



# AGENDA

## RĀRANGI TAKE

NOTICE OF AN ORDINARY MEETING OF

## Council Controlled Organisation Oversight Committee

to be held on **Thursday, 5 June 2025** commencing at **1.00 pm** in the Council Chambers,  
36 Weld Street, Hokitika and via Zoom

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<b>Chairperson:</b>	S. Reindler	
<b>Members:</b>	Her Worship the Mayor	Deputy Mayor Cassin
	Cr Burden	Kw Madgwick
	Kw Tumahai	

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

# Council Vision

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

## Purpose

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

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

### 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 Risk and Assurance (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

### 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 KAUNIHERA MINUTES OF MEETINGS**

The minutes of the previous meeting were circulated.

- **Council Controlled Organisation Oversight Committee Meeting – 27 March 2025** (Pages 5 - 8)

#### 5. **ACTION LIST** (Pages 9 - 10)

#### 6. **NGĀ TĀPAETANGA PRESENTATIONS**

- **Westroads Ltd Quarterly Presentation** (Pages 11 - 22)  
Mark Rogers, Chair Westroads Ltd and Graeme Kelly, General Manager Westroads Ltd
- **Destination Westland Ltd Quarterly Presentation**  
Melanie Anderson, Chief Executive Destination Westland Ltd

*This information will be circulated under separate cover.*

#### 7. **PŪRONGO KAIMAHI REPORTS**

- **Committee Workplan** (Page 23)  
Steve Reindler, Chair CCO Oversight Committee to speak to the report.
- **Letter of Expectations for Westroads Ltd** (Pages 24 - 26)  
Steve Reindler, Chair CCO Oversight Committee to speak to the report.
- **Letter of Expectations for Destination Westland** (Pages 27 - 29)  
Steve Reindler, Chair CCO Oversight Committee to speak to the report.

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

(to consider and adopt confidential items)

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

The general subject of the matters to be considered while the public are excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of the resolution are as follows:

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

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

Item No.	Interest	Section
1, 2	Protect the privacy of natural persons, including that of deceased natural persons	(S.7(2)(a))

**DATE OF NEXT COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING – TBC  
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**



# COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING MINUTES

## MINUTES OF THE COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING OF WESTLAND DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM ON THURSDAY, 27 MARCH 2025 COMMENCING AT 10 AM

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

### 1. MEMBERS PRESENT AND APOLOGIES

<b>Chairperson:</b>	S. Reindler (via zoom)
<b>Members:</b>	Her Worship the Mayor
	Cr Burden

### NGĀ WHAKAPAAHA APOLOGIES

Deputy Mayor Cassin, Kw Tumahai, Kw Madgwick.

Moved Her Worship the Mayor, seconded Cr Burden and **Resolved** that the apologies from Deputy Mayor Cassin, Kw Tumahai and Kw Madgwick be received and accepted.

### ABSENT

Nil

### STAFF PRESENT

B. Phillips, Chief Executive; L. Crichton, Group Manager Corporate Services and Risk Assurance; E. Bencich, Acting Group Manager District Assets; D. Maitland, Executive Assistant; E. Rae, Strategy and Communications Advisor (via Zoom).

*Also in attendance:*

Mark Rogers, Chair Westroads Ltd; Graeme Kelly, Chief Executive Westroads; Chris Gourley, Chair Destination Westland Ltd (Via zoom), Rob Caldwell, Director of Westroads Ltd.

### 2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

The Interest Register had been circulated.

The following changes were noted to the Interest Register:

- Cr Burden removed Love Hokitika and added St John West Coast Area Committee.
- The Chair removed Waste Management, Clearwater Construction Ltd and D & H Steel Construction Ltd as notified by email to the Governance Administrator.

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

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

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

The Minutes of the previous meeting had been circulated.

**Inaugural Council Controlled Organisation Oversight Committee Meeting – 29 January 2025**

Moved Her Worship the Mayor, seconded Cr Burden and **Resolved** that the Inaugural Minutes of the Council Controlled Organisation Oversight Committee Meeting held on 29 January 2025 be confirmed as a true and correct record of the meeting.

The Chair **Approved** that their digital signature be added to the confirmed Inaugural Council Controlled Organisation Oversight Committee Meeting Minutes of 29 January 2025.

**5. ACTION LIST**

Nil

**6. NGĀ TĀPAETANGA  
PRESENTATIONS**

**Westroads Ltd 6 Monthly Update**

Mark Rogers, Chair Westroads Ltd and Graeme Kelly, Chief Executive Westroads Ltd and Rob Caldwell, Director of Westroads Ltd were in attendance for this part of the meeting. Chair Rogers spoke to the Westroads Ltd 6 Month Report Ending 31 December 2024.

The main financial points of the half yearly report for 31 December 2024 were:

- Revenue was up on budget by \$1.276m.
- Gross Profit at \$4.500m was up on budget by \$968k.
- Net Profit before tax was \$670k compared to budgeted profit of \$309k.
- Bank debt was \$2,426k compared to \$2,925k last year.
- Equity has increased by \$462k to \$11,709k while the equity to assets ratio has reduced from 62% to 61% between December 2023 and December 2024.

While bottom-line profit was \$361k above budget, there were operational variances in delivering as follows:

- Income was well above budget in both Hokitika and Christchurch.
- An increase in construction work volume across the company has led to more efficient operation, enhancing margins and boosting profit.
- Greymouth Utilities Maintenance has taken longer to establish than budgeted.
- Margins in the Christchurch market have been tightening and forward work volumes are decreasing due to increasing competition for limited work.
- The Chair advised that the half-yearly result is pleasing, being well up on last year and budget. The Chair foresees the second half performance being similar, which would deliver a positive full-year result.
- The directors will consider an interim dividend at the February 2025 board meeting.

- The Chair Westroads Ltd will provide the Committee with further information on the split between Christchurch, Greymouth and Hokitika revenue in an internal workshop.

Moved Chair Reindler, seconded Her Worship and Mayor and **Resolved** that:

1. The Westroads Ltd 6 Monthly Update presentation be received.

#### **Destination Westland Ltd - 6 Monthly Update**

Chris Gourley, Chair Destination Westland Ltd was in attendance on Zoom for this part of the meeting and spoke to the 6 Monthly Update from Destination Westland Ltd.

- Chair Gourley advised that the Hokitika Airport has been a principal focus with funding obtained for the upgrade of the lighting, reseal and extension upgrade.
- A detailed report on the Hokitika Wildfoods Festival will be provided in due course to the Committee.
- Successful operation of the Helipads at Franz Josef.
- Overall total revenue is down year on year due to the CCO review and some of the managed assets being transferred back to Council. Expenses year on year have reduced by a similar number. By the end of the financial year the budget will be on target.
- The Destination Westland Ltd financial information will be split in future to give a clearer picture of financial returns of each business and will provide this to the Committee. Her Worship the Mayor asked it to be noted that the request for a breakdown of financials had been requested two years earlier.
- Chair Reindler raised an issue on deferred tax liability. Chair Grouley agreed to provide information on the specifics to the Committee.
- The Hokitika Pool and Hokitika Westland isite have been transferred back to the Council management from Destination Westland Ltd which has affected revenue and positively reduced the cost also.
- Chair Gourley to provide a breakdown of the 14 million Land and Building Fixed Assets along with clarification of \$105,000 of Assets Under Construction for the Committee.
- Employee entitlements and annual leave was discussed. Destination Westland Ltd has a strong policy in place to cover staff entitlements.

Moved Her Worship the Mayor, seconded Cr Burden and **Resolved** that:

1. The Destination Westland Ltd 6 Monthly Update presentation be received.

## **7. PŪRONGO KAIMAHI REPORTS**

- **Statement of Intent**

Steve Reindler, Chair CCO Oversight Committee spoke to the Statement of Intent.

The Committee has received the Statement of Intent from each of the Council Controlled Organisations ahead of a Letter of Expectation being completed. The Statement of Intent to be finalised by 30 June 2025.

Moved Cr Burden, seconded Her Worship the Mayor and **Resolved** that:

1. The verbal update from Chair Reindler be received.

- **Westroads Ltd Draft Statement of Intent**

Mark Rogers, Chair Westroads Ltd spoke to the Draft Statement of Intent and provided an update to the Committee.

- The Draft Statements of Intent were received by WDC within the statutory timeframes.
- Westroads Ltd principal objectives and strategic priorities are to operate as a successful business, maximise shareholder value and provide positive community outcomes.
- Statement of Intent Financial Budget and Forecasts were discussed.
- Community financial performance targets are in line with what they were set this year and the financial targets have increased from the previously approved Statement of Intent.
- Approval of the Council must be obtained for any significant purchases or developments of more than \$500,000 for any one project, including the funding mechanism for the purchase or development. For general plant replacement items, amounts in excess of \$750,000 need to be referred to the Council as above.

Moved Cr Burden, seconded Her Worship the Mayor and **Resolved** that:

1. The Westroads Ltd Statement of Intent be received.

- **Destination Westland Ltd Draft Statement of Intent**

Chris Gourley, Chair Destination Westland Ltd spoke to the Draft Statement of Intent.

- The Draft Statements of Intent were received by WDC within the statutory regulation timeframes.
- Key strategic direction includes managing core infrastructure including the Airport, Heliport and Property, leveraging assets and attracting investment.
- A process is underway for the appointment of a new chair for Destination Westland.
- The negotiation of aeronautical fees is being reviewed.

Moved Cr Burden, seconded Her Worship the Mayor and **Resolved** that:

1. The Destination Westland Ltd Draft Statement of Intent be received.

**Draft Letter of Expectation**

Moved Her Worship the Mayor, seconded Cr Burden

1. The Committee approves that the Draft Letter of Expectation be presented to Council.

- **Committee Workplan**

Steve Reindler, Chair CCO Oversight Committee spoke to the workplan and advised that more work will be done on this before the next meeting.

Moved Cr Burden, seconded Her Worship the Mayor and **Resolved** that:

1. The Committee Workplan be received.

**DATE OF NEXT COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING – 5 JUNE 2025  
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**

**MEETING CLOSED AT 10.52 PM**

Confirmed by the Council Controlled Organisation Oversight Committee at their meeting on 5 June 2025.

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**Stephen Reindler**  
Chair

**Date:**

## 05.06.25 – CCO OVERSIGHT COMMITTEE – ACTION LIST

	Date	COMPLETED IN PROGRESS OVERDUE	Item	Action Required	Status	Lead Officer
1.	27.03.25		Westroads Ltd: Operational variances in profit.	The Chair Westroads Ltd will provide the Committee with further information on the split between Christchurch, Greymouth and Hokitika revenue in an internal workshop.	In progress	M. Rogers
2.	27.03.25		Destination Westland Ltd: Hokitika Wildfoods Festival.	Detailed report on the Hokitika Wildfoods Festival will be provided to the Committee.	Overdue	C. Gourley
3.	27.03.25		Destination Westland Ltd: Financial returns for individual businesses.	Financial information to be split to give a clearer picture of financial returns of each business going forward and be provided to the Committee.	In progress	C. Gourley
4.	27.03.25		Destination Westland Ltd: Deferred tax liability.	Chair Gourley to provide information on the specifics of deferred tax liability to the Committee.	In progress	C. Gourley
5.	27.03.25		Destination Westland Ltd: Land and Building Fixed Assets and Assets Under Construction Information	Chair Gourley to provide a breakdown of the 14 million Land and Building Fixed Assets along with clarification of \$105,000 of Assets Under Construction to the Committee.	In progress	C. Gourley
6.	27.03.25		New Chair for Destination Westland Ltd.	Update on the appointment of a new Chair for Destination Westland	In progress	C. Gourley
7.	27.03.25		Aeronautical Fees	Update on negotiation of aeronautical fees review.	In progress	C. Gourley

**05.06.25 – CCO OVERSIGHT COMMITTEE – ACTION LIST**

8.	27.03.25		Destination Westland Ltd: Letter of Expectation	The Draft Letter of Expectation be presented to Council.	In progress	S. Reindler
9.	27.03.25		Committee Workplan	Update on Workplan to be provided to the Committee.	In progress	S. Reindler



# Westroads

Quarterly Report

31 March 2025



# Contents

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**Westroads is committed to constructing and maintaining horizontal infrastructure for future generations to enjoy**



# Core Purpose

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The principal objectives of the Company are to:

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

# Vision

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A trusted central South Island contractor recognised for quality work and strong relationships.

# Our Values

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## Improvement and Innovation

- Look for better ways
- Be innovative
- Embrace change



## Performance Driven

- Plan and communicate
- Meet quality and performance targets
- Take pride in our work



## Team Commitment

- Safety comes first
- Respect and help each other
- Value our people

# Our Strategic Priorities

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## Invest In People and Culture

### OUTCOMES

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

## Achieve Outstanding Results

### OUTCOMES

- Grow shareholder value (YoY)
- Dividend growth
- Equity growth
- Excellent Health and Safety Performance

## Diversify

### OUTCOMES

- Grow customer base, work streams and geographical areas

## Care For Community and Environment

### OUTCOMES

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

## Build Quality Relationship

### OUTCOMES

- Highly engaged relationships with our shareholder, clients and Iwi
- Increased marketing and communications



Board of Directors (from left): Ross Pickworth, Mark Rogers (Chair) and Rob Caldwell (Deputy Chair, Chair of Risk and Assurance).

# Quarter to March 2025 In Review

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# Chair and General Managers Report

## For the 9 Months Ending 31 March 2025

The Directors of Westroads Ltd present the unaudited Quarterly Report for the nine months ending 31 March 2025

### PRINCIPAL ACTIVITIES

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

### FINANCIAL RESULTS

Significant points of the March quarterly report 2025 are:

- Revenue is up on budget by \$534k;
- Net Profit before tax is \$659k compared to budgeted profit of \$1.044m;
- Bank debt is \$2,426k compared to \$3,700k last year;
- Equity has increased by \$1,278k to \$11,697k while the equity to assets ratio has increased from 55% to 61% between March 2024 and March 2025.

### COMMENTARY

Operational variances between actual and YTD budgets are as follows:

- Income was above budget in both Hokitika and Christchurch;
- Greymouth Utilities Maintenance has taken longer to bed in than budgeted, with lower revenue and margin;
- Margins in the Christchurch market have been tightening and forward work volumes are decreasing due to increasing competition for limited work;
- Quality issues in Christchurch led to rework and a deterioration in job margin, reducing bottom-line profit.

At a group level our profit for the January – March 2025 period was neutral. There was a significant focus on the GDC Parks and Reserves tender while Project Manager training and process improvements have been actioned regarding quality.

Corporate level milestones for the quarter included the annual review of the company strategic plan, approval of management business plans, completion of the draft SOI, presentations through the CCO Oversight Committee and engagement with our shareholder over director recruitment.

There were no incidents notifiable to WorkSafe. There was one Lost Time Injury recorded in January with the employee making a full recovery and return to work. Critical Risks continue to be monitored and Take 5's had an increase in focus. The annual staff survey was completed.

Within the business both the Financial Controller and West Coast Operations Manager concluded their employment. Replacement processes have been initiated for both roles, with a successful appointment to the latter position made.

Looking ahead to the next three months, the tender market continues to tighten with margins dropping. The Board and management are focused on operational efficiencies and cost control as we navigate our way through this period. There is a renewed focus on stakeholder and customer engagement. Board and management training on Health and Safety obligations is being conducted with an external H&S specialist. The Board is also reviewing the Letter of Expectation in conjunction with the Statement of Intent while management is focused on tender activity and quality job delivery.

We look forward to engaging with Westland District Council and the CCO Oversight Committee regarding these matters.



**M F Rogers**

Chairman

28<sup>th</sup> May 2025



**G Kelly**

General Manger

28<sup>th</sup> May 2025

# Performance Measures

For the 9 Months Ending 31 March 2025

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



**Number of Incidents notifiable to WorkSafe  
– Target Zero**

- **Actual YTD: 0**



**Achieving a TRIFR below 1.5 per 100,000  
manhours**

- **Actual YTD: 0.8**



**Training expenditure as a percentage of  
Revenue Target – Target 0.8%**

- **Revenue \$24,214,000**
- **Spend \$156,754**
- **Percentage 0.65%**



**Improving staff retention, achieving  
employee turnover < 20%**

- **14.22%**

# Quarterly Financial Statements 31 March 2025

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## STATEMENT OF COMPREHENSIVE INCOME

### QUARTER REPORT FOR THE NINE MONTHS ENDING 31 MARCH 2025

NZ\$ (000's)	2025	BUDGET	2024
Revenue	23,923	23,389	17,458
Cost of Sales	19,078	17,499	13,296
<b>Gross Profit</b>	<b>4,844</b>	<b>5,890</b>	<b>4,162</b>
	20%	25%	24%
Other Income	263	93	614
Depreciation	1,566	1,571	1,498
Administrative Expenses	2,736	3,194	3,339
<b>Results from Operations</b>	<b>805</b>	<b>1,218</b>	<b>(60)</b>
Net Interest Received / Paid	146	174	193
<b>Net Finance Costs</b>	<b>146</b>	<b>174</b>	<b>193</b>
Profit / (Loss) before Income Tax	659	1,044	(253)
Income Tax Expense	86	292	393
<b>Profit / (Loss) for the Period</b>	<b>573</b>	<b>752</b>	<b>(646)</b>
<b>Total Comprehensive Income</b>	<b>573</b>	<b>752</b>	<b>(646)</b>

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

NZ\$ (000's)	NOTE	31-Mar-25	31-Mar-24
<b>EQUITY</b>			
Share Capital		1,385	1,385
Asset Revaluation Reserve		1,275	1,269
Current Period Dividends Paid or Provided		262	200
Retained Earnings Brought Forward		8,726	8,610
Current Period Net Profit / (Loss) after Tax		573	(646)
<b>Total</b>		<b>11,697</b>	<b>10,419</b>
<i>Represented by:</i>			
Current Assets		6,732	6,415
Non-Current Assets		12,466	12,517
<b>Sub Total</b>		<b>19,198</b>	<b>18,933</b>
Less:			
Current Liabilities		4,485	4,133
Non-Current Liabilities		3,015	4,382
<b>Total</b>		<b>11,697</b>	<b>10,419</b>

## STATEMENT OF ACCOUNTING POLICIES

### QUARTERLY REPORT FOR THE NINE MONTHS ENDING 31 MARCH 2025

#### REPORTING ENTITY

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

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

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

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#### MEASUREMENT BASE

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

#### ACCOUNTING POLICIES

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

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

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#### CHANGES IN ACCOUNTING POLICIES

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



267 Kaniere Rd  
Hokitika  
Westland 7811

03 756 8044

## **COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE WORK PLAN**

<b>ITEM</b>	<b>DESCRIPTION</b>	<b>DATE</b>	<b>OFFICER</b>	<b>RECEIVED</b>
<b>Letter of Expectation</b>	A letter of expectation, written by the Committee Chair and CE with Council approval, will be sent to the CCOs.	28.03.25		
<b>CCOs 6 monthly Financial Reports</b>	CCO 6 monthly Financial Reports due to Council. (WR received 27.02.25 DWL received 14.02.25)	28.02.25		Yes
<b>Draft SOI</b>	Draft Statement of Intent from Destination Westland Ltd and Westroads Ltd, due to the Committee. (WR received 27.02.25 DWL received 14.02.25)	10.03.25		Yes
<b>CCOs 6 monthly Financial Reports</b>	CCOs to present 6 monthly Financial Reports to CCO Committee.	27.03.25		Yes
<b>CCOs 6 monthly Financial Reports</b>	Committee to present CCO 6 monthly Financial Reports to Council.	27.03.25		Yes
<b>Provide comment on Draft SOI</b>	Committee to provide comments to the CCOs on their respective draft Statement of Intent.	01.04.25 to 30.06.25		
<b>Reports from CCOs</b>	Quarterly reports due from the CCOs to the Committee for the upcoming Committee Meeting (05.06.25).	30.05.25		
<b>Final SOI</b>	Final Statement of Intent due from Destination Westland Ltd and Westroads Ltd.	01.07.25		
<b>Reports from CCOs</b>	Quarterly reports due from the CCOs to the Committee for the upcoming Committee Meeting (08.12.25).	28.11.25		
<b>CCOs End of Year Reports</b>	End of Year reports, signed off with audit opinion included, due to Council from the CCOs 30 September 2025. Present to Council 27.11.25.	30.09.25		



Her Worship the Mayor  
Helen Lash

Westland District Council  
36 Weld Street, Private Bag 704,  
Hokitika 7842

P: 027 242 7484  
E: [mayor.lash@westlanddc.govt.nz](mailto:mayor.lash@westlanddc.govt.nz)

FILE REF: CCL 7

28 March 2025

Mark Rogers  
Chair  
Westroads Limited

Via email: [mark@markrogers.co.nz](mailto:mark@markrogers.co.nz)

Dear Mark

### **LETTER OF EXPECTATION**

This letter is to provide the board of Westroads Ltd (WRL) the expectations of Council, and where necessary, to enable these expectations to be incorporated into the draft Statement of Intent (SoI).

A Statement of Intent (SOI) must fully comply with Schedule 8 of the Local Government Act 2002.

Westland District Council (WDC) requires all CCOs to treat their SOI as more than a compliance document but one, while certainly providing clarity around compliance, extends its endeavours to factor best, and continuing improving, practice, encompassing all aspects of governance, leadership and operations, and financial return.

To be effective, your SOI should cover the performance narrative of your business activities and initiatives. It should provide a clear and succinct understanding of the organisation's purpose; the services it delivers; and what on-going and improving success looks like. In line with the Local Government Act 2002, councils are particularly interested in efficiency and effectiveness.

The following sets out the expectations of Council, as sole shareholder of WRL, which should be reflected in your SOI.

### **Strategy**

Westroads should have:

- A clear and unambiguous statement on the purpose and strategic intent which aligns with the Strategic Direction and Long-Term Plan of Council.
- An outline of the strategic direction and initiatives intended over the next 5 to 10 years.
- A plan for exploring and undertaking profitable growth for the organisation.

- Capital expenditure and asset management intentions should be included in the plan.

### **Annual Goals**

- Council expects WRL to outline an implementation plan, and subsequently monitor for success, of several annual goals that demonstrate challenge and stretch to the current operating performance.

### **Governance**

- Council expects WRL to practice and promote the highest standards of governance and leadership.
- To have a commercially focused organisation to deliver against the purpose.
- To undertake a regular evaluation of WRL performance to aid the Council when making decisions on director remuneration and appointments.
- The board should ensure there is a 'no surprises' communication with Council on matters of significance and substance.

### **Financial**

- Return on equity must be greater than the Weighted Average Cost of Capital (WACC)
- The policy for making dividend payments is required.
- Clear plans for profit growth are required.
- Where there are distinctly separate operating areas within WRL, the financial performance of these areas should be reported separately (whilst maintaining regard for commercially sensitive information where required).

### **Health and Safety**

Under Section 44 (3) of the Health and Safety at Work Act 2015 (the Act), elected members do not have a duty to exercise due diligence to ensure Council Controlled Organisation complies with its duties or obligations under the Act unless that member is also an officer of that CCO.

However, as shareholders, it is appropriate to set out expectations of Health and Safety management in WRL.

- Council expects the board to set appropriate Health and Safety policy and strategies, and to demonstrate clear understanding of the nature of the hazards and risks created with these within the business.
- Monitor performance and activities to ensure hazards and the risks created with these are being well managed.
- Review Health and Safety systems and report health and safety performance.
- Show commitment and planning to achieve zero serious harm across WRL workplaces.

Valuing and respecting your people to attract and retain the best people for the organisation.

### **Sustainability**

Council requires WRL to demonstrate what measures are in place to address environmental and climate change concerns, including measures to:

- Support the transition to net zero carbon emissions by 2050.
- Prepare plans that show clear evidence of progress by 2030 to the 2050 goal.
- Prepare for the impacts of climate change, including assessing key organizational climate change risks.
- Minimize waste and support the shift to a circular economy.

### **Relationships**

Specify how the organisation intends to conduct its relationships with:

- Its shareholder; and
- The Westland District Communities
- Iwi, hapū and other Māori organisations.

### **General provisions for Statement of Intent.**

The SOIs must meet the requirements set out in the Local Government Act 2002 (LGA).

The general expectations are as follows:

- The SOI must include a complete set of summary prospective financial statements for at least three years i.e., Statement of Comprehensive Revenue and Expense, Statement of Financial Position, and Cash Flow Statement.
- SOIs should disclose measures like Earnings before Interest, Tax, and Depreciation and Amortisation (EBITDA) and balance sheet ratios where applicable.
- Non-financial information targets.
- SOIs must fully comply with Schedule 8 of the LGA 2002.
- WRL should use the same information for both managing the business and reporting through to the Council, i.e., the information used for setting targets and reporting against them for the SOI should overlap and be a subset of the information used for internal reporting.
- Council requires documentation to show how the board is managing risks.
- Where Council makes a financial contribution to the operational costs of the organisation, the CCO should show how it intends to increase non-council revenue streams and what the financial return to Council will be from that contribution
- The draft SOI must be delivered to the Council on or before 1 March each year.
- A completed SOI must be delivered to Council on or before 30 June each year.
- Half-yearly reporting must be delivered to Council within two months of the half-year.
- An annual report including audit opinion signed by the directors must be delivered to Council by 30 September each year.

Sincerely

A handwritten signature in blue ink, appearing to read 'Helen Lash'.

**Helen Lash**  
**Mayor**



## OFFICE OF THE MAYOR

Her Worship the Mayor  
Helen Lash

Westland District Council  
36 Weld Street, Private Bag 704,  
Hokitika 7842

P: 027 242 7484  
E: [mayor.lash@westlanddc.govt.nz](mailto:mayor.lash@westlanddc.govt.nz)

FILE REF: CCL 7

28 March 2025

Chris Gourley  
Chair  
Destination Westland Limited

Via email: [chrisgourley@outlook.co.nz](mailto:chrisgourley@outlook.co.nz)

Dear Chris

### **LETTER OF EXPECTATIONS**

This letter is to provide the board of Destination Westland Ltd (DWL) the expectations of Council, and where necessary, to enable these expectations to be incorporated into the draft Statement of Intent (Sol).

A Statement of Intent (SOI) must fully comply with Schedule 8 of the Local Government Act 2002.

Westland District Council (WDC) requires all CCOs to treat their SOI as more than a compliance document but one, while certainly providing clarity around compliance, extends its endeavours to factor best, and continuing improving, practice, encompassing all aspects of governance, leadership and operations, and financial return.

To be effective, your SOI should cover the performance narrative of your business activities and initiatives. It should provide a clear and succinct understanding of the organisation's purpose; the services it delivers; and what on-going and improving success looks like. In line with the Local Government Act 2002, councils are particularly interested in efficiency and effectiveness.

The following sets out the expectations of Council, as sole shareholder of DWL, which should be reflected in your SOI.

### **Strategy**

Destination Westland Ltd should have:

- A clear and unambiguous statement on the purpose and strategic intent which aligns with the Strategic Direction and Long-Term Plan of Council.
- An outline of the strategic direction and initiatives intended over the next 5 to 10 years.
- A plan for exploring and undertaking profitable growth for the organisation.
- Capital expenditure and asset management intentions should be included in the plan.

- The project management plan for execution of the recently announced capital works For Hokitika Airport is to be presented and maintained throughout the programme of works.
- Governance of the Hokitika Airport works is to be maintained to the highest standards of probity with procedures for risk management well documented.

### **Annual Goals**

- Council expects DWL to outline an implementation plan, and subsequently monitor for success, of several annual goals that demonstrate challenge and stretch to the current operating performance.

### **Governance**

- Council expects DWL to practice and promote the highest standards of governance and leadership.
- To have a commercially focused organisation to deliver against the purpose.
- To undertake a regular evaluation of DWL performance to aid the Council when making decisions on director remuneration and appointments.
- The board should ensure that there is a 'no surprises' communication with Council on matters of significance and substance.

### **Financial**

- Return on equity must be greater than the Weighted Average Cost of Capital (WACC).
- The policy for making dividend payments is required.
- Clear plans for profit growth are required, including revisions for aeronautical charges as appropriate
- The current value of aeronautical assets is to be reported along with the earnings from these assets.

### **Health and Safety**

Under Section 44 (3) of the Health and Safety at Work Act 2015 (the Act), elected members do not have a duty to exercise due diligence to ensure Council Controlled Organisation complies with its duties or obligations under the Act unless that member is also an officer of that CCO.

However, as shareholders, it is appropriate to set out expectations of Health and Safety management in DWL.

- Council expects the board to set appropriate Health and Safety policy and strategies, and to demonstrate clear understanding of the nature of the risks and hazards within the business.
- Monitor performance and activities to ensure these risks/hazards are being managed.
- Review Health and Safety systems and performance.
- Show commitment and planning to achieve zero serious harm across DWL workplaces.

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Sincerely



**Helen Lash**  
**Mayor**