil Defence recoveries \$6k Welfare Claim
<b>Total Operating Funding (A)</b>	<b>1,952</b>	<b>1,030</b>	<b>1,307</b>	<b>277</b>	<b>27%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	1,274	635	721	86	14%	- Responsible camping repairs & maintenance \$36k, funded by grant - Building control building accreditation \$24k - Building control recoverable expenditure \$26k
Internal charges and overheads applied	866	433	400	-33	-8%	- Lower overhead expense allocations across in house cost centres
Total Applications of Operating Funding (B)	2,140	1,068	1,121	53	5%	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>-188</b>	<b>-38</b>	<b>186</b>	<b>224</b>	<b>-585%</b>	

## Funding Impact Statement - Solid Waste

	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	851	426	426	-	0%	
Targeted Rates	762	381	381	-	0%	
Fees and charges	851	426	356	-69	-16%	Refuse site fees: - Franz \$103k over budget, flood event Fox alternative - Denis Road \$12k under budget - Waste Levy \$3k under budget - Hokitika \$158k under budget
Local authorities fuel tax, fines, infringement fees, and other receipts	2	1	4	3	366%	Retail sales bins & bags \$3k
<b>Total Operating Funding (A)</b>	<b>2,466</b>	<b>1,233</b>	<b>1,167</b>	<b>-66</b>	<b>-5%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	1,948	974	953	-20	-2%	- Hokitika Refuse maintenance costs \$14k under budget - Waste promotional costs \$6k under budget
Internal charges and overheads applied	279	140	151	12	8%	Lower overhead expense allocations across in house cost centres
<b>Total Applications of Operating Funding (B)</b>	<b>2,227</b>	<b>1,114</b>	<b>1,105</b>	<b>-9</b>	<b>-1%</b>	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>239</b>	<b>120</b>	<b>62</b>	<b>-57</b>	<b>-48%</b>	

## Funding Impact Statement - Stormwater

	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
Targeted Rates	560	280	280	-	0%	
<b>Total Operating Funding (A)</b>	<b>560</b>	<b>280</b>	<b>280</b>	<b>-</b>	<b>0%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	117	56	52	-4	-7%	- Consultants fees \$2k under budget - Electricity costs \$2k under budget, seasonal
Internal charges and overheads applied	144	72	78	6	8%	- Lower overhead expense allocations across in house cost centres
<b>Total Applications of Operating Funding (B)</b>	<b>261</b>	<b>129</b>	<b>130</b>	<b>2</b>	<b>1%</b>	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>299</b>	<b>151</b>	<b>149</b>	<b>-2</b>	<b>-1%</b>	

## Funding Impact Statement - Transportation

	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	2,099	1,049	1,049		0%	
Subsidies and grants for operating purposes	1,908	954	768	-186	-19%	- NZTA Grant, seasonal
<b>Total Operating Funding (A)</b>	<b>4,007</b>	<b>2,003</b>	<b>1,818</b>	<b>-186</b>	<b>-9%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	2,527	1,264	1,441	177	14%	- Routine drainage maintenance \$175k over budget, flood damage - Vehicle repairs \$2k over budget
Internal charges and overheads applied	349	175	189	15	8%	- Lower overhead expense allocations across in house cost centres
<b>Total Applications of Operating Funding (B)</b>	<b>2,876</b>	<b>1,438</b>	<b>1,630</b>	<b>192</b>	<b>13%</b>	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>1,130</b>	<b>565</b>	<b>188</b>	<b>-378</b>	<b>-67%</b>	
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>						
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital expenditure	1,519	759	363	-397	-52%	
<b>Total Sources of Capital Funding (C)</b>	<b>1,519</b>	<b>759</b>	<b>363</b>	<b>-397</b>	<b>-52%</b>	
<b>Application of Capital Funding</b>						
<b>Total Applications of Capital Funding (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>1,519</b>	<b>759</b>	<b>363</b>	<b>-397</b>	<b>-52%</b>	

## Funding Impact Statement - Water Supply

	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	70	35	35		0%	
Targeted Rates	4,119	2,060	2,023	-36	-2%	- Metered water under budget: - Hokitika \$20k, Fox \$16k low tourist season
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	4	4	0%	
<b>Total Operating Funding (A)</b>	<b>4,189</b>	<b>2,095</b>	<b>2,062</b>	<b>-33</b>	<b>-2%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	1,216	595	497	-98	-16%	- Repairs and maintenance costs- \$50k under budget - Monitoring costs- \$38k under budget
Internal charges and overheads applied	693	347	375	29	8%	- Lower overhead expense allocations across in house cost centres
<b>Total Applications of Operating Funding (B)</b>	<b>1,909</b>	<b>941</b>	<b>872</b>	<b>-69</b>	<b>-7%</b>	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>2,280</b>	<b>1,153</b>	<b>1,190</b>	<b>36</b>	<b>3%</b>	



## Funding Impact Statement - Wastewater

	Annual Plan 2019/20 (\$000's)	Annual Plan Forecast (\$000's)	YTD (\$000's)	Variance YTD (\$000's)	Var/Bud %	Notes
<b>(SURPLUS) / DEFICIT OF OPERATING FUNDING</b>						
<b>Sources of Operating Funding</b>						
General rates, uniform annual general charges, rates penalties	41	21	21		0%	
Targeted Rates	1,274	637	637		0%	
Fees and charges	107	53	53		-1%	
Interest and dividends from investments	6	4	4		-7%	Kaniere sewage interest
Local authorities fuel tax, fines, infringement fees, and other receipts	13	7	11	5	72%	Kaniere capital contributions - new member
<b>Total Operating Funding (A)</b>	<b>1,441</b>	<b>722</b>	<b>726</b>	<b>4</b>	<b>1%</b>	
<b>Applications of Operating Funding</b>						
Payments to staff and suppliers	459	226	127	-99	-44%	- Repairs and maintenance 51k under budget - Monitoring 28k under budget - Consultants 8k under budget - Rates, electricity, telephone costs 12k
Internal charges and overheads applied	164	82	89	7	8%	Lower overhead expense allocations across in house cost centres
<b>Total Applications of Operating Funding (B)</b>	<b>622</b>	<b>308</b>	<b>216</b>	<b>-92</b>	<b>-30%</b>	
<b>Surplus/(Deficit) of Operating Funding (A - B)</b>	<b>819</b>	<b>414</b>	<b>510</b>	<b>96</b>	<b>23%</b>	
<b>(SURPLUS) / DEFICIT OF CAPITAL FUNDING</b>						
<b>Sources of Capital Funding</b>						
Subsidies and grants for capital expenditure	700	700	645	-55	-8%	MBIE Franz WW Grant
<b>Total Sources of Capital Funding (C)</b>	<b>700</b>	<b>700</b>	<b>645</b>	<b>-55</b>	<b>-8%</b>	
<b>Application of Capital Funding</b>						
<b>Total Applications of Capital Funding (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>	
<b>Surplus/(Deficit) of Capital Funding (C - D)</b>	<b>700</b>	<b>700</b>	<b>645</b>	<b>-55</b>	<b>-8%</b>	

## Projects: Current

WESTLAND DISTRICT COUNCIL CAPITAL EXPENDITURE 2019-2020 PROJECTS				
	Annual Plan	Expenditure	Forecast	Budget Managers Notes
<b>Community Services</b>				
Buildings - Band rooms	10,250	-	10,250	Project on hold
<b>Total Community Services</b>	<b>10,250</b>	<b>-</b>	<b>10,250</b>	
<b>Leadership</b>				
Council HQ - Refurbishment	75,000	-	75,000	In progress, further discussions ongoing re Chambers location
Council HQ - Furniture and Fittings	5,000	1,282	5,000	
Information Management - DMS	153,750	3,800	153,750	Expected completion of the core system - June 2020
IT Equipment renewals	110,725	30,102	110,725	
<b>Total Leadership</b>	<b>344,475</b>	<b>35,184</b>	<b>344,475</b>	
<b>Leisure Services &amp; Facilities</b>				
Reserves - Cass Square - Rubber matting	20,500	-	20,500	No further progress made
Reserves - Hokitika dog park	10,250	-	10,250	Project not started, not high priority
Reserves - Waterfront development	102,500	6,796	102,500	In progress
Cemetery - Hokitika Improvements Ashes Berm	10,250	-	10,250	
Cemetery - RossBerm development	10,250	-	10,250	
Buildings- Hari Hari house	15,375	4,704	15,375	In progress
Elderly Housing - Glazing and insulation	56,000	56,400	56,400	Nearing completion
Swimming Pool Hokitika - Windows	24,000	25,737	25,737	Project completed
Swimming Pool Hokitika - Changing Shed Roof	14,000	12,565	14,000	Project completed
Swimming Pool Hokitika - Flood Lights	7,000	7,933	7,933	Project completed
Swimming Pool Hokitika - Pool Area Ventilation	20,400	-	20,400	
Swimming Pool Ross - Electric heat pump system	61,200	-	61,200	Projected started
Museum - Archival Scanner	7,175	5,822	7,175	
Museum - Photo booth	4,600	3,907	4,600	
Museum - Shelves	10,000	6,400	10,000	
Civil Defence - EOC	205,000	-	205,000	
Civil Defence - Satellite Data & Voice	13,000	14,300	14,300	
Library - Resources	57,618	24,872	57,618	
<b>Total Leisure Services &amp; Facilities</b>	<b>649,118</b>	<b>169,437</b>	<b>653,488</b>	
<b>Solid Waste</b>				
Franz Josef -Landfill final capping	25,625	24,691	25,625	Project completed
Butlers - Intermediate capping	228,575	2,259	228,575	
<b>Total Solid Waste</b>	<b>254,200</b>	<b>26,950</b>	<b>254,200</b>	
<b>Stormwater</b>				
Hokitika - Mains upgrade programme	25,625	41,215	41,215	In progress
Hokitika - Pump upgrade (Bealey)	102,500	-	-	Unlikely to go ahead as planned
Hokitika - Pump upgrade (Tancred)	200,000	-	-	Unlikely to go ahead as planned
Hokitika - Pump upgrade (Rolleston)	327,500	-	-	Unlikely to go ahead as planned
Hokitika - Pump upgrade (Hoffman)	767,500	-	-	Unlikely to go ahead as planned
Hokitika - Pump upgrade (Livingstone)	61,500	-	61,500	In progress
Hokitika - Pump upgrade (Weld)	130,000	-	-	Unlikely to go ahead as planned
Realignment Beach St	205,000	-	205,000	In progress
Hokitika - River outfall flap gates	10,250	-	10,250	In progress
Hokitika - Mains upgrade	10,250	1,834	10,250	In progress
<b>Total Stormwater</b>	<b>1,840,125</b>	<b>43,049</b>	<b>328,215</b>	
<b>Transportation</b>				
Unsealed Road Metalling	293,663	203,801	293,663	
Sealed Road Resurfacing	871,250	263,163	871,250	

Drainage Renewals	162,498	50,949	162,498	
Structures Component Replace	217,813	-	217,813	
Traffic Services Renewals	130,688	26,935	130,688	
Sealed Road Pavement Rehabilitation	82,000	26,336	82,000	
Sealed Road Resurfacing	162,975	-	162,975	
Drainage Renewals	27,675	-	27,675	
Structures Component Replace	54,325	-	54,325	
Traffic services renewals	11,275	513	11,275	
Sealed Road Pavement Rehabilitation	153,750	-	153,750	
Low Cost Low Risk - Local	481,750	-	481,750	
Low Cost Low Risk - SPR	71,750	-	71,750	Project is 100% funded
Footpath upgrades	44,038	-	44,038	
<b>Total Transportation</b>	<b>2,765,448</b>	<b>571,696</b>	<b>2,765,448</b>	

#### Wastewater

Hokitika - Outfall structure	1,100,000	-	1,100,000	Awaiting detailed cost breakdown from WMP for WDC contribution;
Hokitika - WWTP upgrade	885,000	-	885,000	Fencing being installed for security reasons, in progress
Hokitika - Mains upgrade programme	61,500	686	61,500	Z line upgrade
General - WW Network Growth	10,252	11,718	11,718	
Franz Josef - Mains upgrade	307,500	-	307,500	In discussion, line size upgrade from waste ponds into township most likely
Franz Josef - Mains upgrade programme	28,700	-	28,700	
Franz Josef - WWTP - From 2019	1,000,000	1,337,406	1,300,000	70% completed, Stantec overseeing the work by Westroads
Fox Glacier - WWTP upgrade	102,500	-	102,500	On hold due to inability to access land at the moment
Haast - Mains upgrade programme	15,375	-	15,375	Only investigation work possible, in discussions with Westroads
<b>Total Wastewater</b>	<b>3,510,827</b>	<b>1,349,810</b>	<b>3,812,293</b>	

#### Water Supply

General - Treatment Components upgrade	45,000	-	45,000	Awaiting components list from Westroads
General - Disinfection upgrades	71,244	-	71,244	Only required if legislation changes
General - Telemetry	70,997	7,614	70,997	Currently in progress in Kumara & Whataroa
Arahura - Water Treatment Plant	265,000	-	265,000	Tender document in progress
Hokitika - WTP improvements - Pumps	36,900	10,590	36,900	Awaiting supplier quote for supply & install
Hokitika - Mains upgrade programme	256,250	3,717	256,250	Hampden Street is progressing, approx. 90% complete
Hokitika - Seismic Valve	30,750	-	30,750	Installation likely only in winter
Hokitika - Pressure valve upgrade	15,375	-	15,375	Valve is being serviced
Hokitika - Water meter replacements	142,250	47,120	142,250	Receiving components order
Hokitika - Reservoir Replacement	20,500	-	20,500	Testing market to obtain more suitable quotations
Ross - Mains upgrade programme	109,200	-	-	
Hari Hari - Seismic valves	30,750	-	30,750	Valves ordered
Hari Hari - Mains upgrade programme	184,500	-	184,500	On hold
Franz Josef - Seismic valves	30,750	-	30,750	Valves ordered
Franz Josef - Mains upgrade programme	92,250	974	92,250	Discussions progressing
Franz Josef - Upgrade Filter	10,250	-	10,250	Upgrade filter media purchased
Fox Glacier - Plant Upgrade	350,000	-	350,000	Raw water data gathering still in progress
Haast - WT reservoir Replacement	20,500	-	20,500	Geo-tech report completed
<b>Total Water Supply</b>	<b>1,782,466</b>	<b>70,016</b>	<b>1,673,266</b>	

<b>Total 2019-2020 Project Capital Expenditure</b>	<b>11,156,909</b>	<b>2,266,142</b>	<b>9,841,635</b>	
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## Projects: Carryovers

### WESTLAND DISTRICT COUNCIL CAPITAL EXPENDITURE 2019-2020 CARRYOVERS

	Approved Amount	Expenditure	Forecast	Notes
<b>Community Services</b>				
Franz Josef Urban Revitalisation Plan	100,000	-	100,000	
Township Maintenance - Fox Rubbish Bins	3,000	-	3,000	
Township Maintenance - Haast Rubbish Bins	2,000	-	2,000	
Township Maintenance - Hokitika Rubbish Bins	7,000	-	7,000	
Township Maintenance - Kumara Rubbish Bins	3,000	-	3,000	
<b>Total Community Services</b>	<b>115,000</b>	<b>-</b>	<b>115,000</b>	
<b>Leadership</b>				
Council HQ - Refurbishment	91,116	49,824	91,116	
Information Management - DMS	17,741	17,741	17,741	
<b>Total Leadership</b>	<b>108,857</b>	<b>67,565</b>	<b>108,857</b>	
<b>Leisure Services &amp; Facilities</b>				
Reserves - Hokitika Heritage Trail signs	3,500	-	3,500	
Reserves - Hokitika Waterfront Development	10,663	10,663	10,663	
Reserves - Marks Road Reserve	10,000	-	10,000	Awaiting Community Group feedback
Cemetery - Hokitika Upgrade & Expansion	10,000	-	10,000	
Haast Toilet Facilities, Dump Station, Shelter etc.	220,789	123,374	220,789	
Reserves - Lazar Park Upgrade	22,431	-	22,431	
Sunset Point - New Toilets, Shelter & Carparks	896,166	262,416	896,166	
i-Site - Booking Computers	7,500	4,800	7,500	
i-Site - Interactive mapping	11,780	4,699	11,780	
i-Site - Self service computers	4,900	5,050	5,050	
Kumara Visitor Experience - Toilets and Shelter	224,130	64,812	224,130	
Cass Square - Building improvements Pavilion	20,000	-	20,000	No further progress made
Cass Square - Rubbermatting	20,000	-	20,000	No further progress made
Reserves - Waterfront development	50,000	20,517	50,000	
Ross Toilets	417,908	311,177	417,908	
Swimming Pool Ross - EQ strengthening	10,000	-	10,000	
Whataroa Toilets	398,908	128,418	398,908	
<b>Total Leisure Services &amp; Facilities</b>	<b>2,338,676</b>	<b>935,927</b>	<b>2,338,825</b>	
<b>Solid Waste</b>				
Franz Josef Landfill	25,000	25,000	25,000	
Haast intermediate cap current cell	10,000	2,180	10,000	
Landfill- Haast - Dig out new Cell	3,740	-	3,740	
Haast - Preparation for new cell	10,000	-	10,000	
<b>Total Solid Waste</b>	<b>48,740</b>	<b>27,180</b>	<b>48,740</b>	
<b>Stormwater</b>				
Extension Jollie St	240,000	32,108	240,000	
Realignment Beach St	20,000	-	20,000	
<b>Total Stormwater</b>	<b>260,000</b>	<b>32,108</b>	<b>260,000</b>	
<b>Transportation</b>				
Footpaths	67,000	-	67,000	
Footpaths	58,000	-	58,000	
<b>Total Transportation</b>	<b>125,000</b>	<b>-</b>	<b>125,000</b>	
<b>Wastewater</b>				
Haast - De-sludge oxidation ponds	150,000	-	150,000	

Hokitika - Mains upgrade	51,154	-	51,154
Fox Glacier - WWTP upgrade	100,000	30,110	100,000
Hokitika - WWTP Upgrade	101,420	-	101,420
Fox Glacier - WWTP upgrade	100,000	-	100,000
Hokitika - Kaniere Road catchment	50,000	-	50,000
Hokitika - Mains upgrade programme	60,000	950	60,000
Hokitika - Pump upgrade (Kaniere)	130,000	8,942	130,000
Hokitika - WWTP Upgrade	275,000	10,085	275,000
<b>Total Wastewater</b>	<b>1,017,574</b>	<b>50,087</b>	<b>1,017,574</b>

<b>Water Supply</b>				
Kumara - Seismic valves	30,000	-	30,000	Valves ordered
Whataroa - Seismic valves	20,000	-	20,000	Valves ordered
Fox Glacier - Seismic Valves	30,000	-	30,000	Part of upgrade to the WTP
Fox Glacier - Water Treatment Plant Upgrade	23,950	23,950	23,950	Part of upgrade to the WTP
Ross - Seismic Valves	30,000	-	30,000	Valves ordered
Arahura - Water treatment plant	82,039	4,829	82,039	Valves ordered
Fox Glacier - Mains upgrade programme	62,868	89,060	89,060	
Fox Glacier - Plant upgrade	50,000	12,620	50,000	Valves ordered
Franz Josef - Mains upgrade programme	88,593	-	88,593	Valves ordered
Hokitika - Mains upgrade programme	232,020	216,423	232,020	will be tendered out as soon as current Hampden Street project is completed
Kumara - Mains upgrade programme	15,000	16,892	16,892	
Ross - Mains upgrade programme	60,000	-	60,000	On hold until Ross intake is completed
Ross - Water Source	19,763	8,253	19,763	
<b>Total Water Supply</b>	<b>744,232</b>	<b>372,027</b>	<b>772,316</b>	

<b>Total Carry Over Project Capital Expenditure</b>	<b>4,758,079</b>	<b>1,484,894</b>	<b>4,786,313</b>
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<b>WESTLAND DISTRICT COUNCIL UNBUDGETED CAPITAL EXPENDITURE 2019-2020</b>				
	<b>Approved Amount</b>	<b>Expenditure</b>	<b>Forecast</b>	<b>Notes</b>
Fox Landfill Metaling	500,000	287,340	500,000	
Carnegie Building	431,630	40,884	431,630	
Ross Water Intake	-	-	109,200	
West Coast Wilderness Trail	179,000	30,906	179,000	Includes Council funding portion \$44,750
Whataroa Water Treatment Plant	-	72,639	-	
Kumara Water Treatment Plant	-	71,697	-	
<b>Total Unbudgeted Capital Expenditure</b>	<b>1,110,630</b>	<b>503,466</b>	<b>1,219,830</b>	
<b>Total Capital Expenditure 2019-2020</b>	<b>17,025,618</b>	<b>4,254,501.15</b>	<b>15,847,778</b>	

# Treasury Report

## Summary

The purpose of this section of the Quarterly Report is to provide an update on Council's Treasury Position as at **31 December 2019**.

This section shows the Council's position for the following items:

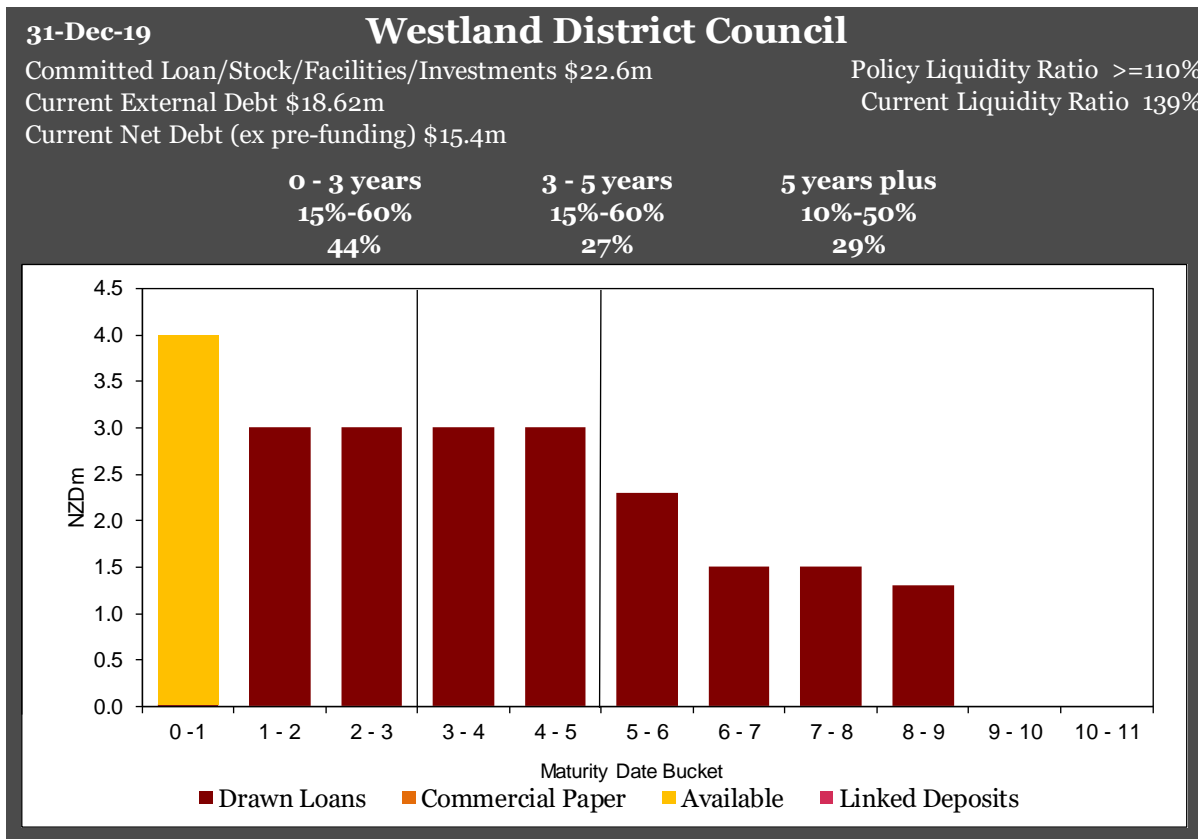
- Loans
- Internal borrowing
- Cash Investments
- Deposits
- Debtors

Council has contracted PWC as an independent treasury adviser.



# Loans

This chart illustrates the Council’s position in relation to the debt facility:



Council’s policies require that we have liquidity cover of 110% of forecast debt. There are two facilities in place, one with Westpac with a borrowing limit of \$4m, a second with the Local Government Funding Agency has a borrowing limit of \$20m, providing a total facility of \$24m. The forecast debt for the current financial year is \$24.34m, with a 12-month peak forecast of \$24.34m with liquidity coverage at 139%.

Council policy requires interest rate risk management within the ranges specified in the chart.

As at 31 December 2019, the Money Market Lending Statement shows:

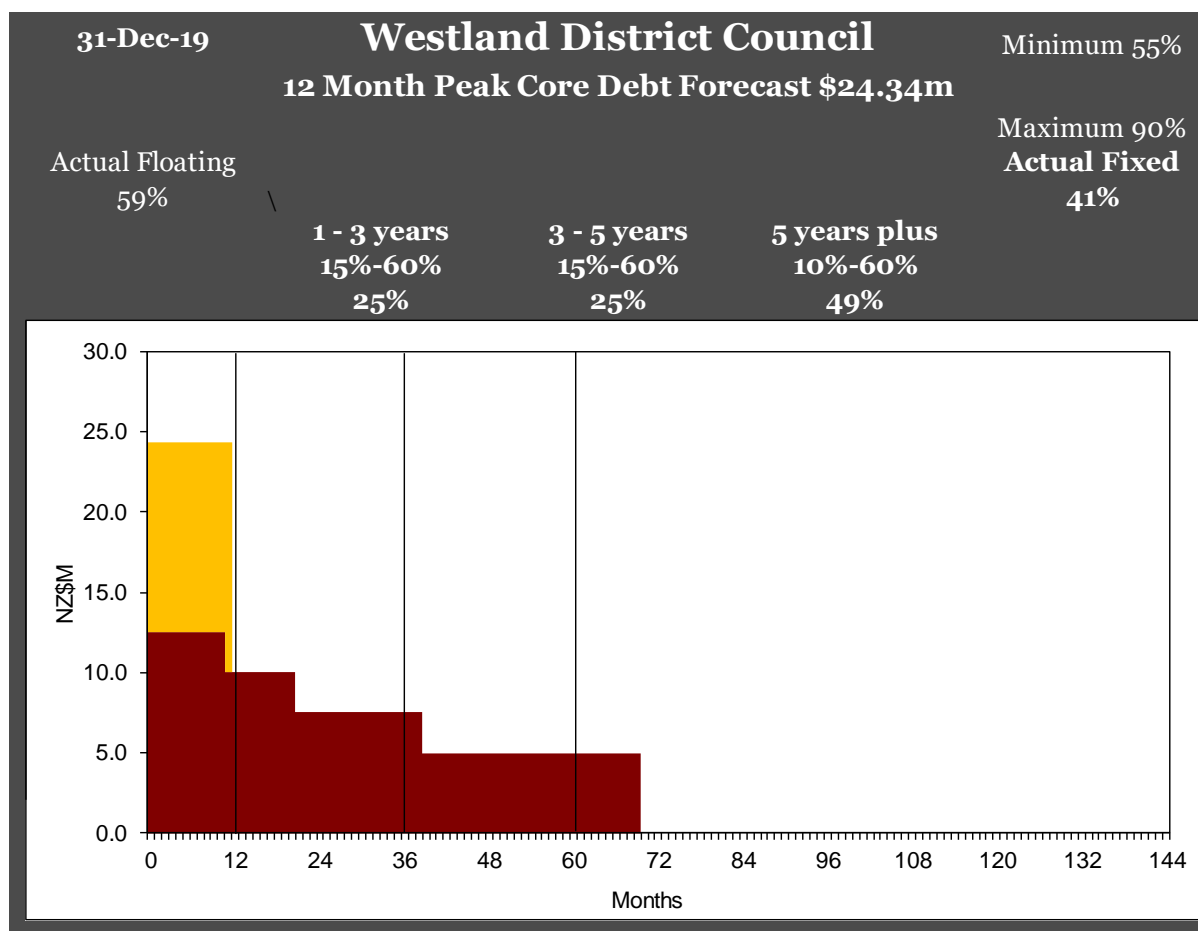
Amount	Rate	Maturity
18,352	1.800%	1/07/2020
3,000,000	1.240%	17/05/2021
3,000,000	1.240%	16/05/2022
3,000,000	1.040%	17/04/2023
3,000,000	1.040%	15/04/2024
2,300,000	1.040%	15/04/2025
1,500,000	1.040%	15/04/2026
1,500,000	3.877%	15/04/2027
1,300,000	1.040%	18/04/2028
<b>\$18,618,352</b>	<b>Total</b>	

*This does not include the 0.6% to 1.0% margins charged by the bank*

Swaps in place to protect against fluctuating interest rates are as follows:

Amount	Fixed interest rate	Maturity date
\$5,000,000	3.67%	2/10/2025
\$5,000,000	3.34%	2/10/2023
\$2,500,000	2.98%	17/03/2023
\$5,000,000	4.10%	1/10/2021
\$2,500,000	3.55%	17/11/2020
<b>\$20,000,000</b>	<b>Total</b>	

The following shows our current debt position and the amount of debt protected by interest rate swaps:



Council policy requires interest rate risk management within the ranges specified in the chart

### Interest Rate Risk Position

The interest rate risk position visually represents the Council's interest rate position within approved interest rate control limits as set out in the treasury policy document. The fixed to floating interest policy stands at 41% as at 31 December, lower than the policy limit of 55%. The Council has approved to be out of policy until, at the latest, the end of the financial year.

The yellow part of the graph shows the amount of debt which is fixed - (this includes fixed rate bonds together with payer swaps) meaning debt which gets repriced in one year's time or later. The top of the red area represents the forecast debt in a year's time. The red area therefore illustrates the amount of debt deemed floating rate and will include any forecast debt that has not been pre-hedged. Any existing loans or financial instruments which will be repriced within the next 12 months are included in the red area.

The key areas of focus are;

**Fixed Rate Percentage Limit: (wholesale interest rate certainty)**

The fixed rate percentage calculation is the total amount of fixed rate debt/interest rate hedges over the 12 month forecast net debt amount. Fixed rate is defined as having an interest rate resetting maturity/expiry date of greater than 12 months.

**Fixed Rate Maturity Limits: (spreading of wholesale interest rate maturity risks)**

Fixed rate repricing maturity dates are spread based on defined maturity band limits, 1 - 3 years, 3 - 5 years and 5 - 10 years. Minimum and maximum percentage limits within each time band ensure a spread of maturities and reduces the risk of maturity concentrations.

## Internal Borrowing

Kaniere Sewerage \$108,490.63.

## Cash Investments

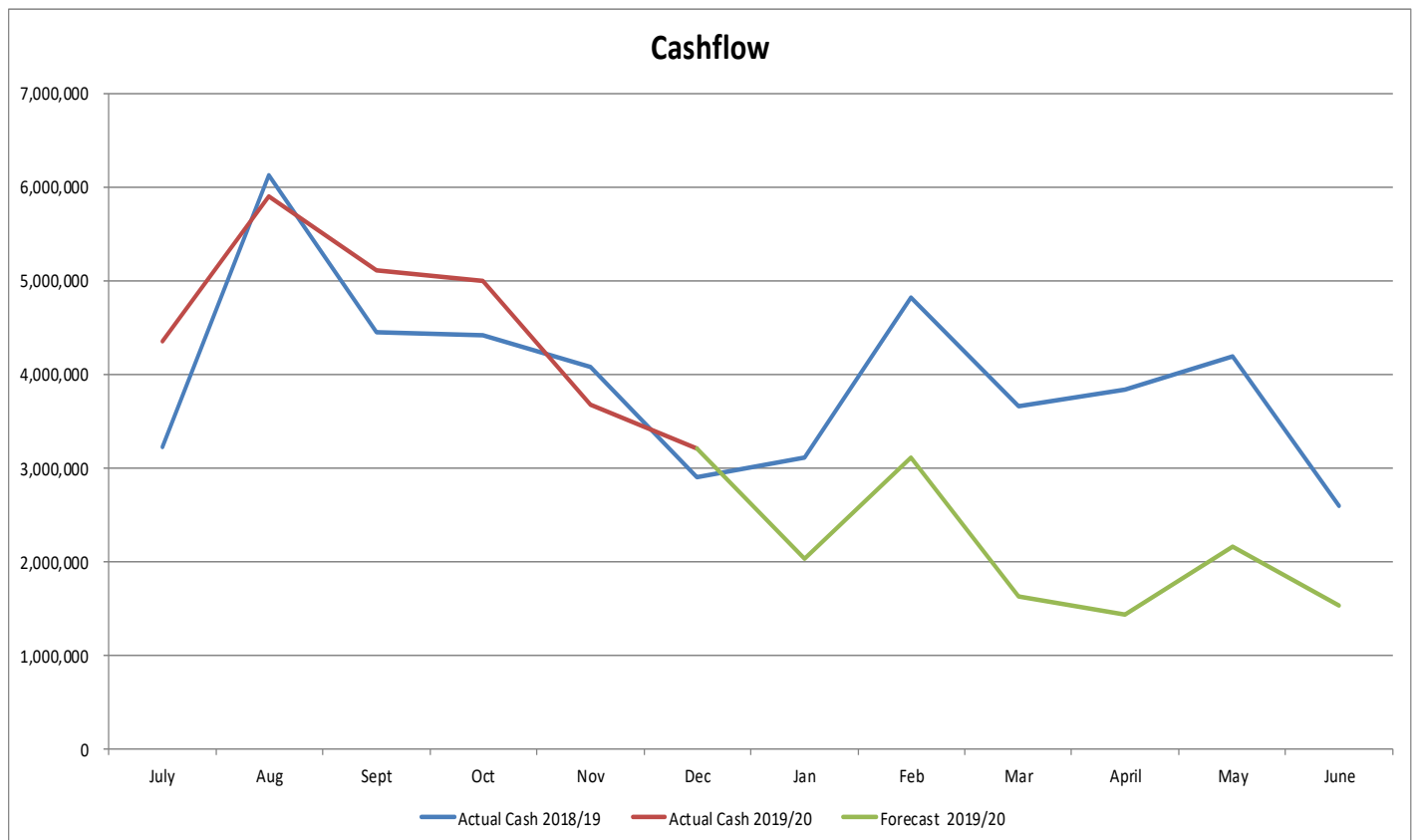
### Cash Deposits as at 31 December 2019

Cash flow is managed on a weekly basis. The highest spend is expected to continue in the next quarter with loan drawdowns occurring later in the financial year as more capital projects take place.

The following analysis excludes bond monies.

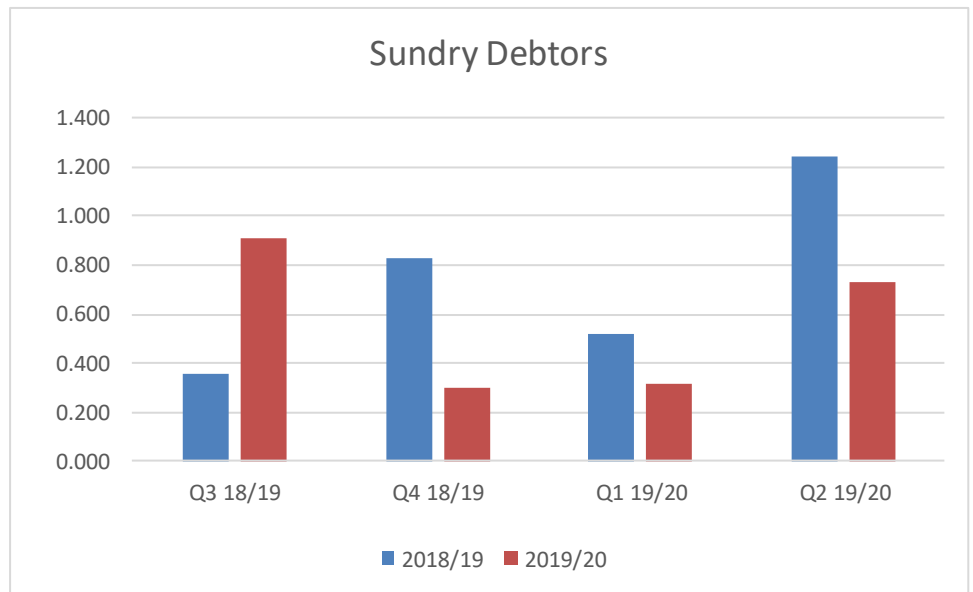
Closing balance of WDC Operational Account: \$1,852,961.84.

Term Deposit Account balances of: \$1,350,000.00.



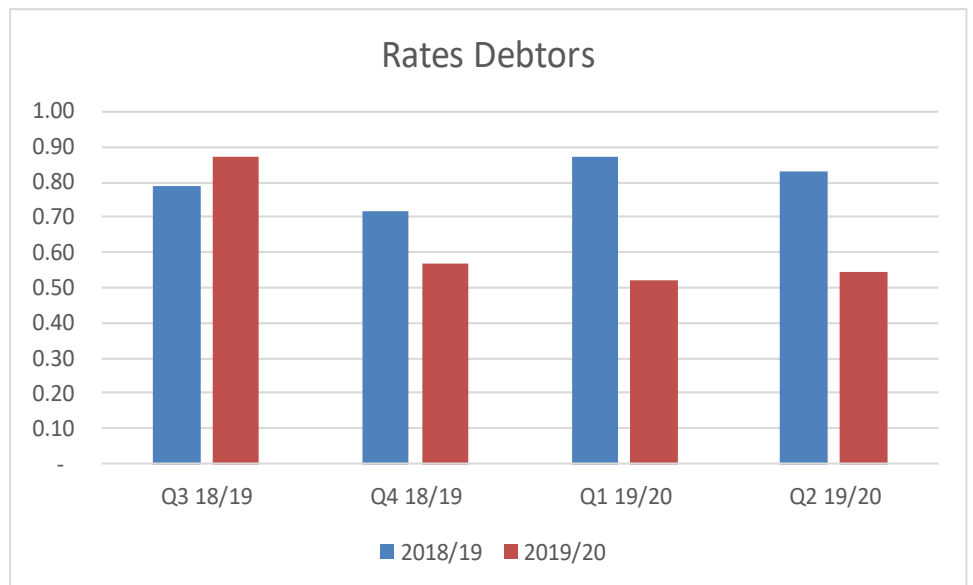
## Sundry Debtors

Outstanding Sundry debtors as at 31 December 2019 total \$728,560 which is \$411,109 higher than Q1 2019/20 financial year. This is due to a current invoice for \$589,418.



## Rates Debtors

At 31 December, rates debtors figure total \$543,985 which is \$25,505 more than Q1 2019/20 financial year. For the third quarter in a row rates have been below the \$600,000 mark.



## Debt Collection

Credit Recoveries performance as at 31 December for active debt:

The relationship between Council and the debt recovery agency is being actively managed with regular meetings and guidance from Finance. This proactive approach has assisted with the success of the debt management process and reduction of overdue debtors.

<b>Date Debt Sent</b>	<b>Debt</b>	<b>Collected</b>	<b>Recovery Rate</b>
Pre-2016	100,872	79,039	78%
2016-2017	25,479	11,800	46%
2017-2018	19,200	11,834	62%
2018-2019	17,316	8,658	50%
Current	2,194	30	1%
<b>Total</b>	<b>165,061</b>	<b>111,361</b>	<b>67%</b>

Further debts will be referred to debt recovery only where internal processes have proven unsuccessful.

# Reserve Funds Report

## Summary

### **Reserves are divided into two categories:**

Restricted Reserves: These reserves can only be used for the purpose as set out in either legislation or by the funder.

Council Created Reserves: These reserves exist solely at the discretion of Council, as a matter of good business practice.

### **Financial Management Principles for Reserve Funds**

- There are no reserves that are required to be represented by specific cash funds. Council therefore takes a portfolio approach to treasury management.
- Reserves are funded by interest income from investments and available borrowing capacity.
- Reserve balances will grow by interest calculated at the weighted average 90 day bill rate, transferred quarterly into the reserve.
- During 2018/19 new depreciation reserves will grow quarterly. Interest will be earned on those reserves calculated based on the average 90 day bill rate. This will be funded from external interest revenue (or deficit reserves – internal borrowing) for 2018/19
- Interest will be charged on any reserve in deficit at Council's weighted average cost of asset term debt.
- No funds shall be withdrawn from the Westpac Bonds or any reserve unless provided for in the Annual Plan or by Council resolution.



**COUNCIL CREATED RESERVE FUNDS**

Reserve	Purpose of each reserve fund	Balance	Transfers into fund	Transfers out of fund	Balance
		1 July 2019			31 Dec 2019
		\$000	\$000	\$000	\$000
Kumara Township fund	Township funding for the purpose of community related projects	-	7	- 14	- 7
HariHari township	Township funding for the purpose of community related projects	2	7	- 14	- 5
Whataroa township	Township funding for the purpose of community related projects	2	7	- 14	- 5
Ross township	Township funding for the purpose of community related projects	1	7	- 14	- 6
Haast township	Township funding for the purpose of community related projects	- 3	7	- 14	- 10
Franz township	Township funding for the purpose of community related projects	2	18		19
Fox township	Township funding for the purpose of community related projects	1	17	- 35	- 17
Kokatahi community fund	Township funding for the purpose of community related projects	8	4	-	13
Foreshore	Foreshore Protection for groin replacement on the foreshore.	20		-	20
Glacier country promotions	Targeted rates collected from Glacier Country to provide funding for marketing projects.	-	20	-	20
Prestons bush	Mr Preston donated the reserve to Council. This fund was for the community to beautify the bush with tracks and interpretation boards.	8	3	- 4	8
HariHari community complex	The Harihari Pony Club land was sold and the funding was to go towards a new community complex. (Another \$100,000 is allocated from the Reserve Development Fund.)	73	-	-	73
Guy Menzies trust	Surplus from Guy Menzies Day Event.	1	-	-	1
Cycle partnership contributions	Contributions from commercial partners towards upkeep of the Wilderness Trail				
Emergency contingency fund	Fund to support Westland in a Civil Defence emergency.	63	-	-	63
Marks Road reserve fund	Net Sale proceeds of section of Marks Road Reserve for to be split between Haast Civil Defense and the Haast Community	189	1	-	190
Transport renewals	For funding the renewal of roads and bridges.	490	611	- 240	861
Water renewal	For funding the renewal of water supplies networks	2,681	485	- 1,196	1,969
Waste water renewal	For funding the renewal of sewerage and sewage networks	2,429	286	- 1,398	1,317
Stormwater renewal	For funding the renewal of stormwater systems	- 661	105	- 76	- 632
Solid Waste renewal	For funding the renewal of Refuse transfer Stations and landfills.	-	-	-	-
Parks and Reserves renewals	For funding Parks, Reserves, Public Toilets, Ross Pool and Cemeteries Asset Renewal	214	157	- 278	94
Building renewals	For renewal of all Council operational buildings.	623	134	- 82	675
Administration renewals	For renewal of office equipment, furniture, technical equipment, vehicles and technology	279	93	- 120	251
Library renewals	To replace library books	184	43	- 28	199
<b>Total Council Created Reserves</b>		<b>6,604</b>	<b>2,013</b>	<b>- 3,526</b>	<b>5,091</b>

<b>Restricted Reserve Funds</b>					
<b>Reserve</b>	<b>Purpose of each reserve fund</b>	<b>Balance 1 July 2019</b>	<b>Transfers into fund</b>	<b>Transfers out of fund</b>	<b>Balance 31 December 2019</b>
		<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Off-street Parking	Collected from developments in town to pay for off-street parking. Imposed by RMA/District Plan	33	-	-	33
Reserve Development	Monies collected from developments. Imposed by RMA/District Plan	434	- 19	- 264	151
Museum Assistance Fund	Originally the Museum Bequest Fund	21	-	-	21
Kumara Endowment Fund	Proceeds from sale of Endowment land. Our brief research has not identified the specific terms of the endowment.	353	2	-	356
Euphemia Brown Bequest	Interest earned on funds administered by Public Trust Offices for the estates of Euphemia & William E Brown.	24	-	-	24
Mayoral Relief Funds	Contributions from James & Margaret Isdell Trust; Coulston Herbert Trust;	95	44	- 55	84
Three Mile Domain	To fund three mile domain costs.	208	16	- 150	74
Ross Endowment Land	Various endowment land parcels in Ross sold over time.	67	-	-	67
Big Brothers Big Sisters	Grant funding Received	- 1	-	-	- 1
Community Patrol	Grant funding Received		-	-	
Graffiti	Grant funding Received	4	-	-	4
Taxi Chits	Grant funding Received	- 3	4	- 3	- 2
RMA	Contributions from RSA parking lease	-	-	-	-
<b>Total Restricted Reserves</b>		<b>1,235</b>	<b>48</b>	<b>- 473</b>	<b>811</b>
<b>Total Reserves</b>		<b>7,839</b>	<b>2,061</b>	<b>- 3,999</b>	<b>5,902</b>
<b>Total Council Created Reserves</b>		<b>6,604</b>	<b>2,013</b>	<b>- 3,526</b>	<b>5,091</b>

## Statements of Service Provision

This section contains:

- Commentary about Council's activity within each Group
- Council's non-financial performance for each activity, measured against a set of 'key performance measures' that are in the Long Term Plan 2018 -2028.

### **Note:**

Where a LOS performance measure is "% of residents satisfied", Council holds results from the last survey of residents which was carried out in January 2018. This survey is carried out biannually.

A full explanation of the 2018 Resident Survey results is contained in Council's Annual Report 2017/18 and the survey itself can be obtained from the Council's website:

<https://www.westlanddc.govt.nz/2018-residents-survey-results>.

# Leadership Group

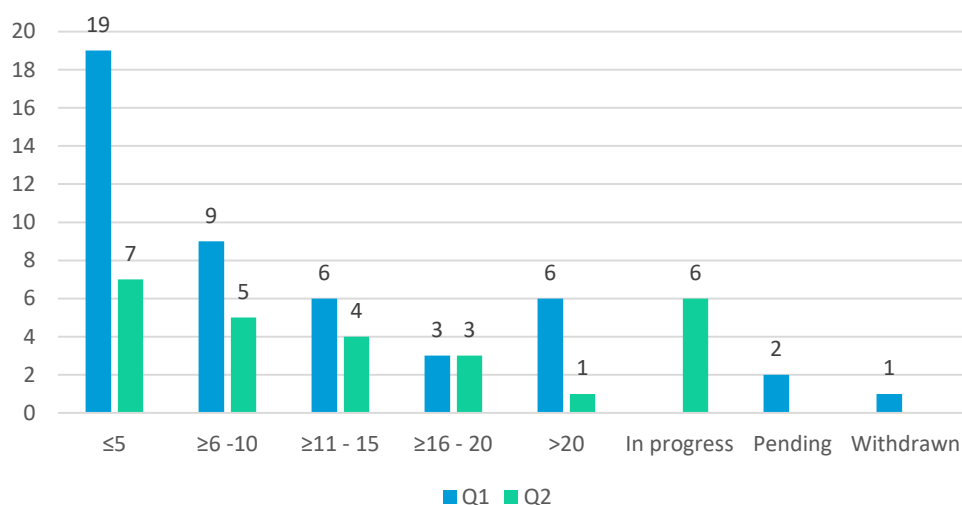
## Democracy

Local Government Official Information and Meetings Act (LGOIMAs)

Council received 26 LGOIMA requests in this quarter. 27% of these were completed in less than five days and was overdue by 9 days. At the end of the quarter one request required an extension and took 25 days to complete.

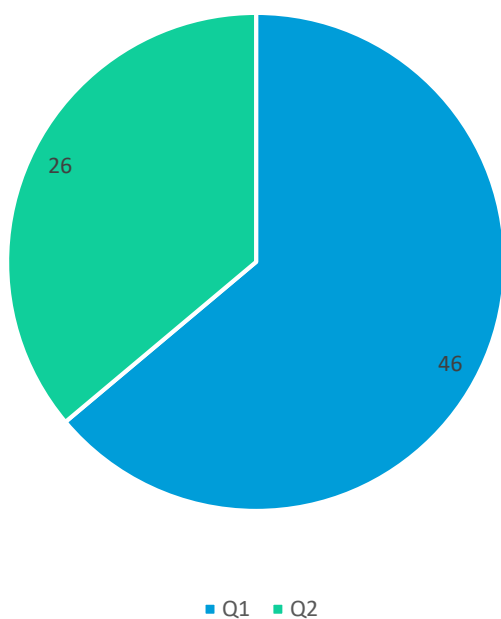
Requests came from the press, lobby groups and private citizens.

### Request days for completion

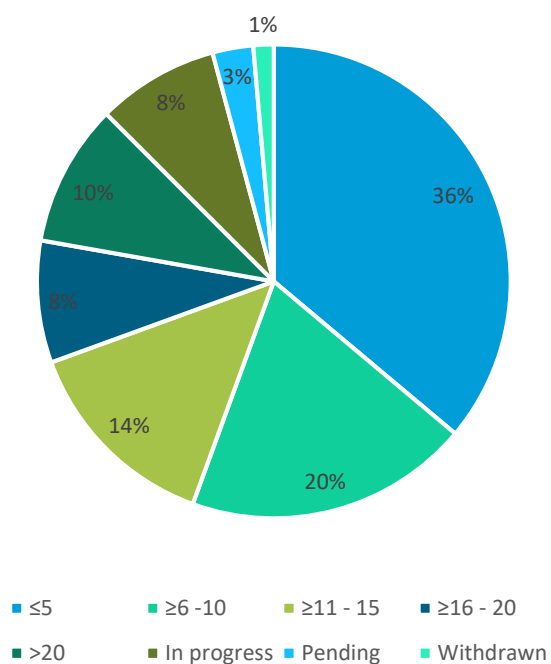


Pending requests are when a request for clarification or information regarding a charge has been sent but no further response has been received from the requestor.

### Requests per quarter



### Days for Completion 2019/20



## *Council and Committees*

In October a new Council was elected with five of the members of the previous Council returning to the Council table. The new Council adopted a Committee structure, which will have inaugural meetings in the third quarter. Due to the increased workload for the Democracy group, a new Administrative Assistant will be recruited.

## Corporate Services

### Finance

The finance team have been busy implementing a Financial Reporting System which supports the ERP system. This system allows us to produce reports with little manual intervention which can create errors. The system is still being implemented, however the Annual Report financial statements and notes were produced from the system and the whole process was easier with less errors. The finance team look forward to using this system fully in the near future.

The Annual Report was audited and adopted within the statutory time frame, Audit NZ stated that from their side the audit went a lot more smoothly and the Audit Management Report that has been received by Council is now on the Council Website.

Staff will now be moving forward with the Annual Plan process, and will be assisting the budget managers to produce their budgets.

There were some resignations within the finance team over the last quarter, these are key vacancies and the recruitment process for these vacancies has been progressed quickly, it is hoped that in the New Year, the finance team will be fully staffed again.

### Strategy and Communications

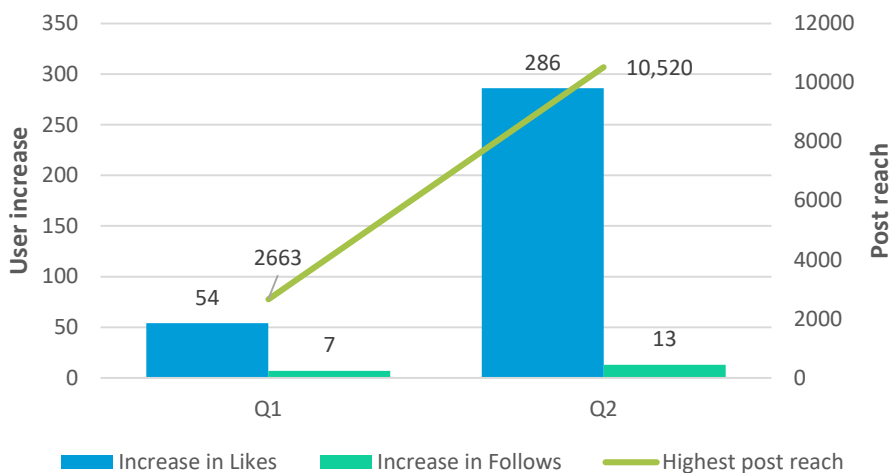
Planning for the next 18 months with the Long Term Plan, Annual Plan and Annual Report were the focus of this quarter for Strategy. Ensuring that staff have information available to help them plan their time and contribute to our statutory obligations for planning and reporting.

Looking forwards to the Long Term Plan, the Strategy and Communications Advisor (SCA) has been laying the groundwork by putting together an environmental scan and working on community outcomes to engage with the community. Work on these continues into the next quarter.

At the beginning of the quarter Communications set up a Facebook page for Dog Control to assist the team to reunite lost and found dogs with their owners. This has been a successful initiative, saving Dog Control time and resources. The page is administered by Communications and overseen and edited by Dog Control. The page has 153 likes and 165 follows. While this number is small, it continues to grow.

Efforts have been made to increase the number of people using our Council Facebook page by ensuring that more interesting content is posted and more information is made available through the page. This includes 'live posting' during Council meetings and posting relevant information during awareness weeks, as well as trying to provide more information about current projects. Following these efforts there was a significant increase to the number of people who 'like' or 'follow' the page and provided comments on posts. As of 31 December there are 2,196 page followers, compared to 1,897 at the beginning of the quarter.

## Facebook user insights



The SCA has also been considering improvements to the website to make sure that it is up-to-date and user friendly. This will be an ongoing, long-term task.

## Business Analysis

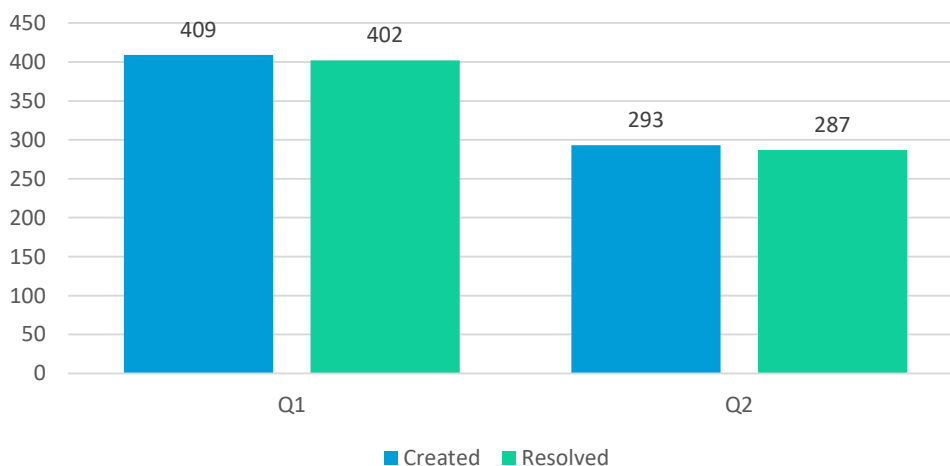
The Business Analyst is progressing the eDRM system and a test environment is now up and running, there is a lot of work to carry out on this system. Council has been assisted with this work by Hurunui District Council who have given their time and expertise to progress the implementation. It is expected that the system will be in place by 30 June 2020.

To assist with document management, Council is currently recruiting a Records Officer.

## Information Services

The IS team was kept busy during the quarter with the incoming support requests from around the business.

## Information Services Support Requests



In October the incoming Council were all issued with new HP laptops to replace the existing Surface Pros and other devices that were in use. We now have all Councillors including the Mayor on identical devices with Office 365 and using Teams as a secure means to disseminate all information to the Councillors.

## Library

The library services are now part of the Corporate Services group. They will continue to report under the leisure services and facilities.



## Democracy

Level of Service	Measure / Targets	Progress
Responsible leadership	<b>65%</b> of residents satisfied with Council's leadership.	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
The community understands what Council does	<b>50%</b> of residents understand how Council makes decisions.	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

## Corporate Services

Level of Service	Measure / Targets	Progress
Provide accountability about Council activities	Legally compliant financial plans and reports adopted <b>on time.</b>	31/12/19: The Annual Report was adopted on 31 October 2019, which met the legislative deadline. 30/09/19: There were no plans or reports in this quarter.
A comprehensive Customer Service Centre	<b>75%</b> of residents satisfied with the service they receive.	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
Effective engagement of the community during public decision-making opportunities	<b>55%</b> of residents that believe they have been consulted appropriately.	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

## Council Controlled Organisations

Level of Service	Measures / Target	Progress
CCOs comply with their Statements of Intent	<b>100%</b> performance measures in the CCO Statement of Intent are met, as reported in half yearly and annual reports.	31/12/19: 62.5%, 25/40 – Full Statements of Service are contained in the CCOs 2018/19 Annual Reports. 30/09/19: This is not reported in this quarter.

# Planning and Regulatory Group

## Resource Management

Not reported in this quarter.

## Inspections and Compliance

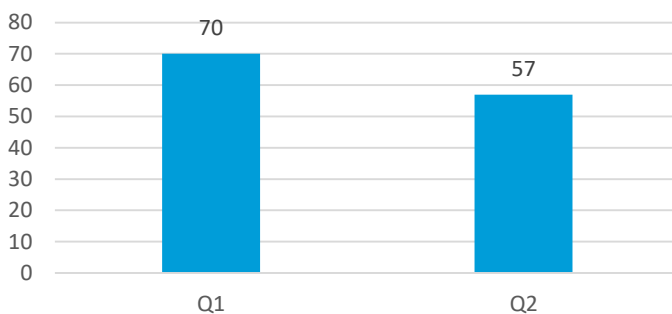
### Building

Building consent applications have remained steady for the quarter to date, with an increase in the first two quarters compared to last year's figures.

IANZ confirmed that the reassessment for accreditation is now completed and BCA has retained accreditation until July 2021.

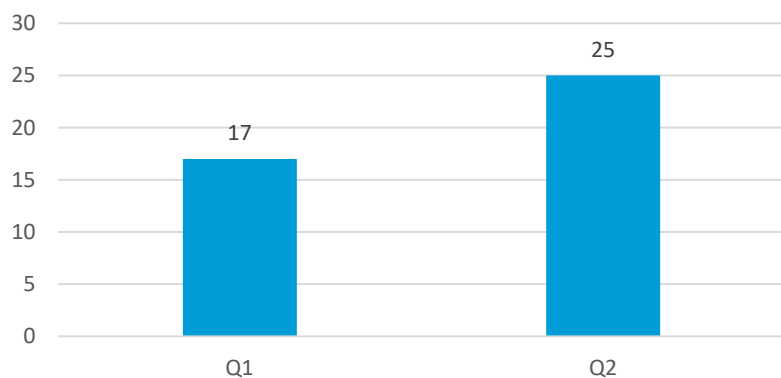
One hundred percent of building consents issued in the second quarter were issued within 20 working days and on hundred percent of Code Compliance Certificates were also issued within 20 working days.

### Consents issued



### Food Premises

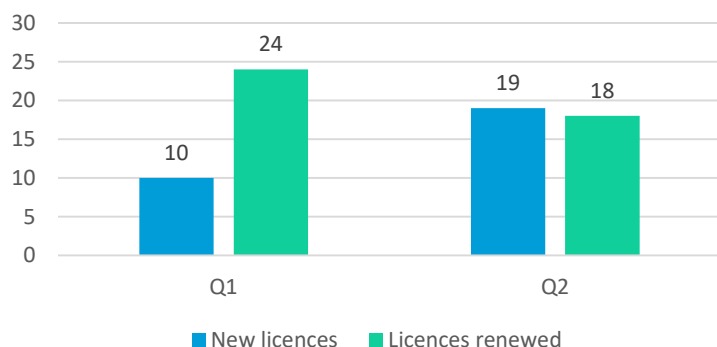
### Inspections



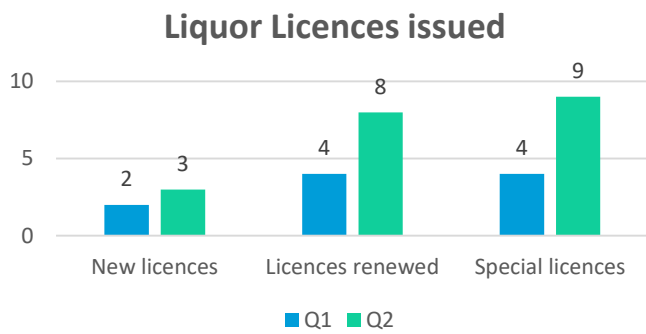
### Alcohol

With the upcoming tourist season, premises are employing more staff and many of them require new manager's licences.

### Manager's Licences issued



A greater number of special licences are issued in this quarter due to seasonal events such as Christmas functions.

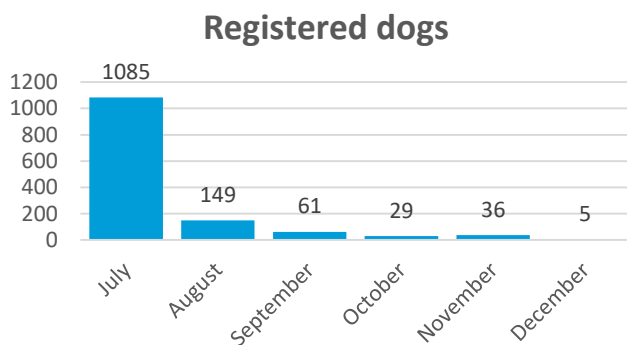


## Animal Control

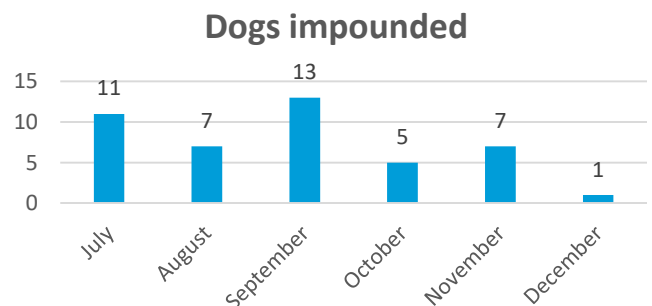
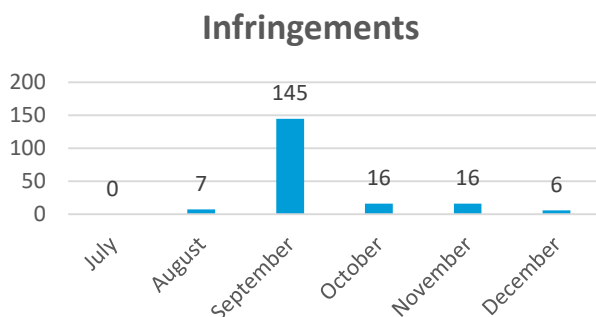
Dog control have found the new Facebook page a useful tool to assist with their work. As a result of page users sharing the information dogs have been returned to their owners more quickly and dogs that have not been claimed have found new owners through the adoption process. In the future this page can be used to provide other information to dog owners, such as registration reminders.

*The data for dog control is to 4 December 2019 due to the Christmas period.*

The total number of registered dogs in the Westland District between 1 July to 4 December 2019 is: 1365. There are 23 previously known and 25 previously unknown dogs that remain unregistered.



There were 190 infringements issued between 1 July and 4 December 2019.



Between 1 July and 4 December 44 dogs were impounded at the WDC Dog Pound:

## Emergency Management / Civil Defence (CD)

Not reported in this quarter.

## Resource Management

Level of Service	Measure / Target	Progress
Resource consents processed in accordance with the Resource Management Act	<b>100%</b> of resource consents processed within statutory timeframes:	31/12/19: Not reported. 30/09/19: Not reported.
Provide appropriate advice to customers	<b>85%</b> of users satisfied with the quality of the advice provided on resource management matters.	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

## Inspections and Compliance

Level of Service	Measure / Target	Progress
Timely processing of Building Consents	<b>100%</b> of building consents processed within 20 working days as per the requirements of the Building Act.	31/12/19: 30/09/19: Not reported.
Provide appropriate advice to customers	<b>85%</b> of users satisfied with the quality of the advice provided on building consent, environmental health and Liquor Licensing matters.	<p><b>Building Consents</b></p> 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
		<p><b>Environmental Health</b></p> 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
		<p><b>Liquor Licensing</b></p> 31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
Encourage compliance with health standards by undertaking inspections so that all food, liquor and other licensed premises comply with the relevant legislation	<b>100%</b> licensed and registered premises are inspected at least annually:	<p><b>Food Premises</b></p> 31/12/19: 24% in the quarter, 40% year-to-date. 31/09/19: Not reported.
		<p><b>Liquor Premises</b></p> 31/12/19: Not reported. 31/09/19: Not reported.

## Animal Control

Level of Service	Measures / Target	Progress
Keep the public safe from dogs and wandering stock	<b>90%</b> of residents satisfied with the protection provided.	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
	<b>98%</b> of known dogs registered by 30 June each year.	31/12/19: 98.34% of known dogs registered. 30/09/19: 98% of known dogs registered.
	Response times to Priority 1 callouts is <b>30 minutes or less (excluding travel time)</b>	31/12/19: 100% responded to in 30 minutes or less. 30/09/19: Not reported.

## Emergency Management

Level of Service	Measures / Targets	Progress
Effective natural hazard readiness	<p><b>100%</b> of suitable emergency response training has occurred</p> <ul style="list-style-type: none"> <li>- Emergency Management personnel meet CIMs 4 and EOC standards</li> <li>- Volunteers are offered at least 2 training opportunities per annum</li> <li>- Number of trained volunteers increases by <b>10%</b></li> </ul>	<p>31/12/19: Not reported.</p> <p>30/09/19: 100%. Not reported.</p>
Suitable response plans are in place	<p><b>90 – 100%</b> of community emergency response plans are in place for all Westland townships.</p>	<p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p>

# Community Services Group

## Community Development and Assistance:

### Westland Communities Contact & Liaison

During the quarter the Community Development Advisor (CDA) attended community meetings, township community groups, meet with individuals and representatives from Haast through to Kumara representing Council and maintaining lines of communication. All Accountability reports 2018-2019 have been returned for Township Development funding and Funding Agreements 2019-2020 have been signed.

The Reserve Bank NZ conducted public consultation with Westland during November regarding 'The Future of Cash', assisted by the CDA. This was a unique opportunity for Westland residents to have input and voice their concerns on the future of cash in our Westland communities.

The CDA attended community Civil Defence training at the Mines Rescue Centre, Runanga. The CDA worked in the Civil Defence EOC in the Logistics function during the December Rain Event.

CDA presented at the Heartland Partners Meeting, on the Community Development Advisors position and the Westland Safe Community Coalition.

A successful new initiative, Drive West, was launched in association with West REAP to assist new drivers through the graduated licencing system. There were 14 enrolled participants, between 16 and 60 years, 13 of whom attended 90% of the course. Eight have sat and passed their learner licence, with others yet to book. Feedback was positive and further initiatives will be investigated in the next quarter.

A working group began preparations for Clued Up Kids in Westland. The programme gives years 5 and 6 students tools to cope in situations where they need to focus on their safety such as cycling at roundabouts. Delivery of the programme is anticipated during Q2 2020.

### Funding

During the quarter the CDA promoted available funding through the weekly Community Notices email, and met with groups, organisations and individuals, assisting with the completion of applications where needed.

Creative Communities Funding round closed in September and the Committee considered eleven applications and distributed \$10,167.00 in funding in October. This is a considerable increase in funding for the Westland area and a result of the Review of the Creative Communities Scheme.

The CDA worked with New Coasters in a successful funding submission to Ethnic Communities Development Fund with Council receiving \$5,700.00 toward the Westland Culture Feast 2020 "Westland Migrant Stories".

A funding submission with Runanga representatives to Manatū Taonga – Ministry for Culture and Heritage Commemorating Waitangi Day Fund 2020 was successful with Council receiving \$3000.00 towards Waitangi Day 2020 at Arahura Marae. Fletcher Tabuteau, Under Secretary for Regional Economic Development has been secured as a guest speaker.

### Safe Community Coalition

The Westland Safe Community Coalition (WSCC) adopted a Terms of Reference at the Governance meeting and a updated strategic plan. The WSCC Annual review was submitted to the Safe Community Foundation NZ.

The CDA attended the Safe Communities Conference with two other representatives from Westland Safe Community Coalition. Westland presented on CACTUS (Combined Adolescent Challenge Training Unit and Support).

The half-price taxi scheme continues to be popular, with 28 people registered. A number of organisations have assisted with funding: Anglican Community Care, Soroptimist International of Westland and TrustPower West Coast Lend a Hand Foundation. There is currently a shortfall of \$1200 in funding.

Westland was very active in participating in the West Coast Roding Survey, being almost half of the submitters to the survey. This should provide Council with some clear indication of residents’ satisfaction and concerns.

### Hokitika Reserves and Environs Community Group

The following projects were completed during the quarter:

- Relocating Whitebaiters Walk to the Pierson Esplanade, Gibson Quay
- A memorial cemetery seat was installed in the Hokitika Cemetery.

Hokitika was selected as one of the new tranche of Tohu Whenua, landmarks that tell our stories. The Hokitika Port and Commercial area at the Tancred Street Viewing platform will host the Pou (pole) and be opened with a ceremony on 14 February 2020.

### Community Halls

Level of Service	Measure / Target	Progress
Provide safe and useful community halls	<b>80%</b> of residents satisfied with the standard of their local hall.	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

# Leisure Services & Facilities Group

## Land and Buildings

Upgrades to Council headquarters continue to progress with completion of renovations on the first floor.

Tender for the earthquake strengthening of the Carnegie Building was awarded to CYB.

## Parks and Reserves

Not reported in this quarter.

## Cemeteries

Not reported in this quarter.

## Public toilets

New toilets were installed in Haast during the quarter using cost shared funding from Ministry of Business, Innovation and Employment. Temporary facilities were made available during the construction period.

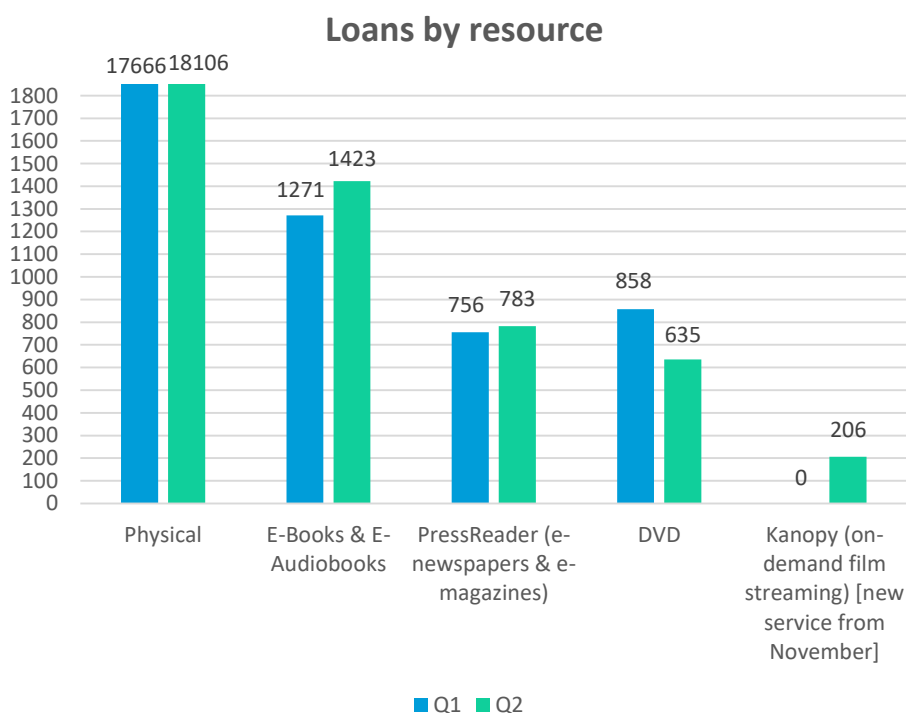
Partial temporary closures were required through the quarter in the Fox facilities as the door locks were replaced and blockages cleared.

New facilities were constructed in the Ross township during the quarter. This project will be completed and operational early in 2020.

## Westland District Library

Membership remains steady with new members joining at a similar rate to membership expirations. Total issues have seen a slight increase in Q2 compared to Q1, following an annual trend which sees an increase in issues for the Summer Reading Challenge and holiday period. The popularity of the digital collections (e-Books, E-Audiobooks, E-Newspapers & E-Magazines) has continued to grow with more borrowers downloading the apps to access these collections.

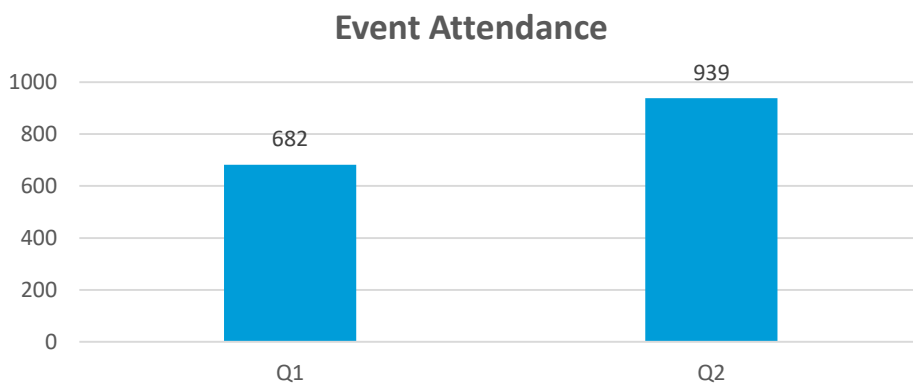
To improve digital offerings, a new digital film streaming service, 'Kanopy, was launched'. The films offered include documentaries, educational courses, world-cinema, classic films and children's programmes. This significantly improves the breadth of the audio-visual collection. Initial uptake of the service has been very positive, with 206 films watched in the first 2 months.





This quarter the library ran a pilot Book-A-Librarian Service to assist patrons’ digital skills on a 1-1 basis. The library has provided 12 hours of digital skills tuition and assistance to patrons with very positive feedback.

Over 900 people attended events and programmes led by library staff in Q2. Collaborating with local organisations and members of the community, the library has been able to host a wide variety of evening talks and community events. For example, making Beeswax Wraps with Kids-first Kindergarten, Mahjong and NZ Sign Language tasters for Adult Learners Week, Harakeke (Flax Weaving) for Maori Language Week, Mindfulness session for Mental Health Awareness Week, Author Talk with Catherine Bishop, a Seed & Seedling Swap with New Coasters, an information and consultation with the NZ Reserve Bank and our Christmas Community Morning Tea.

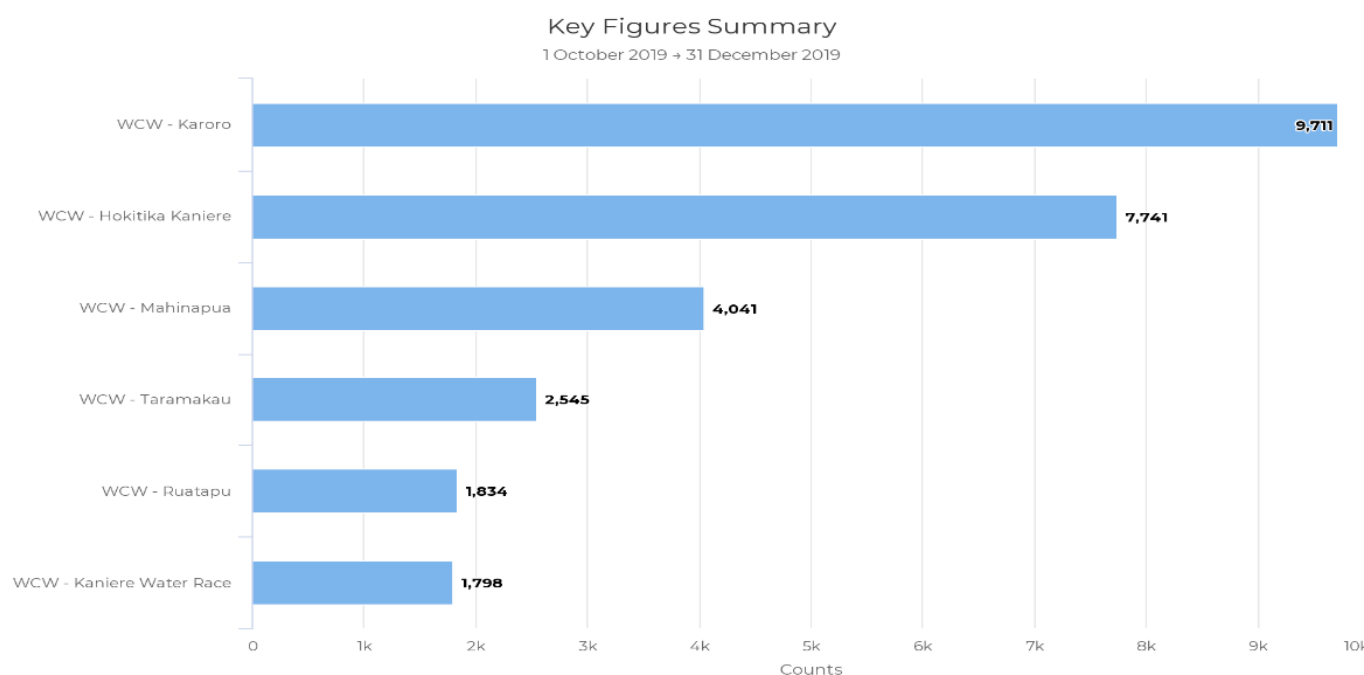


Children’s programming has been very successful with many holiday events and regular programmes fully booked. For the NZ Book Award celebrations, the library collaborated with the West Coast Penguin Trust to host events at the library for all local primary schools and the youth librarian visited the schools to promote a new a re-designed Summer Reading Challenge.

#### ‘You are great for us kids’ Younger Customer Feedback

### West Coast Wilderness Trail

The West Coast Wilderness Trail continues to attract large numbers users. Sites close to Greymouth and Hokitika record the highest usage numbers. Detailed numbers are reported in the KPI table. Work is underway to report more accurately on use in the Westland District.



A very wet spring and a number of severe weather events during the quarter have increased the maintenance requirements on the trail. Funding is being sought from central government to assist with the clean-up from the storm damage.

## Parks and Reserves

Level of Service	Measure / Target	Progress
Reserves are pleasant, enjoyable and safe places	<b>90%</b> of residents satisfied with parks and reserves.	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.

## Cemeteries

Level of Service	Measure / Target	Progress
Cemeteries have sufficient capacity	Each cemetery has at least 12 months capacity ahead: <b>Target</b> <b>Hokitika 100%</b> <b>Kumara 100%</b> <b>Ross 80%</b>	31/12/19: No change. 30/09/19: Hokitika 100%, Kumara 100%, Ross 80%.
Burials adhere to the relevant legislation	Standards for burial adhere to Cemeteries and Cremations Act 1964: <b>Target 100%</b>	31/12/19: Not reported. 30/09/19: Not reported

## Public Toilets

Level of Service	Measure / Target	Progress
Provide public toilets throughout the district	<b>100%</b> of residents satisfied with the service.	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
	<b>100%</b> of facilities are available for use during the day.	31/12/19: Facilities are available were available for use during the day 90% of the time. Closures were required to complete maintenance. 30/09/19: Not reported

## Westland District Library

Level of Service	Measure / Target	Progress
Provide quality library services in the District	<b>90%</b> of residents satisfied with library services	31/12/19: No change 31/09/19: Formal Residents Satisfaction survey was not carried out in this quarter.
	<b>44%</b> of residents who are library members	31/12/19: 30/09/19: Not reported

## West Coast Wilderness Trail

Level of Service	Measure / Target	Progress
The cycle trail is well used	Numbers using the trail as measured by trail counters: <b>10,000 per annum</b>	31/12/19: Daily average recorded over all measured sites was 301. Daily average use range for the counted sites ranges between 20 and 115. The total trail riders counted during the period was 27,670. 30/09/19: Not reported

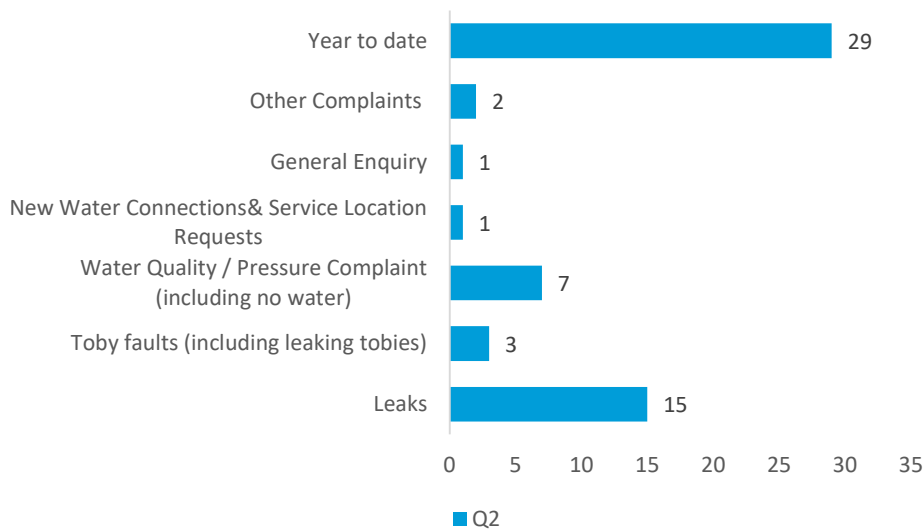
# Transportation Group

Not reported in this quarter.

Level of Service	Measure / Targets	Progress
The transportation network is safe for all users in Westland District	<p>Road safety:</p> <p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number is <b>less than the previous year</b></p>	<p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p>
The surface condition of roads in Westland is of good quality	<p>Road condition:</p> <p>The average quality of ride on a sealed local road network, measured by smooth travel exposure is <b>&gt; 90%</b></p>	<p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p>
	<p><b>50%</b> of residents are satisfied with the standard and safety of Council's unsealed roads</p>	<p>2018/19: Formal Residents Satisfaction survey is only carried out on a two-year cycle therefore no results for comparison with previous year.</p> <p><i>(2017/18: 74%, 2018 Residents' Survey)</i></p>
The surface condition of roads in Westland is maintained to a high standard	<p>Road maintenance:</p> <p>The percentage of the sealed local road network that is resurfaced <b>&gt;7%</b></p>	<p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p>
Footpaths are maintained in good condition and are fit for purpose	<p>Footpaths:</p> <p><b>90%</b> of footpaths within a territorial authority district that fall within the level of service or service standard for the condition of footpaths that is set out in the territorial authority's relevant document (such as its annual plan, activity management plan, asset management plan, annual works program or long term plan).</p>	<p>31/12/19: No change.</p> <p>30/09/19: This data metric is still being developed to be able to measure performance.</p>
Response to service requests are dealt with promptly	<p>Customer service requests:</p> <p><b>100%</b> of customer service requests relating to roads and footpaths responded to within the time frame specified in the Long Term Plan.</p>	<p>31/12/19: Not reported.</p> <p>30/09/19: Not reported</p> <p>More revision is needed on this metric to ensure achievability.</p>

## Water Supply

There were 29 water related service requests recorded between 1 October 2019 and 31 December 2019.



Kumara and Whataroa water treatment plants are now operational. The contractor has some minor defects and site reinstatements to complete.

The proposed Fox water treatment plant remains on hold while monitoring instruments that have recently been installed provide essential data to enable the most appropriate design solution for a new plant. It is anticipated that sufficient data will be collected to enable the contract to be awarded by July 2020.

The new Arahura water supply is progressing and a tender is expected to be awarded in April 2020. The scope of works includes a new water treatment plant which will meet the Drinking Water Standards, new pipeline from the plant to reservoirs and a supply to the Marae.

All water treatment plants now have new Water Safety Plans (WSP's). Currently five of the nine plans have been approved by our Drinking Water Assessor.

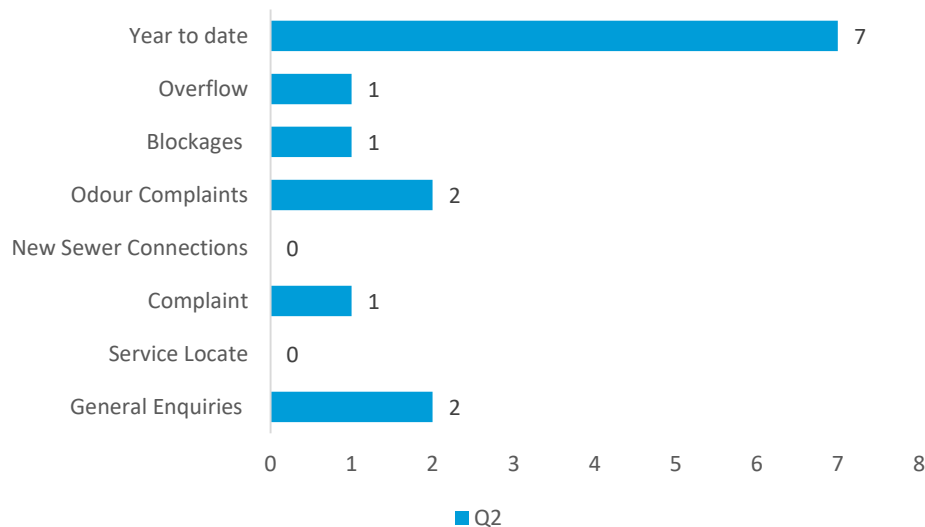
*The following service performance table includes a measure about response times for addressing the service requests logged during this period:*

Level of Service	Measure / Target	Progress
Council supplied potable water is safe to drink	<p>Safety of drinking water:</p> <p>The extent to which the local authority's drinking water supply complies with both:</p> <p>(a) part 4 of the drinking-water standards (bacteria compliance criteria), and</p> <p>(b) part 5 of the drinking-water standards (protozoal compliance criteria),</p> <p><b>These drinking water schemes will comply with parts (a) and (b) of the key performance measure:</b></p> <p><b>Years 1-3</b></p> <p><b>Hokitika, Ross, Harihari, Franz Josef, Haast</b></p> <p><b>Year 2</b></p> <p><b>Fox, the Arahura scheme if it is continued as a Council service</b></p> <p><b>Years 2-3</b></p> <p><b>Kumara, Whataroa</b></p>	<p>31/12/19:</p> <p>(a) To date 9 out of the 9 supplies are fully compliant with bacterial compliance criteria at both the water treatment plant and in the distribution zone.</p> <p>(b) 2 out of the 9 supplies (Hokitika and Ross*) compliant with protozoal compliance criteria. *Both require Drinking Water Assessor approval. Currently Ross WTP is the only plant compliant with protozoal requirements. Out of the remaining 8, Arahura &amp; Fox Glacier treatment plants await their upgrades to comply. Kumara, Whataroa, Harihari, Franz Josef &amp; Haast require UV Pro-forma's to be lodged with the Drinking Water Assessor before compliance can be obtained. <i>Note:</i> Kumara &amp; Whataroa still require the correct plant data to recorded &amp; logged for compliance.</p> <p>30/09/19: Not reported.</p>
Requests for service are dealt with promptly	<p>Fault response times:</p> <p>Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:</p> <p>(a) attendance for urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (2 hours), <b>100%</b>, and</p> <p>(b) resolution of urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption. (12 hours) <b>100%</b>, and</p> <p>(c) attendance for non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel reach the site (24 hours) <b>100%</b>, and</p> <p>(d) resolution of non-urgent call-outs: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption (72 hours)<b>100%</b>.</p>	<p>31/12/19:</p> <p>(a) No data</p> <p>(b) 67%</p> <p>(c) No data</p> <p>(d) 49%</p> <p>30/09/19: Not reported.</p>
Council supplied water is reliable	<p>Maintenance of the reticulation network:</p> <p>The percentage of real water loss from the local authority's networked reticulation system (including a description of the methodology used to calculate this).</p> <p><b>Not currently measured, monitored in a number of ways including: Telemetry, water meters, repair program, mains replacements and pressure management. This is in context with the Benchloss NZ Manual.</b></p> <p>Demand management:</p> <p>The average consumption of drinking water per day per resident within the territorial authority district is &lt; <b>500l/day</b></p>	<p>31/12/19: Not measured.</p> <p>30/09/19: Not reported.</p> <p>31/12/19: Not measured. Analysed on a three yearly basis.</p> <p>30/09/19: Not reported.</p>

Level of Service	Measure / Target	Progress
Customers are generally satisfied with the Council supplied water	<p>Customer satisfaction:</p> <p>The total number of complaints received by the local authority about any of the following:</p> <ul style="list-style-type: none"> <li>(a) drinking water clarity</li> <li>(b) drinking water taste</li> <li>(c) drinking water odour</li> <li>(d) drinking water pressure or flow</li> <li>(e) continuity of supply, and</li> <li>(f) the local authority's response to any of these issues</li> </ul> <p>Expressed per 1000 connections to the local authority's networked reticulation system <b>25 per 1000 connections (2640 connections)</b></p>	<p>31/12/19:</p> <ul style="list-style-type: none"> <li>(a) 4</li> <li>(b) 0</li> <li>(c) 0</li> <li>(d) 10</li> <li>(e) 19</li> <li>(f) 2</li> </ul> <p>Total number of complaints = 35 Complaints per 1000 connections = 13</p> <p>30/09/19: Not reported.</p>

## Wastewater Group

There were 7 wastewater related service requests recorded between 1 October 2019 and 31 December 2019.



Council is still under an enforcement order for the Franz Josef WWTP dating back to 2017/18. This remains standing until such time as the new WWTP is up and running.

The Franz Josef wastewater treatment ponds upgrade is continuing. The new ponds and associated equipment will be operational in March 2020 as per the Environment Court Order. Westroads are currently installing two pump stations, the aerator, inlet screen and flowmeter. A standby generator will also be installed. Site fencing has been completed.

Tonkin and Taylor have submitted a technical report and options assessment for the Hokitika ponds upgrade. The ponds will be operated in series instead of the current configuration and have an inlet screen installed to remove inorganics before the inflow enters the ponds. Aerators will be permanently installed. Site fencing has been completed.

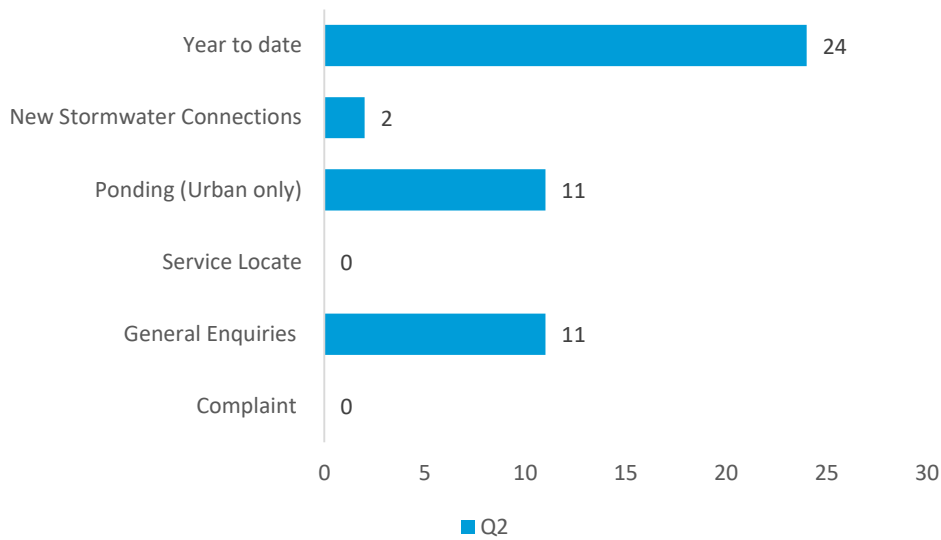
*The following service performance table includes a measure about response times for addressing the service requests logged during this period:*

Level of Service	Measure / Target	Progress
Council wastewater systems are managed without risk to public health	<p>System and adequacy:</p> <p>The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed per 1000 sewerage connections to that sewerage system. <b>10 per 1000 connections (2065 connections)</b></p>	<p>31/12/19:</p> <p>2 sewerage overflows reported.</p> <p>Complaints per 1000 connections = 3.9</p> <p>30/09/19: Not reported</p>
Council wastewater systems are safe and compliant	<p>Discharge compliance:</p> <p><b>100%</b> Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of:</p> <p>(a) abatement notices  (b) infringement notices  (c) enforcement orders, and  (d) convictions.</p>	<p>31/12/19:</p> <p>(a) 0  (b) 0  (c) 1  (d) 0</p> <p>30/09/19: Not reported</p>
Customers are generally satisfied with the Council wastewater systems	<p>Fault response times:</p> <p>Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:</p> <p>(a) attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site (2 hours), <b>100%</b> and  (b) resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault (4 hours) <b>100%</b>.</p>	<p>31/12/19:</p> <p>(a) No data  (b) 0%</p> <p>Out of the 2 overflows reported, none were resolved within the allowable time frame.</p> <p>Council staff are working alongside contractors to review the Service Request process and system to ensure it is fit for purpose.</p> <p>30/09/19: Not reported</p>
	<p>Customer satisfaction:</p> <p>The total number of complaints received by the territorial authority about any of the following:</p> <p>(a) sewage odour  (b) sewerage system faults  (c) sewerage system blockages, and  (d) the territorial authority's response to issues with its sewerage system,</p> <p>Expressed per 1000 connections to the territorial authority's sewerage system. <b>25 per 1000 connections (2065 connections)</b></p>	<p>31/12/19:</p> <p>(a) 2  (b) 2  (c) 3  (d) 1</p> <p>Total complaints = 8</p> <p>Complaints per 1000 connections = 3.9</p> <p>30/09/19: Not reported</p>



## Stormwater Group

There were 24 stormwater related service requests recorded between 1 October and 31 December 2019.



CCTV work has been carried out on the stormwater network in Hokitika, which has identified several areas requiring pipework upgrades.

A variety of stormwater improvements for the Tancred street catchment and pump station including two replacement pumps capable of delivering 500 litres/sec each, compared with the existing pumps which only deliver 300. A large sump will also be installed on the corner of Hamilton Street and Tancred Street. This will allow a much greater quantity of stormwater to be removed during heavy rainfall events which currently can cause inundation of low lying shops.

*The following service performance table includes a measure about response times for addressing the service requests logged during this period:*

Level of Service	Measure / Target	Progress
Council Stormwater systems have the capacity to resist major storms and flooding events.	System adequacy: (a) The number of flooding events that occur in a territorial authority district <b>2 events</b> (b) For each flooding event, the number of habitable floors affected. Expressed per 1000 properties connected to the territorial authority's stormwater system. <b>10 per 1000 connections (434 connections)</b>	31/12/19: (a) 0 (b) Total habitable floors = 0 Per 1000 connections = 0  30/09/19: Not reported
Requests for service are dealt with promptly	Response times:  The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site. (1 hour) <b>100%</b>	31/12/19: Not applicable.  30/09/19: Not reported
	Customer satisfaction:  The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 properties connected to the territorial authority's stormwater system. <b>10 per 1000 connections (434 connections)</b>	31/12/19:  Total number of complaints = 16 Complaints per 1000 = 36  30/09/19: Not reported
Council storm water systems protect the natural environment	Discharge compliance:  <b>100%</b> Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of:  (a) abatement notices (b) infringement notices (c) enforcement orders, and (d) convictions	31/12/19: (a) 0 (b) 0 (c) 0 (d) 0  30/09/19: Not reported

# Solid Waste Management Group

## Butler’s landfill

Westroads successfully tendered for the management, cartage and landfill physical activities in July 2019. Site conditions and operational performance have continued to improve over the last 12 months. Capital expenditure has been applied to replace pumping & irrigation components, signage & site structures plus construction of capping layers. Maintenance requirements have reviewed and a modest increase in operational expenditure is expected. Testing and compliance with the site resource consent remains in scope.

Planning and design for an additional containment area to meet the needs of the Westland District for the next two decades is underway. Staff, adjoining neighbours and affected parties undertook a liaison group meeting which was informative and provided positive feedback. A visit to the transfer station and landfill operations was undertaken by a class from Kaniere primary school.

## Surrender of consents

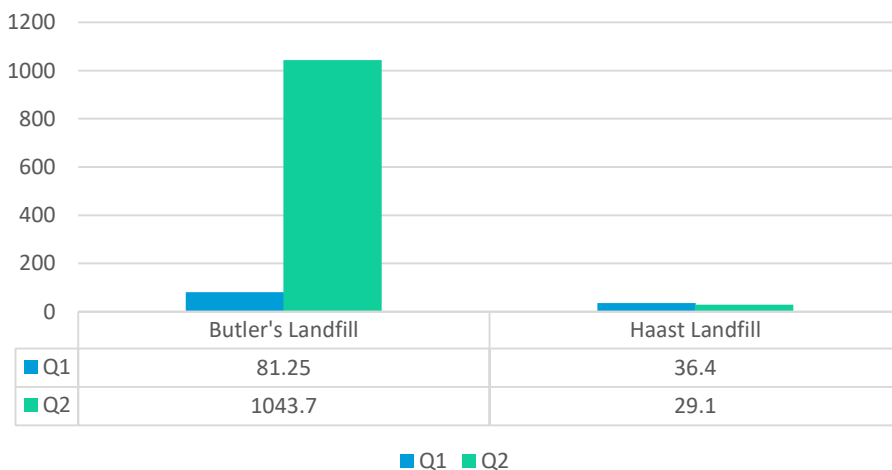
Only one consent was surrendered – Capping on the Hokitika Landfill. No longer applicable

## Refuse and recycling collection service

EnviroWaste are undertaking the recycling services and the operation of the transfer station and community collection to a high standard. In conjunction with the council waste management staff, a programme was instigated to collate waste and recycling bins for each property. It was recognised that many properties had excess bins and the recovery from rates was not matching the expense on general rates charge. This caused some conflict with residents that were using additional bins, but this has now settled down.

The data in the table is to 11 December 2019 due to the Christmas break.

### Volume of Waste Received



## Enviro Schools programme

This programme has been increased to cover five schools in the Westland District.

## Fox Glacier landfill

During the last two quarters considerable effort has gone into the protection of Fox landfill from further damage.

Currently Ministry for the Environment are investigating Landfill mining at Fox landfill to reduce the amount of material to be shipped off site. This is a trial for remediation of other abandoned landfills throughout New Zealand.

Work completed 28th November 2019



Storm surge 3rd December 2019



Level of Service	Measure / Target	Progress
Solid waste is managed appropriately	All necessary consents for solid waste activities and capital projects are applied for, held and monitored accordingly <b>100%</b>	31/12/19: Compliant / on target (100% to date) 30/09/19: Compliant (100%)
Education about waste minimisation is provided to the community	Number of visits to schools and community groups: <b>3 schools, 3 groups per annum.</b> <b>3 x community groups per annum</b>	31/12/19: Exceeded - 5 schools now included 30/09/19: Schools now included 4. Paper 4 Trees (sponsorship) now covering 4 schools & increasing. School visit to Landfill & Transfer Station.

# Report



**DATE:** 23 January 2020  
**TO:** Mayor and Councillors  
**FROM:** Planning and Customer Services Manager

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## **FRANZ JOSEF MASTER PLAN**

### **1 SUMMARY**

1.1 The purpose of this report is to provide options to progress management of land use issues at Franz Josef/Waiau in a report prepared by Lynda Murchison. The content of this report is detailed below.

1.2 The Franz Josef/Waiau area has a series of challenging land use issues. The area has significant natural hazard risk associated with inundation from the Waiho River and other streams; and from potential seismic activity along the Alpine Fault. The area is a major and growing tourist destination, with approximately 700 000 visitors to Franz Josef glacier each year, and provision of support services for tourism and outdoor recreation is a major economic activity in the Franz Josef/Waiau area.

To that end, land use and infrastructure planning for Franz Josef Township and its surrounds needs to provide for tourism growth, with appropriate land available for commercial and residential activities, including seasonal staff accommodation; and appropriate provision and funding of infrastructure, as well as managing natural hazard risk. A series of reports and studies commissioned since 2002 have considered various land use issues in the area, but they have tended to be in isolation from one another and, except for provisions to manage inundation on the south side of the Waiho River, the issues have not been addressed in a statutory planning framework.

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 May 2018, which are set out in the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.

- 1.4 This report concludes by recommending that Council,
- 1.4.1 Approve Option Three of this report being the development of a strategy to provide for a comprehensive and integrated approach to managing land use issues associated with natural hazards, area growth and development, infrastructure, and urban design for the Franz Josef/Waiho community.
  - 1.4.2 Approach Te Rūnanga o Makaawhio to discuss how they would like to partake in decision-making on the process in accordance with s14(1)(d) the Local Government Act 2002.
  - 1.4.3 That a proposal for developing the strategy including a scope of issues; a proposal for engagement with the Franz Josef/Waiho community and consultation with other stakeholders; and proposed timeframe, resource and reporting requirements be presented to the Planning and Regulatory Committee for approval.

## 2 BACKGROUND

- 2.1 The area of Franz Josef/Waiho is located at the approximate mid-point between Hokitika and Haast on State Highway 6 (SH6), a few kilometres north-west of Franz Josef Glacier/Ka Roimata o Hinehukaterere. The area falls within the takiwā of Ngāti/Kāti Mawaki ki Makaawhio who are represented by Te Rūnanga o Makaawhio. In 2016, the resident population of the Franz Josef/Waiho area was estimated at 510 people (Tonkin & Taylor, 2016, p.2).
- 2.2 Typical of the West Coast/ Te Tai Poutini, the area has a rich history of mining, farming and since the 1890s outdoor recreation. Geographically the area is both interesting and challenging with a combination of alpine, glacial and rainforest landscapes; and the township is centred on the provision of support services for visitors to the glacier and surrounds. In 2016 over 700 000 people visited Franz Josef Glacier/ Ka Roimata o Hinehukaterere spending 553 000 visitor nights in the area (Tonkin & Taylor, 2016, p.17).
- 2.3 The landscapes and geomorphological features that make the area a popular tourist attraction also provide natural conditions which, mixed with people and property, create significant natural hazard risks. These risks are 'significant' either because of the frequency with which they occur and the damage they do, or because the probability of occurrence in any year is low but the potential impacts of such an event are high. Of these potential natural hazards, the three which are given the most attention in the technical reports cited in paragraph 1.3.1 above are:
- (i) Flooding of the township and rural areas south of the township from the Waiho River which flows from the terminus of Franz Josef Glacier/Ka Roimata o Hinehukaterere.



- (ii) Vertical and horizontal land displacement through fault rupture along the Alpine Fault which runs in close proximity to and in places through Franz Josef Township.
  - (iii) Slope failure and land slips resulting from an earthquake, with a particular focus on the range front immediately east of Franz Josef Township and the Callery catchment where land slips may lead to a dam burst.
- 2.4 While risk of these natural events and associated natural hazards has been known for a long time, arguably the focus on managing that risk has increased in the last 15 years. Research on the Alpine Fault has yielded more information on the frequency and nature of past fault ruptures and the magnitude of land displacement, lending greater evidential support to the notion that the Alpine Fault is 'overdue' for a significant rupture based on historic timeframes. Significant earthquakes in 2010, 2011 and 2016 have provided recent reminders of the vulnerability of New Zealand to seismic activity and highlighted challenges in land use planning to minimise the risk of natural hazards.
- 2.5 Both anecdotal observation and more formal studies have acknowledged the flood risks posed from aggradation of the Waiho riverbed since at least 1948 if not earlier, but recent flood events have resulted in substantial aggradation of the bed in single episodes. These events have challenged previous technical estimates of the rate of riverbed aggradation and raised questions about the efficacy of continuing to manage flood risk using defence mechanisms (stopbanks) alone.
- 2.6 Aside from natural hazard risks, Franz Josef as a tourist area continues to grow and with that has emerged other town planning challenges. These include:
- (i) The provision of appropriate land and infrastructure to support housing for permanent residents and accommodation for seasonal staff;
  - (ii) The provision of appropriate infrastructure for both existing and expanded township areas, including water supply and sewage treatment and disposal at the Franz Josef Alpine Resort area;
  - (iii) Township expansion in accordance with good urban design principles and managing potential issues from residential and commercial activities occurring in close proximity; and
  - (iv) Managing through traffic on SH6 with local traffic and pedestrians in the township, and the on-going issue of access during a prolonged closure of SH6.

### 3 CURRENT SITUATION

- 3.1 Land use planning for natural hazards in Franz Josef/Waiiau has focused on flood management; both river defence mechanisms and active retreat of assets



away from the river. River defence mechanism have included stopbanks on both the south and north side of the river. Active retreat has occurred from the land between the river and SH6 on the true left bank of the Waiho, and periodic raising of the height of the bridge and SH6 as the riverbed has aggraded.

- 3.2 More recently, natural hazard risk from seismic activity has been given consideration. The West Coast Regional Council commissioned reports to identify areas of likely fault rupture and areas which may be prone to land displacement or landslips in significant earthquakes along the Alpine Fault (Landgridge & Ries, 2010; and Langridge and Baden, 2011). As a consequence of that process, the Westland District Council introduced a plan change to the Westland District Plan in August 2012.
- 3.3 Proposed Plan Change 7 to the Westland District Plan introduced two new zones: the Franz Josef /Waiiau Fault Rupture Avoidance Zone and the General Fault Rupture Avoidance Zone; and new rules to control the subdivision of land, erection of new buildings, and extensions to or changes to the use of existing buildings in those areas. There were no proposed changes or additions to the objectives and policies of the Westland District Plan in Proposed Plan Change 7. Because the mapping of the Franz Josef/Waiiau Fault Rupture Avoidance Zone was more precise than the General Fault Rupture Avoidance Zone, the rules differed between the zones. In essence, within the General Fault Rupture Avoidance Zone provision was made for landowners to submit additional information to show whether the land they were wishing to build on was subject to fault rupture.
- 3.4 Submissions on the plan change were received from landholders and residents within the Franz Josef/Waiiau area, the Franz Josef Community Committee, West Coast Regional Council, Community and Public Health – West Coast, Heritage New Zealand Pouhere Taonga (Historic Places Trust), and Federated Farmers of New Zealand Inc. The major concerns raised in submissions by those opposing the plan change centred on four themes:
  - (i) Those submitters who prefer to ‘live with the risk’ and do not want new rules;
  - (ii) Concerns with how the proposed rules impact on the ability to maintain or sell existing properties;
  - (iii) The plan change placing the onus on landowners to prove their land is not subject to land rupture in the General Fault Rupture Avoidance Zone; and
  - (iv) Requests that natural hazard management is part of a larger strategy prepared in consultation with the community.
- 3.5 In 2015, submissions on the proposed plan change were heard by two independent hearing commissioners appointed by Westland District Council. The Hearing Commissioners recommended the plan change proceed subject

to some amendments requested in submissions. The plan change decision was appealed to the Environment Court and in December 2016, before any appeal was heard, Council resolved to withdraw the proposed plan change under Clause 17 of the First Schedule to the Resource Management Act 1991 (RMA).

- 3.6 Westland District Council also commissioned a Franz Josef Urban Revitalisation Master Plan in 2010 to address issues of town growth and urban design. The plan was completed in 2014 but, by that stage, Plan Change 7 was proposed and Council staff recognised the potential for conflict between the two documents. In addition the Department of Conservation and the Glacier Guides sites had shifted, and the Urban Revitalisation Master Plan needed updating to reflect that and include the northern end of the township. An amended Urban Revitalisation Master Plan was provided in September 2014 but was not formally adopted because Council was waiting the outcome of Proposed Plan Change 7.
- 3.7 The current planning regime for land use in Franz Josef/Waiau is based on the provisions in the Westland District Plan including Plan Change 6 (rezoning of the Franz Josef Alpine Resort area). Land in the township and the Franz Josef Alpine Resort area is zoned either Tourist Zone or Residential Zone, with Rural Zone over the wider area.
- 3.8 In relation to natural hazards, the Westland District Plan identifies a Waiho River Severe Flood Hazard Zone and a General Flood Hazard Zone. The Waiho River Severe Flood Hazard Zone applies to land on the south side of the river, between the stopbank and SH6. Managed retreat of buildings and assets in that area has occurred, and only agriculture and forestry are permitted activities in that zone (without buildings). The General Flood Hazard Zone applies in several places in Westland District, including the area of land anticipated to be inundated from a breach of the southern Waiho Stopbank. In that zone erecting a dwelling is a restricted discretionary activity.
- 3.9 There are no specific provisions to manage the risk of inundation within Franz Josef Township and no provisions to manage risk of natural hazards from land displacement or landslips caused by rupture of the Alpine Fault. There does not appear to be designations for river defence mechanisms in the district plan to facilitate their maintenance and repair without the need to obtain resource consents from the district council or rely on emergency work provisions. Similarly, there are no land designations or other provisions to assist with the eventual relocation of key infrastructure from within flood or fault rupture areas over time.
- 3.10 The current district plan provisions do not offer an integrated plan for the future development of Franz Josef/Waiau area. There is undeveloped land zoned Tourist and Residential within Franz Josef Township and the Franz Josef Alpine Resort area. However, these areas are disconnected from one

another. There are no urban design provisions to give effect to the Franz Josef Urban Revitalisation Master Plan. There may be benefit in reviewing the provisions for infrastructure and financial contributions in the district plan to ensure residential or commercial development has an appropriate level of infrastructure servicing and funding.

- 3.11 Due to the planning processes initiated but not completed in recent years, there may now be a degree of uncertainty and 'consultation fatigue' within the Franz Josef/Waiau community. Ideally any further planning process will be resourced, timed and managed to achieve an appropriate balance between providing opportunities for effective participation by the community and progressing the proposal in a timely fashion.

#### **4 STATUTORY POWERS FUNCTIONS AND DUTIES**

- 4.1 This section discusses whether and why Council needs to consider additional planning for Franz Josef/Waiau having regard to the statutory powers, functions and duties of the council. Territorial local authorities are statutory agencies; that is they are formed by and must act in accordance with the powers, functions and duties specified to them in relevant statutes. The statutes considered in this section are the Local Government Act 2002 (LGA); the Resource Management Act 1991 (RMA); and the Civil Defence Emergency Management Act 2002 (CDEMA).
- 4.2 The LGA sets out the general powers to create local authorities and their purpose, and general powers, functions and duties of governance. Section 10 of the LGA sets out the purpose of local government which is to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future. The role of local authorities is set out in s11 of the LGA and is essentially to give effect to the purpose of local government within their district or region. Prior to May 2019, Section 11A of the LGA identified core services of local authorities, which included network infrastructure (s11A(a)) and the avoidance or mitigation of natural hazards (s11A(d)). That section was repealed in the Local Government Amendment Act 2019, but given the purpose of that amendment act was to enlarge the scope of local government functions around community well-being, it is unlikely, in my view, that the repeal of Section 11A is intended to remove any obligation on local authorities to provide those core services.
- 4.3 Local authorities have specific functions in relation to land use planning and natural hazards under the RMA. Territorial local authorities have three functions under the RMA which are relevant to land use issues in the Franz Josef/Waiau area:

- The establishment, implementation and review of objectives, policies and methods to achieve integrated management of the effects of the use, development or protection of land and associated natural and physical resources of the district (s31(1)(a));
- The establishment, implementation and review of objectives, policies and methods to ensure that there is sufficient development capacity in respect of housing and business land to meet the expected demands of the district (s31(1)(b)); and
- The control of any actual or potential effects of the use, development or protection of land, including for the purpose of the avoidance or mitigation of natural hazards (s31(1)(c)).

4.4 The purpose of a district plan is to assist territorial authorities to carry out their functions to achieve the purpose of the RMA (s72). It does not follow that a district plan must have rules to address every issue under the RMA. Rather s32 of the RMA requires a local authority to undertake an evaluation and be satisfied that the method(s) it chooses, including any rules, is necessary and the most appropriate method to achieve the plan objectives. However, a local authority should actively consider every issue and make a decision as to whether it is necessary to address the issue and the best method to do so. That is, the decision to 'do nothing' should be consciously made. In preparing a district plan, a territorial authority must consider a range of matters listed in sections 74 and 75 of the RMA, including a requirement to give effect to any relevant national policy statement and the regional policy statement (s75(3)).

4.5 Irrespective of any rules in a district plan, a territorial authority has the power to refuse a subdivision consent if it considers that the land or any structure on the land is or is likely to be subject to material damage by erosion, falling debris, subsidence, slippage or inundation from any source under the RMA (s106). Similar provisions exist under s71 and s72 of the Building Act 2004, whereby a building consent authority must refuse building consent on land which is subject to a natural hazard unless it is satisfied appropriate protection or restoration work is undertaken.

4.6 Local authorities also have powers, functions and duties in relation to natural hazard management under the CDEMA 2002. The purpose of that act is several fold and includes: improving and promoting sustainable management of hazards in a way that contributes to social, economic, cultural and environmental well-being and the safety of people and protection of property; enabling communities to identify acceptable levels of risk; and planning and preparation for emergencies, response and recovery (s3). Local authorities have functions under the CDEMA, including planning and providing for civil defence emergency management within the district or region (s64).

4.7 In summary, territorial local authorities have both general and specific powers, functions and duties in relation to land use planning and natural

hazard management under several statutes. While arguably these statutory functions and duties place some onus on Council to recognise and address land use issues in the Franz Josef/Waiau area, they also provide opportunities for an integrated management plan utilising a variety of tools and approaches to manage those issues.

## 5 IDENTIFICATION AND EVALUATION OF OPTIONS

5.1 Three options are identified and evaluated in this report for managing current and likely future land use issues in the Franz Josef/Waiau area as a result of natural hazards and tourism/settlement growth:

- (i) Do Nothing
- (ii) Reinstate Plan Change 7 to the Westland District Plan
- (iii) Develop a Franz Josef Strategy and associated changes to relevant statutory documents

5.2 Each option is described below. The three options are evaluated in Attachment One and the evaluation summarised below.

### Option One – Do Nothing

5.3 In the 'Do Nothing' scenario, the Council will rely on the current provisions in the Westland District Plan and its powers under s106 of the RMA and ss71-72 of the Building Act 2004, to manage issues associated with subdividing land or building in areas subject to natural hazards in Franz Josef/Waiau.

### Option Two - Reinstate Plan Change 7 to the Westland District Plan

5.4 The second option evaluated is reinstating Proposed Plan Change 7 to the Westland District Plan. This option has been included in the evaluation because it was the option Westland District Council originally decided on, so presumably was the preferred outcome in an evaluation of options at some point.

### Option Three – Undertake a Strategic Planning Process for Franz Josef/Waiau Area

5.5 Option Three is to develop a strategy to manage a variety of land use issues in the Franz Josef/Waiau area including: natural hazard management from both inundation and seismic activity; township growth; the provision and funding of infrastructure; access and urban design. The strategy should consider management options to deal with issues now and providing some direction for long-term planning.

- 5.6 The strategy may identify the need for changes or additions to provisions in the Westland District Plan to manage some issues but will likely include a package of management options. In some cases the preferred management option may be to 'accept the risk' but this decision ought to be made after a careful evaluation of risk and mitigation options. While it would be inappropriate to preclude any management option at this stage, the strategy ought to fully and frankly identify constraints and costs of attempting to 'relocate' Franz Josef Township; including the commitment that would be required from central government to facilitate that option.

## **6 SIGNIFICANCE AND ENGAGEMENT**

- 6.1 This paper is deemed to be of low significance in accordance the Westland District Council's Significance and Engagement Policy 2014 because the recommendation does not impact on key assets of infrastructure, levels of service, rates or Council debt. The recommendations in this report do not have cultural significance to Māori and the cost of scoping a proposal for a Franz Josef Strategy is within the Council's current planning budget. This report may be of some interest to members of the Franz Josef community and other statutory agencies. Should Council give approval for a Franz Josef/Waiiau Strategy to be developed, the strategy itself will likely be of high significance and to that end provision for public consultation will be included in the strategy itself.

## **7 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)**

- 7.1 Attachment One is an evaluation of the three options against a set of criteria Including: the issues they address; the management options which can be considered; the opportunity for input from Te Rūnanga o Makaawhio, the Franz Josef/Waiiau community, and other stakeholders; and the administrative cost of undertaking that option.
- 7.2 Option Three is the recommended option based on that evaluation. There is a cost to develop the strategy under Option Three, but it is the only option which enables a comprehensive and integrated consideration of all the land use issues identified in Section 2 of this report and is the only option that provides an opportunity for Council and the Franz Josef/Waiiau community to consider management options under all the statutes Council administers. The cost of Option Three can be managed by Council setting a scope and budget for the strategy development process, and implementation of the strategy can be staged.
- 7.3 Option One is the cheapest option to administer as no further action is required. However, the only natural hazard issue that is addressed by Option One is management of inundation from a breach of the Waiho stopbank on

the south side relying on the existing land use provisions in the Westland District Plan. While Council and the Franz Josef/Waiau community may make the decision to 'live with the risk' of other natural hazards, that decision ought to result from an evaluation of risk and options. Under Option One there is land zoned for additional Tourist and Residential development at both Franz Josef Township and Franz Josef Alpine Resort within the current plan, but there is no overall growth and development strategy for the area and there are issues with the provision of infrastructure in the Franz Josef Alpine Resort area. There are no provisions that help implement the urban design concepts from the Franz Josef Urban Revitalisation Master Plan within Franz Josef Township.

- 7.4 Adopting Option Two means there will be provision to manage effects of land displacement from a rupture of the Alpine Fault in the Westland District Plan. However these provisions are developed and implemented in isolation from a comprehensive natural hazard and land use strategy for the area. In the absence of a managed exit and reinvestment strategy for activities and assets within the Fault Rupture Avoidance Zone, these provisions have the potential to affect people's economic and social well-being and the built fabric of the township. The provisions prevent any expansion or redevelopment of existing buildings and facilities in the zone, but there is no accompanying strategy for where and how to relocate those activities or any associated funding mechanism. As with Option One, Option Two does not address other land use issues in the Franz Josef/Waiau area identified in Section 2 of this report or consider other management approaches than regulation of land use.
- 7.5 At face value Option Two may appear cheaper than Option Three to develop, as the proposed plan change is already developed. However because the plan change has been withdrawn, it would need to be renotified and reheard. In addition, the plan change would need to be revised to take account of amendments to the RMA and the review of the Westland Regional Policy Statement which have occurred since it was first notified, and ideally to address pertinent points made in submissions. Reinstating the proposed plan change does not provide an opportunity to engage with the Franz Josef/Waiau community with an 'open mind'. For these reasons Option Two is not recommended.

## 8 PREFERRED OPTION(S) AND REASONS

- 8.1 Option Three is the preferred option as detailed above and in **Appendix 1**.

## 9 RECOMMENDATION(S)

- A) **THAT** Council approve Option Three of this report being the development of a strategy to provide for a comprehensive and integrated approach to managing land use issues associated with natural hazards, area growth and development, infrastructure, and urban design for the Franz Josef/Waiho community.
  
- B) **THAT**... Council approach Te Rūnanga o Makaawhio to discuss how they would like to partake in decision-making on the process in accordance with s14(1)(d) the Local Government Act 2002.
  
- C) **THAT** a proposal for developing the strategy including a scope of issues; a proposal for engagement with the Franz Josef/Waiho community and consultation with other stakeholders; and proposed timeframe, resource and reporting requirements be presented to the Planning and Regulatory Committee for approval.

**Fiona Scadden**  
**Planning Manager**

**Appendix 1:** Evaluation of Options for managing land use issues at Franz Josef  
**Appendix 2:** Proposed timeline for reporting, consultation and notification



## Attachment One – Evaluation of Options for Managing Land Use Issues at Franz Josef

<b>Evaluative Criteria</b>	<b>Option 1 - Do Nothing</b>	<b>Option 2 – Plan Change 7</b>	<b>Option 3 – Franz Josef Strategy</b>
Flooding	Current district plan provisions address new development in Waiho Flood Zone	Current district plan provisions address new development in Waiho Flood Zone	Yes to a nominated level of risk
Seismic Activity	Current district plan provisions do not address fault rupture or seismic shaking	Yes for erecting dwellings or intensifying existing activities in fault rupture zones. However there is no accompanying strategy for relocating activities and new development.	Yes the community can make informed decisions about level of acceptable risk and therefore the degree of land use control
Area/urban growth	Franz Josef Alpine Resort in Plan Change 6 but no overall strategy for Franz Josef/Waiiau future development	Franz Josef Alpine Resort in Plan Change 6 but no overall strategy for Franz Josef/Waiiau future development	Yes
Urban design for Franz Josef Town Centre Revitalisation	No	No	Yes
Infrastructure provision & funding	No	No	Yes, including: Option for Franz Josef Alpine Resort sewerage & water supply Provisions for water & sewerage for new development Long-term planning for Franz Josef when sewage ponds reach end of life Designations for river defences
Access when SH6 closed	No	No	Yes
Long-term planning, including rebuild/relocate decision should a significant adverse event occur	No	No	Yes
Does this option provide for integrated management of the area?	No	No	Yes
<b>Evaluative Criteria</b>	<b>Option 1 - Do Nothing</b>	<b>Option 2 – Plan Change 7</b>	<b>Option 3 – Franz Josef Strategy</b>
Does this option enable community input into issues & options	No	Yes but only in relation to the issues included in the plan change and only through the submission process	Yes
Cost to develop option	No cost	Proposed plan change 7 is already prepared but needs reviewing for new RPS & changes to RMA. It will also have	The most expensive option to implement but also most cost-effective.

		to be re-notified and reheard. The cost of the planning process is hard to quantify as it depends on the number and nature of submissions. Suggest \$100 000 for renotification & rehearing.	Council can manage overall cost through controlling the scope of the strategy or developing it in stages. There is currently budgeted \$50 000 and a strategy could be developed within this budget.
Cost to implement option	No direct cost, but there is on-going potential cost and risk to Council and the Franz Josef community while these issues are not addressed.	Cost to implement proposed Plan Change 7 falls on the Franz Josef community in terms of resource consent and information requirements for building in the General Fault Rupture Zone; and costs to land holders in the Franz Josef Fault Rupture Zone who can no longer build or extend or intensify their activities on their properties.	This option does the most, so implementing it is the most costly. Implementation costs depend on management options chosen in the strategy but implementation can be staged. The strategy approach may help identify options to reduce costs using integrated processes. Other funding streams may become available once there is a clear strategy for managing natural hazard risk in the area.

## Attachment Two – Proposed Timeline for Reporting, Consultation and Notification

Task	Date	Report
Approval to prepare a strategy for Franz Josef as a management response to various land use issues	23 <sup>rd</sup> Jan 2020	Council
Invite Te Rūnanga o Makaawhio to indicate whether and how they wish to be involved in the process.	Feb 2020	
Confirm scope of strategy, issues, community consultation process, timeframe & budget	12 March 2020	Planning & Regulatory Services Committee
Undertake consultation on specific issues in a one on one forum: Fran Josef Alpine residents (infrastructure) Landholders south Waiho Core facilities & hazardous substances in Fault Rupture zones	Apr-Jun 2020	
Report on immediate steps for infrastructure at Franz Josef Alpine Resort	09 July 2020 12 Aug 2020	Planning & Regulatory Services Committee Capital Projects & Tenders Committee
Approve discussion document for community consultation on key issues Liaise with Franz Josef Community Committee	14 May 2020	Planning & Regulatory Committee
Public meetings & feedback on discussion document (on line & hard copy)	Jun-Jul 2020	
Report community feedback & recommended management options for key issues	10 Sept 2020	Planning & Regulatory Services Committee
Draft strategy for approval with proposed steps, timeframes and budgets for implementation	12 Nov 2020	Planning & Regulatory Services Committee
Council approves Franz Josef strategy	26 Nov 2020	Council

# Report



**DATE:** 23 January 2020  
**TO:** Mayor and Councillors  
**FROM:** Group Manager: Corporate Services

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## WESTLAND HOLDINGS LTD CONSTITUTION

### 1 SUMMARY

- 1.1 The purpose of this report is for Council to approve the changes to the Westland Holdings Ltd constitution attached as **Appendix 1**.
- 1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.3 This report concludes by recommending that Council approve the changes to the Westland Holdings Ltd constitution.

### 2 BACKGROUND

- 2.1 The Westland Holdings Ltd (WHL) constitution was last updated in 2016.
- 2.2 The WHL directors have been reviewing documentation as part of a review process.

### 3 CURRENT SITUATION

- 3.1 The WHL board have reviewed the current constitution and with Parry Field Lawyers have made some changes to the constitution.
- 3.2 The changes made have been to update for changes to laws and wording.
- 3.3 The original lodged constitution 2002 is attached as **Appendix 3**.

- 3.4 The updated constitution 2016 is attached as **Appendix 2**, which shows the deleted wording.

#### 4 OPTIONS

- 4.1 **Option 1:** Approve the changes to the Westland Holdings Ltd constitution.
- 4.2 **Option 2:** Do not approve the changes to the Westland Holdings Ltd constitution.
- 4.3 **Option 3:** Request further changes to the Westland Holdings Ltd constitution.

#### 5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The decision to approve the changes to a Council Controlled Organisation constitution (CCO) is administrative in nature and therefore is assessed as having a low level of significance.
- 5.2 Wider community engagement is not necessary on this matter.

#### 6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 **Option 1:** Approve the changes to the WHL constitution. The constitution will be relevant under current standards. There will be no financial implications to Council for approving the constitution.
- 6.2 **Option 2:** Do not approve the changes to the Westland Holdings Ltd constitution. The directors of WHL have been through the review process of updating the constitution. Lawyers were engaged to carry out this process. If the updated constitution is not approved, the original constitution will remain in place.
- 6.3 **Option 3:** Request further changes to the Westland Holdings Ltd constitution. The constitution has been through a thorough review process by Lawyers and the directors of WHL. It is unlikely that any further changes would be of benefit and may incur further legal costs to WHL in making those changes.

## 7 PREFERRED OPTIONS AND REASONS

7.1 The preferred option is **Option 1**: Approve the changes to the WHL constitution. The constitution has already been through a robust review process, there is no reason not to adopt the changes to the constitution.

## 8 RECOMMENDATIONS

A) **THAT** Council approve the changes to the Westland Holdings Ltd constitution.

**Lesley Crichton**

**Group Manager: Corporate Services**

**Appendix 1:** Constitution with highlighted changes

**Appendix 2:** Constitution with deleted sections

**Appendix 3:** Constitution as lodged

2019

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**CONSTITUTION OF  
WESTLAND HOLDINGS LIMITED**

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This is a certified true copy of the Constitution of Westland Holdings Limited and was adopted by the shareholders of Westland Holdings Limited by Special Resolution.

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Director

**CONSTITUTION OF  
WESTLAND HOLDINGS LIMITED**

**1. STATUS, DEFINITIONS AND INTERPRETATION**

**Registration**

- 1.1 The Company is registered under the Companies Act 1993 and is regulated by the Act and this Constitution.

**Powers and capacity**

- 1.2 Subject to the Act, the Local Government Act or any other applicable law, this Constitution and the Statement of Intent, the Company has the capacity, rights, powers and privileges to carry on or undertake any business or activity, or to do any act or enter into any transaction, both within and outside New Zealand

**Definitions**

- 1.3 In this Constitution, the following words and expressions have the meanings set out next to them:

<b>"Act"</b>	means the Companies Act 1993.
<b>"Board"</b>	means the Directors numbering not less than the required quorum acting as the Board of Directors of the Company and where one Director is a quorum it means that Director.
<b>"Company"</b>	means Westland Holdings Limited.
<b>"Constitution"</b>	means this constitution, as altered from time to time.
<b>"Council-Controlled Organisation" and "Council Organisation"</b>	have the same meanings as in section 6 of the Local Government Act.
<b>"Director"</b>	means a person appointed and continuing in office for the time being, in accordance with this Constitution, as a director of the Company.
<b>"Dividend"</b>	means a distribution by the Company other than a distribution to which section 59 (acquisition of Company's own shares) or section 76 (financial assistance in acquisition of Company's shares) of the Act applies.
<b>"Local Authority"</b>	has the same meaning as in section 2 of the Local Government Act.
<b>"Local Government Act"</b>	means the Local Government Act 2002.
<b>"Ordinary Resolution"</b>	means a resolution of shareholders approved by a simple majority of the votes of those shareholders entitled to vote and voting on the question.
<b>"Special Meeting"</b>	means any meeting (other than an annual meeting) of shareholders entitled to vote on an issue, called at any time by the Board or by any other person who by this Constitution is entitled to call meetings of shareholders.



<b>"Special Resolution"</b>	means a resolution of shareholders approved by a majority of 75 percent of the votes of those shareholders entitled to vote and voting on the question.
<b>"Statement of Intent"</b>	means the statement to be completed by the Board in accordance with section 64 of the Local Government Act and which meets the requirements of Schedule 8 of the Local Government Act.
<b>"Working Day"</b>	has the meaning set out in section 2 of the Act.

### **Conflict**

1.4 If there is any conflict between:

- a. a provision in this Constitution and a mandatory provision in the Act or the Local Government Act; or
- b. a word or expression defined or explained in the Act or the Local Government Act and a word or expression defined or explained in this Constitution,

the provision, word or expression in the applicable act prevails.

### **Interpretation**

1.5

- a. Words importing the singular number include the plural number and vice versa.
- b. A reference to a person includes any partnership, firm, company or other body corporate, association, trust, local or regional authority, public authority or Council-Controlled Organisation.
- c. Reference to any legislation or to any provision of any legislation (including regulations and orders) includes:
  - (i) that legislation or provision as from time to time amended, re-enacted or substituted;
  - (ii) any statutory instruments, regulations, rules and orders issued under that legislation or provision.
- d. Subject to the above, expressions contained in this Constitution bear the same meaning as in the Act, at the date on which this Constitution becomes binding on the Company.
- e. A reference to a clause means a clause of this Constitution.
- f. The clause headings are included for the purposes of convenience and do not affect the construction of this Constitution.
- g. Unless otherwise stated in this Constitution, a "majority" means more than 50%.

## 2. SHARE ISSUES

### Rights and powers

#### 2.1

- a. At incorporation or re-registration the Company has not issued shares in different classes or with rights different to those standard rights set out in Section 36(1) of the Act.
- b. This Constitution does not set out types of shares that the Board may, or may not, issue without shareholder approval.
- c. Any requirement of the Act that shares issued or proposed to be issued:
  - i. be offered first to the holders of existing shares issued; or
  - ii. be made subject to approval of a Special Resolution of an interest group, is, to the extent permitted by the Act, negated or modified in accordance with the terms on which those shares were issued.
- d. This Constitution does not modify the requirement of the Act that new shares be offered first to existing shareholders so as to maintain the existing voting or distribution rights, or both, of those holders.

### Issue of Shares

#### 2.2

- a. Unless otherwise specified, all shares issued shall be issued for the consideration of one dollar (\$1.00).
- b. The Board may, subject to the prior written approval of the shareholders by Special Resolution, issue shares at any time and in any number the Board thinks fit.
- c. No shares may be issued to any person other than a Local Authority or Council-Controlled Organisation.

### Disposal of unwanted new shares

#### 2.3

New shares offered to shareholders and not accepted within the prescribed time may be disposed of by the Board in such manner as the Board thinks most beneficial to the Company.

## 3. CALLS ON SHARES

### Board may make calls

#### 3.1

- a. The Board may make such calls as the Board thinks fit on the shareholders in respect of any moneys unpaid on their shares and not by the conditions of issue made payable at a fixed time or times.
- b. The Board may specify the terms of any calls including liability for interest and expenses if calls are not paid when due. The Board may differentiate between the holders as to the amount of calls to be made and the times of payment.
- c. Shareholders must comply with the terms of payment set out in the Board resolution.
- d. A call may be revoked or postponed by the Board.

## **Liability**

3.2

- a. The joint holders of a share are jointly and severally liable to pay all calls in respect of those shares.
- b. The liability for a call which has become due and payable attaches to the holder of those shares and not a prior holder of the shares.

## **4. SUSPENSION OF RIGHT TO DISTRIBUTIONS**

### **Notice of Suspension of Rights to Distributions**

- 4.1 If a shareholder fails to pay any call or instalment of a call on the day payment is due, the Board may, at any time after that date, while any part of the call or instalment payable by the shareholder remains unpaid, suspend payment of any distributions payable to the shareholder until so much of the call or instalment as is unpaid together with any interest and expenses have been paid to the Company in full.

### **Application of Suspended Distributions**

- 4.2 All distributions which would have been payable in respect of shares which are subject to a suspension of the right to Dividends or distributions must be withheld and applied by the Company to reduce the amount owing under the call.

### **Liability not Discharged by Suspension of Right to Distributions on Transfer of Shares**

- 4.3 A shareholder whose shares have the right to distributions suspended remains liable to the Company for all money owing under the call. That liability is not extinguished by a transfer of the shares subject to the suspension to a third party.

## **5. DISTRIBUTIONS TO SHAREHOLDERS**

### **Board may Authorise Distributions**

- 5.1 Subject to the Act and the Statement of Intent the Board may authorise a distribution by the Company to shareholders.

### **Dividends on shares not fully paid up to be paid pro rata**

5.2

- a. All Dividends on shares not fully paid up must be authorised and paid in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares. This provision does not apply where shares have been issued with special rights as to Dividends.
- b. No amount paid or credited as paid on a share in advance of calls is to be treated for these purposes as paid on the share. All Dividends are to be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any share is issued on terms providing that it ranks for Dividend as from a particular date that share ranks for Dividend accordingly.

## **Method of Payment**

- 5.3 Any Dividend, interest, or other money payable in cash in respect of shares may be paid in such manner as the Board thinks fit to a shareholder, or to such other person and in such manner as such shareholder may in writing direct.

**No interest**

- 5.4 No Dividend bears interest against the Company.

**Unclaimed Dividends**

- 5.5
- a. All Dividends unclaimed for 1 year after having been authorised may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All Dividends unclaimed for 5 years after having been declared may be forfeited by the Board for the benefit of the Company.
  - b. The Board may, however, annul any such forfeiture and agree to pay a claimant who produces, to the Board's satisfaction, evidence of entitlement to the amount due to such claimant, unless in the opinion of the Board such payment would embarrass the Company.

**6. COMPANY PURCHASING OWN SHARES**

**Acquisition of Company's own shares**

- 6.1 The Company may make an offer and purchase shares issued by it in accordance with the Act.

**Company may not hold its own shares uncanceled**

- 6.2 The Company may not hold its own shares uncanceled.

**Redemption of shares**

- 6.3 If the Company issues redeemable shares, the Company may redeem those shares in accordance with their terms of issue.

**7. TRANSFERABILITY OF SHARES: PRE-EMPTIVE RIGHTS ON TRANSFER**

**Restrictions on Transfers**

- 7.1 No shares may be sold or transferred by any shareholder, liquidator, official assignee or personal representative of any shareholder, unless and until:
- a. the shareholders have by unanimous resolution approved such transfer of shares; and
  - b. the transferee or recipient of the shares is a Local Authority or a Council-Controlled Organisation.

**8. REGISTRATION OF SHARE TRANSFERS**

**Directors' right to refuse registration**

- 8.1 Subject to compliance with the provisions of section 84 of the Act, the Board may refuse or delay the registration of any transfer of any share to any person whether an existing shareholder or not:
- a. if so required by law;
  - b. if registration would impose on the transferee a liability to the Company and the transferee has not signed the transfer;
  - c. if a holder of any such share has failed to pay on due date any amount payable on such share either in terms of its issue or in accordance with the constitution (including any call made in relation to such share);
  - d. if the transferee is an infant or a person of unsound mind;
  - e. if the transfer is in respect of more than one class of shares;
  - f. if the transfer is not accompanied by such proof as the Directors reasonably require of the right of the transferor to make the transfer;
  - g. if the Directors acting in good faith decide in their sole discretion that registration of the transfer would not be in the best interests of the Company or any of its shareholders.

#### **Directors must refuse registration**

- 8.2 The Board must refuse registration of any transfer of any share if:
- a. the provisions contained in clause 7 have not been complied with; or
  - b. the provisions of any agreement between shareholders relating to the transfer of shares in respect of which the Board has notice have not been complied with in respect of the transfer of those shares.

### **9. SHAREHOLDERS RIGHTS AND OBLIGATIONS**

#### Annual meetings

- 9.1 The Company must hold annual shareholder meetings in accordance with section 120 of the Act unless in the case of any annual meeting, everything required to be done at that meeting (by resolution or otherwise) is done by resolution in writing signed in accordance with section 122 of the Act.

#### **Special meetings**

- 9.2 A special shareholder meeting:
- a. may be called by the Board at any time; and
  - b. must be called by the Board on the written request of shareholders holding shares carrying together not less than 5% of the voting rights for such shares.

#### **Proceedings at meetings**

- 9.3 The provisions of the First Schedule to this constitution shall govern proceedings at meetings of shareholders.

## 10. DIRECTORS

### Board's Power to Manage the Company

- 10.1 The business or affairs of the Company must be managed by the Board, or be under the direction or supervision of the Board, in accordance with the applicable provisions of this Constitution, the Statement of Intent and the Local Government Act.

### Number of Directors

- 10.2 The minimum and maximum number of Directors may be determined from time to time by the shareholders by Ordinary Resolution. Unless so determined, the minimum number is three and the maximum number is 10.

### Appointment by shareholders

- 10.3
- a. The Directors of the Company are such person or persons as may from time to time be appointed either by the shareholders by Ordinary Resolution or by notice in writing to the Company signed by the holder or holders of a majority of the shares in the capital of the Company but so that the total number of Directors must not at any time exceed the maximum number, if any, fixed pursuant to clause 10.2 (Number of Directors).
  - b. Every Director holds office subject to the provisions of this Constitution and may at any time be removed from office by Ordinary Resolution of the shareholders or by notice in writing to the Company signed by the holder or holders of a majority of the shares in the capital of the Company.
  - c. Directors may be appointed individually or together unless the shareholders by Ordinary Resolution require any Director's appointment to be voted on individually.

- 10.4 In appointing any Director, the Shareholders shall comply with any policy adopted by Westland District Council pursuant to section 57(2) of the Local Government Act 2002, as such policy relates to the appointment of directors to a Council Organisation.

### Alternate Directors

- 10.5
- a. Each Director has the power from time to time to nominate any person not already a Director and who is acceptable to the majority of other Directors, and with the prior written approval of the shareholders by Ordinary Resolution, to act as an alternate Director in his or her place. An alternate Director can be appointed either for a specified period or generally during the absence from time to time of such Director. A Director can remove an alternate Director that Director has nominated.
  - b. Unless otherwise provided for by the terms of his or her appointment, an alternate Director has the same rights, powers and privileges (including the right to receive notice of meetings of Directors but excluding the power to appoint an alternative Director) and will discharge all the duties of and must be subject to the same provisions as the Director in whose place he or she acts.
  - c. An alternate Director cannot be remunerated otherwise than out of the remuneration of the Director in whose place he or she acts and automatically vacates office if and when the Director in whose place he or she acts vacates office.

- d. Any notice appointing or removing an alternate Director may be given by delivering it or by sending it through the post or by facsimile or email to the Company and is effective as from the time of its receipt as determined in accordance with clause 14.

### **Proceedings of the Board**

- 10.6 The provisions of the Third Schedule to the Act are deleted and replaced as set out in the Second Schedule of this constitution.

### **Directors' indemnity**

- 10.7 The Company is expressly authorised to indemnify and insure any Director or employee to the extent permitted by the Act, and to enter deeds of indemnity with such Directors or employees, provided all such deeds are in a form approved by the shareholders by Ordinary Resolution.

### **Vacation of Office**

- 10.8 The office of a Director will be vacated if the Director:
- a. dies;
  - b. becomes a mentally disordered person within the meaning of the Mental Health (Compulsory Assessment and Treatment) Act 1992;
  - c. becomes disqualified from being a Director pursuant to s 151 of the Act;
  - d. resigns in accordance with clause 10.10 (Director's Resignation Procedure); or
  - e. is removed from office in accordance with clause 10.3(b) (Appointment by Shareholders).

### **Removal following employment by Local Authority**

- 10.9 Without limiting clause 10.8, if any time the Board is comprised of more than one persons whose appointment is in contravention of any of clauses 10.2 to 10.4 (inclusive) of this Constitution, the shareholders shall exercise their power under clause 10.3(b) to remove such Directors as are required in order to comply with this constitution.

### **Director's Resignation Procedure**

- 10.10 A Director may resign office by delivering a signed written notice of resignation in writing to the address for service of the Company. The notice is effective when it is received at the address or at a later time specified in the notice.

### **Director's Remuneration and Other Benefits**

- 10.11 The Board will not exercise any of the powers contained in or implied by s 161 of the Act without the prior written approval of the shareholders provided that payments or other benefits of the kind referred to in s 161 of the Act which are approved by the Board as at the date of adoption of this constitution are confirmed.

### **Validity of actions**

- 10.12 An act or decision of the Board shall not be invalid by reason only of:
- a. a fault, default or irregularity in or in connection with the appointment of a Director; or

- b. a vacancy in the number of Directors including a vacancy arising because of the failure to appoint a Director.

## 11. DUTIES OF DIRECTORS AND BOARD

### Statement of Intent

- 11.1 The business of the Company should be managed by the Board in accordance with the Statement of Intent.

### Interest of Shareholders

- 11.2 For the purposes of s 131(2) of the Act but subject to the Statement of Intent, each Director of the Company is expressly permitted to act in a manner which he or she believes is in the best interests of the shareholders even though it may not be in the best interests of the Company.

## 12. INTERESTED DIRECTORS

### Directors must Disclose their Interest

- 12.1 As soon as a Director becomes aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, then unless the Act provides otherwise or all entitled persons have agreed to or concur in the Company entering into the transaction, that Director must cause to be entered in the Interests Register, and disclosed to the Board:

- a. the nature and monetary value of his or her interest (if the monetary value of the interest is able to be quantified); or
- b. the nature and extent of his or her interest (if the monetary value of the interest cannot be quantified).

### General Disclosure in Certain Cases will Suffice

- 12.2 For the purposes of clause 12.1 a general notice entered in the Interests Register and disclosed to the Board to the effect that a Director:
- a. is a shareholder, Director, officer, or trustee of another named Company or other person; and
  - b. is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that other Company or person, will be a sufficient disclosure of that interest in relation to such transaction.

### Failure to Disclose Does Not Affect Validity of Transaction

- 12.3 Any failure by a Director to comply with clause 12.1 does not affect the validity of a transaction entered into by the Company or the Director, however, the transaction may be avoided under clause 12.4.

### Company May Avoid Transaction if Director Interested

- 12.4 Where the Company enters into a transaction in which a Director is interested, the Company, if it is permitted to do so by the Act, may avoid that transaction in accordance with the Act. However, if all entitled persons have agreed to or concur in the Company entering into such a transaction, then this clause will not apply.

### Interested Director May Not Vote



- 12.5 A Director of the Company who is interested in a transaction entered into, or to be entered into by the Company, may not (subject to clauses 12.5.a and b) vote on a matter relating to the transaction, but may:
- a. vote on any matter to which clause 10.7 or 10.11 applies;
  - b. attend a meeting of Directors at which a matter relating to the transaction arises, and be included among the Directors present at the meeting for the purpose of a quorum;
  - c. sign a document relating to the transaction on behalf of the Company; and
  - d. do anything else as a Director in relation to the transaction, as if he or she were not interested in the transaction.
- 12.6 The shareholders may by Ordinary Resolution suspend or relax the prohibition on interested Directors voting to any extent in respect of any particular transaction.

### **13. ACCOUNTS**

#### **Availability of Information**

- 13.1 In addition to complying with the provisions of the Act the Company will also comply with s.74 of the Local Government Act.

#### **Statement of Intent**

- 13.2 In each financial year of the Company the Directors will deliver to its shareholders a Statement of Intent in accordance with s.64 of the Local Government Act.

#### **Accounts to be Prepared**

- 13.3 Within 2 months after the end of the first half of each financial year of the Company the Directors will deliver to its shareholders a report of the Company's operations during that half year. Such half year report will include the information required by the Statement of Intent to be included.

#### **Reports to be Delivered to Members**

- 13.4 Within 3 months after the end of each financial year of the Company the Directors will deliver to the shareholders and make available to the public:
- a. a report of the operations of the Company and those of its subsidiaries during the financial year; and
  - b. audited consolidated financial statements for the financial year in respect of the Company and its subsidiaries; and
  - c. an auditor's report on:
    - i. those financial statements; and
    - ii. the performance targets and other measures by which performance has been judged in relation to the objectives as contained in the Statement of Intent.

#### **Contents of Operations Report**

- 13.5 Every report under clause 13.4 will:

- a. contain such information as is necessary to enable an informed assessment of the operations of the Company and its subsidiaries including:
  - i. a comparison of the performance of the Company and its subsidiaries with any relevant Statement of Intent; and
  - ii. an explanation of any material variances between that performance and the Statement of Intent; and
  - iii. the information required to be included by its Statement of Intent; and
- b. state the Dividend (if any) recommended to be payable by the Company in respect of its equity securities (other than fixed interest securities) for the financial year to which the report relates.

### **Contents of Financial Statements**

13.6 The audited consolidated financial statements under clause 13.4.b must be prepared in accordance with generally accepted accounting practice.

#### **Auditor**

13.7 In accordance with section 70 of the Local Government Act the Auditor-General will be the auditor of the Company

### **14. NOTICES**

#### **Service**

14.1 A notice may be served by the Company upon any Director or shareholder either by:

- a. delivering it personally to the Director or shareholder, including delivery by courier to the address of the Director or shareholder;
- b. posting it by fast post in a prepaid envelope or package addressed to such Director or shareholder at such person's last known address;
- c. facsimile to the facsimile number of such Director or shareholder; or
- d. email to an electronic address used by the Director or shareholder.

#### **Time of service by delivery**

14.2 A notice delivered to a Director or shareholder is deemed to have been served upon handing the notice to the Director or shareholder or on the Working Day following delivery of the notice by courier to the last known address of the Director or shareholder.

#### **Time of service by facsimile**

14.3 A notice served by facsimile is deemed to have been served on the Working Day following completion of its transmission.

#### **Time of service by post**

14.4 A notice sent by post is deemed to have been served:

- a. In the case of a person whose last known address is in New Zealand, at the end of 3 Working Days after the envelope or package containing the same was duly posted in New Zealand; and
- b. In the case of a person whose last known address is outside New Zealand, at the expiration of 7 Working Days after the envelope or package containing the same was duly posted by fast post in New Zealand.

#### **Time of service by email**

14.5 A notice served by email is deemed to have been served on the Working Day following the day on which it was sent.

#### **Proof of service**

- 14.6 In proving service by post or delivery by courier it is sufficient to prove that the envelope or package containing the notice was properly addressed and posted or delivered with all attached postal or delivery charges paid. In proving service by facsimile, it is sufficient to prove that the document was properly addressed and sent by facsimile. In proving service by email, it is sufficient to prove that the email was properly addressed and properly sent to that email address.
- 14.7 Provided that a document is not deemed to be served or sent or delivered to a person if that person proves that, through no fault of the person's part, the document was not received within the time specified.

#### **Service on joint holders**

- 14.8 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the share register in respect of the share.

#### **Service on representatives**

- 14.9 A notice may be given by the Company to the person or persons entitled to a share in consequence of the death or bankruptcy of a shareholder by addressing it to such person or persons by name or by title or by any appropriate description, at the address, if any, within New Zealand supplied for the purpose by the person or persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which it might have been given if the death or bankruptcy had not occurred.

### **15. LIQUIDATION**

#### **Distribution of surplus assets**

- 15.1
  - a. Subject to the terms of issue of any shares in the Company and to clause 15.2 (Distribution in Specie), upon the liquidation of the Company the assets, if any, remaining after payment of the debts and liabilities of the Company and the costs of liquidation ("the surplus assets") will be distributed among the shareholders in proportion to their shareholding.
  - b. The holders of shares not fully paid up must receive only a proportionate share of their entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares either under the constitution of the Company or pursuant to the terms of issue of the shares.

#### **Distribution in specie**

15.2

- a. Upon a liquidation of the Company, the liquidator, with the sanction of an Ordinary Resolution of shareholders and any other sanction required by law, may divide amongst the shareholders in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be so divided and may determine how the division is to be carried out as between the shareholders or different classes of shareholders.
- b. The liquidator may, with the same sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder will be compelled to accept any shares or other securities in relation to which there is any liability.

## **16. REMOVAL FROM THE NEW ZEALAND REGISTER**

### **Directors may apply for removal**

16.1 In the event that:

- a. The Company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its surplus assets in accordance with its constitution and the Act; or
- b. The Company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court under section 241 of the Act for an order putting the Company into liquidation,

the Board of Directors may in the prescribed form request the Registrar to remove the Company from the New Zealand register.

## **17. METHOD OF CONTRACTING**

17.1 A contract or other enforceable obligation may be entered into by the Company, as follows:

- a. An obligation which, if entered into by a natural person, would by law, be required to be by deed, may be entered into on behalf of the Company in writing signed under the name of the Company by:
  - i. two or more Directors of the Company;
  - ii. a Director or other person or class of persons appointed by the Board whose signature or signatures must be witnessed; or
  - iii. one or more attorneys appointed by the Company in accordance with section 181 of the Act.
- b. An obligation or contract, which is required by law to be in writing and any other written obligation or contract which is to be entered into by the Company, may be signed on behalf of the Company by a person acting under the Company's express or implied authority.
- c. An obligation or contract which, if entered into by a natural person, is not required to be in writing, may be entered into on behalf of the Company in writing or orally by a person acting under the companies express or implied authority.

**SCHEDULE 1****PROCEEDINGS AT MEETINGS OF SHAREHOLDERS****1. CHAIRPERSON****Chairperson to be Chairperson of the Board**

- 1.1 If the shareholders have appointed or the Directors have elected a chairperson of the Board, and the chairperson of the Board is present at a meeting of shareholders, he or she must chair the meeting.

**Election of Chairperson**

- 1.2 If no chairperson of the Board has been appointed or elected, or if at any meeting of shareholders the chairperson of the Board is not present within 15 minutes of the time appointed for the commencement of the meeting, the Directors present may elect one of their number to be chairperson of the meeting. If at any meeting no Director is willing to act as chairperson, or if no Director is present within 15 minutes of the time appointed for holding the meeting, the shareholders present must choose one of their number to be chairperson of the meeting.

**2. NOTICE OF MEETINGS****Notice in writing**

- 2.1 Written notice of the time and place of a meeting of shareholders must be sent to every shareholder entitled to receive notice of the meeting and to every Director and if required, an auditor of the Company not less than 10 Working Days before the meeting.

**Contents of notice**

- 2.2 The notice must state:
- a. The nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it; and
  - b. The text of any Special Resolution to be submitted to the meeting.

**Irregularities in notice**

- 2.3 An irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such shareholders agree (whether before, during or after the meeting) to the waiver.

**Adjournment**

- 2.4 The chairperson may, and if so directed by the meeting, must adjourn the meeting from time to time and from place to place, but no business can be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting. Except as so provided, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Accidental omission to give notice**

- 2.5 The accidental omission to give a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings at that meeting.

## **3. METHODS OF HOLDING MEETINGS**

- 3.1 A meeting of shareholders may be held either:
- a. By a number of shareholders, who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; or
  - b. By means of audio, or audio and visual, communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

## **4. QUORUM**

### **Necessity for quorum**

- 4.1 Subject to subclause 4.3 of this clause, no business may be transacted at a meeting of shareholders if a quorum is not present.

### **Numbers for quorum**

- 4.2 A quorum for a meeting of shareholders is present if shareholders or their proxies are present who are between them able to exercise a majority of the votes to be cast on the business to be transacted by the meeting.

### **No quorum**

- 4.3 If a quorum is not present within 30 minutes after the time appointed for the meeting:
- a. In the case of a meeting called under section 121(b) of the Companies Act, the meeting is dissolved;
  - b. In the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time and place as the chairperson may appoint, and, subject to the constitution of the Company, if, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the shareholders or their proxies present are a quorum.

## **5. VOTING**

### **Voting method**

- 5.1 In the case of a meeting of shareholders held under clause 3.1.a of this Schedule, unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the chairperson of the meeting:
- a. Voting by voice; or
  - b. voting by show of hands.

**Voting method - audio, audio/visual**

- 5.2 In the case of a meeting of shareholders held under clause 3.1b of this Schedule, unless a poll is demanded, voting at the meeting shall be by the shareholders signifying individually their assent or dissent by voice.

**Evidence that resolution carried**

- 5.3 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with subclause 5.4 of this Schedule 1.

**Who may demand poll**

- 5.4 At a meeting of shareholders, a poll may be demanded by:
- a. Not less than 5 shareholders having the right to vote at the meeting; or
  - b. A shareholder or shareholders representing not less than 10 percent of the total voting rights of all shareholders having the right to vote at the meeting; or
  - c. By a shareholder or shareholders holding shares in the Company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 percent of the total amount paid up on all shares that confer that right.

**When poll may be demanded**

- 5.5 A poll may be demanded either before or after the vote is taken on a resolution.

**Counting of votes**

- 5.6 If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present in person or by proxy and voting.

**Equality of votes**

- 5.7 In the case of an equality of votes, whether voting is by voice or show of hands or poll, the chairperson of the meeting is not entitled to a second or casting vote.

**Proxy holder may demand poll**

- 5.8 For the purposes of this clause, the instrument appointing a proxy to vote at a meeting of the Company confers authority to demand or join in demanding a poll and a demand by a person as proxy for a shareholder has the same effect as a demand by the shareholder.

**Voting entitlement**

- 5.9 Subject to any rights or restrictions for the time being attached to any class of shares, every shareholder present in person or by proxy and voting by voice or on a show of hands has one vote.

**Chairperson may demand poll**

- 5.10 The chairperson may demand a poll on a resolution, either before or after a vote on such resolution, by voice or on show of hands.

**Withdrawal of demand**

- 5.11 The demand for a poll may be withdrawn.

**Poll to be taken as chairperson directs**

5.12 Except as provided in subclause 5.13, if a poll is duly demanded it must be taken in such manner as the chairperson directs, and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded.

**Poll on election of chairperson**

5.13 A poll demanded on the election of a chairperson or on a question of adjournment must be taken forthwith. A poll demanded on any other question may be taken at such time and place as the chairperson of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

**6. PROXIES**

**Right to vote by proxy**

6.1 A shareholder may exercise the right to vote either by being present in person or by proxy.

**Right of proxy to attend**

6.2 A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.

**Appointment of proxy**

6.3 A proxy must be appointed by notice in writing signed by the shareholder and the notice must state whether the appointment is for a particular meeting or a specified term not exceeding 12 months.

**Proxy form to be sent with Notice of Meeting**

6.4 A proxy form must be sent with each notice calling a meeting of the Company.

**Proxy form**

6.5 An instrument appointing a proxy must be in the following form or a form as near thereto as circumstances admit:

**WESTLAND HOLDINGS LIMITED  
INSTRUMENT APPOINTING A PROXY**

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of \_\_\_\_\_ LIMITED  
hereby appoint \_\_\_\_\_ [print name of proxy]  
of \_\_\_\_\_  
or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the \_\_\_ the Annual/Special Meeting of the  
Company to be held at \_\_\_\_\_  
on \_\_\_\_\_ commencing at \_\_\_\_\_ am/pm  
[or all meetings of the Company held within 12 months of the date of this proxy] and at any  
adjournment of any such meeting.  
Signed on \_\_\_\_\_ <Year> \_\_\_\_\_



[Usual signature/s]"

- 6.6 Where it is wished to give shareholders an opportunity of voting for or against a resolution, the instrument appointing a proxy must be in the following form or a form as near to it as circumstances admit:

WESTLAND HOLDINGS LIMITED  
INSTRUMENT APPOINTING A PROXY

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of \_\_\_\_\_ LIMITED  
hereby appoint \_\_\_\_\_ [print name of proxy]  
of \_\_\_\_\_  
or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the \_\_ the Annual/Special Meeting of the  
Company to be held at \_\_\_\_\_  
on \_\_\_\_\_ commencing at \_\_\_\_\_ am/pm  
and at any adjournment of any such meeting.

I/We direct my/our proxy to vote in the following manner

Resolutions	Vote with a tick	
	For	Against
1. _____	—	
2. _____	—	
	—	
	—	

Signed on \_\_\_\_\_ <Year> \_\_\_\_\_  
[Usual signature/s]"

**Validity of Vote**

- 6.7 A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or loss of capacity of the appointor or revocation of the proxy or revocation of the authority under which the proxy was executed, or the transfer of any share in respect of which the proxy is given, if no notice in writing of such death, loss of capacity, revocation or transfer has been received by the Company before the start of the meeting or adjourned meeting at which the proxy is used.

**Deposit of Proxy**

- 6.8 The instrument appointing a proxy and a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority must be deposited at the registered office of the Company or at such other place within New Zealand as is specified for that purpose in the notice convening the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. If it is not, the instrument of proxy is invalid.

**7. POSTAL VOTES**

- 7.1 A shareholder may not exercise the right to vote at a meeting by casting a postal vote.

**8. MINUTES**

**Minutes must be kept**

- 8.1 The Board must ensure that minutes are kept of all proceedings at meetings of shareholders.

**Evidence**

- 8.2 Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

**9. SHAREHOLDER PROPOSALS**

**Notice of matter for discussion or resolution**

- 9.1 A shareholder may give written notice to the Board of a matter the shareholder proposes to raise for discussion or resolution at the next meeting of shareholders at which the shareholder is entitled to vote.

**Notice of shareholder proposal at Company's expense**

- 9.2 If the notice is received by the Board not less than 20 Working Days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the Company, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

**Notice of shareholder proposal at shareholder's expense**

- 9.3 If the notice is received by the Board not less than 5 Working Days and not more than 20 Working Days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

**Notice of late shareholder proposal to be given if practicable**

- 9.4 If the notice is received by the Board less than 5 Working Days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board may, if practicable, and at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

**Proposing shareholder's written statement**

- 9.5 If the Directors intend that shareholders may vote on the proposal by proxy or by postal vote, they must give the proposing shareholder the right to include in or with the notice given by the Board a statement of not more than 1000 words prepared by the proposing shareholder in support of the proposal, together with the name and address of the proposing shareholder.

**Limits on obligation to include statement**

- 9.6 The Board is not required to include in or with the notice given by the Board a statement prepared by a shareholder which the Directors consider to be defamatory, frivolous, or vexatious.

**Payment by shareholder of costs**

- 9.7 Where the costs of giving notice of the shareholder proposal and the text of any proposed resolution are required to be met by the proposing shareholder, the proposing shareholder must, on giving notice to the Board, deposit with the Company or tender to the Company a sum sufficient to meet those costs.

**10. CORPORATIONS MAY ACT BY REPRESENTATIVES**

- 10.1 A body corporate (including, for the avoidance of doubt, a Local Authority or Council-Controlled Organisation) which is a shareholder may appoint a representative to attend a meeting of shareholders on its behalf in the same manner as that in which it could appoint a proxy.

**11. VOTES OF JOINT HOLDERS**

- 11.1 Where 2 or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders.

**12. LOSS OF VOTING RIGHTS IF CALLS UNPAID**

- 12.1 Subject to the constitution of a Company, if a sum due to a Company in respect of a share has not been paid, that share may not be voted at a shareholder's meeting other than a meeting of an interest group.

**13. RESOLUTIONS IN LIEU OF MEETING**

- 13.1 A shareholders' resolution in lieu of meeting authorised by section 122 of the Act may consist of several documents in like form, each signed by one or more shareholders. Facsimile or scanned and emailed copies of any such signed resolution are as valid and effectual as the original signed document with effect from completion of its transmission.

**14. OTHER PROCEEDINGS**

- 14.1 Except as provided in this Schedule, and subject to the constitution of the Company, a meeting of shareholders may regulate its own procedure.

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**SCHEDULE 2**

**PROCEEDINGS OF THE BOARD**

**1. CHAIRPERSON**

**Election of chairperson**

- 1.1 The shareholders may appoint, but in the event of their not doing so, the Directors may elect one of their number as chairperson of the Board.

**Terms of office**

- 1.2 The Director elected as chairperson holds that office until he or she dies or resigns or the Directors (or shareholders under subclause 1.1 of this Schedule 2) elect a chairperson in his or her place.

**Election of chairperson for particular meetings**

- 1.3 If no chairperson is elected, or if at a meeting of the Board the chairperson is not present within 5 minutes after the time appointed for the commencement of the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

**2. NOTICE OF MEETING**

**Convening meetings**

- 2.1 A Director or, if requested by a Director to do so, an employee of the Company may convene a meeting of the Board by giving notice in accordance with this clause.

**Period of notice**

- 2.2 Not less than 2 Working Days notice of a meeting of the Board must be given to every Director who is in New Zealand, and the notice must include the date, time and place of the meeting and the matters to be discussed.

**Irregularity in notice**

- 2.3 An irregularity in the giving of notice of the meeting is waived if all Directors attend the meeting without protest as to the irregularity or if all Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or agree (whether before, during or after the meeting) to the waiver.

**Means of giving notice**

- 2.4 Notice of a meeting may be given by any means, including in person, by telephone or email. Notice will be deemed to have been given as determined by clause 14 of this Constitution, provided that notice given by oral communication will be deemed to have been given at the time of notification.

### 3. METHOD OF HOLDING MEETINGS

- 3.1 A meeting of the Board may be held either:
- a. by a number of Directors sufficient to form a quorum being assembled together at the place, date and time appointed for the meeting; or
  - b. by means of audio, or audio and visual, communication by which all the Directors participating in the meeting and constituting a quorum can simultaneously hear each other throughout the meeting.

### 4. QUORUM

#### Number constituting quorum

- 4.1 A quorum for a meeting of the Board is a majority of the Directors.

#### No business without quorum

- 4.2 No business may be transacted at a meeting of Directors if a quorum is not present.

#### Alternate Director may be included

- 4.3 In accordance with clause 10.5 of this Constitution an alternate Director present at a meeting may be included for the purpose of establishing a quorum.

### 5. VOTING

#### Number of votes

- 5.1 Every Director has one vote.

#### Chairperson does not have casting vote

- 5.2 The chairperson does not have a casting vote.

#### Majority

- 5.3 A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it.

#### Presumption as to voting

- 5.4 A Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of a resolution of the Board, unless he or she expressly dissents from, or votes against the resolution at the meeting.

#### Alternate Director may vote

- 5.5 An alternate Director may attend and vote at meetings of the Board in accordance with and subject to clause 10.5a of this constitution if the Director that has appointed the alternate Director is absent from the meeting.

**6. MINUTES**

- 6.1 The Board must ensure minutes are kept of all proceedings at meetings of the Board.

**7. RESOLUTIONS****Written resolution**

- 7.1 A resolution in writing, signed or assented to by a majority of Directors then entitled to receive notice of a Board meeting, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held.

**Forms of resolution**

- 7.2 Any such resolution may consist of several documents (including facsimiles or scanned and emailed copies or other similar means of communication) in like form each signed or assented to by one or more Directors.

**Resolution to be kept in minute book**

- 7.3 A copy of any such resolution must be entered in the minute book of Board proceedings.

**Copy of resolution to be sent to Directors not signing or assenting**

- 7.4 The Company must, within 5 Working Days after any resolution is passed in accordance with this subclause 7, send a copy of the resolution to each Director who has not signed or assented to the resolution.

**8. NO NOTICE TO DIRECTORS OUTSIDE NEW ZEALAND**

- 8.1 It is not necessary to give notice of a meeting of the Board to any Director for the time being absent from New Zealand but if a Director is resident outside New Zealand, or to the knowledge of the Company is temporarily absent from New Zealand and the Director has appointed an alternate Director under the provisions of this constitution, notice must (subject to clause 10.5b of this constitution) be given to the alternate Director.

**9. CONTINUING DIRECTORS**

- 9.1 The continuing Directors will continue to comprise the Board notwithstanding any vacancy in the number of Directors but if their number is reduced below the number fixed by or pursuant to this constitution as the minimum number of Directors, the continuing Directors will comprise the Board only for the purpose of increasing the number of Directors to the minimum number or for summoning a Special Meeting of the Company.

**10. OTHER PROCEEDINGS**

- 10.1 Except as provided in this Schedule the Board may regulate its own procedure.

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\_\_\_\_\_  
**CONSTITUTION OF  
WESTLAND HOLDINGS LIMITED**  
\_\_\_\_\_

| This is a certified true copy of the Constitution of Westland Holdings Limited and was adopted by the shareholders of Westland Holdings Limited by ~~special-resolution~~Special Resolution.

\_\_\_\_\_  
Director

**CONSTITUTION OF  
WESTLAND HOLDINGS LIMITED**

**1. STATUS, DEFINITIONS AND INTERPRETATION**

**Registration**

- 1.1 The Company is registered under the Companies Act 1993 and is regulated by the Act and this ~~C~~constitution.

**Powers and capacity**

- 1.2 ~~Subject to the Act, the Local Government Act or any other applicable law, this~~ ~~This C~~constitution and the Statement of Intent, ~~contains no provision restricting the capacity of the Company has, both within and outside New Zealand, the capacity, rights, powers and privileges to carry on or undertake any business or activity, do any act or enter into any transaction, or restricting the rights, powers or privileges necessary to carry on any business or activity.~~

**Definitions**

- 1.3 In this ~~C~~constitution, the following words and expressions have the meanings set out next to them:

"Act"	means the Companies Act 1993.
"Board"	means the <del>director</del> Directors numbering not less than the required quorum acting as the Board of <del>director</del> Directors of the Company and where one <del>director</del> Director is a quorum it means that <del>director</del> Director.
"Company"	means Westland Holdings Limited.
" <del>C</del> constitution"	<del>means this C</del> constitution, as altered from time to time.
" <del>e</del> Council- <del>e</del> Controlled <del>o</del> Organisation"	has the same meaning as in section 6 of the Local Government Act.
" <del>d</del> Director"	means a person appointed and continuing in office for the time being, in accordance with this <del>C</del> constitution, as a director of the Company.
" <del>d</del> ividend"	means a distribution by the Company other than a distribution to which section 59 (acquisition of Company's own shares) or section 76 (financial assistance in acquisition of Company's shares) of the Act applies.
" <del>l</del> ocal <del>a</del> Authority"	has the same meaning <del>as ascribed to that term</del> in section 2 of the Local Government Act.
"Local Government Act"	means the Local Government Act 2002.
" <del>m</del> ajority"	<del>means more than 50%.</del>
" <del>o</del> rdinary <del>r</del> esolution"	means a resolution of shareholders approved by a simple majority of the votes of those shareholders entitled to vote and voting on the question.
" <del>s</del> pecial <del>m</del> Meeting"	means any – meeting (other than an annual meeting) of shareholders entitled to



vote on an issue, called at any time by the Board or by any other person who by this ~~C~~onstitution is entitled to call meetings of shareholders.

**"~~s~~Special ~~r~~Resolution"** means a resolution of shareholders approved by a majority of 75 percent of the votes of those shareholders entitled to vote and voting on the question.

**"Statement of Intent"** means ~~the~~ statement ~~to be completed by the Board in accordance with section 64 of the Local Government Act and which that~~ meets the requirements of Schedule 8 of the Local Government Act.

**"~~w~~Working ~~d~~Day"** means ~~a day of the week other than—has the meaning set out in section 2 of the Act.~~

~~(a) Saturday, Sunday, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day, and Waitangi Day; and~~

~~(b) if Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday; and~~

~~(c) a day in the period commencing with 25 December in any year and ending with 2 January in the following year; and~~

~~(d) if 1 January in any year falls on a Friday, the following Monday; and~~

~~(e) if 1 January in any year falls on a Saturday or a Sunday, the following Monday and Tuesday.~~

## Conflict

1.4 If there is any conflict between:

a. a provision in this ~~C~~onstitution and a mandatory provision in the Act or the Local Government Act; or

b. a word or expression defined or explained in the Act or the Local Government Act and a word or expression defined or explained in this ~~C~~onstitution

the provision, word or expression in the applicable act prevails.

## Interpretation

1.4.1.5

a. Words importing the singular number include the plural number and vice versa.

b. A reference to a person includes any ~~partnership, firm, C~~ompany or other body corporate, ~~association, trust, local or regional authority, public authority, or Council-~~Controlled Organisation.

c. Reference to any legislation or to any provision of any legislation (including regulations and orders) includes:

(i) that legislation or provision as from time to time amended, re-enacted or substituted;

(ii) any statutory instruments, regulations, rules and orders issued under that legislation or provision.

~~b-d.~~ Subject to the above, expressions contained in this ~~C~~eonstitution bear the same meaning as in the Act, at the date on which this ~~C~~eonstitution becomes binding on the Company.

~~e-e.~~ A reference to a clause means a clause of this ~~C~~eonstitution.

~~f.~~ The clause headings are included for the purposes of convenience and do not affect the construction of this ~~C~~eonstitution.

~~g.~~ Unless otherwise stated in this Constitution, a "majority" means more than 50%.

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## 2. SHARE ISSUES

### Rights and powers

#### 2.1

- a. At incorporation or re-registration the Company has not issued shares in different classes or with rights different to those standard rights set out in Section 36(1) of the Act.
- b. This ~~C~~eonstitution does not set out types of shares that the Board may, or may not, issue without shareholder approval.
- c. Any requirement of the Act that shares issued or proposed to be issued:
  - i. be offered first to the holders of existing shares issued; or
  - ii. be made subject to approval of a ~~special resolution~~Special Resolution of an interest group;
 

is, to the extent permitted by the Act, negated or modified in accordance with the terms on which those shares were issued.
- d. This ~~C~~eonstitution does not modify the requirement of the Act that new shares be offered first to existing shareholders so as to maintain the existing voting or distribution rights, or both, of those holders.

### Issue of Shares

#### 2.2

- a. Unless otherwise specified, all shares issued shall be issued for the consideration of one dollar (\$1.00).
- ~~b.~~ This constitution does not further restrict the ability of the The Board to may, subject to the prior written approval of the shareholders by Special Resolution, issue shares, at any time to any person, and in any number the Board thinks fit.
- ~~b-c.~~ No shares may be issued to any person other than a Local Authority or Council-Controlled Organisation.

### Disposal of unwanted new shares

#### 2.3

New shares offered to shareholders and not accepted within the prescribed time may be disposed of by the Board in such manner as the Board thinks most beneficial to the Company.

### 3. CALLS ON SHARES

#### Board may make calls

3.1

a. The Board may make such calls as the Board thinks fit on the shareholders in respect of any moneys unpaid on their shares and not by the conditions of issue made payable at a fixed time or times.

~~b. The Board may specify the terms of any calls including liability for interest and expenses if calls are not paid when due. The Board may differentiate between the holders as to the amount of calls to be made and the times of payment.~~

~~b.c. Shareholders must comply with the terms of payment set out in the Board resolution.~~

~~e.d. A call may be revoked or postponed by the Board.~~

#### Notice of call

3.2

~~a. Notice and particulars of call must be given to the holder of those shares at the time the call is made.~~

~~b. The Company is not required to give notice and particulars of call to a subsequent holder of those shares.~~

#### Liability

3.33.2

a. The joint holders of a share are jointly and severally liable to pay all calls in respect of those shares.

b. The liability for a call which has become due and payable attaches to the holder of those shares and not a prior holder of the shares.

#### Interest and Expenses

3.4 ~~If a call is not paid, the person from whom the sum is due must pay:~~

~~a. all interest on that sum from the day payment was due to the day of actual payment at such rate as the Board may determine;~~

~~b. all expenses which the Company has or may incur by reason of non-payment of the call.~~

~~The Board may waive payment of all or part of that interest or expense.~~

#### Instalments

3.5 ~~Any sum which by the terms of issue of a share becomes payable on issue or at any fixed time will, for all purposes, be deemed to be a call duly made and payable at the time at which by the terms of issue it becomes payable. In case of non-payment all the relevant provisions of this Constitution relating to payment of interest and expenses, forfeiture, or otherwise will apply as if the sum had become payable by a call duly made and notified.~~

#### Different amounts

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~~3.6 The Board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment.~~

#### 4. **SUSPENSION OF RIGHT TO DISTRIBUTIONS, LIEN AND FORFEITURE**

##### **Notice of Suspension of Rights to Distributions**

4.1 If a shareholder fails to pay any call or instalment of a call on the day payment is due, the Board may, at any time after that date, while any part of the call or instalment payable by the shareholder remains unpaid, suspend payment of any distributions payable to the shareholder until so much of the call or instalment as is unpaid together with any interest and expenses pursuant to clause 3.4 (Interest and Expenses) have been paid to the Company in full.

##### **Application of Suspended Distributions**

4.2 All distributions which would have been payable in respect of shares which are subject to a suspension of the right to ~~dividend~~ Dividends or distributions must be withheld and applied by the Company to reduce the amount owing under the call, ~~including amounts owing under clause 3.4 (Interest and Expenses).~~

##### **Liability not Discharged by Suspension of Right to Distributions on Transfer of Shares**

4.3 A shareholder whose shares have the right to distributions suspended remains liable to the Company for all money owing under the call. That liability is not extinguished by a transfer of the shares subject to the suspension to a third party.

##### **Lifting of Suspension of Right to Distributions**

~~4.4 When the total distributions withheld and applied under clause 4.2 (Application of Suspended Dividends) equal the total amount owing under the call, including amounts owing under clause 3.4, (Interest and Expenses) the suspension of the right to distributions will be lifted and all rights to be paid dividends on the shares will resume.~~

##### **Liens**

4.5 ~~a. The Company has a first and paramount lien on every share registered in the name of a shareholder (whether solely or jointly with others) and on the proceeds of sale of those shares, for:~~

- ~~i. all money (whether presently payable or not) payable in respect of shares held by the shareholder; and~~
- ~~ii. all other money presently payable by the shareholder to the Company; and~~
- ~~iii. such amounts (if any) as the Company may be required to pay under any statute or regulation in respect of shares of a deceased or other shareholder,~~

~~whether the period for the payment, fulfilment or discharge respectively has actually arrived or not.~~

~~b. The lien extends to all distributions from time to time declared in respect of the shares.~~

##### **Sale on Exercise of Lien**

4.6 ~~The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien. No sale may be made unless:~~

~~a. a sum in respect of which the lien exists is due and payable; and~~

- b. ~~until the expiration of 14 days after a notice which requires payment of the amount owing in respect of which the lien exists, has been given to the registered shareholder at the time or the person entitled to that share by reason of the registered shareholder's death or bankruptcy.~~

#### **Application of Proceeds of Sale**

- 4.7 ~~The net proceeds of the sale of any shares sold for the purpose of enforcing a lien must be applied in or towards satisfaction of any unpaid calls, instalments or any other money payable by the shareholder in respect of which the lien existed. The residue, if any, must be paid to the former shareholder.~~

#### **Certificate that Power of Sale has Arisen**

- 4.8 ~~A certificate signed by a director stating that the power of sale provided in clause 4 of this constitution has arisen and is exercisable by the Company under this constitution will be conclusive evidence of the facts stated in the certificate.~~

#### **Giving Effect to Sale**

- 4.9 ~~In order to give effect to any sale enforcing the lien in the exercise of the powers given to it under clause 4.6 (Sale on Exercise of Lien) the Board may authorise any person to execute a transfer of the shares to the purchaser. The purchaser will be registered as the shareholder of the shares which are transferred, and will not be bound to see to the application of the purchase money. The purchaser's title to the shares will not be effected by any irregularity or invalidity in the proceedings in reference to the sale. The remedy of any person aggrieved by the sale will be in damages only and against the Company exclusively. If the certificate for the shares is not delivered to the Company, the Board may issue a new certificate distinguishing it as the Board thinks fit from the certificate not delivered.~~

## **5. DISTRIBUTIONS TO SHAREHOLDERS**

- 5.1 ~~The Board may authorise distributions.~~

~~Subject to the Act and the Statement of Intent the Board may, with the prior written approval of the shareholders, authorise a distribution by the Company to shareholders in accordance with the Act.~~

#### **Dividends on shares not fully paid up to be paid pro rata**

##### 5-25.1

- a. All ~~dividend~~Dividends on shares not fully paid up must be authorised and paid in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares. This provision does not apply where shares have been issued with special rights as to ~~dividend~~Dividends.
- b. No amount paid or credited as paid on a share in advance of calls is to be treated for these purposes as paid on the share. All ~~dividend~~Dividends are to be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the ~~dividend~~Dividend is paid, but if any share is issued on terms providing that it ranks for ~~dividend~~Dividend as from a particular date that share ranks for ~~dividend~~Dividend accordingly.

#### **Method of Payment by cheque or warrant**

- 5-35.2 ~~Any ~~dividend~~Dividend, interest, or other money payable in cash in respect of shares may be paid in such manner as the Board thinks fit to a sShareholder, or to such other person and in such manner as such sShareholder may in writing direct. by cheque sent through the post to~~

~~the registered address of the holder, or in the case of joint holders, to the registered address of that one of the joint holders who is first named in the share register or to such person and to such address as the holder or joint holders may in writing direct.~~

~~a. — Every such cheque must be made payable to the order of the person to whom it is sent. Any one of 2 or more joint holders may give effectual receipts for any dividends, bonuses, or other money payable in respect of shares held by them as joint holders.~~

#### **No interest**

~~5-45.3~~ No ~~dividend~~Dividend bears interest against the Company.

#### **Unclaimed ~~dividend~~Dividends**

~~5-55.4~~

- a. All ~~dividend~~Dividends unclaimed for 1 year after having been authorised may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All ~~dividend~~Dividends unclaimed for 5 years after having been declared may be forfeited by the Board for the benefit of the Company.
- b. The Board may, however, annul any such forfeiture and agree to pay a claimant who produces, to the Board's satisfaction, evidence of entitlement to the amount due to such claimant, unless in the opinion of the Board such payment would embarrass the Company.

### **6. COMPANY PURCHASING OWN SHARES**

#### **Acquisition of Company's own shares**

6.1 The Company may make an offer and purchase shares issued by it in accordance with the Act.

#### **Company may not hold its own shares uncanceled**

6.2 The Company may not hold its own shares uncanceled.

#### **Redemption of shares**

6.3 If the Company issues redeemable shares, the Company may redeem those shares in accordance with their terms of issue.

### **7. TRANSFERABILITY OF SHARES: PRE-EMPTIVE RIGHTS ON TRANSFER**

#### **Pre-Emptive Rights on Transfers**

~~7.1~~ ~~Except as provided in clause 7.12 (Transfer Approved by Special Resolution) of this constitution~~  
~~n~~No shares may be sold or transferred by any shareholder, liquidator, official assignee or personal representative of any shareholder, unless and until:

~~a. the rights of pre-emption conferred in this constitution have been exhausted~~shareholders have by unanimous resolution approved such transfer of the shares; and

~~a-b. the transferee or recipient of the shares is a Local Authority or a Council-Controlled Organisation.~~

### **Transfer Notice**

- 7.2 Except as provided in clause 7.12 (Transfer Approved by Special Resolution) every person ("the Proposing Transferor") who wishes to transfer any legal or beneficial interest in shares in the capital of the Company must comply with the following procedure:
- a. Written notice must be given to the Board of the proposed transfer of shares ("the Transfer Notice");
  - b. The Transfer Notice must specify:
    - i. The shares which are proposed to be transferred;
    - ii. The price which the Proposing Transferor considers to be the value of those shares ("the Specified Price");
  - c. If the Transfer Notice refers to more than one share it is deemed to be a signed Transfer Notice for all the shares proposed to be transferred. The Proposing Transferor has no obligation to sell or transfer only part of the shares specified in the Transfer Notice.

### **The Duty of the Board on Receiving a Transfer Notice**

- 7.3 The Transfer Notice appoints the Board as the Proposing Transferor's agent for the sale of the shares subject to clause 7.4 (Pre-Emptive Rights) to any other shareholder(s) or to person(s) nominated by the Board in accordance with clause 7.5 (Obligation to Sell to Purchasers), either at the Specified Price or, at the option of the purchasing shareholder(s) or person(s), at the Fair Value to be fixed in accordance with clause 7.6 (Determination of Fair Value).

### **Pre-Emptive Rights**

- 7.4 Unless the shareholders decide otherwise by Special Resolution, the shares must be dealt with by the Board as follows:
- a. The shares must first be offered to the shareholders other than the Proposing Transferor as near as possible in proportion to the number of shares held by them in the Company, excluding the shares offered in the Transfer Notice. The offer must:
    - i. limit the period of time (being not less than 14 nor more than 21 days) within which if the offer is not accepted it will be deemed to be declined; and
    - ii. contain a notification that any shareholder who wishes to purchase shares in excess of that proportion must state in that shareholder's reply to the Board the number of excess shares that shareholder wishes to purchase;
    - iii. state the Specified Price and require any shareholder who wishes to purchase shares to state either that shareholder will purchase shares at the Specified Price or that person disputes that the Specified Price is the Fair Value;
    - iv. state the time for payment for the shares being not later than 15 working days after the later of acceptance of the Specified Price or determination of Fair Value for the shares (as the case may be).
  - b. If the shareholders do not claim their proportions the unclaimed shares must be used for satisfying the claims in excess (if any). If there are insufficient unclaimed shares to satisfy the claims in excess then the unclaimed shares are to be divided among the shareholders claiming excess shares in the same proportion as the original offer of shares under this clause 7.4 above.

- c. If, following the preceding procedure, any shares have not been accepted then the Board may offer them to third persons whom the Board is prepared to register as shareholders.

#### **Obligation to Sell to Purchasers**

7.5

- a. If the Board within the space of 30 days after being served with a Transfer Notice finds person(s) willing to purchase the shares ("the Transferee" or "the Transferees") then the Board must within such period give notice to the Proposing Transferor and, subject to the Board's right to delay or refuse registration of the transfer of the shares, the Proposing Transferor is bound subject to clauses 7.7 and 7.8 (Power to Revoke) to transfer the shares to those person(s) upon payment of the Specified Price or Fair Value determined in accordance with clause 7.6 (Determination of Fair Value).
- b. The Board may deduct any money owed to the Company by the Proposing Transferor from the Specified Price or Fair Value.

#### **Determination of Fair Value**

7.6

- a. **Independent Valuer** – If there is a dispute between the Proposing Transferor and any one or more transferees as to the Fair Value of the shares the Fair Value is to be determined by an independent chartered accountant ("the Valuer") to be agreed upon by the Board and the Proposing Transferor. If they fail to agree the Valuer is to be nominated by the chief presiding officer for the time being of the Canterbury Branch of the Institute of Chartered Accountants of New Zealand.
- b. **Certificate** – The Valuer must certify in writing the sum which in the Valuer's opinion is the Fair Value of the shares and must give notice in writing to the parties of the sum so certified.
- c. **Fair Value** – Fair Value means the price that would be paid for the shares by a willing purchaser under no compulsion to purchase from a willing seller under no compulsion to sell where the seller and the purchaser have comparable knowledge and bargaining power and having due regard to:
- i. all the assets and liabilities (including contingent liabilities) of the Company;
  - ii. the provisions of this constitution and any relevant agreement made between the shareholders;
  - iii. the amount of any bona fide offer for the purchase of the shares received by the Proposing Transferor.
- d. **Valuer to Act as Expert** – In certifying as to the Fair Value of the shares the Valuer is deemed to be acting as an expert and not as an arbitrator and accordingly the Arbitration Act 1996 and its amendments do not apply. The costs of the Valuer are to be borne by the Company.
- e. **Information and Representations to be Provided** – The Board must provide to the Valuer such information and give such representations as the Valuer may require in order for the Valuer to determine the Fair Value of the shares.
- f. **Opportunity for Submissions** – The Valuer must before certifying the Fair Value of the shares give the Proposing Transferor and the Transferees a reasonable opportunity to make submissions in relation to that determination.



- ~~g. Procedure and Timetable – The Valuer may set a procedure and timetable for determining the Fair Value of the shares. Such procedure and timetable must be strictly adhered to by the parties.~~

**Power to Revoke Transfer Notice: Proposing Transferor**

- ~~7.7~~
- ~~a. If the Fair Value is more than 10% less than the Specified Price then, at any time within 7 days of receiving actual written notice of the Fair Value, the Proposing Transferor may revoke the Transfer Notice by written notice to the Board.~~
- ~~b. If the Proposing Transferor fails to revoke the Transfer Notice within the required 7 day period it remains in full force and effect.~~

**Power to Revoke Agreement to Purchase Shares: Transferee**

- ~~7.8~~
- ~~a. At any time within 7 days of receiving actual written notice of the Fair Value if:~~
- ~~i. the Fair Value is more than 10% less than the Specified Price; and~~
- ~~ii. the Proposing Transferor does not agree within those 7 days to reduce the Specified Price to the Fair Value;~~
- ~~then the Transferee is entitled by written notice to the Board to withdraw the Transferee's prior agreement to purchase the shares.~~
- ~~b. If the Transferee fails to revoke the agreement to purchase within the required 7 day period it remains in full force and effect.~~

**Failure to Transfer Shares**

- ~~7.9~~
- ~~a. If, after becoming bound under clause 7.5 (Obligation to Sell to Purchasers), the Proposing Transferor does not transfer the shares the Board may execute a transfer or transfers of the shares on behalf of the Proposing Transferor.~~
- ~~b. The Board may receive the purchase money and must immediately enter the name or names of the Transferee or Transferees in the share register as the holder or holders of the shares and must hold the purchase money in trust for the Proposing Transferor subject to any debt owed by the Proposing Transferor to the Company.~~
- ~~c. The Board's receipt is a good discharge to the Transferee or Transferees for the purchase price and no question can be raised as to the title of the Transferee or Transferees to the shares after they are registered in the share register as their holders.~~

**Permitted Transfer: Exhaustion of Pre-emptive Rights**

- ~~7.10 If the pre-emptive rights procedure has been completed and the Board has not been able to find shareholder(s) or person(s) to purchase the shares in accordance with that procedure then, on condition that the Proposing Transferor has not revoked the Transfer Notice, the Proposing Transferor may at any time within 90 days after such completion transfer all the shares (but not some of them) to any person(s) at a price not lower than the Specified Price or the Fair Value (if the Fair Value has been determined).~~

**Corporate Shareholders**

- ~~7.11 Where a corporation is a shareholder ("the Corporate Shareholder") then, if any one or more of the following events occurs, whether by one or by a series of transactions completed after the date at which the Corporate Shareholder was first entered in the share register, the Corporate~~

Shareholder must give the Company a Transfer Notice in accordance with Clause 7.2 (Transfer Notice):

- a. The transfer of the legal or beneficial ownership of, or of any interest in, any shares in the Corporate Shareholder or any holding Company of the Corporate Shareholder which:
  - i. Alters the beneficial ownership of 50% or more of the shares in either corporation; or
  - ii. Alters the beneficial ownership of shares carrying 50% or more of the voting rights at any shareholders' meeting of either corporation; or
  - iii. Alters the beneficial ownership of shares in either corporation allowing the holder of the shares to appoint a director/Director or director/Directors having 50% or more of the voting rights at any director/Directors' meeting; or
  - iv. Alters the beneficial ownership of shares carrying an entitlement to receive 50% or more of any dividend or distribution declared by either corporation.
- b. The happening of any event by which the control of the Corporate Shareholder, or any holding Company of the Corporate Shareholder is altered.

If the Corporate Shareholder fails to give a Transfer Notice any director/Director of the Company may give a Transfer Notice on its behalf, and the provisions of clause 7.2 (Transfer Notice) apply to such Transfer Notice with the exception that the Specified Price is the Fair Value determined in accordance with this clause 7. The obligations imposed on Corporate shareholders by this clause are not capable of being waived by lapse of time or by acquiescence or knowledge, whether actual or constructive, of any other shareholder.

**Transfer Approved by Special Resolution**

7.12 Any Share may be transferred by a sShareholder to any person if the transfer is approved by a Special Resolution of Shareholders. The restrictions contained in clauses 7.1 to 7.11 and 8.1g (Director's Right to Refuse Registration) shall not apply to any transfer authorised by this clause 7.12.

**Bankruptcy of a Shareholder**

- 7.13
  - a. Where a shareholder becomes bankrupt, the assignee of the shareholder's estate, not later than 60 days after the adjudication of that shareholder as a bankrupt, must give a Transfer Notice in respect of all the shares held by the assignee and the provisions of this clause 7 relating to pre-emptive rights on transfer will then apply with the exception that the Transfer Notice cannot be revoked.
  - b. If the Transfer Notice is not given within the required 60 day period then the Transfer Notice is deemed to have been given with the exception that the Specified Price is the Fair Value determined in accordance with this clause 7.
  - c. Where 2 or more persons are jointly entitled to any share in consequence of bankruptcy of the registered holder they are deemed to be the joint holders of the share.

**8. REGISTRATION OF SHARE TRANSFERS**

**Directors' right to refuse registration**

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- 8.1 Subject to compliance with the provisions of section 84 of the Act, the Board may refuse or delay the registration of any transfer of any share to any person whether an existing shareholder or not:
- a. if so required by law;
  - b. if registration would impose on the transferee a liability to the Company and the transferee has not signed the transfer;
  - c. if a holder of any such share has failed to pay on due date any amount payable on such share either in terms of its issue or in accordance with the constitution (including any call made in relation to such share);
  - d. if the transferee is an infant or a person of unsound mind;
  - e. if the transfer is in respect of more than one class of shares;
  - f. if the transfer is not accompanied by such proof as the ~~director~~Directors reasonably require of the right of the transferor to make the transfer;
  - g. if the ~~director~~Directors acting in good faith decide in their sole discretion that registration of the transfer would not be in the best interests of the Company or any of its shareholders.

**Directors must refuse registration**

- 8.2 The Board must refuse registration of any transfer of any share if:
- a. the ~~pre-emptive~~ provisions contained in clause 7 have not been complied with; or
  - b. the provisions of any agreement between shareholders relating to the transfer of shares in respect of which the Board has notice have not been complied with in respect of the transfer of those shares.
  - b. \_\_\_\_\_.

**9. SHAREHOLDERS RIGHTS AND OBLIGATIONS**

Meetings of Shareholders Annual meetings

- 9.1 The Company must hold annual shareholder meetings in accordance with section 120 of the Act unless in the case of any annual meeting, everything required to be done at that meeting (by resolution or otherwise) is done by resolution in writing signed in accordance with section 122 of the Act.

Special meetings

- 9.2 A special shareholder meeting:
- a. \_\_\_\_\_ may be called by the Board at any time; and
  - b. \_\_\_\_\_ must be called by the Board on the written request of shareholders holding shares carrying together not less than 5% of the voting rights for such shares.

Proceedings at meetings

- 9-19.3 The provisions of the First Schedule to this constitution shall govern proceedings at meetings of shareholders.

## 10. DIRECTORS

### ~~Limits on~~ Board's Power to Manage the Company

- 10.1 ~~This constitution contains no provision limiting the power of the Board to manage t~~he business or affairs of the Company must be managed by, or under the direction or supervision of the Board, in accordance with the applicable provisions of this constitution, the Statement of Intent and the Local Government Act.

### Number of ~~director~~Directors

- 10.2 The minimum and maximum number of ~~director~~Director~~s~~ may be determined from time to time by the ~~Board~~ shareholders by Ordinary Resolution; and unless so determined, the minimum number is three and the maximum number is 10.

- 10.3 At any given time, ~~no more than 1 director may be:~~

- a. no more than 1 Director may be a member of any ~~l~~Local ~~a~~Authority (which for avoidance of doubt, includes Councillors and Mayors); ~~or~~and
- b. no Director may be a persons employed by any ~~l~~Local ~~a~~Authority.

### Appointment by shareholders

- 10.4
- a. The ~~director~~Director~~s~~ of the Company are such person or persons as may from time to time be appointed either by the shareholders by ~~ordinary resolution~~Ordinary Resolution or by notice in writing to the Company signed by the holder or holders of a majority of the shares in the capital of the Company but so that the total number of ~~director~~Director~~s~~ must not at any time exceed the maximum number, if any, fixed pursuant to clause 10.2 (Number of Directors).
  - b. Any shareholder will be entitled to appoint from time to time the number of Directors (rounded to the nearest whole number or, where there is no nearest whole number, rounded down) that represents the same proportion of the number of Directors determined under clause 10.2, as the proportion which the percentage of voting rights to which the appointing shareholder is then entitled bears to the then total number of voting rights attaching to the shares of the Company.
  - c. Every ~~director~~Director holds office subject to the provisions of this constitution and may at any time be removed from office by ~~ordinary resolution~~Ordinary Resolution of the shareholders or by notice in writing to the Company signed by the holder or holders of a majority of the shares in the capital of the Company.
  - d. Directors may be appointed individually or together unless the shareholders by ~~ordinary resolution~~Ordinary Resolution require any ~~director~~Director's appointment to be voted on individually.

### Alternate ~~director~~Directors

- 10.5
- a. Each ~~director~~Director has the power from time to time to nominate any person not already a ~~director~~Director and who is acceptable to the majority of other ~~director~~Directors, and with the prior written approval of the shareholders by Ordinary Resolution, to act as an alternate ~~director~~Director in his or her place. An alternate ~~director~~Director can be appointed either for a specified period or generally during the absence from time to time of such ~~director~~Director. A ~~director~~Director can remove an alternate ~~director~~Director that ~~director~~Director has nominated.

- b. Unless otherwise provided for by the terms of his or her appointment, an alternate ~~director~~Director has the same rights, powers and privileges (including the right to receive notice of meetings of ~~director~~Directors but excluding the power to appoint an alternative ~~director~~Director) and will discharge all the duties of and must be subject to the same provisions as the ~~director~~Director in whose place he or she acts.
- c. An alternate ~~director~~Director cannot be remunerated otherwise than out of the remuneration of the ~~director~~Director in whose place he or she acts and automatically vacates office if and when the ~~director~~Director in whose place he or she acts vacates office.
- d. Any notice appointing or removing an alternate ~~director~~Director may be given by delivering it or by sending it through the post or by facsimile or email to the Company and is effective as from the time of its receipt as determined in accordance with clause 14.3.

#### **Proceedings of the Board**

- 10.6 The provisions of the Third Schedule to the Act are deleted and replaced as set out in the Second Schedule of this constitution.

#### **Directors' indemnity**

- 10.7 The Company is expressly authorised to indemnify and insure any ~~director~~Director or employee to the extent permitted by the Act, and to enter deeds of indemnity with such Directors or employees, provided all such deeds are in a form approved by the shareholders by Ordinary Resolution.

#### **Vacation of Office**

- 10.8 The office of a Director will be vacated if the Director:
- a. dies;
  - b. becomes a mentally disordered person within the meaning of the Mental Health (Compulsory Assessment and Treatment) Act 1992;
  - c. becomes disqualified from being a Director pursuant to s 151 of the Act;
  - d. resigns in accordance with clause 10.9 (Director's Resignation Procedure); or
  - e-e. is removed from office in accordance with clause 10.4(c) (Appointment by Shareholders).

#### **Removal following employment by Local Authority**

- ~~10.9~~ Without limiting clause 10.8, if at any time the Board is comprised of more than one person who is or becomes either a member of a Local Authority, or includes a person employed by a Local Authority, the sShareholders shall exercise their power under clause 10.4(c) to remove any one or more Directors (selected at the Shareholders' discretion) as are required in order to comply with clause 10.3 (Number of Directors) of this constitution.

#### **Director's Resignation Procedure**

- ~~10.10~~10.9 A Director may resign office by delivering a signed written notice of resignation in writing to the address for service of the Company. The notice is effective when it is received at the address or at a later time specified in the notice.

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**Director's Remuneration and Other Benefits**

10.10 The Board will not exercise any of the powers contained in or implied by s 161 of the Act without the prior written approval of the shareholders provided that payments or other benefits of the kind referred to in s 161 of the Act which are approved by the Board as at the date of adoption of this constitution are confirmed.

Validity of actions

10.11 An act or decision of the Board shall not be invalid by reason only of:

- a. a fault, default or irregularity in or in connection with the appointment of a Director; or
- b. a vacancy in the number of Directors including a vacancy arising because of the failure to appoint a Director.

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**11. DUTIES OF DIRECTORS AND BOARD**

**Statement of Intent**

11.1 The business of the Company should be managed by the Board in accordance with the Statement of Intent.

**Interest of Shareholders**

11.2 For the purposes of s 131(2) of the Act but subject to the Statement of Intent, each Director of the Company is expressly permitted to act in a manner which he or she believes is in the best interests of the shareholders even though it may not be in the best interests of the Company.

**12. INTERESTED DIRECTORS**

**Directors must Disclose their Interest**

12.1 As soon as a Director becomes aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, then unless the Act provides otherwise or all entitled persons have agreed to or concur in the Company entering into the transaction, that Director must cause to be entered in the Interests Register, and disclosed to the Board:

- a. the nature and monetary value of his or her interest (if the monetary value of the interest is able to be quantified); or
- b. the nature and extent of his or her interest (if the monetary value of the interest cannot be quantified).

**General Disclosure in Certain Cases will Suffice**

12.2 For the purposes of clause 12.1 a general notice entered in the Interests Register and disclosed to the Board to the effect that a Director:

- a. is a shareholder, Director, officer, or trustee of another named Company or other person; and
- b. is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that other Company or person, will be a sufficient disclosure of that interest in relation to such transaction.

**Failure to Disclose Does Not Affect Validity of Transaction**

- 12.3 Any failure by a Director [to](#) comply with clause 12.1 does not affect the validity of a transaction entered into by the Company or the Director. However, the transaction may be avoided under clause 12.4.

**Company May Avoid Transaction if Director Interested**

- 12.4 Where the Company enters into a transaction in which a Director is interested, the Company, if it is permitted to do so by the Act, may avoid that transaction in accordance with the Act. However, if all entitled persons have agreed to or concur in the Company entering into such a transaction then this clause will not apply.

**Interested Director May Not Vote**

- 12.5 A Director of the Company who is interested in a transaction entered into, or to be entered into by the Company may not (subject to clauses 12.5.a and b) vote on a matter relating to the transaction, but may:
- a. vote on any matter to which clause 10.7 [or 10.11](#) applies;
  - b. attend a meeting of Directors at which a matter relating to the transaction arises, and be included among the Directors present at the meeting for the purpose of [a](#) quorum;
  - c. sign a document relating to the transaction on behalf of the Company; and
  - d. do anything else as a Director in relation to the transaction, as if he or she were not interested in the transaction.
- 12.6 The shareholders may by Ordinary Resolution suspend or relax the prohibition on interested Directors voting to any extent in respect of any particular transaction.

**13. ACCOUNTS**

**Availability of Information**

- 13.1 In addition to complying with the provisions of the Act the Company will also comply with s.74 of the Local Government Act.

**Statement of Intent**

- 13.2 In each financial year of the Company the Directors will deliver to its shareholders a Statement of Intent in accordance with s.64 of the Local Government Act.

**Accounts to be Prepared**

- 13.3 Within 2 months after the end of the first half of each financial year of the Company the Directors will deliver to its shareholders a report of the Company's operations during that half year. Such half year report will include the information required by the Statement of Intent to be included.

**Reports to be Delivered to Members**

- 13.4 Within 3 months after the end of each financial year of the Company the Directors will deliver to the shareholders and make available to the public:
- a. a report of the operations of the Company and those of its subsidiaries during the financial year; and
  - b. audited consolidated financial statements for the financial year in respect of the Company and its subsidiaries; and

- c. an auditor's report on:
  - i. those financial statements; and
  - ii. the performance targets and other measures by which performance has been judged in relation to the objectives as contained in the Statement of Intent; ~~and~~
  - iii. ~~the information required to be included by its Statement of Intent.~~

**Contents of Operations Report**

- 13.5 Every report under clause 13.4 will:
- a. contain such information as is necessary to enable an informed assessment of the operations of the Company and its subsidiaries including:
    - i. a comparison of the performance of the Company and its subsidiaries with any relevant Statement of Intent; and
    - ii. ~~an explanation of any material variances between that performance and the Statement of Intent; and~~
    - iii. ~~the information required to be included by its Statement of Intent; and~~
  - b. state the ~~dividend~~Dividend (if any) recommended to be payable by the Company in respect of its equity securities (other than fixed interest securities) for the financial year to which the report relates.

**Contents of Financial Statements**

13.6 The audited consolidated financial statements under clause 13.4.b must be prepared in accordance with generally accepted accounting practice.

**Auditor**

~~13.7~~ In accordance with section 70 of the local Government Act the Auditor-General will be the auditor of the Company

**14. NOTICES**

**Service**

- 14.1 A notice may be served by the Company upon any ~~director~~Director or shareholder either by:
- a. ~~delivering it personally to the Director or shareholder, including delivery by courier to the address of the Director or shareholder; or by~~
  - ~~posting it by fast post in a prepaid envelope or package addressed to such director~~Director or shareholder at such person's last known address; ~~or by~~
  - b. ~~delivery to a document exchange; or by~~
  - c. ~~facsimile to the facsimile telephone~~ number of such ~~director~~Director or shareholder; ~~or by~~
  - d. ~~email to an electronic address used by the director~~Director or shareholder.

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#### Time of service by delivery

44.414.2 A notice delivered to a Director or shareholder is deemed to have been served upon handing the notice to the Director or shareholder or on the Working Day following delivery of the notice by courier to the last known address of the Director or shareholder.

#### **Time of service by facsimile**

44.214.3 A notice served by facsimile is deemed to have been served on the wWorking dDay following completion of its transmission.

#### **Time of service by post**

44.314.4 A notice sent by post ~~or delivered to a document exchange~~ is deemed to have been served:

- a. In the case of a person whose last known address is in New Zealand, at the end of 3 wWorking dDays after the envelope or package containing the same was duly posted ~~or delivered~~ in New Zealand; and
- b. In the case of a person whose last known address is outside New Zealand, at the expiration of 7 Working dDays after the envelope or package containing the same was duly posted by fast post in New Zealand.

#### **Time of service by email**

44.414.5 A notice served by email is deemed to have been served on the wWorking dDay following the day on which it was sent.

#### **Proof of service**

14.6 In proving service by post or delivery ~~to a document exchange~~ by courier it is sufficient to prove that the envelope or package containing the notice was properly addressed and posted or delivered with all attached postal or delivery charges paid. In proving service by facsimile, it is sufficient to prove that the document was properly addressed and sent by facsimile. In proving service by email, it is sufficient to prove that the email was properly addressed and properly sent to that email address.

44.514.7 Provided that a document is not deemed to be served or sent or delivered to a person if that person proves that, through no fault of the person's part, the document was not received within the time specified.

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#### **Service on joint holders**

44.614.8 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the share register in respect of the share.

#### **Service on representatives**

44.714.9 A notice may be given by the Company to the person or persons entitled to a share in consequence of the death or bankruptcy of a shareholder by addressing it to such person or persons by name or by title or by any appropriate description, at the address, if any, within New Zealand supplied for the purpose by the person or persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which it might have been given if the death or bankruptcy had not occurred.

**15. LIQUIDATION****Distribution of surplus assets**

## 15.1

- a. Subject to the terms of issue of any shares in the Company and to clause 15.2 (Distribution in Specie), upon the liquidation of the Company the assets, if any, remaining after payment of the debts and liabilities of the Company and the costs of liquidation ("the surplus assets") will be distributed among the shareholders in proportion to their shareholding.
- b. The holders of shares not fully paid up must receive only a proportionate share of their entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares either under the constitution of the Company or pursuant to the terms of issue of the shares.

**Distribution in specie**

## 15.2

- a. Upon a liquidation of the Company, the liquidator, with the sanction of an ~~ordinary resolution~~ **Ordinary Resolution** of shareholders and any other sanction required by law, may divide amongst the shareholders in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be so divided and may determine how the division is to be carried out as between the shareholders or different classes of shareholders.
- b. The liquidator may, with the same sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder will be compelled to accept any shares or other securities in relation to which there is any liability.

**16. REMOVAL FROM THE NEW ZEALAND REGISTER****Directors may apply for removal**

## 16.1

In the event that:

- a. The Company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its surplus assets in accordance with its constitution and the Act; or
- b. The Company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court under section 241 of the Act for an order putting the Company into liquidation;

the Board of ~~director~~ **Director**s may in the prescribed form request the Registrar to remove the Company from the New Zealand register.

**17. METHOD OF CONTRACTING**

## 17.1

A contract or other enforceable obligation may be entered into by the Company as follows:

- a. An obligation which, if entered into by a natural person, would by law, be required to be by deed, may be entered into on behalf of the Company in writing signed under the name of the Company by:

- i. two or more ~~director~~Directors of the Company;
  - ii. ~~if there is only one director~~Director ~~by that director~~Director ~~whose signature must be witnessed;~~
  - iii. ~~ii.~~ a ~~director~~Director or other person or class of persons appointed by the Board whose signature or signatures must be witnessed; or
  - iii. one or more attorneys appointed by the Company in accordance with section 181 of the Act.
- b. An obligation or contract, which is required by law to be in writing and any other written obligation or contract which is to be entered into by the company, may be signed on behalf of the company by a person acting under the company's express or implied authority.
- c. An obligation or contract which, if entered into by a natural person, is not required to be in writing, may be entered into on behalf of the company in writing or orally by a person acting under the companies express or implied authority.

## SCHEDULE 1

## PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

## 1. CHAIRPERSON

**Chairperson to be Chairperson of the Board**

- 1.1 If the shareholders have appointed or the [directorDirectors](#) have elected a chairperson of the Board, and the chairperson of the Board is present at a meeting of shareholders, he or she must chair the meeting.

**Election of Chairperson**

- 1.2 If no chairperson of the Board has been appointed or elected, or if at any meeting of shareholders the chairperson of the Board is not present within 15 minutes of the time appointed for the commencement of the meeting, the [directorDirectors](#) present may elect one of their number to be chairperson of the meeting. If at any meeting no [directorDirector](#) is willing to act as chairperson, or if no [directorDirector](#) is present within 15 minutes of the time appointed for holding the meeting, the shareholders present must choose one of their number to be chairperson of the meeting.

## 2. NOTICE OF MEETINGS

**Notice in writing**

- 2.1 Written notice of the time and place of a meeting of shareholders must be sent to every shareholder entitled to receive notice of the meeting and to every [directorDirector](#) and , if required, an auditor of the Company not less than 10 ~~w~~Working ~~d~~Days before the meeting.

**Contents of notice**

- 2.2 The notice must state:
- a. The nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it; and
  - b. The text of any ~~special resolution~~[Special Resolution](#) to be submitted to the meeting.

**Irregularities in notice**

- 2.3 An irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such shareholders agree ([whether before, during or after the meeting](#)) to the waiver.

**Adjournment**

- 2.4 The chairperson may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business can be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of an original meeting. Except as so provided, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

**Accidental omission to give notice**

- 2.5 The accidental omission to give a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings at that meeting.

### **3. METHODS OF HOLDING MEETINGS**

- 3.1 A meeting of shareholders may be held either:

- a. By a number of shareholders, who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting; or
- b. By means of audio, or audio and visual, communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

### **4. QUORUM**

#### **Necessity for quorum**

- 4.1 Subject to subclause 4.3 of this clause, no business may be transacted at a meeting of shareholders if a quorum is not present.

#### **Numbers for quorum**

- 4.2 A quorum for a meeting of shareholders is present if shareholders or their proxies are present who are between them able to exercise a majority of the votes to be cast on the business to be transacted by the meeting.

#### **No quorum**

- 4.3 If a quorum is not present within 30 minutes after the time appointed for the meeting:

- a. In the case of a meeting called under section 121(b) of the Companies Act, the meeting is dissolved;
- b. In the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time, and place as the ~~director~~[Directors-chairperson](#) may appoint, and, subject to the constitution of the Company, if, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the shareholders or their proxies present are a quorum.

### **5. VOTING**

#### **Voting method**

- 5.1 In the case of a meeting of shareholders held under clause 3.1.a of this Schedule, unless a poll is demanded, voting at the meeting shall be by whichever of the following methods is determined by the chairperson of the meeting:

- a. Voting by voice; or
- b. voting by show of hands.

#### **Voting method - audio, audio/visual**

- 5.2 In the case of a meeting of shareholders held under clause 3.1b of this Schedule, unless a poll is demanded, voting at the meeting shall be by the shareholders signifying individually their assent or dissent by voice.

**Evidence that resolution carried**

- 5.3 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with subclause 5.4 of this ~~clause~~[Schedule 1](#).

**Who may demand poll**

- 5.4 At a meeting of shareholders a poll may be demanded by:
- a. Not less than 5 shareholders having the right to vote at the meeting; or
  - b. A shareholder or shareholders representing not less than 10 percent of the total voting rights of all shareholders having the right to vote at the meeting; or
  - c. By a shareholder or shareholders holding shares in the Company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 percent of the total amount paid up on all shares that confer that right.

**When poll may be demanded**

- 5.5 A poll may be demanded either before or after the vote is taken on a resolution.

**Counting of votes**

- 5.6 If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present in person or by proxy and voting.

**Equality of votes**

- 5.7 In the case of an equality of votes, whether voting is by voice or show of hands or poll, the chairperson of the meeting is not entitled to a second or casting vote.

**Proxy holder may demand poll**

- 5.8 For the purposes of this clause, the instrument appointing a proxy to vote at a meeting of a Company confers authority to demand or join in demanding a poll and a demand by a person as proxy for a shareholder has the same effect as a demand by the shareholder.

**Voting entitlement**

- 5.9 Subject to any rights or restrictions for the time being attached to any class of shares, every shareholder present in person or by proxy and voting by voice or on a show of hands has one vote.

**Chairperson may demand poll**

- 5.10 The chairperson may demand a poll on a resolution, either before or after a vote on such resolution, by voice or on show of hands.

**Withdrawal of demand**

- 5.11 The demand for a poll may be withdrawn.

**Poll to be taken as chairperson directs**

5.12 Except as provided in subclause 5.13, if a poll is duly demanded it must be taken in such manner as the chairperson directs, and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded.

**Poll on election of chairperson**

5.13 A poll demanded on the election of a chairperson or on a question of adjournment must be taken forthwith. A poll demanded on any other question may be taken at such time and place as the chairperson of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

**6. PROXIES**

**Right to vote by proxy**

6.1 A shareholder may exercise the right to vote either by being present in person or by proxy.

**Right of proxy to attend**

6.2 A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder.

**Appointment of proxy**

6.3 A proxy must be appointed by notice in writing signed by the shareholder and the notice must state whether the appointment is for a particular meeting or a specified term not exceeding 12 months.

**Proxy form to be sent with Notice of Meeting**

6.4 A proxy form must be sent with each notice calling a meeting of the Company.

**Proxy form**

6.5 An instrument appointing a proxy must be in the following form or a form as near thereto as circumstances admit:

**WESTLAND HOLDINGS LIMITED  
INSTRUMENT APPOINTING A PROXY**

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I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of \_\_\_\_\_ LIMITED  
hereby appoint \_\_\_\_\_ [print name of proxy]  
of \_\_\_\_\_  
or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the \_\_\_ the Annual/Special Meeting of the  
Company to be held at \_\_\_\_\_  
on \_\_\_\_\_ commencing at \_\_\_\_\_ am/pm  
[or all meetings of the Company held within 12 months of the date of this proxy] and at any  
adjournment of any such meeting.  
Signed on \_\_\_\_\_ <Year> \_\_\_\_\_  
[Usual signature/s]"

6.6 Where it is wished to give shareholders an opportunity of voting for or against a resolution, the instrument appointing a proxy must be in the following form or a form as near to it as circumstances admit:

**WESTLAND HOLDINGS LIMITED**  
**INSTRUMENT APPOINTING A PROXY**

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I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of \_\_\_\_\_ LIMITED  
hereby appoint \_\_\_\_\_ [print name of proxy]  
of \_\_\_\_\_  
or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the \_\_ the Annual/Special Meeting of the  
Company to be held at \_\_\_\_\_  
on \_\_\_\_\_ commencing at \_\_\_\_\_ am/pm  
and at any adjournment of any such meeting.

I/We direct my/our proxy to vote in the following manner

Resolutions	Vote with a tick	
	For	Against
1. _____	—	
2. _____	—	
	—	
	—	

Signed on \_\_\_\_\_ <Year> \_\_\_\_\_  
[Usual signature/s]"

**Validity of Vote**

6.7 A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or insanity loss of capacity of the appointor or revocation of the proxy or revocation of the authority under which the proxy was executed, or the transfer of any share in respect of which the proxy is given, if no notice in writing of such death, insanity loss of capacity, revocation or transfer has been received by the Company before the start of the meeting or adjourned meeting at which the proxy is used.

**Deposit of Proxy**

6.8 The instrument appointing a proxy and a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of the Company or at such other place within New Zealand as is specified for that purpose in the notice convening the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. If it is not, the instrument of proxy is invalid.

**7. POSTAL VOTES**

7.1 A shareholder may not exercise the right to vote at a meeting by casting a postal vote.

**8. MINUTES**



**Minutes must be kept**

- 8.1 The Board must ensure that minutes are kept of all proceedings at meetings of shareholders.

**Evidence**

- 8.2 Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

**9. SHAREHOLDER PROPOSALS**

**Notice of matter for discussion or resolution**

- 9.1 A shareholder may give written notice to the Board of a matter the shareholder proposes to raise for discussion or resolution at the next meeting of shareholders at which the shareholder is entitled to vote.

**Notice of shareholder proposal at Company's expense**

- 9.2 If the notice is received by the Board not less than 20 ~~w~~Working ~~d~~Days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the Company, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

**Notice of shareholder proposal at shareholder's expense**

- 9.3 If the notice is received by the Board not less than 5 ~~w~~Working ~~d~~Days and not more than 20 ~~w~~Working ~~d~~Days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

**Notice of late shareholder proposal to be given if practicable**

- 9.4 If the notice is received by the Board less than 5 ~~w~~Working ~~d~~Days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board may, if practicable, and at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

**Proposing shareholder's written statement**

- 9.5 If the ~~director~~Director~~s~~ intend that shareholders may vote on the proposal by proxy or by postal vote, they must give the proposing shareholder the right to include in or with the notice given by the Board a statement of not more than 1000 words prepared by the proposing shareholder in support of the proposal, together with the name and address of the proposing shareholder.

**Limits on obligation to include statement**

- 9.6 The Board is not required to include in or with the notice given by the Board a statement prepared by a shareholder which the ~~director~~Director~~s~~ consider to be defamatory, frivolous, or vexatious.

**Payment by shareholder of costs**

- 9.7 Where the costs of giving notice of the shareholder proposal and the text of any proposed resolution are required to be met by the proposing shareholder, the proposing shareholder

must, on giving notice to the Board, deposit with the Company or tender to the Company a sum sufficient to meet those costs.

**10. CORPORATIONS MAY ACT BY REPRESENTATIVES**

10.1 A body corporate ([including, for the avoidance of doubt, a Local Authority or Council-Controlled Organisation](#)) which is a shareholder may appoint a representative to attend a meeting of shareholders on its behalf in the same manner as that in which it could appoint a proxy.

**11. VOTES OF JOINT HOLDERS**

11.1 Where 2 or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders.

**12. LOSS OF VOTING RIGHTS IF CALLS UNPAID**

12.1 Subject to the constitution of a Company, if a sum due to a Company in respect of a share has not been paid, that share may not be voted at a shareholder's meeting other than a meeting of an interest group.

**13. RESOLUTIONS IN LIEU OF MEETING**

13.1 A shareholders' resolution in lieu of meeting authorised by section 122 of the Act may consist of several documents in like form, each signed by one or more shareholders. ~~A facsimile~~ [or scanned and emailed copies](#) of any such signed resolution is as valid and effectual as the original signed document with effect from completion of its transmission.

**14. OTHER PROCEEDINGS**

14.1 Except as provided in this Schedule, and subject to the constitution of the Company, a meeting of shareholders may regulate its own procedure.

29  
SCHEDULE 2

PROCEEDINGS OF THE BOARD

1. CHAIRPERSON

**Election of chairperson**

- 1.1 The shareholders may appoint, but in the event of ~~it~~ their not doing so, the ~~director~~ Directors may elect one of their number as chairperson of the Board.

**Terms of office**

- 1.2 The ~~director~~ Director elected as chairperson holds that office until he or she dies or resigns or the ~~director~~ Directors (or shareholders under subclause 1.1 of this Schedule 2) elect a chairperson in his or her place.

**Election of chairperson for particular meetings**

- 1.3 If no chairperson is elected, or if at a meeting of the Board the chairperson is not present within 5 minutes after the time appointed for the commencement of the meeting, the ~~director~~ Directors present may choose one of their number to be chairperson of the meeting.

2. NOTICE OF MEETING

**Convening meetings**

- 2.1 A ~~director~~ Director or, if requested by a ~~director~~ Director to do so, an employee of the Company may convene a meeting of the Board by giving notice in accordance with this clause.

**Period of notice**

- 2.2 Not less than 2 ~~w~~ Working ~~d~~ Days notice of a meeting of the Board must be given to every ~~director~~ Director who is in New Zealand, and the notice must include the date, time and place of the meeting and the matters to be discussed.

**Irregularity in notice**

- 2.3 An irregularity in the giving of notice of the meeting is waived if all ~~director~~ Directors attend the meeting without protest as to the irregularity or if all ~~director~~ Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or agree (whether before, during or after the meeting) to the waiver.

**Means of giving notice**

- 2.4 Notice of a meeting may be given by any means, including in person, by telephone or email. ~~Notice given by a letter addressed to a director~~ Director at his or her last known residential address will be deemed to have been given as determined by clause 14 of this constitution, 3 working days following the day the letter is posted. Provided that notice given by oral communication will be deemed to have been given at the time of notification.

### 3. METHOD OF HOLDING MEETINGS

3.1 A meeting of the Board may be held either:

- a. by a number of ~~director~~Director~~s~~s sufficient to form a quorum being assembled together at the place, date and time appointed for the meeting; or
- b. by means of audio, or audio and visual, communication by which all the ~~director~~Director~~s~~s participating in the meeting and constituting a quorum can simultaneously hear each other throughout the meeting.

### 4. QUORUM

#### Number constituting quorum

4.1 A quorum for a meeting of the Board is a majority of the ~~director~~Director~~s~~s.

#### No business without quorum

4.2 No business may be transacted at a meeting of ~~director~~Director~~s~~s if a quorum is not present.

#### Alternate ~~director~~Director may be included

4.3 In accordance with clause 10.5 of this constitution an alternate ~~director~~Director present at a meeting may be included for the purpose of establishing a quorum.

### 5. VOTING

#### Number of votes

5.1 Every ~~director~~Director has one vote.

#### Chairperson does not have casting vote

5.2 The chairperson does not have a casting vote.

#### Majority

5.3 A resolution of the Board is passed if it is agreed to by all ~~director~~Director~~s~~s present without dissent or if a majority of the votes cast on it are in favour of it.

#### Presumption as to voting

5.4 A ~~director~~Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of a resolution of the Board, unless he or she expressly dissents from, or votes against the resolution at the meeting.

#### Alternate ~~director~~Director may vote

5.5 An alternate ~~director~~Director may attend and vote at meetings of the Board in accordance with and subject to clause 10.5a of this constitution if the ~~director~~Director that has appointed the alternate ~~director~~Director is absent from the meeting.

### 6. MINUTES

6.1 The Board must ensure minutes are kept of all proceedings at meetings of the Board.

## 7. RESOLUTIONS

### Written resolution

7.1 A resolution in writing, signed or assented to by a majority of ~~director~~Directors then entitled to receive notice of a Board meeting, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held.

### Forms of resolution

7.2 Any such resolution may consist of several documents (including facsimiles or scanned and emailed copies or other similar means of communication) in like form each signed or assented to by one or more ~~director~~Directors.

### Resolution to be kept in minute book

7.3 A copy of any such resolution must be entered in the minute book of Board proceedings.

### Copy of resolution to be sent to Directors not signing or assenting

7.37.4 ~~The Company must, within 5 Working Days after any resolution is passed in accordance with this subclause 7, send a copy of the resolution to each Director who has not signed or assented to the resolution.~~

## 8. NO NOTICE TO DIRECTORS OUTSIDE NEW ZEALAND

8.1 It is not necessary to give notice of a meeting of the Board to any ~~director~~Director for the time being absent from New Zealand but if a ~~director~~Director is resident outside New Zealand, or to the knowledge of the Company is temporarily absent from New Zealand and the ~~director~~Director has appointed an alternate ~~director~~Director under the provisions of this constitution, notice must (subject to clause 10.5b of this constitution) be given to the alternate ~~director~~Director.

## 9. CONTINUING DIRECTORS

9.1 The continuing ~~director~~Directors will continue to comprise the Board notwithstanding any vacancy in the number of ~~director~~Directors but if their number is reduced below the number fixed by or pursuant to this constitution as the minimum number of ~~director~~Directors, the continuing ~~director~~Directors will comprise the Board only for the purpose of increasing the number of ~~director~~Directors to the minimum number or for summoning a ~~s~~Special ~~m~~Meeting of the Company.

## 10. OTHER PROCEEDINGS

10.1 Except as provided in this Schedule the Board may regulate its own procedure.



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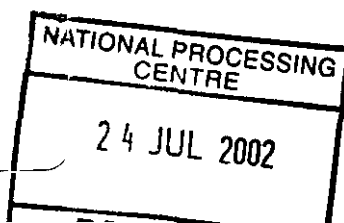
# CONSTITUTION

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## Westland Holdings Limited

Approved for and on behalf of  
WESTLAND DISTRICT COUNCIL

Robin F Reeves  
General Manager



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# CONSTITUTION OF WESTLAND HOLDINGS LIMITED

## 1 STATUS, DEFINITIONS AND INTERPRETATION

### Registration

- 1 1 The Company is registered under the Companies Act 1993 ("Act") and is regulated by the Act and this constitution

### Powers and Capacity

- 1 2 This constitution contains no provision restricting the capacity of the Company to carry on or undertake any business or activity or restricting the rights, powers or privileges necessary to carry on any business or activity

### Definitions

- 1 3 In this constitution, the following words and expressions have the meanings set out next to them

<b>"Board"</b>	means the Directors numbering not less than the required quorum acting as the Board of Directors of the Company and where one Director is a quorum it means that Director
<b>"Company"</b>	means Westland Holdings Limited
<b>"Director"</b>	means a person appointed and continuing in office for the time being, in accordance with this constitution, as a Director of the Company
<b>"Dividend"</b>	means a distribution by the Company other than a distribution to which section 59 (acquisition of Company's own shares) or section 76 (financial assistance in acquisition of Company's shares) of the Act applies
<b>"Local Authority"</b>	has the same meaning ascribed to that term in s 2 of the Airport Authorities Act 1966
<b>"Local Authority Trading Enterprise"</b>	has the same meaning as in section 594B of the Local Government Act
<b>"Local Government Act"</b>	means the Local Government Act 1974
<b>"Ordinary Resolution"</b>	means a resolution of shareholders approved by a simple majority of the votes of those shareholders entitled to vote and voting on the question
<b>"Special Meeting"</b>	means any meeting (other than an annual meeting) of shareholders entitled to vote on an issue, called at any time by the Board or by any other person who by this constitution is entitled to call meetings of shareholders



- "Special Resolution"** means a resolution of shareholders approved by a majority of 75 percent of the votes of those shareholders entitled to vote and voting on the question
- "Statement of Corporate Intent"** means a statement that meets the requirements of sections 594S-594U of the Local Government Act

### Interpretation

1 4

- a Words importing the singular include the plural and vice versa
- b A reference to a person includes any firm, company or other body corporate
- c Words or expressions not defined in this constitution have the same meaning as in the Act
- d A reference to a clause means a clause of this constitution
- e The clause headings are included for the purposes of convenience and do not affect the interpretation of this constitution

2

### SHARE ISSUES

#### Rights and Powers

2 1

- a At incorporation the Company has not issued shares in different classes or with rights different to those standard rights set out in Section 36(1) of the Act
- b This constitution does not set out types of shares that the Board may, or may not, issue without shareholder approval
- c Any requirement of the Act that shares issued or proposed to be issued
  - i be offered first to the holders of existing shares issued, or
  - ii be made subject to approval of a Special Resolution of an interest group,

is, to the extent permitted by the Act, negated or modified in accordance with the terms on which those shares were issued
- d This constitution does not modify the requirement of the Act that new shares be offered first to existing shareholders so as to maintain the existing voting or distribution rights, or both, of those holders

### **Issue of Shares**

2 2

- a Unless otherwise specified, all shares issued will be issued for the consideration of one dollar (\$1 00)
- b This constitution does not further restrict the ability of the Board to issue shares, at any time, to any person, and in any number the Board thinks fit

### **Disposal of Unwanted New Shares**

2 3

New shares offered to shareholders and not accepted within the prescribed time may be disposed of by the Board in such manner as the Board thinks most beneficial to the Company

3

## **CALLS ON SHARES**

### **Board May Make Calls**

3 1

- a The Board may make such calls as the Board thinks fit on the shareholders in respect of any moneys unpaid on their shares and not by the conditions of issue made payable at a fixed time or times
- b Shareholders must comply with the terms of payment set out in the Board resolution
- c A call may be revoked or postponed by the Board

### **Notice of Call**

3 2

- a Notice and particulars of call must be given to the holder of those shares at the time the call is made
- b The Company is not required to give notice and particulars of call to a subsequent holder of those shares

### **Liability**

3 3

- a The joint holders of a share are jointly and severally liable to pay all calls in respect of those shares
- b The liability for a call which has become due and payable attaches to the holder of those shares and not a prior holder of the shares

### **Interest and Expenses**

- 3 4 If a call is not paid, the person from whom the sum is due must pay
- a all interest on that sum from the day payment was due to the day of actual payment at such rate as the Board may determine,
  - b all expenses which the Company has or may incur by reason of non-payment of the call

The Board may waive payment of all or part of that interest or expense

### **Instalments**

- 3 5 Any sum which by the terms of issue of a share becomes payable on issue or at any fixed time will, for all purposes, be deemed to be a call duly made and payable at the time at which by the terms of issue it becomes payable. In case of non-payment all the relevant provisions of this constitution relating to payment of interest and expenses, forfeiture, or otherwise will apply as if the sum had become payable by a call duly made and notified

### **Different Amounts**

- 3 6 The Board may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment

## **4 SUSPENSION OF RIGHT TO DISTRIBUTIONS, LIEN AND FORFEITURE**

### **Notice of Suspension of Rights to Distributions**

- 4 1 If a shareholder fails to pay any call or instalment of a call on the day payment is due, the Board may, at any time after that date, while any part of the call or instalment payable by the shareholder remains unpaid, suspend payment of any distributions payable to the shareholder until so much of the call or instalment as is unpaid together with any interest and expenses pursuant to clause 3 4 (Interest and Expenses) have been paid to the Company in full

### **Application of Suspended Distributions**

- 4 2 All distributions which would have been payable in respect of shares which are subject to a suspension of the right to Dividends or distributions must be withheld and applied by the Company to reduce the amount owing under the call, including amounts owing under clause 3 4 (Interest and Expenses)

### **Liability not Discharged by Suspension of Right to Distributions on Transfer of Shares**

- 4 3 A shareholder whose shares have the right to distributions suspended remains liable to the Company for all money owing under the call. That liability is not extinguished by a transfer of the shares that are subject to the suspension to a third party

### **Lifting of Suspension of Right to Distributions**

- 4 4 When the total distributions withheld and applied under clause 4 2 (Application of Suspended Dividends) equal the total amount owing under the call, including amounts owing under clause 3 4, (Interest and Expenses) the suspension of the right to distributions will be lifted and all rights to be paid Dividends on the shares will resume

### **Liens**

- 4 5
- a The Company has a first and paramount lien on every share registered in the name of a shareholder (whether solely or jointly with others) and on the proceeds of sale of those shares, for
- i all money (whether presently payable or not) payable in respect of shares held by the shareholder, and
  - ii all other money presently payable by the shareholder to the Company, and
  - iii such amounts (if any) as the Company may be required to pay under any statute or regulation in respect of shares of a deceased or other shareholder,
- whether the period for the payment, fulfilment or discharge respectively has actually arrived or not
- b The lien extends to all distributions from time to time declared in respect of the shares

### **Sale on Exercise of Lien**

- 4 6 The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien No sale may be made unless
- a a sum in respect of which the lien exists is due and payable, and
  - b until the expiration of 14 days after a notice which requires payment of the amount owing in respect of which the lien exists, has been given to the registered shareholder at the time or the person entitled to that share by reason of the registered shareholder's death or bankruptcy

### **Application of Proceeds of Sale**

- 4 7 The net proceeds of the sale of any shares sold for the purpose of enforcing a lien must be applied in or towards satisfaction of any unpaid calls, instalments or any other money payable by the shareholder in respect of which the lien existed The residue, if any, must be paid to the former shareholder

### **Certificate that Power of Sale has Arisen**

- 4 8 A certificate signed by a Director stating that the power of sale provided in clause 4 8 of this constitution has arisen and is exercisable by the Company under this constitution will be conclusive evidence of the facts stated in the certificate

### **Giving Effect to Sale**

- 4 9 In order to give effect to any sale enforcing the lien in the exercise of the powers given to it under clause 4 6 (Sale on Exercise of Lien) the Board may authorise any person to execute a transfer of the shares to the purchaser. The purchaser will be registered as the shareholder of the shares which are transferred, and will not be bound to see to the application of the purchase money. The purchaser's title to the shares will not be effected by any irregularity or invalidity in the proceedings in reference to the sale. The remedy of any person aggrieved by the sale will be in damages only and against the Company exclusively. If the certificate for the shares is not delivered to the Company the Board may issue a new certificate distinguishing it as the Board thinks fit from the certificate not delivered.

## **5 DISTRIBUTIONS TO SHAREHOLDERS**

- 5 1 The Board may authorise distributions

The Board may authorise a distribution by the Company to shareholders in accordance with the Act

### **Dividends on Shares Not Fully Paid Up to be Paid Pro Rata**

- 5 2
- a All Dividends on shares not fully paid up must be authorised and paid in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares. This provision does not apply where shares have been issued with special rights as to Dividends
  - b No amount paid or credited as paid on a share in advance of calls is to be treated for these purposes as paid on the share. All Dividends are to be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any share is issued on terms providing that it ranks for Dividend as from a particular date that share ranks for Dividend accordingly

### **Payment by Cheque or Warrant**

- 5 3
- a Any Dividend, interest, or other money payable in cash in respect of shares may be paid by cheque sent through the post to the registered address of the holder, or in the case of joint holders, to the registered address of that one of the joint holders who is first named in the share register or to such person and to such address as the holder or joint holders may in writing direct

- b Every such cheque must be made payable to the order of the person to whom it is sent Any one of 2 or more joint holders may give effectual receipts for any Dividends, bonuses, or other money payable in respect of shares held by them as joint holders

#### **No Interest**

- 5 4 No Dividend bears interest against the Company

#### **Unclaimed Dividends**

5 5

- a All Dividends unclaimed for 1 year after having been authorised may be invested or otherwise made use of by the Board for the benefit of the Company until claimed All Dividends unclaimed for 5 years after having been declared may be forfeited by the Board for the benefit of the Company
- b The Board may, however, annul any such forfeiture and agree to pay a claimant who produces, to the Board's satisfaction, evidence of entitlement to the amount due to such claimant, unless in the opinion of the Board such payment would embarrass the Company

### **6 COMPANY PURCHASING OWN SHARES**

#### **Acquisition of Company's Own Shares**

- 6 1 The Company may make an offer and purchase shares issued by it in accordance with the Act

#### **Company May Not Hold Its Own Shares Uncancelled**

- 6 2 The Company may not hold its own shares uncancelled

#### **Redemption of Shares**

- 6 3 If the Company issues redeemable shares, the Company may redeem those shares in accordance with their terms of issue

### **7 TRANSFERABILITY OF SHARES PRE-EMPTIVE RIGHTS ON TRANSFER**

#### **Pre-Emptive Rights on Transfers**

- 7 1 Except as provided in clause 7 12 (Transfer Approved by Special Resolution) of this constitution no shares may be sold or transferred by any shareholder, liquidator, official assignee or personal representative of any shareholder, unless and until the rights of pre-emption conferred in this constitution have been exhausted

### **Transfer Notice**

- 7 2 Except as provided in clause 7 12 (Transfer Approved by Special Resolution) every person ("the Proposing Transferor") who wishes to transfer any legal or beneficial interest in shares in the capital of the Company must comply with the following procedure
- a Written notice must be given to the Board of the proposed transfer of shares ("the Transfer Notice")
  - b The Transfer Notice must specify
    - i The shares which are proposed to be transferred
    - ii The price which the Proposing Transferor considers to be the value of those shares ("the Specified Price")
  - c If the Transfer Notice refers to more than one share it is deemed to be a signed Transfer Notice for all the shares proposed to be transferred. The Proposing Transferor has no obligation to sell or transfer only part of the shares specified in the Transfer Notice

### **The Duty of the Board on Receiving a Transfer Notice**

- 7 3 The Transfer Notice appoints the Board as the Proposing Transferor's agent for the sale of the shares subject to clause 7 4 (Pre-Emptive Rights) to any other shareholder(s) or to person(s) nominated by the Board in accordance with clause 7 5 (Obligation to Sell to Purchasers), either at the Specified Price or, at the option of the purchasing shareholder(s) or person(s), at the Fair Value to be fixed in accordance with clause 7 6 (Determination of Fair Value)

### **Pre-Emptive Rights**

- 7 4 Unless the shareholders decide otherwise by Special Resolution the shares must be dealt with by the Board as follows
- a The shares must first be offered to the shareholders other than the Proposing Transferor as near as possible in proportion to the number of shares held by them in the Company, excluding the shares offered in the Transfer Notice. The offer must
    - i limit the period of time (being not less than 14 nor more than 21 days) within which if the offer is not accepted it will be deemed to be declined, and
    - ii contain a notification that any shareholder who wishes to purchase shares in excess of that proportion must state in that shareholder's reply to the Board the number of excess shares that shareholder wishes to purchase,
    - iii state the Specified Price and require any shareholder who wishes to purchase shares to state either that shareholder will purchase shares at the Specified Price or that person disputes that the Specified Price is the Fair Value,



- iv state the time for payment for the shares being not later than 15 Working Days after the later of acceptance of the Specified Price or determination of Fair Value for the shares (as the case may be)
- b If the shareholders do not claim their proportions the unclaimed shares must be used for satisfying the claims in excess (if any) If there are insufficient unclaimed shares to satisfy the claims in excess then the unclaimed shares are to be divided among the shareholders claiming excess shares in the same proportion as the original offer of shares under this clause 7 4 above
- c If, following the preceding procedure, any shares have not been accepted then the Board may offer them to third persons whom the Board is prepared to register as shareholders

#### **Obligation to Sell to Purchasers**

7 5

- a If the Board within the space of 30 days after being served with a Transfer Notice finds person(s) willing to purchase the shares ("the Transferee" or "the Transferees") then the Board must within such period give notice to the Proposing Transferor and, subject to the Board's right to delay or refuse registration of the transfer of the shares, the Proposing Transferor is bound subject to clauses 7 7 and 7 8 (Power to Revoke) to transfer the shares to those person(s) upon payment of the Specified Price or Fair Value determined in accordance with clause 7 6 (Determination of Fair Value)
- b The Board may deduct any money owed to the Company by the Proposing Transferor from the Specified Price or Fair Value

#### **Determination of Fair Value**

7 6

- a **Independent Valuer** - If there is a dispute between the Proposing Transferor and any one or more transferees as to the Fair Value of the shares the Fair Value is to be determined by an independent chartered accountant ("**the Valuer**") to be agreed upon by the Board and the Proposing Transferor If they fail to agree the Valuer is to be nominated by the chief presiding officer for the time being of the Christchurch Branch of the Institute of Chartered Accountants of New Zealand
- b **Certificate** - The Valuer must certify in writing the sum which in the Valuer's opinion is the Fair Value of the shares and must give notice in writing to the parties of the sum so certified
- c **Fair Value** - Fair Value means the price that would be paid for the shares by a willing purchaser under no compulsion to purchase from a willing seller under no compulsion to sell where the seller and the purchaser have comparable knowledge and bargaining power and having due regard to
  - i all the assets and liabilities (including contingent liabilities) of the Company,

- ii the provisions of this constitution and any relevant agreement made between the shareholders,
  - iii the amount of any bona fide offer for the purchase of the shares received by the Proposing Transferor
- d **Valuer to Act as Expert** - In certifying as to the Fair Value of the shares the Valuer is deemed to be acting as an expert and not as an arbitrator and accordingly the Arbitration Act 1996 and its amendments do not apply. The costs of the Valuer are to be borne by the Company
- e **Information and Representations to be Provided** - The Board must provide to the Valuer such information and give such representations as the Valuer may require in order for the Valuer to determine the Fair Value of the shares
- f **Opportunity for Submissions** - The Valuer must before certifying the Fair Value of the shares give the Proposing Transferor and the Transferees a reasonable opportunity to make submissions in relation to that determination
- g **Procedure and Timetable** - The Valuer may set a procedure and timetable for determining the Fair Value of the shares. Such procedure and timetable must be strictly adhered to by the parties

**Power to Revoke Transfer Notice Proposing Transferor**

7.7

- a If the Fair Value is more than 10% less than the Specified Price then, at any time within 7 days of receiving actual written notice of the Fair Value, the Proposing Transferor may revoke the Transfer Notice by written notice to the Board
- b If the Proposing Transferor fails to revoke the Transfer Notice within the required 7 day period it remains in full force and effect

**Power to Revoke Agreement to Purchase Shares Transferee**

7.8

- a At any time within 7 days of receiving actual written notice of the Fair Value if
  - i the Fair Value is more than 10% less than the Specified Price, and
  - ii the Proposing Transferor does not agree within those 7 days to reduce the Specified Price to the Fair Value,
 then the Transferee is entitled by written notice to the Board to withdraw the Transferee's prior agreement to purchase the shares
- b If the Transferee fails to revoke the agreement to purchase within the required 7 day period it remains in full force and effect

### **Failure to Transfer Shares**

7 9

- a If, after becoming bound under clause 7 5 (Obligation to Sell to Purchasers), the Proposing Transferor does not transfer the shares the Board may execute a transfer or transfers of the shares on behalf of the Proposing Transferor
- b The Board may receive the purchase money and must immediately enter the name or names of the Transferee or Transferees in the share register as the holder or holders of the shares and must hold the purchase money in trust for the Proposing Transferor subject to any debt owed by the Proposing Transferor to the Company
- c The Board's receipt is a good discharge to the Transferee or Transferees for the purchase price and no question can be raised as to the title of the Transferee or Transferees to the shares after they are registered in the share register as their holders

### **Permitted Transfer Exhaustion of Pre-emptive Rights**

7 10

If the pre-emptive rights procedure has been completed and the Board has not been able to find shareholder(s) or person(s) to purchase the shares in accordance with that procedure then, on condition that the Proposing Transferor has not revoked the Transfer Notice, the Proposing Transferor may at any time within 90 days after such completion transfer all the shares (but not some of them) to any person(s) at a price not lower than the Specified Price or the Fair Value (if the Fair Value has been determined)

### **Corporate Shareholders**

7 11

Where a corporation is a shareholder ("the Corporate Shareholder") then, if any one or more of the following events occurs, whether by one or by a series of transactions completed after the date at which the Corporate Shareholder was first entered in the share register, the Corporate Shareholder must give the Company a Transfer Notice in accordance with Clause 7 2 (Transfer Notice)

- a The transfer of the legal or beneficial ownership of, or of any interest in, any shares in the Corporate Shareholder or any holding Company of the Corporate Shareholder which
  - i Alters the beneficial ownership of 50% or more of the shares in either corporation, or
  - ii Alters the beneficial ownership of shares carrying 50% or more of the voting rights at any shareholders' meeting of either corporation, or
  - iii Alters the beneficial ownership of shares in either corporation allowing the holder of the shares to appoint a Director or Directors having 50% or more of the voting rights at any Directors' meeting, or
  - iv Alters the beneficial ownership of shares carrying an entitlement to receive 50% or more of any Dividend or distribution declared by either corporation

- b The happening of any event by which the control of the Corporate Shareholder, or any holding Company of the Corporate Shareholder is altered

If the Corporate Shareholder fails to give a Transfer Notice any Director of the Company may give a Transfer Notice on its behalf, and the provisions of clause 7 2 (Transfer Notice) apply to such Transfer Notice with the exception that the Specified Price is the Fair Value determined in accordance with this clause 7 The obligations imposed on Corporate shareholders by this clause are not capable of being waived by lapse of time or by acquiescence or knowledge, whether actual or constructive, of any other shareholder

### **Transfer Approved by Special Resolution**

- 7 12 Any Share may be transferred by a shareholder to any person if the transfer is approved by a Special Resolution of Shareholders The restrictions contained in clauses 7 1 to 7 11 and 8 1g (Director's Right to Refuse Registration) will not apply to any transfer authorised by this clause 7 12

### **Bankruptcy of a Shareholder**

- 7 13
  - a Where a shareholder becomes bankrupt, the assignee of the shareholder's estate, not later than 60 days after the adjudication of that shareholder as a bankrupt, must give a Transfer Notice in respect of all the shares held by the assignee and the provisions of this clause 7 relating to pre-emptive rights on transfer will then apply with the exception that the Transfer Notice cannot be revoked
  - b If the Transfer Notice is not given within the required 60 day period then the Transfer Notice is deemed to have been given with the exception that the Specified Price is the Fair Value determined in accordance with this clause 7
  - c Where 2 or more persons are jointly entitled to any share in consequence of bankruptcy of the registered holder they are deemed to be the joint holders of the share

## **8 REGISTRATION OF SHARE TRANSFERS**

### **Directors' Right to Refuse Registration**

- 8 1 Subject to compliance with the provisions of section 84 of the Act, the Board may refuse or delay the registration of any transfer of any share to any person whether an existing shareholder or not
  - a if so required by law,
  - b if registration would impose on the transferee a liability to the Company and the transferee has not signed the transfer,

- c if a holder of any such share has failed to pay on due date any amount payable on such share either in terms of its issue or in accordance with the constitution (including any call made in relation to such share),
- d if the transferee is an infant or a person of unsound mind,
- e if the transfer is in respect of more than one class of shares,
- f if the transfer is not accompanied by such proof as the Directors reasonably require of the right of the transferor to make the transfer,
- g if the Directors acting in good faith decide in their sole discretion that registration of the transfer would not be in the best interests of the Company or any of its shareholders

### **Directors Must Refuse Registration**

- 8 2 The Board must refuse registration of any transfer of any share if
- a the pre-emptive provisions contained in clause 7 have not been complied with,
  - b the provisions of any agreement between shareholders relating to the transfer of shares in respect of which the Board has notice have not been complied with in respect of the transfer of those shares

## **9 SHAREHOLDERS RIGHTS AND OBLIGATIONS**

### **Meetings of Shareholders**

- 9 1 The provisions of the First Schedule to this constitution will govern proceedings at meetings of shareholders

## **10 DIRECTORS**

### **Limits on Board's Power to Manage the Company**

- 10 1 This constitution contains no provision limiting the power of the Board to manage the business or affairs of the Company

### **Number of Directors**

- 10 2 The minimum number of Directors is three The maximum number of Directors may be determined from time to time by the Board, and unless so determined, the maximum number is 10
- 10 3 At least 2 of the Directors must not be
- a members of any local authority (which for avoidance of doubt, includes Councillors and Mayors), or
  - b persons employed by any local authority

### Appointment by Shareholders

10 4

- a The Directors of the Company are such person or persons as may from time to time be appointed by the shareholders by notice in writing to the Company but so that the total number of Directors must not at any time exceed the maximum number, if any, fixed pursuant to clause 10 2 (Number of Directors)
- b Any shareholder will be entitled to appoint from time to time the number of Directors (rounded to the nearest whole number or, where there is no nearest whole number, rounded down) that represents the same proportion of the number of Directors determined under clause 10 2, as the proportion which the percentage of voting rights to which the appointing shareholder is then entitled bears to the then total number of voting rights attaching to the shares of the Company
- c Every Director holds office subject to the provisions of this constitution and may at any time be removed from office by notice in writing to the Company signed by the holder or holders of a majority of the shares in the capital of the Company
- d Directors may be appointed individually or together unless the shareholders by Ordinary Resolution require any Director's appointment to be voted on individually

### Alternate Directors

10 5

- a Each Director has the power from time to time to nominate any person not already a Director and who is acceptable to the majority of the shareholders, to act as an alternate Director in his or her place An alternate Director can be appointed either for a specified period or generally during the absence from time to time of such Director A Director can remove an alternate Director that Director has nominated
- b Unless otherwise provided for by the terms of his or her appointment, an alternate Director has the same rights, powers and privileges (including the right to receive notice of meetings of Directors but excluding the power to appoint an alternative Director) and will discharge all the duties of and must be subject to the same provisions as the Director in whose place he or she acts
- c An alternate Director cannot be remunerated otherwise than out of the remuneration of the Director in whose place he or she acts and automatically vacates office if and when the Director in whose place he or she acts vacates office
- d Any notice appointing or removing an alternate Director may be given by delivering it or by sending it through the post or by facsimile to the Company and is effective as from the time of its receipt

### **Vacation of Office**

- 10 6 The office of a Director will be vacated if the Director
- a dies,
  - b becomes a mentally disordered person within the meaning of the Mental Health (Compulsory Assessment and Treatment) Act 1992,
  - c becomes disqualified from being a Director pursuant to s 151 of the Act, or
  - d being a member or employee of any Local Authority at the time of his or her appointment as a Director ceases for any reason to be such a member or employee, or
  - e not being a member or employee of any Local Authority at the time of his or her appointment as a Director becomes such a member or employee and, as a consequence, the Company is in breach of section 594R of the Local Government Act

### **Director's Resignation Procedure**

- 10 7 A Director may resign office by delivering a signed written notice of resignation in writing to the address for service of the Company. The notice is effective when it is received at the address or at a later time specified in the notice.

### **Director's Remuneration and Other Benefits**

- 10 8 The Board will not exercise any of the powers contained in or implied by s 161 of the Act without the prior written approval of the shareholders.

### **Proceedings of the Board**

- 10 9 The provisions of the Third Schedule to the Act are deleted and replaced as set out in the Second Schedule of this constitution.

### **Directors' Indemnity**

- 10 10 The Company is expressly authorised to indemnify and insure any Director or employee to the maximum extent permitted by the Act.

## **11 DUTIES OF DIRECTORS AND BOARD**

### **Statement of Corporate Intent**

- 11 1 The business of the Company should be managed by the Board in accordance with the Statement of Corporate Intent.

### **Interest of Shareholders**

- 11 2 For the purposes of s 131(2) of the Act but subject to the Statement of Corporate Intent each Director of the Company is expressly permitted to act in a manner which

he or she believes is in the best interests of the shareholders even though it may not be in the best interests of the Company

## **12 INTERESTED DIRECTORS**

### **Directors must Disclose their Interest**

12 1 As soon as a Director becomes aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, then unless the Act provides otherwise or all entitled persons have agreed to or concur in the Company entering into the transaction, that Director must cause to be entered in the Interests Register, and disclosed to the Board

- a the nature and monetary value of his or her interest (if the monetary value of the interest is able to be quantified), or
- b the nature and extent of his or her interest (if the monetary value of the interest cannot be quantified)

### **General Disclosure in Certain Cases will Suffice**

12 2 For the purposes of clause 12 1 a general notice entered in the Interests Register and disclosed to the Board to the effect that a Director

- a is a shareholder, Director, officer, or trustee of another named Company or other person, and
- b is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that other Company or person, will be a sufficient disclosure of that interest in relation to such transaction

### **Failure to Disclose Does Not Affect Validity of Transaction**

12 3 Any failure by a Director comply with clause 12 1 does not affect the validity of a transaction entered into by the Company or the Director However, the transaction may be avoided under clause 12 4

### **Company May Avoid Transaction if Director Interested**

12 4 Where the Company enters into a transaction in which a Director is interested, the Company, if it is permitted to do so by the Act, may avoid that transaction in accordance with the Act However, if all entitled persons have agreed to or concur in the Company entering into such a transaction then this clause will not apply

### **Interested Director May Not Vote**

12 5 A Director of the Company who is interested in a transaction entered into, or to be entered into by the Company may not (subject to clauses 12 5 a and b ) vote on a matter relating to the transaction, but may

- a vote on any matter to which clause 10 9 applies,



- b attend a meeting of Directors at which a matter relating to the transaction arises, and be included among the Directors present at the meeting for the purpose of quorum,
- c sign a document relating to the transaction on behalf of the Company, and
- d do anything else as a Director in relation to the transaction, as if he or she were not interested in the transaction

12 6 The shareholders may by Ordinary Resolution suspend or relax the prohibition on interested Directors voting to any extent in respect of any particular transaction

### **13 ACCOUNTS**

#### **Availability for Inspection**

13 1 In addition to complying with the provisions of the Act the Company will also comply with s 594ZA and 594ZB of the Local Government Act

#### **Statement of Corporate Intent**

13 2 In each financial year of the Company the Directors will deliver to its shareholders a Statement of Corporate Intent in accordance with s 594S to s 594W of the Local Government Act

#### **Accounts to be Prepared**

13 3 Within 2 months after the end of the first half of each financial year of the Company the Directors will deliver to its shareholders a report of the Company's operations during that half year. Such half year report will include the information required by the Statement of Corporate Intent to be included therein

#### **Reports to be Delivered to Members**

13 4 Within 3 months after the end of each financial year of the Company the Directors will deliver to the shareholders and make available to the public

- a a report of the operations of the Company and those of its subsidiaries during the financial year, and
- b audited consolidated financial statements for the financial year in respect of the Company and its subsidiaries, and
- c an auditor's report on
  - i those financial statements, and
  - ii the performance targets and other measures by which performance has been judged in relation to the objectives as contained in the Statement of Corporate Intent

### **Contents of Operations Report**

- 13 5 Every report under clause 13 4 will
- a contain such information as is necessary to enable an informed assessment of the operations of the Company and its subsidiaries including a comparison of the performance of the Company and its subsidiaries with any relevant Statement of Corporate Intent, and
  - b state the maximum Dividend (if any) recommended to be payable by the Company in respect of its equity securities (other than fixed interest securities) for the financial year to which the report relates

### **Contents of Financial Statements**

- 13 6 The audited consolidated financial statements under clause 13 4 b will consist of
- a a statement of financial position, and
  - b an overall opening statement, and
  - c one operating statement in respect of each significant activity, and
  - d a statement of cashflows, and
  - e such other statements as may be necessary to fairly reflect the financial position of the Company and its subsidiaries, the resources available to them and the financial results of their operations

### **Auditor**

- 13 7 In accordance with section 594ZC of the Local Government Act the Audit Office will be the auditor of the Company

## **14 NOTICES**

### **Service**

- 14 1 A notice may be served by the Company upon any Director or shareholder either personally or by posting it by fast post in a prepaid envelope or package addressed to such Director or shareholder at such person's last known address or by delivery to a document exchange or by facsimile to the facsimile number of such Director or shareholder

### **Time of Service by Facsimile**

- 14 2 A notice served by facsimile is deemed to have been served on the day following completion of its transmission

### **Time of Service by Post**

- 14 3 A notice sent by post or delivered to a document exchange is deemed to have been served
- a In the case of a person whose last known address is in New Zealand, at the end of 48 hours after the envelope or package containing the notice was duly posted or delivered in New Zealand, and
  - b In the case of a person whose last known address is outside New Zealand, at the end of 7 days after the envelope or package containing the notice was duly posted by fastpost in New Zealand

### **Proof of Service**

- 14 4 In proving service by post or delivery to a document exchange it is sufficient to prove that the envelope or package containing the notice was properly addressed and posted or delivered with all attached postal or delivery charges paid. In proving service by facsimile, it is sufficient to prove that the document was properly addressed and sent by facsimile

### **Service on Joint Holders**

- 14 5 A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the share register in respect of the share

### **Service on Representatives**

- 14 6 A notice may be given by the Company to the person or persons entitled to a share in consequence of the death or bankruptcy of a shareholder by addressing it to such person or persons by name or by title or by any appropriate description, at the address, if any, within New Zealand supplied for the purpose by the person or persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which it might have been given if the death or bankruptcy had not occurred

## **15 LIQUIDATION**

### **Distribution of Surplus Assets**

- 15 1
- a Subject to the terms of issue of any shares in the Company and to clause 15 2 (Distribution in Specie), upon the liquidation of the Company the assets, if any, remaining after payment of the debts and liabilities of the Company and the costs of liquidation ("the surplus assets") will be distributed among the shareholders in proportion to their shareholding
  - b The holders of shares not fully paid up must receive only a proportionate share of their entitlement being an amount which is in proportion to the amount paid to the Company in satisfaction of the liability of the shareholder to the Company in respect of the shares either under the constitution of the Company or pursuant to the terms of issue of the shares

## **Distribution in Specie**

15 2

- a Upon a liquidation of the Company, the liquidator, with the sanction of an Ordinary Resolution of shareholders and any other sanction required by law, may divide amongst the shareholders in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as the liquidator deems fair upon any property to be so divided and may determine how the division is to be carried out as between the shareholders or different classes of shareholders
- b The liquidator may, with the same sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the shareholders as the liquidator thinks fit, but so that no shareholder will be compelled to accept any shares or other securities in relation to which there is any liability

## **16 REMOVAL FROM THE NEW ZEALAND REGISTER**

### **Directors May Apply for Removal**

16 1 In the event that

- a The Company has ceased to carry on business, has discharged in full its liabilities to all its known creditors, and has distributed its surplus assets in accordance with this constitution and the Act, or
- b The Company has no surplus assets after paying its debts in full or in part, and no creditor has applied to the Court under section 241 of the Act for an order putting the Company into liquidation,

the Board of Directors may in the prescribed form request the Registrar to remove the Company from the New Zealand register

## **17 METHOD OF CONTRACTING**

17 1 A contract or other enforceable obligation may be entered into by the Company as follows

- a An obligation which, if entered into by a natural person, would by law, be required to be by deed, may be entered into on behalf of the Company in writing signed under the name of the Company by
  - i two or more Directors of the Company,
  - ii if there is only one Director by that Director whose signature must be witnessed,
  - iii a Director or other person or class of persons appointed by the Board whose signature or signatures must be witnessed,

- iv one or more attorneys appointed by the Company in accordance with section 181 of the Act

## FIRST SCHEDULE

### PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

#### 1 CHAIRPERSON

##### **Chairperson to be Chairperson of the Board**

- 1 1 If the shareholders have appointed or the Directors have elected a chairperson of the Board, and the chairperson of the Board is present at a meeting of shareholders, he or she must chair the meeting

##### **Election of Chairperson**

- 1 2 If no chairperson of the Board has been elected, or if at any meeting of shareholders the chairperson of the Board is not present within 15 minutes of the time appointed for the commencement of the meeting, the Directors present may elect one of their number to be chairperson of the meeting. If at any meeting no Director is willing to act as chairperson, or if no Director is present within 15 minutes of the time appointed for holding the meeting, the shareholders present must choose one of their number to be chairperson of the meeting

#### 2 NOTICE OF MEETINGS

##### **Notice in Writing**

- 2 1 Written notice of the time and place of a meeting of shareholders must be sent to every shareholder entitled to receive notice of the meeting and to every Director and an auditor of the Company not less than 10 working days before the meeting

##### **Contents of Notice**

- 2 2 The notice must state
- a The nature of the business to be transacted at the meeting in sufficient detail to enable a shareholder to form a reasoned judgment in relation to it, and
  - b The text of any Special Resolution to be submitted to the meeting

##### **Irregularities in Notice**

- 2 3 An irregularity in a notice of a meeting is waived if all the shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such shareholders agree to the waiver

##### **Adjournment**

- 2 4 The chairperson may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business can be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for 30 days or more,

notice of the adjourned meeting must be given as in the case of an original meeting. Except as so provided, it is not necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

### **Accidental Omission to Give Notice**

- 2 5 The accidental omission to give a notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice does not invalidate the proceedings at that meeting.

## **3 METHODS OF HOLDING MEETINGS**

- 3 1 A meeting of shareholders may be held either
- a By a number of shareholders, who constitute a quorum, being assembled together at the place, date, and time appointed for the meeting, or
  - b By means of audio, or audio and visual, communication by which all shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

## **4 QUORUM**

### **Necessity for Quorum**

- 4 1 Subject to clause 4 3 of this clause, no business may be transacted at a meeting of shareholders if a quorum is not present.

### **Numbers for Quorum**

- 4 2 A quorum for a meeting of shareholders is present if shareholders or their proxies are present who are between them able to exercise a majority of the votes to be cast on the business to be transacted by the meeting.

### **No Quorum**

- 4 3 If a quorum is not present within 30 minutes after the time appointed for the meeting
- a In the case of a meeting called under section 121(b) of this Act, the meeting is dissolved,
  - b In the case of any other meeting, the meeting is adjourned to the same day in the following week at the same time and place, or to such other date, time, and place as the Directors may appoint, and, subject to the constitution of the Company, if, at the adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the meeting, the shareholders or their proxies present are a quorum.

## 5 VOTING

### Voting Method

5 1 In the case of a meeting of shareholders held under clause 3 1a of this Schedule, unless a poll is demanded, voting at the meeting will be by whichever of the following methods is determined by the chairperson of the meeting

- a voting by voice, or
- b voting by show of hands

### Voting Method - Audio, Audio/Visual

5 2 In the case of a meeting of shareholders held under clause 3 1b of this Schedule, unless a poll is demanded, voting at the meeting will be by the shareholders signifying individually their assent or dissent by voice

### Evidence that Resolution Carried

5 3 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with subclause 5 4 of this clause

### Who May Demand Poll

5 4 At a meeting of shareholders a poll may be demanded by

- a Not less than 5 shareholders having the right to vote at the meeting, or
- b A shareholder or shareholders representing not less than 10 percent of the total voting rights of all shareholders having the right to vote at the meeting, or
- c By a shareholder or shareholders holding shares in the Company that confer a right to vote at the meeting and on which the aggregate amount paid up is not less than 10 percent of the total amount paid up on all shares that confer that right

### When Poll May be Demanded

5 5 A poll may be demanded either before or after the vote is taken on a resolution

### Counting of Votes

5 6 If a poll is taken, votes must be counted according to the votes attached to the shares of each shareholder present in person or by proxy and voting

### Equality of Votes

5 7 In the case of an equality of votes, whether voting is by voice or show of hands or poll, the chairperson of the meeting is not entitled to a second or casting vote



### **Proxy Holder May Demand Poll**

- 5 8 For the purposes of this clause, the instrument appointing a proxy to vote at a meeting of a Company confers authority to demand or join in demanding a poll and a demand by a person as proxy for a shareholder has the same effect as a demand by the shareholder

### **Voting Entitlement**

- 5 9 Subject to any rights or restrictions for the time being attached to any class of shares, every shareholder present in person or by proxy and voting by voice or on a show of hands has one vote

### **Chairperson May Demand Poll**

- 5 10 The chairperson may demand a poll on a resolution, either before or after a vote on such resolution, by voice or on show of hands

### **Withdrawal of Demand**

- 5 11 The demand for a poll may be withdrawn

### **Poll to be Taken as Chairperson Directs**

- 5 12 Except as provided in clause 5 13, if a poll is duly demanded it must be taken in such manner as the chairperson directs, and the result of the poll will be deemed to be the resolution of the meeting at which the poll was demanded

### **Poll on Election of Chairperson**

- 5 13 A poll demanded on the election of a chairperson or on a question of adjournment must be taken immediately A poll demanded on any other question may be taken at such time and place as the chairperson of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll

## **6 PROXIES**

### **Right to Vote by Proxy**

- 6 1 A shareholder may exercise the right to vote either by being present in person or by proxy

### **Right of Proxy to Attend**

- 6 2 A proxy for a shareholder is entitled to attend and be heard at a meeting of shareholders as if the proxy were the shareholder

**Appointment of Proxy**

- 6 3 A proxy must be appointed by notice in writing signed by the shareholder and the notice must state whether the appointment is for a particular meeting or a specified term not exceeding 12 months

**Proxy Form to be Sent with Notice of Meeting**

- 6 4 A proxy form must be sent with each notice calling a meeting of the Company

**Proxy Form**

- 6 5 An instrument appointing a proxy must be in the following form or a form as near to as circumstances admit

**WESTLAND HOLDINGS LIMITED  
INSTRUMENT APPOINTING A PROXY**

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of \_\_\_\_\_ WESTLAND HOLDINGS LIMITED  
hereby appoint \_\_\_\_\_ [print name of proxy]  
of \_\_\_\_\_  
or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the \_\_\_\_\_ the Annual/Special  
Meeting of the  
Company to be held at \_\_\_\_\_  
on \_\_\_\_\_ commencing at \_\_\_\_\_ am/pm  
[or all meetings of the Company held within 12 months of the date of this proxy] and  
at any adjournment of any such meeting  
Signed on \_\_\_\_\_ 200 \_\_\_\_\_  
[Usual signature/s]

6 6 Where it is wished to give shareholders an opportunity of voting for or against a resolution, the instrument appointing a proxy must be in the following form or a form as near to it as circumstances admit

**WESTLAND HOLDINGS LIMITED  
INSTRUMENT APPOINTING A PROXY**

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of \_\_\_\_\_ WESTLAND HOLDINGS LIMITED  
hereby appoint \_\_\_\_\_ [print name of proxy]  
of \_\_\_\_\_  
or failing him/her \_\_\_\_\_ of \_\_\_\_\_  
as my/our proxy to vote for me/us on my/our behalf at the \_\_\_\_\_ the Annual/Special  
Meeting of the  
Company to be held at \_\_\_\_\_  
on \_\_\_\_\_ commencing at \_\_\_\_\_ am/pm  
and at any adjournment of any such meeting

I/We direct my/our proxy to vote in the following manner

Resolutions	Vote with a tick	
	For	Against
1 _____	—	—
2 _____	—	—
	—	—

Signed on \_\_\_\_\_ 200 \_\_\_\_\_  
[Usual signature/s]

**Validity of Vote**

6 7 A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or insanity of the appointor or revocation of the proxy or revocation of the authority under which the proxy was executed, or the transfer of any share in respect of which the proxy is given, if no notice in writing of such death, insanity, revocation or transfer has been received by the Company before the start of the meeting or adjourned meeting at which the proxy is used

**Deposit of Proxy**

6 8 The instrument appointing a proxy and a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of the Company or at such other place within New Zealand as is specified for that purpose in the notice convening the meeting not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll,

not less than 24 hours before the time appointed for the taking of the poll. If it is not, the instrument of proxy is invalid.

## **7 NO POSTAL VOTING**

- 7.1 A shareholder may not exercise the right to vote at a meeting by casting a postal vote.

## **8 MINUTES**

### **Minutes Must be Kept**

- 8.1 The Board must ensure that minutes are kept of all proceedings at meetings of shareholders.

### **Evidence**

- 8.2 Minutes which have been signed correct by the chairperson of the meeting are prima facie evidence of the proceedings.

## **9 SHAREHOLDER PROPOSALS**

### **Notice of Matter for Discussion or Resolution**

- 9.1 A shareholder may give written notice to the Board of a matter the shareholder proposes to raise for discussion or resolution at the next meeting of shareholders at which the shareholder is entitled to vote.

### **Notice of Shareholder Proposal at Company's Expense**

- 9.2 If the notice is received by the Board not less than 20 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the Company, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

### **Notice of Shareholder Proposal at Shareholder's Expense**

- 9.3 If the notice is received by the Board not less than 5 working days and not more than 20 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board must, at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

### **Notice of Late Shareholder Proposal to be Given if Practicable**

- 9.4 If the notice is received by the Board less than 5 working days before the last day on which notice of the relevant meeting of shareholders is required to be given by the Board, the Board may, if practicable, and at the expense of the shareholder, give notice of the shareholder proposal and the text of any proposed resolution to all shareholders entitled to receive notice of the meeting.

### **Proposing Shareholder's Written Statement**

- 9 5 If the Directors intend that shareholders may vote on the proposal by proxy or by postal vote, they must give the proposing shareholder the right to include in or with the notice given by the Board a statement of not more than 1000 words prepared by the proposing shareholder in support of the proposal, together with the name and address of the proposing shareholder

### **Limits on Obligation to Include Statement**

- 9 6 The Board is not required to include in or with the notice given by the Board a statement prepared by a shareholder which the Directors consider to be defamatory, frivolous, or vexatious

### **Payment by Shareholder of Costs**

- 9 7 Where the costs of giving notice of the shareholder proposal and the text of any proposed resolution are required to be met by the proposing shareholder, the proposing shareholder must, on giving notice to the Board, deposit with the Company or tender to the Company a sum sufficient to meet those costs

## **10 CORPORATIONS MAY ACT BY REPRESENTATIVES**

- 10 1 A body corporate which is a shareholder may appoint a representative to attend a meeting of shareholders on its behalf in the same manner as that in which it could appoint a proxy

## **11 VOTES OF JOINT HOLDERS**

- 11 1 Where 2 or more persons are registered as the holder of a share, the vote of the person named first in the share register and voting on a matter must be accepted to the exclusion of the votes of the other joint holders

## **12 LOSS OF VOTING RIGHTS IF CALLS UNPAID**

- 12 1 Subject to the constitution of the Company, if a sum due to the Company in respect of a share has not been paid, that share may not be voted at a shareholder's meeting other than a meeting of an interest group

## **13 RESOLUTIONS IN LIEU OF MEETING**

- 13 1 A shareholders' resolution in lieu of a meeting authorised by section 122 of the Act may consist of several documents in like form, each signed by one or more shareholders. A facsimile of any such signed resolution is as valid and effectual as the original signed document with effect from completion of its transmission

**14 OTHER PROCEEDINGS**

- 14 1 Except as provided in this Schedule, and subject to the constitution of the Company, a meeting of shareholders may regulate its own procedure

31  
**SECOND SCHEDULE**

**PROCEEDINGS OF THE BOARD**

**1 CHAIRPERSON**

**Election of Chairperson**

- 1 1 The shareholders may appoint, but in the event of it not doing so, the Board may elect one of their number as chairperson of the Board

**Terms of Office**

- 1 2 The Director elected as chairperson holds that office until he or she dies or resigns or the shareholders appoint or the Directors elect a chairperson in his or her place

**Election of Chairperson for Particular Meetings**

- 1 3 If no chairperson is elected, or if at a meeting of the Board the chairperson is not present within 5 minutes after the time appointed for the commencement of the meeting, the Directors present may choose one of their number to be chairperson of the meeting

**2 NOTICE OF MEETING**

**Convening Meetings**

- 2 1 A Director or, if requested by a Director to do so, an employee of the Company may convene a meeting of the Board by giving notice in accordance with this clause

**Period of Notice**

- 2 2 Not less than 2 days' notice of a meeting of the Board must be given to every Director who is in New Zealand, and the notice must include the date, time and place of the meeting and the matters to be discussed

**Irregularity in Notice**

- 2 3 An irregularity in the notice of the meeting is waived if all Directors attend the meeting without protest as to the irregularity or if all Directors entitled to receive notice of the meeting agree to the waiver

**Means of giving Notice**

- 2 4 Notice of a meeting may be given by any means, including by telephone. Notice given by a letter addressed to a Director at his or her last known residential address will be deemed to have been given on the day following the day the letter is posted

### **3 METHOD OF HOLDING MEETINGS**

3 1 A meeting of the Board may be held either

- a by a number of Directors sufficient to form a quorum being assembled together at the place, date and time appointed for the meeting, or
- b by means of audio, or audio and visual communication by which all the Directors participating in the meeting and constituting a quorum can simultaneously hear each other throughout the meeting

### **4 QUORUM**

#### **Number Constituting Quorum**

4 1 A quorum for a meeting of the Board is a majority of the Directors

#### **No Business Without Quorum**

4 2 No business may be transacted at a meeting of Directors if a quorum is not present

#### **Alternate Director May be Included**

4 3 In accordance with clause 10 5 of this constitution an alternate Director present at a meeting may be included for the purpose of establishing a quorum

### **5 VOTING**

#### **Number of Votes**

5 1 Every Director has one vote

#### **Chairperson Does Not Have Casting Vote**

5 2 The chairperson does not have a casting vote

#### **Majority**

5 3 A resolution of the Board is passed if it is agreed to by all Directors present without dissent or if a majority of the votes cast on it are in favour of it

#### **Presumption as to Voting**

5 4 A Director present at a meeting of the Board is presumed to have agreed to, and to have voted in favour of a resolution of the Board, unless he or she expressly dissents from, or votes against the resolution at the meeting



### **Alternate Director May Vote**

- 5 5 An alternate Director may attend and vote at meetings of the Board in accordance with and subject to clause 10 5a of this constitution if the Director that has appointed the alternate Director is absent from the meeting

## **6 MINUTES**

- 6 1 The Board must ensure minutes are kept of all proceedings at meetings of the Board

## **7 RESOLUTIONS**

### **Written Resolution**

- 7 1 A resolution in writing, signed or assented to by a majority of Directors then entitled to receive notice of a Board meeting, is as valid and effective as if it had been passed at a meeting of the Board duly convened and held

### **Forms of Resolution**

- 7 2 Any such resolution may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more Directors

### **Resolution to be Kept in Minute Book**

- 7 3 A copy of any such resolution must be entered in the minute book of Board proceedings

## **8 NO NOTICE TO DIRECTORS OUTSIDE NEW ZEALAND**

- 8 1 It is not necessary to give notice of a meeting of the Board to any Director for the time being absent from New Zealand but if a Director is resident outside New Zealand, or to the knowledge of the Company is temporarily absent from New Zealand and the Director has appointed an alternate Director under the provisions of this constitution, notice must (subject to clause 10 5b of this constitution) be given to the alternate Director

## **9 CONTINUING DIRECTORS**

- 9 1 The continuing Directors will continue to comprise the Board notwithstanding any vacancy in the number of Directors but if their number is reduced below the number fixed by or pursuant to this constitution as the minimum number of Directors, the continuing Directors will comprise the Board only for the purpose of increasing the number of Directors to the minimum number or for summoning a Special Meeting of the Company

**10 OTHER PROCEEDINGS**

10.1 Except as provided in this Schedule the Board may regulate its own procedure

# Report



**DATE:** 23 January 2020  
**TO:** Mayor and Councillors  
**FROM:** Property and Projects Supervisor

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## COUNCIL CHAMBERS LAYOUT

### 1 SUMMARY

- 1.1 The purpose of this report is to present the Headquarters redevelopment plan layout, and request council move the council chambers to the ground floor.
- 1.2 This issue arises as the internal design and workspace functionality of the Council offices have been worked through as part of the headquarters upgrade project.
- 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 May 2018, which are set out in the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council move the Council chambers to the ground floor.

### 2 BACKGROUND

- 2.1 Council moved into the current Weld street address in 1991 after the amalgamation of the County and Borough Councils. Originally a Post Office, the building had the top floor added and fitted out as a purpose built office space. The ground and first floor have remained largely original over the last 30 years as the structure of the building made reorganising and alterations challenging.

Over the last fifteen years some redevelopment projects have been completed including renovating the second floor and moving the I-site into the ground floor. Some of the office spaces have had a basic cosmetic upgrade with paint

and carpeting. As part of the current refurbishment project, the functionality and use of the office space has been widely considered and challenged. Through the design process various departments' highlighted consistent themes to address. These issues are:

- Security of the building (preventing the public wandering through the building),
- Increased security and protection for front line staff.
- Limited office space for good ergonomics
- Poor heating & cooling
- Lack of meeting rooms
- Council meeting space is preferred to be located on the ground floor.

### 3 CURRENT SITUATION

3.1 The current office plan has the Council Chambers on the second floor. This requires visitors to work their way through the building, often getting lost or finding their way to staff offices unannounced. After hours meetings are often required and therefore staff must assist in ushering people in and out of the building, again leaving opportunities for people to be unattended in the building. As part of the current layout Councillors and staff are required to share the kitchen and lunch break facilities, there is a desire to have a separation of space for staff for their breaks this will keep disruption to a minimum when Councillors break during their meetings. The current reception counter arrangement requires updating to increase safety and security for the front line staff.

3.2 During EOC events access to the top floor is compromised when there is a requirement for stakeholders to enter at 24 hours of the day.

### 4 OPTIONS

#### 4.1 **Option 1:** Status Quo

Council and the Mayor remain on the second floor. New offices will be built in the current District Assets room to provide another meeting space.

#### 4.2 **Option 2:** Council Chambers move to the ground floor.

This option includes the Council Chambers moving to the ground floor in the large space behind the current reception area. A kitchenette will be built adjacent to the new Chambers to accommodate food preparation. The existing ground floor toilets will be upgraded. The server room will be relocated to the first floor. A purpose built reception office area will be built and the reception lobby updated.

On the top floor an additional meeting room will be built in what is currently the District Assets office. The current Council Chambers will be developed to include a new GMDA office, storage and District Assets office. The existing staff room/ kitchen will receive an upgrade.

## 5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The proposal has a low level Significance according to Council Significance and Engagement Policy.
- 5.2 The headquarters upgrade project was consulted on through the Annual Plan process over the last two financial years. The proposed change simplifies the way the building is used for the public and staff but there is no change to the base project. No wider consultation is required.

## 6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

### 6.1 **Option 1:** Status Quo

Advantage: The extent of construction work is reduced.

Disadvantage: Security and the mixed use kitchen remain issues. Civil defence operations are still required to run out of the top floor meaning outside agencies and volunteers are required to move through the whole building during events with the back doors often left open for free access.

### **Option 2:** Council chambers move to ground floor (**refer Appendix 1**)

Advantage:

1. A clear direct link for the public to enter the large meeting space.
2. The public are no longer required to access through the building to council meetings.
3. Separate kitchen facilities for council, meetings and staff.
4. Purpose built reception office space.
5. Upgraded and compliant toileting facilities.
6. District Assets has an appropriately scaled office space.
7. The second floor has additional meeting space.
8. Civil Defence EOS can be established from the ground floor in a simple manner not requiring people to walk through the building or in back doors to meet during afterhours event responses.
9. A new server room on the first floor allows IT to relocate essential equipment and elevates the servers above any potential flood risk. The current drop-in meeting space remains on the ground floor.
10. Improved security minimising risk to staff and property.
11. Review of temperature control for the building space

The project already has funding allocated as a capital works project.

Subject to further pricing there may be additional funding required. There is an existing project budget.

Disadvantage: Council Chambers is an impressive environment with regards to views. Relocating to the bottom floor will diminish this aspect of council meetings.

## **7 PREFERRED OPTION(S) AND REASONS**

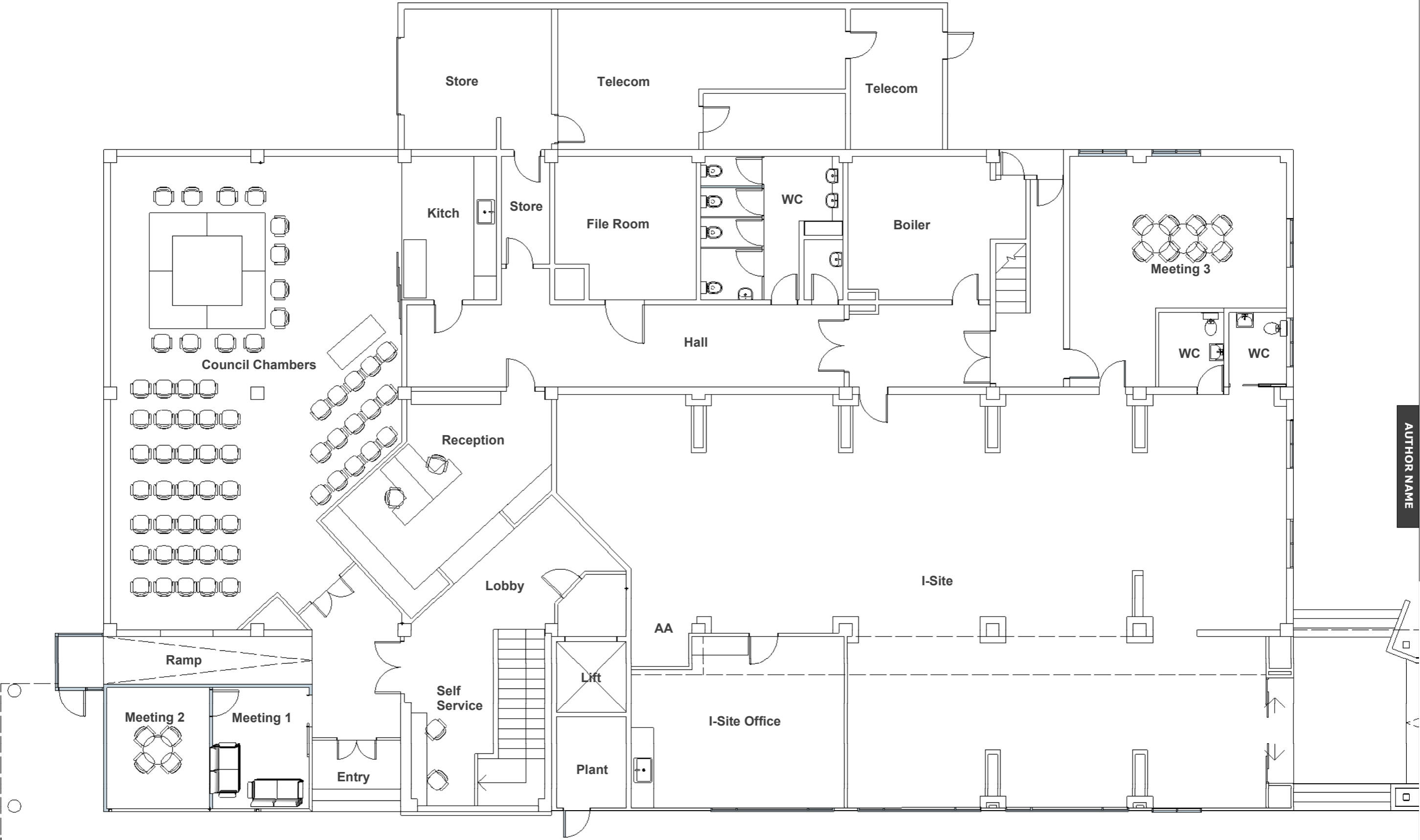
7.1 **Option 2:** Council Chambers move to the ground floor is the preferred option, as outlined in 6.0 altering the spaces as proposed will align the available spaces for a better working environment.

## **8 RECOMMENDATION(S)**

A) **THAT** Council commit to moving the Council chambers meeting space to the ground floor.

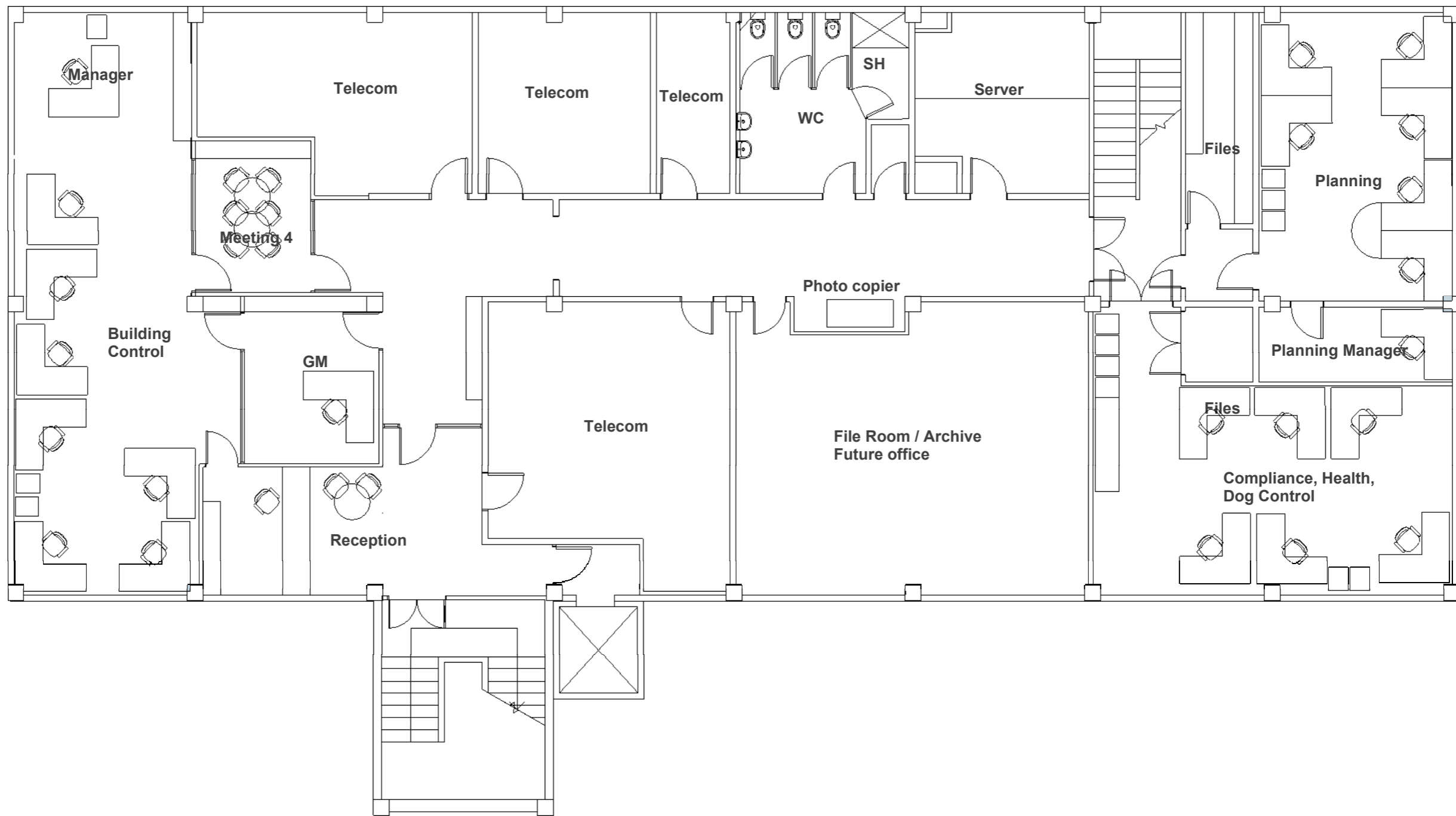
**Simon Eyre**  
**Property and Project Supervisor**

**Appendix 1:** Proposed floor plans



**PROPOSED GROUND FLOOR PLAN**

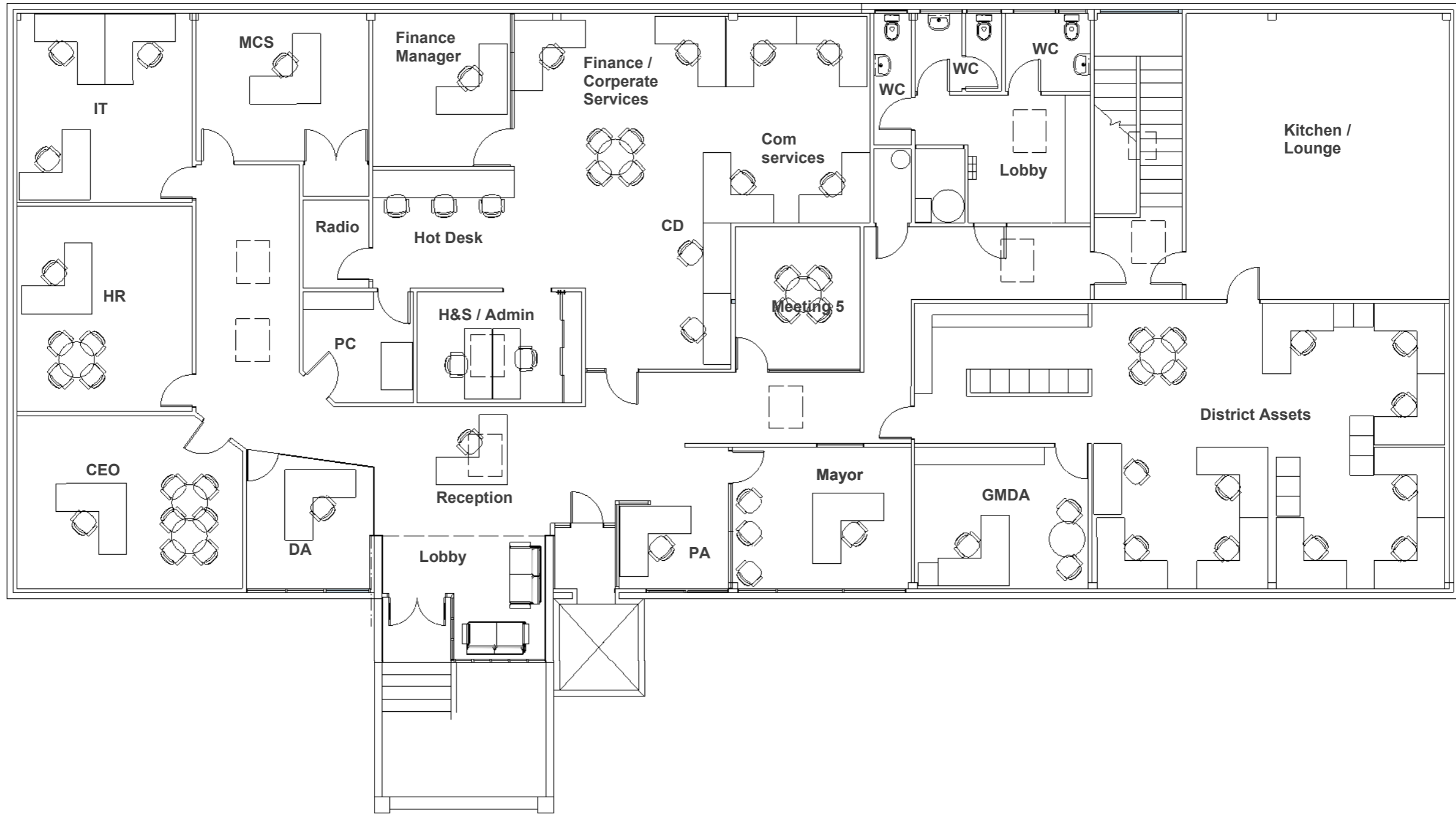
AUTHOR NAME



**PROPOSED FIRST FLOOR PLAN**

AUTHOR NAME





**PROPOSED SECOND FLOOR PLAN**

AUTHOR NAME