



AGENDA

RĀRANGI TAKE

NOTICE OF THE MEETING OF THE

Council Controlled Organisation Oversight Committee

to be held on **Thursday, 16 April 2026** commencing at **1 pm** in the Council Chambers,
36 Weld Street, Hokitika and via Zoom

Chairperson:	Her Worship the Mayor
Members:	Deputy Mayor Burden
	Cr Gillett
	Kw Madgwick
	Kw Tumahai



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

Council Vision

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 MENETI O TE HUI KAUNIHERA MINUTES OF MEETINGS (Page 4 – 7)

Council Controlled Organisation Oversight Committee Minutes – 28 January 2026

4. ACTION LIST (Page 8)

Chief Executive to speak to the action list.

5. PŪRONGO KAIMAHI STAFF REPORTS

- **Updated Workplan** (Page 9)
Chief Financial Officer to speak to the updated workplan.

6. NGĀ TĀPAETANGA PRESENTATIONS

- **Westroads Limited Half Year Report to 31 December 2025** (Page 10 – 21)
Westroads Limited Chair to speak to the report.

- **Westroads Limited 2026/2027 Statement of Intent** (Page 22 – 40)
Westroads Limited Chair to speak to the Statement of Intent.
- **Destination Westland Half Year Report to 31 December 2025** (Page 41 – 50)
Destination Westland Chair to speak to the report.
- **Destination Westland 2026/2027 Statement of Intent** (Page 51 – 67)
Destination Westland Chair to speak to the Statement of Intent.

7. 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.	Contingency Planning	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists. Section 48(1)(a)

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

Item No.	Interest	Section
1	Protect information where the making available of the information:	
	(i) (ii) would disclose a trade secret; and would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information	(S.7(2)(b))
1	Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	(S. 7(2)(h))
1	Prevent the disclosure or use of official information for improper gain or improper advantage	(S.7(2)(j))

DATE OF NEXT COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING –

2 JULY 2026

COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM



INAUGURAL COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING MINUTES

MINUTES OF THE INAUGURAL COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING OF WESTLAND DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM ON WEDNESDAY, 28 JANUARY 2026 COMMENCING AT 1 PM

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

1. MEMBERS PRESENT AND APOLOGIES

Chairperson:	Her Worship the Mayor
Members:	Deputy Mayor Burden
	Cr Gillett (via Zoom)

NGĀ WHAKAPAAHA

APOLOGIES

Kw Madgwick, Kw Tumahai.

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

ABSENT

Nil

STAFF PRESENT

B Phillips, Chief Executive, S Lewis, Chief Financial Officer, T. Suchanek, Senior Administrator, D Maitland, Quality Assurance Manager.

2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

The Interest Register had been circulated.

There were no changes made to the Interest Register.

3. INTRODUCTIONS

Her Worship the Mayor welcomed members to the Inaugural meeting of the Council Controlled Organisation Oversight Committee.

4. PŪRONGO KAIMAHI STAFF REPORTS

• Council Controlled Organisation (CCO) Oversight Committee – Terms of Reference

The Chief Executive presented the report outlining the draft Terms of Reference for the Committee.

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

1. The report be received.
2. The Council Controlled Organisation Oversight Committee Terms of Reference be adopted, subject to the following amendment under *Delegated Authority*:

“To appoint a specialist consultant or recruitment advisor as and if required to assist with shortlisting suitable candidates.”

3. The amendment be referred to Council for confirmation.

5. ACTION LIST

The Action List dated 5 June 2025 was tabled.

Updates were provided by the Chief Executive. Completed items were noted, and ongoing items will return to future meetings as appropriate.

	Date	Item	Action Required	Status
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.	<i>This action has been completed and can be removed from the list.</i>
2.	27.03.25	Destination Westland Ltd: Hokitika Wildfoods Festival.	Detailed report on the Hokitika Wildfoods Festival will be provided to the Committee. 2025 Wildfoods Festival Report was received on the morning of the 5 June meeting.	<i>The detailed report to come back to the committee for discussion.</i>
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.	<i>This item to come back to the committee.</i>
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. M. Anderson, Chief Executive Destination Westland Ltd gave an explanation to the Committee on deferred tax liability.	<i>This item has been completed and can be removed from the list.</i>
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. C. Gourley clarified that the figure of \$105,000 applies to the feasibility study undertaken for the Hokitika Airport Upgrade.	<i>This item to come back to a committee meeting.</i> <i>Cr Gillett requested that a detailed breakdown of the feasibility study relating to the Hokitika Airport upgrade be provided.</i>
6.	27.03.25	New Chair for Destination Westland Ltd.	Update on the appointment of a new Chair for Destination Westland.	<i>Mayor to provide an update at this meeting.</i>

			This item will be discussed in a Publicly Excluded Council meeting on 5 June 2025.	
7.	27.03.25	Aeronautical Fees	<p>Update on negotiation of aeronautical fees review.</p> <p>M. Anderson, Chief Executive Destination Westland Ltd advised they are currently in consultation with the Regular Passenger Transport Provider, the terms of which are confidential. The timeline for consultation to be settled is 30 June 2025 with a change in landing fees from 1 July 2025.</p> <p>The review is not an annual process. It happens every 5 years or when there is a major capital infrastructure investment. Through this consultation, Destination Westland Ltd hope that a more frequent review is conducted with a process in place for an incremental uplift going forward.</p>	<i>Due to commercial sensitivity, an update will be provided to a future meeting of the committee.</i>
8.	27.03.25	Destination Westland Ltd: Letter of Expectation	The Draft Letter of Expectation be presented to Council.	<i>This item was completed and can be removed from the list.</i>
9.	27.03.25	Committee Workplan	<p>Update on Workplan to be provided to the Committee.</p> <p>Due to the Local Body Elections set for late in 2025, it is unlikely that a further CCO Oversight Committee meeting will be held this year.</p>	<i>This item will be discussed later in the meeting.</i>

Moved Deputy Mayor Burden, seconded Cr Gillett and **Resolved** that the updated Action List be received, and items noted as completed be removed from the list.

6. CONFIRMATION OF MEETING SCHEDULE

Moved Cr Gillett, seconded Deputy Mayor Burden and **Resolved** that the remaining meeting dates for the 2026 calendar year be confirmed as:

- 16 April 2026
- 2 July 2026
- 1 October 2026

7. COMMITTEE WORKPLAN

Her Worship the Mayor spoke to the previous Committee Workplan.

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

1. Letters of Expectation be sent to the Chairs of the Council Controlled Organisations.
2. The Chief Executive commence the process to close out the PricewaterhouseCoopers CCO 2024 Review, with a report to be presented to the February Council Meeting.

Moved Cr Gillett, seconded Deputy Mayor Burden and **Resolved** that the previous Committee Workplan be received, in conjunction with the proposed approach going forward.

**DATE OF NEXT COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE MEETING – 16 APRIL 2026
COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA AND VIA ZOOM**

MEETING CLOSED AT 1.22 PM

Confirmed by the Council Controlled Organisation Oversight Committee at their meeting on 16 April 2026.

**Her Worship the Mayor
Chair**

Date:

DRAFT

16.04.26 – CCO OVERSIGHT COMMITTEE – ACTION LIST

Item No.	Date Added	Item	Action	Completion Target Date	Officer	Current Status	Date and Next Steps	Status
3	27/03/2025	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.		G. Bishop	This item to come back to committee on:	2-Jul-26	Open
5	27/03/2025	Destination Westland Ltd: Land and Building Fixed Assets and Assets Under Construction Information	Chair Bishop 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.		G. Bishop	This item to come back to committee on:	2-Jul-26	Open
7	27/03/2025	Aeronautical Fees	Update on negotiation of aeronautical fees review.		M. Anderson	Due to commercial sensitivity, an update will be provided to a future meeting of the committee.	2-Jul-26	Open
9	27/03/2025	Committee Workplan	Update on Workplan to be provided to the Committee.		H. Lash	Workplan was discussed in 28 Jan 2026 Meeting - to be updated for 26/27 then adopted by committee	16-Apr-26	Open

COUNCIL CONTROLLED ORGANISATION OVERSIGHT COMMITTEE WORK PLAN

ITEM	DESCRIPTION	DATE	OFFICER	RECEIVED
Letter of Expectation	A letter of expectation, written by the Committee Chair and CE with Council approval, will be sent to the CCOs.	28.03.26	H. Lash	Yes
CCOs 6 monthly Financial Reports	CCO 6 monthly Financial Reports due to Council. (WR received 26.02.26, DWL received 27.02.26)	28.02.26	S. Lewis	Yes
Draft SOI	Draft Statement of Intent from Destination Westland Ltd and Westroads Ltd, due to the Committee. (WR received 26.02.26, DWL received 25.02.26)	13.03.26	S. Lewis	Yes
CCOs 6 monthly Financial Reports	CCOs to present 6 monthly Financial Reports to CCO Committee.	16.04.26	S. Lewis	Yes
CCOs 6 monthly Financial Reports	Committee to present CCO 6 monthly Financial Reports to Council.	16.04.26	H. Lash	Yes
Provide comment on Draft SOI	Committee to provide comments to the CCOs on their respective draft Statement of Intent.	01.04.26 to 30.06.26	H. Lash	
Reports from CCOs	Quarterly reports due from the CCOs to the Committee for the upcoming Committee Meeting	30.05.26	S. Lewis	
Final SOI	Final Statement of Intent due from Destination Westland Ltd and Westroads Ltd.	30.06.26	S. Lewis	
Reports from CCOs	Quarterly reports due from the CCOs to the Committee for the upcoming Committee Meeting (08.12.25).	28.08.26	S. Lewis	
CCOs End of Year Reports	End of Year reports, signed off with audit opinion included, due to Council from the CCOs 30 September 2026. Present to Council 26.11.26.	30.09.26 26.11.26	S. Lewis H. Lash	



Westroads

Half Yearly Report

31 December 2025

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**Westroads is a trusted
central South Island contractor
recognised for quality work
and strong relationships.**



Core Purpose

The principal objectives of the Company are to:

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

Vision

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

Our Values



We pursue improvement in all that we do

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



We are Performance Driven

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



We are committed to the team

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

Our Strategic Priorities

Invest In People and Culture

OUTCOMES

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

Achieve Outstanding Results

OUTCOMES

- Grow shareholder value (Year on Year)
- Excellent Health and Safety Performance

Diversify

OUTCOMES

- **Care for Community and**
 - Grow customer base, work and geographical areas

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.
- Promote business and develop new customer relationships

Six Months to December 2025 In Review

Chair and General Managers Report

For the Six Months Ending 31 December 2025

PRINCIPAL ACTIVITIES

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

FINANCIAL RESULTS

Summary financial overview of the half yearly report to 31 December 2025 is as follows:

- Revenue down on budget by \$2.633m at \$14.207m;
- Gross Profit at \$4.062m down on budget by \$472k;
- Net Profit before tax is \$100k compared to budgeted profit of \$206k;
- LGFA debt is unchanged at \$2,426k compared to last year;
- Equity has decreased by \$105k to \$11,604k while the equity to assets ratio has increased from 61% to 63% between December 2024 and December 2025.

COMMENTARY

Operational variances driving actual to budget variances are as follows:

- Income was below budget in all three branches;
- While revenue is slightly back we have seen a significant increase in financial performance from our Hokitika branch due to improved tendering and contract management processes, coupled with a reduction in management overheads;
- The Greymouth branch has seen revenue and margin down against budget. Greymouth Utilities Maintenance is under a Performance Improvement Plan, due to resourcing constraints and significant ongoing water breaks causing ongoing challenges. GDC Parks and Reserves required additional resources to meet contract standards following a wet spring. Additional contestable work has been inconsistent for the first half of the year but margins have been positive on that delivered while Metals provided steady returns over this period of time;
- In Christchurch work is highly contested and has seen revenue behind budget. Margins in the Christchurch market have also been very low for the last 12 months, however the works completed over the first six months of the financial year have been delivered generally in line with budget. We have a solid base of forward work but will need some tender success soon to strengthen our work programme to year end and improve our tender rates;
- Our half-year result was slightly below budget. We anticipate a stronger performance in the second half which is expected to support a positive full-year result.

CORPORATE MILESTONES

- Appointments of Susie Roulston and James Gough to the Board of Directors.
- Strategic plan monitored
- Management business plans tracked
- CCO Oversight Committee presentations
- Dividend reviewed and approved
- Health & Safety site visits completed

HEALTH AND SAFETY

- No notifiable incidents reportable to WorkSafe
- Three Lost Time Injuries:
 - Two in Greymouth (slips causing strain and sprain)
 - One in Westland (vehicle incident), two days off to recover from experience
- Increased focus on Critical Risks and Take 5s

STAFFING AND STRUCTURAL CHANGES

- West Coast: One senior management role removed during August, and the Greymouth branch manager role reinstated to drive improvement.

OUTLOOK

- Corporate: We are recruiting for a new Chief Executive position, following General Manager Graeme Kelly's decision to move to a new Pricing role from mid-2026 calendar year. The focus is for the new appointment to bring capabilities in culture, strategy, growth and profitability
- West Coast: Good work levels and fair tender margins
- Christchurch: Tight market with high competition
- Focus areas:
 - Recruitment
 - Operational efficiency
 - Cost control
 - Stakeholder and customer engagement
 - Health & Safety external training for board and management.

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



M F Rogers
Chairman



G Kelly
General Manager

Performance Measures

For the Six Months Ending 31 December 2025

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



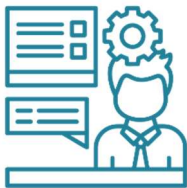
**Number of Incidents notifiable to WorkSafe
– Target Zero**

- **Actual YTD: 0**



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

- **Actual YTD: 1.9**



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

- **Actual YTD: 1.2%**



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

- **Actual YTD: 16%**

Half Yearly Financial Statements 31 December 2025

STATEMENT OF COMPREHENSIVE INCOME

HALF YEARLY REPORT FOR THE SIX MONTHS ENDING 31 DECEMBER 2025

NZ\$ (000's)	2025	BUDGET	2024
Revenue	14,207	16,840	16,326
Cost of Sales	10,145	12,306	11,826
Gross Profit	4,062	4,534	4,500
	29%	27%	28%
Other Income	329	23	209
Depreciation	971	1,095	1,053
Administrative Expenses	3,239	3,138	2,881
Results from Operations	181	324	776
Net Interest Received / Paid	82	118	106
Net Finance Costs	82	118	106
Profit / (Loss) before Income Tax	100	206	670
Income Tax Expense	28	58	188
Profit / (Loss) for the Period	72	148	482
Total Comprehensive Income	72	148	482

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

NZ\$ (000's)	NOTE	30-Dec-25	30-Dec-24
EQUITY			
Share Capital		1,385	1,385
Asset Revaluation Reserve		2,264	1,275
Current Period Dividends Paid or Provided		(330)	(262)
Retained Earnings Brought Forward		8,275	8,726
Current Period Net Profit / (Loss) after Tax		72	482
Total		11,666	11,606
<i>Represented by:</i>			
Current Assets		6,708	6,747
Non-Current Assets		11,746	12,343
Sub Total		18,454	19,090
Less:			
Current Liabilities		4,863	4,366
Non-Current Liabilities		1,925	3,118
Total		11,666	11,606

STATEMENT OF ACCOUNTING POLICIES

HALF YEARLY REPORT FOR THE SIX MONTHS ENDING 31 DECEMBER 2025

REPORTING ENTITY

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

Westroads Limited (the Company) is a council-controlled organisation for the purposes of the Local Government Act 2002 and is registered under the Companies Act 1993. From 27 June 2024 the company is owned 100% by Westland District Council (the Council).

The financial statements of the Company for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the directors on 26 September 2025.

MEASUREMENT BASE

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

ACCOUNTING POLICIES

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

- Interim Financial Statements are prepared in accordance with Financial Reporting Standard 24

CHANGES IN ACCOUNTING POLICIES

New standards in the current year that impact on the annual financial statements for the year ended 30 June 2025 include the following. NZ FRS-44 New Zealand Additional Disclosures. Disclosure of Fees for Audit Firms' Services. Amendment to NZ IAS 1 Non-current Liabilities with Covenants.



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Hokitika
Westland 7811

03 756 8044



Westroads

Statement of Intent
2026/2027



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Introduction

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

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

The company is owned 100% by Westland District Council (the Council).



2: Vision and Values

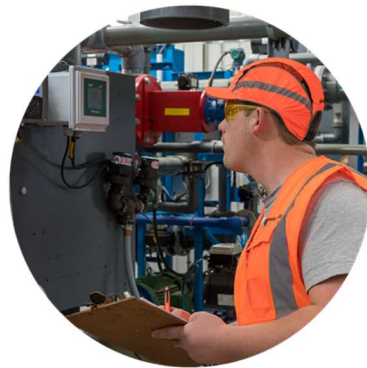
Vision:

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

Values:

The following Values guide our activities and actions, in our pursuit of excellence.

We pursue improvement in all that we do



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

We are committed to the team



Safety comes first

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

Respect goes a long way

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

Value our people

- Together we achieve more
- "Please" and "Thank You" go a long way
- Care enough to provide constructive feedback
- Develop our people through training, mentoring and support
- Provide opportunities for career advancement
- Reward competitively

We are Performance Driven



Plan and Communicate

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

Always do our best

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

We Take Pride

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

3: Our Principal Objectives and Strategic Priorities

The Principal objectives of the Company are to:

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

Strategic Priorities

- A. Invest in People and Culture
 - Be employer of choice
 - Invest in leadership and skills training for all our people
 - Provide opportunities for young West Coasters
- B. Achieve Outstanding Results
 - Grow shareholder value (Year on Year)
- C. Diversify
 - Grow customer base, work streams and geographical areas
- D. Care for the Community and the Environment
 - District wide emergency response capability
 - Five-year sustainability plan
 - Give back to our Westland communities
- E. Build Quality Relationships
 - Highly engaged relationships with our shareholder, clients and Iwi
 - Promote the business and develop new customer relationships

4: Nature and Scope of Activities

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

- A. Three Water Services – maintenance and construction.
- B. Roading - maintenance and construction, including bridge maintenance and construction.
- C. Greenspace maintenance and construction, including maintenance of council parks and reserves.
- D. Waste Management services including landfill and transfer station operation.
- E. General civil contracting activities include carpark, driveway and building pad construction.
- F. Vehicle and equipment maintenance services including automotive maintenance and engineering services.
- G. The manufacture and supply of aggregates/sand and base course products.
- H. The supply of goods, materials, services and equipment for sale or hire.
- I. Any other relevant activity as determined by the Directors from time to time.

5: Governance

The Company is governed by a board. The directors of the company are:

- Mark Rogers (Chair)
- Rob Caldwell (Deputy Chair and Chair Risk and Assurance)
- Ross Pickworth
- Susie Roulston
- James Gough

The director's role includes:

- A. Strategic governance
- B. Financial oversight
- C. Management performance review
- D. Overseeing tender prices for major tenders
- E. Ensuring statutory and regulatory compliance

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

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

We are a commercially focused organisation, driven to deliver against our purpose. The company will update its Strategy document every year and provide a copy of this to Council. We are committed to transparency and operate under a no-surprises policy with our shareholder.

6. Performance Targets

6.1 Financial Performance Targets

- The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds shall be at least 10% average for the three years commencing 1 July 2026.
- An annual dividend to the shareholder within a range of 40-70% of the Company's net profit after tax, after adjusting for returns to shareholders via a subvention payment.
- Compliance with statutory and regulatory requirements that will allow the Company and the Council to comply with the Local Government Act 2002.
- The ratio of consolidated shareholder funds to total assets shall be greater than 45%. Shareholders' funds are defined as the paid-up capital, plus any tax paid profits earned less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves".
- All our financial performance targets are based on exceeding WACC.

6.2 Social Performance Targets

Westroads Limited is committed to:

- Attracting and retaining the best people for our organisation.
- Maintaining a high level of transparent and effective communication with our shareholder.
- Being an asset to the community through returns to the Council.
- Supporting local community initiatives.
- Providing effective first response and support for infrastructure during adverse events, especially in remote areas.
- Providing employment in the district and ensuring the community receives competitive prices for work done.

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

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

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

- Number of incidents notifiable to WorkSafe – Target Zero
- Continue to promote Safety First
- Achieving a TRIFR below 1.5 per 100,000 manhours
- Training expenditure as a percentage of Revenue Target – Target 0.8%
- Staff turnover rates excluding fixed term and temporary workers < 18%

7. Health and Safety

Officers are aware of their obligations under the Health and Safety at Work Act 2015, with particular reference to section 44 (4). We understand the hazards and risks within the business, with a specific focus on critical risks. The Board has a Risk and Assurance Committee in place.

8. Sustainability

We are committed to fostering a sustainable future by integrating environmentally responsible practices into our operations that align with our long-term ambitions.

9. Relationships

Westroads has relationship plans to ensure that we are engaged with our community. We focus on enhancing our relationships with Westland District Council and clubs and organisations that our staff are actively involved with, within our Westland communities.

Westroads respects the importance Mana Whenua and their Takiwā. We are committed to developing genuine, long-term relationships with iwi, hapū, and other Māori organisations.

10. Distribution Policy

Distributions will be paid by way of dividends and subvention payments to the Council in accordance with the annual Statement of Intent.

The level of profit retention/distribution will be agreed annually with the Council, subject to the following criteria:

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

11. Capital Expenditure

The board's policy is to replace plant and equipment on a "wear and tear" basis, with all items requiring board approval.

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

12. Procedures for Acquisition of Other Interests

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

13. Commercial Value of Shareholders' Investment

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

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

14. Risk Mitigation

The Company regularly reviews its key risks together with strategies for mitigation of these risks. Westroads has a Risk and Assurance Committee which conducts scheduled formal reviews, reinforced by a Board meeting structure that supports continual risk oversight and improvement. The Company has a formal Fraud Policy in place and all Directors and staff are aware of this policy. External Audits provide further surety of risk management and mitigation.

15. Reporting to Shareholders

The following information will be made available to the Council:

15.1 Draft Statement of Intent

On or before the 1st of March each year, the directors shall deliver to the Council a draft Statement of Intent with tracked changes which fulfils the requirements of clause 9 of schedule 8 of the Local Government Act 2002.

15.2 Completed Statement of Intent

On or before the 30th of June each year, the directors shall deliver to the shareholders a final Statement of Intent.

15.3 Half Yearly Report

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

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

15.4 Annual Report

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

- A. A directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to a dividend;
- B. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports;
- C. A statement of financial position at the end of the year.

15.5 Annual Budget

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

15.5 Quarterly Report

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

16. Accounting Policies

Reporting Entity

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



17. Financial Forecasts

	SOI Budget	Budget	Forecast	Forecast
	2025/26	2026/27	2027/28	2028/29
	000's	000's	000's	000's
Gross Revenue	35,128	35,037	38,624	42,578
Cost of Sales	27,998	28,640	31,457	34,553
Gross Profit	7,131	6,397	7,166	8,026
Other Income	400	420	454	490
Administrative Expenses	3,517	3,419	3,718	4,044
Depreciation	2,164	2,103	2,314	2,546
Finance Costs	256	276	304	335
Net Profit Before Tax	1,593	1,019	1,284	1,591
Tax Expense	390	285	359	453
Subvention Payments	200	200	200	200
Total Comprehensive Income for the Year	1,003	533	724	983
Other Performance Targets				
Dividends	402	220	320	450
Earnings Retained	602	313	404	533
Closing Shareholder's Funds	12,552	12,865	13,270	13,803
Pre-Tax & Subvention Return on Average Shareholder's Funds	13.33%	8.12%	9.98%	11.99%

The average Pre-Tax & Subvention Return on Average Shareholder's Funds from 2026/27 to 2028/29 is above the 10% target.

Subvention payments to be paid instead of dividends where possible.



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HALF YEARLY REPORT

FOR THE 6 MONTHS ENDED
31 DECEMBER 2025





For the 6 months ended 31 December 2025

The Directors of Destination Westland Limited hereby present the unaudited Half Yearly Report for the six months ended 31 December 2025.

Principal Activities

The Company's principal activities during the period remained unchanged and include:

- ▲▲ Operation of Aerodrome at Hokitika Airport;
- ▲▲ Operation of Helipads at Franz Josef;
- ▲▲ Management of Land & Buildings surrounding the Airport as Landlord;
- ▲▲ Management of Company & Westland District Council owned property;
- ▲▲ Event Management preparation for the Annual Wildfoods Festival to be held 14 March 2026.

Financial Results

The Company recorded a deficit before tax of \$76,000 for the six-month period.

Performance for the half-year reflects revenue pressure relative to the Statement of Intent assumptions. In particular, the projected increase in landing fees did not materialise during the period.

Operating expenditure remained controlled during the period. The balance sheet remains strong, with an equity ratio of approximately 73%, well above the required covenant threshold of 45%.

Rolling interest cover at 31 December 2025 was 1.94 times, marginally below the 2.0 times requirement under the loan facility. This reflects lower earnings during the latter part of the rolling measurement period.

Non-Financial Results

The Board is pleased to report continued strong operational and compliance performance:

- ▲▲ Hokitika Airport and Glacier Country Heliport successfully completed their PART139 recertification;
- ▲▲ There were no notifiable incidents to WorkSafe during the period and TRIFR remains at zero;
- ▲▲ Aircraft movements increased compared with the same period last year;
- ▲▲ Wildfoods Festival ticket sales are tracking in line with the prior year at the same stage of the sales cycle;
- ▲▲ Progress continues against sustainability and emissions reduction objectives;
- ▲▲ Work has continued in relation to Project HARP, with the Company working constructively alongside the project team. The Board looks forward to the next phase of delivery as the project progresses in the coming months.

Dividend

No dividend has been declared for the period ended 31 December 2025.

Directors Report



For the 6 months ended 31 December 2025

Outlook Towards Year End

Based on current performance trends, the Company is unlikely to achieve the full-year budgeted result. This situation is driven principally by the anticipated landing fee increase not being achieved during the reporting period as well as the slower ramp-up of mining-related activity.

Wildfoods Festival revenue will be recognised in the second half of the financial year when the event is held.

Project HARP remains an important regional infrastructure initiative. The Company continues to work collaboratively with Council's project team as planning advances toward delivery stages.

The Company will continue to work collaboratively with regional partners, including Council, iwi, tourism and airline stakeholders, to identify and advance initiatives that strengthen passenger volumes and support the long-term sustainability of regional air services.

The Board continues to prioritise financial discipline and balance sheet strength, while monitoring revenue performance and covenant headroom through the remainder of the year.

For and on behalf of the Board

G M Bishop
Chairperson

28 February 2026

Statement of Comprehensive Income



For the period ended 31 December 2025

	6 months 31 Dec 2025 \$000 Actual	6 months 31 Dec 2025 \$000 Budget	6 months 31 Dec 2024 \$000 Actual
Revenue from Exchange Transactions	1,027	1,139	1,214
Revenue from Non-Exchange Transactions	45	-	28
Total Revenue	1,072	1,139	1,242
Gains on Disposal of Assets	5	-	0
Loss on Disposal of Assets	(2)	-	(2)
Net other gain/(losses)	3	-	(2)
Total Revenue & Gains	1,075	1,139	1,240
Operating Expenses	516	475	485
Depreciation & Impairment Losses	172	163	174
Change in Fair Value of Investment Property	-	20	-
Interest Expense	52	53	91
Service Delivery Costs	136	46	265
Occupancy Costs	275	296	224
Total Expenses	1,151	1,053	1,239
Surplus/(Deficit) before Income Tax	(76)	86	3
Income Tax Expense/(Refund)	(21)	28	1
Surplus/(Deficit) for the Period	(55)	58	2
Other Comprehensive Income	-	-	-
Total Comprehensive Income	(55)	58	2

Aeronautical Assets



For the period ended 31 December 2025

	6 months 31 Dec 2025 \$000 Actual	6 months 31 Dec 2025 \$000 Budget	6 months 31 Dec 2024 \$000 Actual
Revenue from Aeronautical Assets	192	324	178
Aeronautical Assets Value	5,991	6,015	6,016

Changes in Equity



For the period ended 31 December 2025

	Share Capital	Asset Revaluation Reserve	Retained Earnings	Total
	\$000	\$000	\$000	\$000
Balance 1 July 2025	9,130	5,583	776	15,489
Profit/(loss) for the period	-	-	(55)	(55)
Other Comprehensive Income	-	-	-	-
Balance 31 December 2025	9,130	5,583	721	15,434
Balance 1 July 2024	9,130	5,583	544	15,257
Profit/(loss) for the period	-	-	2	2
Other Comprehensive Income	-	-	-	-
Balance 31 December 2024	9,130	5,583	546	15,259

Statement of Financial Position



As at 31 December 2025

	Note	6 months 31 Dec 2025 \$000	6 months 31 Dec 2024 \$000
Cash & Cash Equivalents		482	820
Prepayments		36	6
Trade and other Receivables		153	190
Tax Refundable		21	-
Stock on Hand		17	28
Current Assets		709	1,044
Investment Property		1,505	1,395
Fixed assets	1	18,816	19,031
Non-Current Assets		20,321	20,426
Total Assets		21,030	21,470
Bank Overdraft		2	2
Trade and other Payables		211	300
Income in Advance		224	242
Tax Payable		-	30
Subvention Payment Payable		67	-
Employee Entitlements		68	74
Current Liabilities		572	648
Deferred Tax Liability		2,524	2,563
Term Loan		2,500	3,000
Non-Current Liabilities		5,024	5,563
Share capital		9,130	9,130
Asset Revaluation Reserve		5,583	5,583
Retained Earnings Brought Forward		776	544
Current Period Net Profit/(Loss) after Tax		(55)	2
Total Equity		15,434	15,259
Total Equity and Liabilities		21,030	21,470

Statement of Cash Flows



For the period ended 31 December 2025

	6 months 31 Dec 2025 \$000	6 months 31 Dec 2024 \$000
Net Cash flow from/(to) Operating activities	247	306
Net Cash flow from/(to) Investing activities	(32)	(95)
Net Cash flow from/(to) Financing activities	-	60
Net increase/(decrease) in cash and cash equivalents	215	271
Cash and cash equivalents balance at the beginning of the period	265	547
Cash and cash equivalents balance at end of the period	480	818
Cash and cash equivalents comprise:		
Current Accounts	482	820
Bank Overdraft	(2)	(2)
	480	818

Performance Measures & Target



As at 31 December 2025

	Measure	Target	Status	Commentary
	Manage financial performance to show year on year growth while maintaining a strong balance sheet	Interest Cover >2	●	Interest Cover (rolling) was 1.94, marginally below target due to softer earnings performance. Pre-Tax ROE and Net Debt/EBITDA reflects the same operating conditions. FIFO/Net Debt of 12.23% remained within the target range.
		Pre-Tax ROE 1-6%	●	
		Net Debt/EBITDA <5x	●	
		FIFO/Net Debt 12-20%	●	
	Maintain high level of communication with Shareholder	Meet communication requirements with CCO committee	●	The Board is working constructively working with CCO committee.
	Annual Independent Tenant Satisfaction Survey to be undertaken	Complete the tenant Survey by 30 June 2025	●	Not due for completion till June - on track
	Meet our obligations and standards under Civil Aviation Act Rules	"Major ¹ " findings - Zero	●	Recertification of Hokitika Airport & Glacier Country Heliport completed November 2025.
		Independent Review of SMS completed	●	
	Meet our obligations under the Health & Safety at Work Act and drive safety improvements	Notifiable incidents to WorkSafe - Zero	●	No notifiable incidents to WorkSafe
		TRIFR < 2	●	TRIFR - ZERO
	Monitor performance and activities to ensure risks/hazards are managed	Quarterly review of Health & Safety systems and performance	●	Q1 & Q2 reviews completed
	Pursue sustainability initiatives that reduce our carbon footprint	Annual reduction of Green House Gas emissions	●	Half year Sustainability report shows reduction is GHG emissions.
	Support transition to net zero carbon emission by 2050	Prepare 5-year plan that shows clear evidence of progress	●	Plan has been started and on track for completion.
	Minimise waste as part of shift to a circular economy	Annual reduction of waste	●	Wildfoods Festival recycling plan in place.
	Annual passenger movements (arrivals and departures at Hokitika Airport)	Increase Passenger numbers by 20%	●	Half year passenger numbers below previous year.

- Achieved/On Track
- At Risk of Non-Achievement
- Not Achieved/materially off Target

Statement of Accounting Policies



For the period ended 31 December 2025

Reporting Entity

The unaudited, condensed half year financial statements are those of Destination Westland Limited.

Destination Westland is registered under the Companies Act 1993 and is domiciled in New Zealand and operates predominately in Westland. Destination Westland Limited is wholly owned by Westland District Council.

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

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

Measurement Basis

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 disclosed in the annual financial statements, except that borrowings have not been classified between current and non-current portions. Interim Financial Statements are prepared in accordance with Financial Reporting Standard No. 24.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied consistently during the period.

Notes to Financial Statements



For the period ended 31 December 2025

Note 1: Property, Plant & Equipment

Property, plant & equipment are measured at cost or valuation (as applicable) less accumulated depreciation and impairment losses.

The Company's next revaluation of land, buildings and runways is scheduled for 30 June 2026. There were no revaluations undertaken during the six-month period ended 31 December 2025.

Movements for the Period

	6 months 31 Dec 2025 \$000	6 months 31 Dec 2024 \$000
Opening net book value (1 July)	18,952	19,123
Additions	50	111
Disposals (net book value)	(14)	(29)
Depreciation expense	(172)	(174)
Closing Book Value	18,816	19,031



Statement of Intent

For three years commencing
1 July 2026





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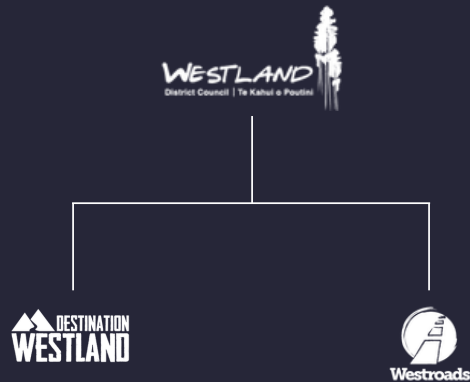
DISTRIBUTION POLICY

SALES OF GOODS/SERVICES TO LOCAL AUTHORITY

INTRODUCTION

Destination Westland Limited is a Westland District Council-Controlled Organisation for the purposes to the Local Government Act 2002 and is registered under the Companies Act 1993.

This Statement of Intent (SOI) is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002 and outlines the overall objectives and forecasts for Destination Westland for three years commencing from 1 July 2026.



COMPANY MISSION STATEMENT

Striking a balance between investing in capital to maintain and improve our assets and producing long-term profitable operational results.





OUR VALUES

- S** **AFETY:**
Health and Safety is everyone's business, and everyone is expected to share in our commitment to avoid all accidents and incidents.
- T** **RUST:**
Acting with credibility, professionalism and integrity every day.
- A** **CCOUNTABILITY:**
Being responsible for our actions and behaving openly and straightforwardly.
- R** **ESPECT:**
Recognising each other's differences. Being considerate to each other and our environment.
- T** **EAMWORK:**
Our unifying Value: We are One Team working together in a positive spirit towards the same goal.

OUR GOALS AND OBJECTIVES

HEALTH, SAFETY & RISK MANAGEMENT

We will foster a proactive health, safety, and risk management culture that prioritises continuous improvement and learning.

We will:

- Embed a Civil Aviation Authority (CAA) compliant Safety Management System across both of our aerodromes, ensuring that these safety practices are integrated into all our operational activities.
- Promote health, safety, and wellness through regular discussions with our whole team and ensure it is central to all that we do.
- Identify critical risks and develop plans to mitigate them.

COMMERCIAL

- Develop new opportunities across the core strategic focus areas - Manage and Leverage Assets to Attract Investment.
- Provide quality, efficient and cost-effective management services on a commercially competitive basis.
- Conduct business in a professional manner in accordance with the mandate and Company Statement of Intent.
- Consistent with achieving the objectives stated, deliver both financial & nonfinancial returns to the Shareholder.

GROWTH FOCUS

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

Destination Westland Ltd exists to manage and develop key community, infrastructure, and commercial assets on behalf of the Westland District Council (WDC), contributing to the social and economic wellbeing of the district. Our strategic intent is to operate as a commercially-focused Council-Controlled Organisation that delivers value through efficient asset management, responsible growth, and support for regional connectivity.

We align with the priorities of WDC's Long-Term Plan, particularly around infrastructure resilience, sustainable development, and effective stewardship of public resources.

Key Strategic Focus Areas (5–10 Years)

Airport and Heliport Development

Destination Westland owns the aeronautical infrastructure at Hokitika Airport and Glacier Country Heliport. Over the next decade, we will prioritise maintenance and upgrades to ensure regulatory compliance (CAA Part 139) and support long-term regional air connectivity and resilience.

Commercial Growth and Land Development

We will seek to maximise value from leased and underutilised land through commercial development initiatives, ensuring compatibility with aviation use and local planning. Growth opportunities will be pursued where they align with our mandate and offer clear community or commercial return.

Property Portfolio Management

The residential and commercial property portfolios will be managed to improve performance, enable potential divestments, and ensure maintenance standards are met, subject to shareholder direction and financial sustainability.

Operational and Digital Efficiency

We will continue investing in systems and practices that enhance performance visibility, compliance, automation, and decision-making across the company.

Environmental Sustainability

Sustainability considerations will be embedded in asset management and development decisions, including the exploration of renewable energy (e.g. solar feasibility) and low-impact infrastructure design.

STRATEGIC DIRECTION

GOVERNANCE

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

- 1.Strategic vision and governance.
- 2.Develop strategy implementation plans with management, to ensure consistency with vision and governance objectives.
- 3.Financial planning and management to achieve strategic and governance objectives.
- 4.Company performance monitoring and review.
- 5.Manage relationships with Shareholders, iwi, stakeholders and external parties at a governance level.
- 6.Ensure “no surprises” communication with Council on all matters of significance or substance, maintaining transparency and trust.
- 7.Manage Company Risk and Compliance requirements.
- 8.Ensure the Governance Culture aligns with the delivery of the stated Vision, Values and Objectives of the Company.

The board will continue to work closely with Council to ensure alignment on expectations and accountability, and actively foster a culture that supports long term performance and value.

Directors are appointed by the shareholder, Westland District Council. The Directors are appointed on rotation policy. The current Board of Directors and rotation dates are:

Director	First Appointed	Current Term End Date	Eligible for Reappointment
Greg Bishop (Chair)	January 2026	AGM 2029	Yes
Marie-Louise Tacon	November 2021	AGM 2028	Yes
Peter De Goldi	December 2022	AGM 2026	Yes

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

ACTIVITIES OF THE COMPANY



Managing core infrastructure

Developing and executing a long-term strategy to oversee and enhance the critical infrastructure of Westland, including the **Airport, Heliport, and Property**.



Leveraging our assets

Generate operating profits that align with our primary focus areas:

Airport - Heliport Property

Achieve this by boosting aviation movements, enhancing land utilisation, and fostering business expansion linked to our assets.



Attracting investment

Collaborate with local and central government entities to establish robust investment streams that promote appropriate levels of capital and infrastructure expenditure.


Engage with private investors aligned with our core focus areas:

Airport - Heliport - Property





PERFORMANCE MEASURES & TARGETS


Financial Results

Measure		Target
	Manage financial performance to show year on year growth while maintaining a strong balance sheet.	Interest Cover >2. Pre-Tax ROE 1-6%. Net Debt/EBITDA <5x. FIFO/Net Debt 12-20%.




Communication

Measure		Target
	Maintain high level of communication with Shareholder.	Meet communication requirements with CCO committee.
	Annual Independent Tenant Satisfaction Survey to be undertaken.	Complete the tenant Survey by 30 June 2027.




Aeronautical

Measure		Target
	Annual passenger movements (arrivals and departures at Hokitika Airport	Increase Passenger numbers by 20%.

Health, Safety and Risk

Measure		Target
	Meet our obligations and standards under Civil Aviation Act Rules.	"Major" findings ¹ - Zero. Independent Review of SMS completed.
	Meet our obligations under the Health & Safety at Work Act and drive safety improvements.	Notifiable incidents to WorkSafe - Zero. TRIFR < 2.
	Monitor performance and activities to ensure risks/hazards are managed	Quarterly review of Health & Safety systems and performance.

Environmental

Measure		Target
	Pursue sustainability initiatives that reduce our carbon footprint.	Annual reduction of Green House Gas emissions.
	Support transition to net zero carbon emission by 2050.	Prepare 5-year plan that shows clear evidence of progress.
	Minimise waste as part of shift to a circular economy.	Annual reduction of waste.

1. An occurrence or deficiency involving a major system that caused, or had the potential to cause, significant problems to the function or effectiveness of that system.



CAPITAL EXPENDITURE & ASSET MANAGEMENT

Destination Westland’s capital and asset management framework focuses on the efficient and compliant stewardship of the company’s assets. Over the next 10 years, we intend to:

- Maintain and renew aeronautical assets to ensure safety, regulatory compliance, and operational continuity.
- Invest in infrastructure enhancements that support future air service development, heliport growth, and compatible commercial activities.
- Strengthen asset management capability through improved data, systems, and forecasting tools.
- Align capital expenditure with strategic priorities, lease terms, and shareholder expectations, ensuring clear justification and benefits for each investment.

Destination Westland will annually review its 10-year capital plan, in consultation with WDC, to ensure transparency and alignment with our Shareholder direction and LTP.

The approval of Westland District Council must be obtained for any significant purchases or asset developments, including the funding mechanism for any purchase or development in excess of \$500,000.

ACQUISITION OF OTHER INTERESTS

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

SALE AND DISPOSAL OF ASSETS

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

COMMERCIAL VALUE OF SHAREHOLDER INVESTMENT

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

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

RISK MANAGEMENT

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

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

The company has formal Fraud and Communication Policies in place, and all Directors and staff are to be aware of this policy.

HOKITIKA AIRPORT - PROJECT HARP COLLABORATION

Destination Westland Ltd acknowledges the significant capital works programme at Hokitika Airport, led by Westland District Council. While Council retains overall responsibility, Destination Westland will work closely with the project team to support safe, compliant, and coordinated delivery.

We will:

- Work alongside the Council-appointed team to help maintain the project management plan.
- Ensure airport operations continue safely in line with CAA Rule Part 139.
- Coordinate staging, airside access, and operational continuity with contractors.
- Participate in risk reviews and assist with documenting mitigation measures.
- Support governance through clear communication and joint planning.

This collaborative approach helps enable critical upgrades while ensuring safe and compliant airport operations.



REPORTING TO SHAREHOLDERS

DWL operates on a 'no surprises' basis in respect of significant shareholder-related matters, especially on matters likely to cause community or political concerns, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

Statement of Intent

- Draft to be delivered to the shareholder on or before 1 March in the year preceding the financial year to which the draft Statement of Intent relates.
- Comments from the shareholder on draft Statement of Intent, if any, to be provided to DWL by 1 May.
- Final Statement of Intent to be delivered to the shareholder following consideration of any shareholder comments by 31 May, or later if allowed by the shareholder. In any case not later than 30 June.
- Final Statement of Intent to be made available to the public following adoption by the shareholder.

Half Yearly Financial Report

To be delivered to shareholders by 28 February. The half-yearly report will include:

- A Directors' Report which includes commentary on DWL's operations and performance against non-financial performance measures
- A condensed Statement of Comprehensive Income
- A condensed Statement of Changes in Equity
- A condensed Statement of Financial Position
- A condensed Statement of Cash Flows
- Appropriate Notes to the condensed Financial Statements

Quarterly Report

Between the annual report and half yearly report, DWL will:

- Deliver to WDC a quarterly report.
- Provide commentary on the quarterly operations performance and future outlook and any special events likely to affect the performance of areas of operation.

Annual Report

- To be delivered to the shareholder by 30 September unless shareholder advises otherwise.
- A Directors' Report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives.
- A Statement of Comprehensive Income disclosing actual and budgeted revenue and expenditure and comparative actual figures from the previous year.
- A Statement of Changes in Equity with actuals and comparative figures from the previous year.
- A Statement of Financial Position with actuals and comparative figures from the previous year.
- A Statement of Cash Flows with actuals and comparative figures from the previous year.
- An Auditor's Report on the above statements and the measure of performance in relation to objectives.

Annual Shareholder Meeting

To be held by 31 December each year.

ACCOUNTING POLICIES

The reporting entity for accounting and financial reporting purposes is Destination Westland Limited. Destination Westland Limited has a balance date of 30 June.

Destination Westland's accounting policies comply with legal requirements of the Companies Act 1993, the Financial Reporting Act 2013, the Local Government Act 2002 and with New Zealand Generally Accepted Account Practice (NZ GAAP).

The Company reports financially under the Accounting Standards Framework implemented by the Financial Accounting External Reporting Board. For financial reporting purposes Destination Westland Limited is a public benefit entity (PBE). By Virtue of the size of the business the Company reports under the Reduced Disclosure Regime to Tier 2 requirements.

Accounting Policies are set out in detail in Destination Westland Limited's Annual Report which is available on the Company's website at www.destinationwestland.co.nz.





DISTRIBUTION POLICY

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

A subvention payment represents the tax value of shareholder tax losses utilised by Destination Westland Limited and calculated at the prevailing corporate tax rate (currently 28%) of the taxable losses offset.

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

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



SALE OF GOODS/SERVICES TO LOCAL AUTHORITY

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

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

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

PROSPECTIVE STATEMENT OF



COMPREHENSIVE INCOME

FOR THE YEARS ENDING 30 JUNE

	2027	2028	2029
	\$000	\$000	\$000
Revenue from Exchange Transactions			
Lease Income	1,768	1,837	1,892
Services	74	80	88
Landing Fees	729	824	906
Total Revenue from Exchange Transactions	2,571	2,741	2,887
Revenue from Non-Exchange Transactions			
Total Revenue from Non-Exchange Transactions	-	-	-
Total Revenue	2,571	2,741	2,887
Less Expenditure			
Operating Expenses	972	981	1,030
Depreciation & Impairment Losses	350	375	443
Change in Fair Value of Investment Property	20	20	20
Interest Expense	100	90	85
Service Delivery Costs	105	122	126
Occupancy Costs	658	730	785
Total Expenses	2,205	2,318	2,488
Surplus/(Deficit) before Income Tax	366	423	399
Income Tax Expense/(Credit)	(11)	(12)	(11)
Subvention Payment	113	130	123
Surplus/(Deficit) for the Period	263	303	287
Other Comprehensive Income			
Gain on Land, Building & Runway Revaluation	-	-	250
Deferred Taxation on Revaluation	-	-	(70)
Total Other Comprehensive Income	-	-	180
Total Comprehensive Income	263	303	467
Financial Targets			
EBITDA	465	511	484
Interest Coverage	4.66	5.70	5.69

PROSPECTIVE STATEMENT OF

CHANGES IN EQUITY

FOR THE YEARS ENDED 30 JUNE



	Share Capital	Asset Revaluation Reserve	Retained Earnings	Total
	\$000	\$000	\$000	\$000
Balance 1 July 2028	9,130	5,907	1,336	16,373
Profit/(loss) for the period	-	-	287	287
Other Comprehensive Income	-	250	-	250
Deferred Tax on Revaluations	-	(70)	-	(70)
Dividends to equity holders	-	-	-	-
Balance 30 June 2029	9,130	6,087	1,623	16,840
Balance 1 July 2027	9,130	5,907	1,033	16,070
Profit/(loss) for the period	-	-	303	303
Other Comprehensive Income	-	-	-	-
Deferred Tax on Revaluations	-	-	-	-
Dividends to equity holders	-	-	-	-
Balance 30 June 2028	9,130	5,907	1,336	16,373
Balance 1 July 2026	9,130	5,907	771	15,808
Profit/(loss) for the period	-	-	263	263
Other Comprehensive Income	-	-	-	-
Deferred Tax on Revaluations	-	-	-	-
Dividends to equity holders	-	-	-	-
Balance 30 June 2027	9,130	5,907	1,033	16,070

PROSPECTIVE STATEMENT OF

CASH FLOWS

FOR THE YEARS ENDED 30 JUNE



	2027	2028	2029
	\$000	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
NET CASH FLOWS FROM OPERATING ACTIVITIES	617	550	670
CASH FLOWS FROM/(TO) INVESTING ACTIVITIES			
NET CASH FLOW FROM/(TO) INVESTING ACTIVITIES	(500)	(295)	(450)
CASH FLOW FROM/(TO) FINANCING ACTIVITIES			
NET CASH FLOW FROM/(TO) FINANCING ACTIVITIES	-	(500)	-
Net increase/(decrease) in cash for the year	117	(245)	220
Add opening bank accounts and cash	528	645	400
Closing bank accounts and cash	645	400	620
<i>Made up of:</i>			
Current Accounts	645	400	620
	645	400	620

PROSPECTIVE STATEMENT OF

FINANCIAL POSITION

AS AT 30 JUNE



	2027	2028	2029
	\$000	\$000	\$000
EQUITY			
Share capital	9,130	9,130	9,130
Retained Earnings	1,033	1,336	1,623
Asset Revaluation Reserve	5,907	5,907	6,087
Total Equity	16,070	16,373	16,840
represented by:			
CURRENT ASSETS			
Total current assets	1,045	780	1,065
CURRENT LIABILITIES			
Total Current Liabilities	589	591	547
Working Capital (Deficit)	456	189	518
NON-CURRENT ASSETS			
Total Non-Current Assets	20,795	20,865	21,073
NON-CURRENT LIABILITIES			
Loans	2,500	2,000	2,000
Deferred Tax Liability	2,681	2,681	2,751
Total Non-Current Liabilities	5,181	4,681	4,751
Net Assets	16,070	16,373	16,840

AERONAUTICAL ASSETS

FOR THE YEARS ENDED 30 JUNE



	2027	2028	2029
	\$000	\$000	\$000
Revenue from Aeronautical Assets	729	824	906
Aeronautical Assets Value	6,015	6,250	6500



Hokitika Airport
13 Airport Drive
Hokitika 7810

www.destinationwestland.co.nz

