

A G E N D A

Ordinary Council Meeting

**Council Chambers,
36 Weld Street
Hokitika**

**Thursday 22 March 2018
commencing at 11.00 am**

His Worship the Mayor R.B. Smith
Deputy Mayors Cr H.M. Lash and Cr L.J. Martin
Crs D.L. Carruthers, R.W. (G) Eatwell, D.M.J. Havill ONZM,
J.A. Neale, G.L. Olson, D.C. Routhan.



ORDINARY COUNCIL MEETING

AGENDA FOR AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, TO BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 22 MARCH 2018 COMMENCING AT 11.00 AM

16 March 2018

COUNCIL VISION

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental, cultural and natural resource base to enhance lifestyle and opportunity for future generations.

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 meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Health & Safety Snapshot

	Accidents	Incidents	Near Misses
December 2017	0	1	0
January 2018	0	0	0
February 2018	0	1	0
To 16 March 2018	0	1	0

1. MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER:

1.1 Apologies & Leave of Absence

Apology from Deputy Mayor Lash.

1.2 Interest Register

2. CONFIRMATION OF MINUTES:

2.1 Ordinary Council Meeting – 22 February 2018

Pages 5-15

3. PRESENTATIONS:

3.1 12 noon - Rural Connectivity Group

3.2 1.00 pm – Hokitika Motorhome Friendly Town

4. ACTION LIST:

The Action List is attached.

Pages 16-17

5. REPORTS FOR INFORMATION:

Nil.

6. REPORTS FOR DECISION:

6.1 Board Appointment and Removal: Westland Holdings Limited

Pages 18-42

6.2 Development West Coast Request for Withdrawal of Council Representation on Tourism West Coast Board

Pages 43-49

Lunch from 12 noon to 12.30 pm.

7. MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION':

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

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

7.1 Confidential Minutes – 22 February 2018

7.2 Nomination of Trustee - West Coast Primary Health Organisation

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.	Minutes/ Report of	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
7.1	Confidential Minutes – 22 February 2018	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)
7.2	Nomination of Trustee: West Coast Primary Health Organisation	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1(a) & (d)

**Date of next Ordinary Council Meeting – 26 April 2018
to be held in the Council Chambers, 36 Weld Street, Hokitika**



Council Minutes

MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 22 FEBRUARY 2018 COMMENCING AT 11.30 AM

Standing Orders – Item 6.5

Items of business not on the agenda which cannot be delayed

His Worship the Mayor advised that due to an administrative error, the above item was required to be added to the Council Agenda.

Moved Cr Havill, seconded Deputy Mayor Lash and **Resolved** that the item considering ownership of the new Westland Sports Hub Covered Complex be received and considered.

(a) the reason the item is not on the agenda:

Due to an administrative error it was not included on the 22 February 2018 agenda.

(b) the reason why the discussion of the item cannot be delayed until a subsequent meeting.

Development West Coast has approved the project and Council approval is needed to allow the project to now proceed.

1 MEMBERS PRESENT, APOLOGIES AND INTEREST REGISTER

1.2 Members Present

His Worship the Mayor R.B. Smith (Chair)

Deputy Mayors Crs H.M. Lash (part of the meeting) and L.J. Martin (part of the meeting)

Crs D.L. Carruthers, R.W. (G) Eatwell, D.M.J. Havill (ONZM), J.A. Neale, G.L. Olson, Cr D.C. Routhan.

Apologies

Deputy Mayor Helen Lash was in attendance from 11.33 am.

Also in Attendance:

S.R. Bastion, Chief Executive; L.A. Crichton, Group Manager: Corporate Services; J.D. Ebenhoh, Group Manager: Planning, Community and Environment; D. Inwood, Group Manager: District Assets; D.M. Maitland, Executive Assistant.

1.2 Interest Register

The Interest Register was circulated and no amendments were noted.

2. **CONFIRMATION OF MINUTES:**

2.1 Ordinary Council Meeting – 25 January 2018

Moved Cr Olson, seconded Cr Routhan and **Resolved** that the Minutes of the Ordinary Meeting of Council, held on the 25 January 2018 be confirmed as a true and correct record subject to the following amendments:

2.1.1 Item 6.1 – Council Controlled Organisation Amalgamation (CCO): Outcome of the Special Consultative Procedure

Deputy Mayor Martin, as a Director of Hokitika Airport Limited and Westland District Property Limited abstained from voting on this matter.

2.1.2 Item 7.4 – Franz Josef Water Supply

The Chief Executive had advised that a Technical Review on the proposal is underway.

2.1.3 Community Communications and E-Txt System

A discussion was held regarding other communication methodology.

2.2 Extraordinary Council Meeting – 7 February 2018

Moved Cr Havill, seconded Cr Neale and **Resolved** that the Minutes of the Extraordinary Meeting of Council, held on the 7 February 2018 be confirmed as a true and correct record of the meeting.

3. PRESENTATIONS:

Nil.

4. ACTION LIST:

His Worship the Mayor went through the Action List in the Agenda and various amendments and updates to the list were provided.

Moved Cr Olson, seconded Deputy Mayor Martin and **Resolved** that the Action List as amended be adopted.

The following items were taken out of order to the Agenda papers.

6. REPORTS FOR DECISION:

6.1 **Proposal to sell part of Marks Road Local Purpose Reserve in Haast**

The purpose of the report was to summarise the submissions that had been received on the proposal to sell up to 1 hectare of the Marks Road Local Purpose Reserve in Haast, and to recommend that Westland District Council proceeds with offering the land for commercial sale by public tender on terms satisfactory to the Council.

Submission forms had been posted to all ratepayers in the Haast Rating District, inviting them to register either their support, opposition or neutral stance to the proposal. Submitters were then invited to summarise the nature of their submission, to state any amendments they wished to make and to state whether or not they wished to be heard by the Council at their meeting on the 22 February 2018.

Sixty-seven submissions had been received and acknowledged. Thirty-eight submissions were in favour of the proposal, twenty-six against the proposal and three had taken a neutral stance to the proposal. Three people had requested to be heard in person in support of their submission.

Accordingly, the Council then heard from four submitters regarding the proposal to sell part of Marks Road Local Purpose Reserve in Haast as follows:

Blair Farmer spoke in support of his submission and for the promotion of good outcomes for the area, including the following:

- Reduced speed limits
- The sale of commercial land would go a long way to making Haast Township visible
- Concerned the current site is a visual embarrassment
- Support for expansion to meet residents and visitors needs
- Haast Hall being a designated site for accommodating travellers in the event of an emergency, with the St Johns building being an Incident Control Centre
- Haast Township needing more commercial ratepayers to fund the upgrade of infrastructure facilities
- The District Plan actively encourages more businesses to set up on rural land, providing commercial zoned land will spread the costs over more ratepayers
- Having a fuel station in Haast that can be seen by travellers on State Highway 6
- Fuel price competition is good for all users
- Money could be used to concentrate on finishing items at Jackson Bay.

Pamela Adams spoke in support of her submission for the proposal and for John Cowan's specific proposal, including the following:

- Lack of maintenance of Marks Road Reserve
- Flooding because the drains are not cleared out
- Concerns that Haast Township is not visible from the road
- A previous proposal in 2010 for a Kiwi Sanctuary and Museum
- \$10,000 allocated for development of Marks Road
- Installation of extra parking, support for a grassed area, erection of goals posts, an eel feeding station
- Accommodation for staffing

John Cowan spoke in support of his submission and advised that he would like to change the shape of the area of land requested (still keeping it at 1 ha).

Adam Cowan spoke in support of his submission and advised that he will be closing his existing site and shifting to the new proposed site and was supportive of the proposal in Marks Road.

Moved Cr Routhan, seconded Deputy Mayor Lash and **Resolved** that:

- A) The verbal and written submissions to sell part of Marks Road Legal Purpose Reserve be received and considered.
- B) The proposal to sell part of the Marks Road Local Purpose Reserve proceed and that the land be offered for commercial sale by public tender on terms satisfactory to Council, including:
- 50% of the proceeds being tagged for Civil Defence in Haast; and
 - The balance of the funds be made available for the Haast community.

Cr Havill abstained from voting.

The meeting adjourned for lunch at 12.37 pm and reconvened at 1.05 pm.

The meeting reconvened at 1.06 pm with the exception of Deputy Mayor Lash.

5. REPORTS FOR INFORMATION:

5.1 Planning Update Through January 2018

The Planning Manager then provided a verbal update on the monthly planning report for January 2018 and noted that Council is currently waiting to hear from the West Coast Regional Council on how they are rolling out their process with the District Plan Review.

Deputy Mayor Lash attended the meeting at 1.09 pm.

Moved Deputy Mayor Lash, seconded Cr Eatwell and **Resolved** that the report from the Planning Manager for January 2018 be received with thanks.

It was noted that future planning reports will be included as part of the Chief Executive's Quarterly Report to Council.

5.2 Ministry of Business, Innovation and Employment (MBIE) Toilet Grants – Second Round of Funding

The Property and Projects Supervisor spoke to the report which provided an update on the Ministry of Business, Innovation and Employment toilet grants to Council.

Cr Carruthers queried why the report needs to go to Council monthly which involves a large amount of staff time.

Moved Deputy Mayor Lash, seconded Cr Neale and **Resolved** that the report from the Property and Projects Supervisor be received.

6.2 Kumara Residents Trust Formal Control of the Chinese Miners Memorial Reserve and Long-Term Maintenance

The Community Development Advisor advised that the purpose of the report is to give direction to Council on the control and long-term maintenance of the Kumara Chinese Memorial Reserve. A copy of the Memorandum of Understanding between Westland District Council and the Kumara Residents Trust had been attached to the Council Agenda.

Moved Cr Havill, seconded Cr Neale and **Resolved** that a Memorandum of Understanding be signed between Westland District Council and the Kumara Residents Trust to make clear the obligations of both parties for the ongoing control and maintenance of the Chinese Miners Memorial Reserve.

6.3 Purchase of Replacement Spa Pool at Hokitika Swimming Pool

The Chief Executive advised the purpose of the report was to seek approval from Council to replace the existing spa pool. Advice had been received that the spa pool was very old and parts to repair it are no longer available, and the electrical circuitry is no longer functional. One quote for replacement of the spa pool had been attached to the Council Agenda.

Cr Carruthers asked if the user charge on the spa pool could be reviewed.

Moved Cr Havill, seconded Deputy Mayor Martin and **Resolved** that approval to proceed with the Spa Pool replacement be delegated to the Chief Executive of Westland District Council subject to the following:

- A) Westland District Property Limited providing 3 quotes with a recommendation.
- B) The Chief Executive (Westland District Council) may accept the current quote or any better quote received.
- C) The user charge be increased to \$2.00 for the use of the spa.
- D) The quote to include servicing.

6.4 Geothermal Energy Definition Study Expenditure

His Worship the Mayor advised that the purpose of the report is to provide retrospective ratification to funding of \$20,000 plus GST towards the definition study associated with the Westcoast Hot Water Initiative.

Deputy Mayor Martin left the meeting at 1.36 pm and returned at 1.40 pm.

Moved His Worship the Mayor, seconded Cr Routhan and **Resolved** that Council retrospectively ratify the funding of \$20,000 plus GST, to GNS towards the definition study associated with the Westcoast hot water initiative.

It was noted that the \$20,000 is unbudgeted spend from the general cash reserves.

LATE ITEM:

6.5 Considering Ownership of New Westland Sports Hub Covered Complex

The Property and Projects Supervisor advised that the purpose of the report is to present the options and issues when considering the request to take on the ownership of the proposed Westland Sports Hub Covered Complex.

Deputy Mayor Martin advised that there is no request for Council to take any financial risks associated with the project.

His Worship the Mayor advised that the Ministry of Education have approved the use of the land and that Council would hold physical ownership of the covered-in-area that sits on top of the proposed netball courts covered structure.

Moved Cr Carruthers, seconded Cr Havill and **Resolved** that Council agrees that ownership of the covered courts being developed at Westland High School revert to Council on the condition that a Memorandum of Understanding be entered to on terms and conditions satisfactory to the Council.

7. ITEMS FOR DISCUSSION:

7.1 Hokitika Wildfoods Update

The Event Manager 2018 Hokitika Wildfoods Festival provided an update on the 10 March 2018 Hokitika Wildfoods Festival including ticket sales, entertainers, stallholders, accommodation, merchandising and advertising.

7.2 Priority 1 Projects

The Group Manager: District Assets advised that the Priority 1 projects add up to \$3.7M with the most significant activity being the Franz Josef Waste Water Project. He further advised that will be looking for a contracts manager to support projects.

7.3 Havelock North Inquiry Outcomes Seminar

The Group Manager: District Assets advised that he and the Chief Executive attended a seminar in Greymouth on the 15 February 2018 regarding the Havelock North Inquiry Outcomes Seminar. It was noted that the indications are that the recommendations will be implemented by the Government and water suppliers will need to understand the proposed changes, and if implemented, will need to adapt to a changed drinking-water environment. The outcomes will be made known within 6 months. The Chief Executive advised that information does need to be included in the Long Term Plan.

7.4 West Coast Wilderness Trail

No items of note.

7.5 Franz Josef Wastewater Treatment Plant

Already discussed.

7.6 Communication

Deputy Mayor Lash advised that the E-txt sign-up has been very well received in the communities, and noted that if the power is out in South Westland and cellphones go flat, there is still a major issue on how Council is able to communicate, particularly with the townships. There are some Satellite phones that have been located and their availability will need to be mapped.

Cr Havill then noted his concern regarding an article in the Grey Star with the heading “Westland Council under fire over boil water notices”.

7.7 The South Island Ute Muster

A general discussion was then held regarding the sanctioning of the Ute Muster and who owns the event. It was noted that the event is owned by Destination Westland.

The Chief Executive clarified that the “Ute Musterer” is not employed by Council, and is sharing an office space in the Council Building, with Destination Westland being charged for its use.

7.8 Civil Defence Emergency Update

The Chief Executive provided an update on Civil Defence and Emergency Management.

Key items identified from Cyclone Fehi and Gita were:

- Communication
- Closing of roads
- Infrastructure requirements to manage a larger event.
- Emergency Operations Centre room set up.
- People placed in the right place at the right time.
- A capital plan is required for Civil Defence and Emergency Management on the West Coast looking at what is required as a region, and a District, including having generators available in key locations District-wide for water and sewerage supplies.
- Energy supplies in Fox Glacier and Haast to supply the townships.

Action Items sought:

- Mayor with Jim Harland, New Zealand Transport Agency, regarding the closing of State Highway 6.
- Mayor to canvass the removal of windblown logs for timber production.
- Mayor to send a letter of support for the proposed Waitaha River hydro scheme.

His Worship the Mayor thanked the staff involved in both cyclone events and outlined the decision to declare was made due to the Police being unable to supply staff to relieve their existing staff in South Westland and also the fire and emergency director had advised that 3 of his 4 fire stations had no power.

7.9 Geoffrey King – Letter to the Editor, Hokitika Guardian

Cr Routhan raised this item, advising that he did not think that Council could ignore the letter from Mr King.

His Worship the Mayor advised that he will not be answering any letter to Geoffrey King or Anthea Keenan.

8. MATTERS CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION':

Moved Deputy Mayor Martin, seconded His Worship the Mayor and **Resolved** that Council confirm that they excluded the public at the commencement of the Council Meeting, in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 3.18 pm.

Council moved that the public be excluded from the following parts of the proceedings of this meeting, namely:

8.1 Confidential Minutes – Ordinary Council Meeting: 25 January 2018

8.2 Confidential Minutes – Extraordinary Council Meeting: 7 February 2018

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.	Minutes/ Report of	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
8.1	Confidential Minutes – 25 January 2018	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)
8.2	Confidential Extraordinary Minutes: 7 February 2018	Confidential Minutes	Good reasons to withhold exist under Section 7	Section 48(1)(a) & (d)

This resolution is made in reliance on Section 48(1)(a) and (d) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Item	Section
8.1	Protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)
	Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	Section 7(2)(i)
8.2	Would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	Section 7(2)(b)(ii)

Moved His Worship the Mayor, seconded Deputy Mayor Martin and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed, and accordingly, the meeting went back to the open part of the meeting at 3.29 pm.

**Date of next Ordinary Council Meeting – 22 March 2018
to be held in the Council Chambers, 36 Weld Street, Hokitika**

MEETING CLOSED AT 3.29 PM

Confirmed by:

Mayor Bruce Smith
Chair

Date

Council Meetings - Action List

Date of Meeting	Item	Action	Who Responsible	Timeframe	Status
24.08.17	Living Wage	Policy to be developed on paying of living wage to employees.	GMCS		A Living Wage Policy to be developed and come back to Council in 2018.
28.09.17	West Coast Wilderness Trail	Funding shortfall of \$350,000	GMDA		<p>Meeting held with MBIE on Monday 19 February 2018 in terms of the funding shortfall and a positive outcome is expected in terms of funding. There have been discussions around contracting requirements.</p> <p>An action plan has been agreed upon.</p> <p>NZCT visited Council and the Chair of that Board rode part of the track and gave his support to MBIE as well. They were very impressed with the standard of the trail and discussions will be held regarding what will be done long-term.</p> <p>The Mayor advised that this item has been raised with Hon Damien O'Connor.</p>
28.09.17	Mint Creek Livestock Water Scheme	Meeting of the Working Group	HWM/CE		<p>Cr Routhan advised that money that had been collected from Mint Creek Water Users amounted to a considerable figure and there should be in the vicinity of \$70,000 that was farmers money.</p> <p>The Mayor advised that Council decided to revert the scheme back to the users of the scheme and they agreed to pay for the cost of the upgrade of the scheme and an entity would be formed.</p> <p>Updated 22.02.18 The user group to form an incorporated society and forward the invoice to Council for payment.</p>

Date of Meeting	Item	Action	Who Responsible	Timeframe	Status
					It was noted that Council will meet its own legal costs to transfer the easements across.
26.10.17	Hokitika Lions Club	Send letter advising of decision of Council regarding Colin Adams Memorial	GMDA		22.02.18 – To be discussed by the Reserves and Environs Committee who will report back to Council.
22.02.18	Marks Road Reserve	Part of the land on Marks Road to be by commercial sale by public tender on terms satisfactory to the Council.	CE		Information Services Manager is organising this.
22.02.18	Geothermal Energy Definition Study Expenditure	Payment of \$20,000 funded from general cash reserves to GNS	GMCS		
22.02.18	New Westland Sports Hub Covered Complex	Ownership of the covered courts being developed at WHS on the condition that a MOU be entered into on terms and conditions satisfactory to the Council	CE		
22.02.18	Communication	Mapping of Satellite phones required and alternative means of communication to be investigated.	Civil Defence		
22.02.18	Civil Defence & Emergency Management	Mayor to make contact with Jim Harland, NZTA to discuss road closures. Mayor to discuss with relevant people regarding the removal of windblown logs for timber production. Waitaha Power Scheme – Letter of support from the Mayor required.	Mayor Mayor Mayor		

Report



DATE: 22 March 2018
TO: Mayor and Councillors
FROM: Group Manager: Corporate Services

BOARD APPOINTMENT AND REMOVAL: WESTLAND HOLDINGS LTD

1 SUMMARY

- 1.1 The purpose of this report is for Council to consider the removal and appointment to the Board of Directors, for Westland Holdings Ltd (WHL).
- 1.2 This issue arises, following the resolution to amalgamate Hokitika Airport Ltd (HAL) and Westland District Property Ltd (WDPL).
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by Council as part of the Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council remove Cr Carruthers and Cr Routhan from the board of WHL, and appoints Peter Cuff and Ian Hustwick to the board.

2 BACKGROUND

- 2.1 At the 24 November 2016 Ordinary Council Meeting, Council:
 - 2.1.1 revoked its Policy on Appointment and Remuneration of Directors of Council Organisations (COs) and Council Controlled Organisations (CCOs),
 - 2.1.2 undertook to investigate a proposal to reorganise the group structure of its CCOs, and
 - 2.1.3 appointed Cr Routhan to the Board of WHL.
- 2.2 At the same meeting Council stated its preference for elected member representation on the Boards of its CCOs and for independent directors to be based on the West Coast.

- 2.3 During December 2017, Council consulted on a proposal to amalgamate Hokitika Airport Ltd (HAL) and Westland District Property Ltd (WDPL) into one entity (name to be decided). At Council meeting 25 January 2018 Council resolved to amalgamate the two CCO's on 30 June 2018.

3 CURRENT SITUATION

- 3.1 An updated Policy on Appointment and Remuneration of Directors will be drafted when this process has concluded. Until that time, WHL constitution allows for appointment of directors either by resolution, or by notice in writing by the majority of shareholders. WHL constitution attached as **Appendix 1**.
- 3.2 There are currently two elected members on the Board of WHL, Cr Carruthers and Cr Routhan, and an independent chair.
- 3.3 It is Council's preference to remove the elected members from the board, and appoint the Chairs from Westroads Ltd, Peter Cuff and the intended amalgamated company Ian Hustwick, which is already operating under a combined board. The board will also consist of an independent director who will be appointed as chair.
- 3.4 The benefit of the intended board include:
- 3.4.1 Cost savings – it is intended that only the chair will receive a fee.
 - 3.4.2 Synergies from business knowledge.
 - 3.4.3 Independent Chair that can focus on the statutory role of the board from a local professional in that field.
- 3.5 The constitution requires a minimum of three directors and a maximum of ten, this proposal satisfies these requirements.

4 OPTIONS

- 4.1 Appointment and removal to the Board of WHL
- 4.1.1 Option 1: Appoint Peter Cuff and Ian Hustwick to the board and remove Cr Carruthers and Cr Routhan.
 - 4.1.2 Option 2: Make an alternative appointment or removal.
 - 4.1.3 Option 3: Conduct a recruitment process
 - 4.1.4 Option 4: Do nothing

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The decisions to appoint and remove a director to a CCO is administrative in nature and therefore is assessed as having a low level of significance.
- 5.2 Direct engagement with the Board of WHL has been ongoing. Wider community engagement is not necessary on this matter.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Appointment and removal to board of WHL
 - 6.1.1 Option 1: Subject to 6.1, Peter Cuff and Ian Hustwick would be eligible to be appointed and has confirmed availability.
 - 6.1.2 Option 2: Council is at liberty to consider the appointment of any fit and proper person. This may extend the period during which there is a vacancy.
 - 6.1.3 Option 3: A full recruitment process would be an unnecessary expense.
 - 6.1.4 Under Option 4 WHL would continue to operate with the current board.

7 PREFERRED OPTIONS AND REASONS

- 7.1 The preferred option is Option 1. This allows for the benefits identified in 3.4 and is aligned with Councils preference on structure of the WHL board.
- 7.2 This combination is the most efficient and economic measure that enables WHL to function properly constituted in its governance role on behalf of Council and while the review of the group structure proceeds.

8 RECOMMENDATIONS

- A) **THAT** Council appoints Peter Cuff and Ian Hustwick to the board of Westland Holdings Ltd.
- B) **THAT** Council removes Cr Carruthers and Cr Routhan from the board of Westland Holdings Ltd.

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Constitution of Westland Holdings Ltd

15 December 2016

**CONSTITUTION OF
WESTLAND HOLDINGS LIMITED**

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

Director

CONSTITUTION OF WESTLAND HOLDINGS LIMITED

1. STATUS, DEFINITIONS AND INTERPRETATION

Registration

- 1.1 The Company is registered under the Companies Act 1993 and is regulated by the Act and this constitution. It is a wholly owned subsidiary of the Westland District Council (the "Council") and any change in ownership of the Company or any of its shares can only be approved by resolution of the Council. The Company is a council-controlled organisation and its activities, rights and obligations will be determined in its Statement of Intent, approved by the Council.

Powers and capacity

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

Definitions

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

"Act"	means the Companies Act 1993.
"Board"	means the directors numbering not less than the required quorum acting as the Board of directors of the Company and where one director is a quorum it means that director.
"Company"	means Westland Holdings Limited.
"constitution"	means this constitution, as altered from time to time.
"council-controlled organisation"	has the same meaning as in section 6 of the Local Government Act.
"director"	means a person appointed and continuing in office for the time being, in accordance with this constitution, as a director of the Company.
"dividend"	means a distribution by the Company other than a distribution to which section 59 (acquisition of Company's own shares) or section 76 (financial assistance in acquisition of Company's shares) of the Act applies.
"local authority"	has the same meaning as in section 2 of the Local Government Act.
"Local Government Act"	means the Local Government Act 2002.
"majority"	means more than 50%.
"ordinary resolution"	means a resolution of shareholders approved by a simple majority of the votes of those shareholders entitled to vote and voting on the question.
"special meeting"	means any – meeting (other than an annual meeting) of shareholders entitled to

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

"special resolution" means a resolution of shareholders approved by a majority of 75 percent of the votes of those shareholders entitled to vote and voting on the question.

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

"working day" has the meaning set out in section 2 of the Act.

Conflict

1.4 If there is any conflict between:

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

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

Interpretation

1.5

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

2. DISTRIBUTIONS TO SHAREHOLDERS

The Board may authorise distributions.

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

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

2.1

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

Method of Payment

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

No interest

- 2.3 No dividend bears interest against the Company.

Unclaimed dividends

2.4

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

3. COMPANY PURCHASING OWN SHARES

Acquisition of Company's own shares

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

Company may not hold its own shares uncanceled

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

4. SHAREHOLDERS RIGHTS AND OBLIGATIONS

Annual meetings

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

Special meetings

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

Proceedings at meetings

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

5. DIRECTORS

Board's Power to Manage the Company

- 5.1 The business or affairs of the Company must be managed by, or under the direction or supervision of the Board, in accordance with the applicable provisions of this constitution, the Statement of Intent, the Local Government Act and any applicable policy of the Shareholder governing directors appointments.

Number of directors

- 5.2 The minimum and maximum number of directors may be determined from time to time by the shareholders by ordinary resolution and unless so determined, the minimum number is three and the maximum number is 10.
- 5.3 No directors may be person employed by the Council. A maximum of 2 elected members of Council may be directors at any one time.

Appointment by shareholders

- 5.4
- a. The directors of the Company are such person or persons as may from time to time be appointed either by the shareholders by ordinary resolution or by notice in writing to the Company signed by the holder or holders of a majority of the shares in the capital of the Company but so that the total number of directors must not at any time exceed the maximum number, if any, fixed pursuant to clause 10.2 (Number of Directors).
 - b. Any shareholder will be entitled to appoint from time to time the number of Directors (rounded to the nearest whole number or, where there is no nearest whole number, rounded down) that represents the same proportion of the number of Directors determined under clause 10.2, as the proportion which the percentage of voting rights to which the appointing shareholder is then entitled bears to the then total number of voting rights attaching to the shares of the Company.
 - c. Every director holds office subject to the provisions of this constitution and may at any time be removed from office by ordinary resolution of the shareholders or by notice in

writing to the Company signed by the holder or holders of a majority of the shares in the capital of the Company.

- d. Directors may be appointed individually or together unless the shareholders by ordinary resolution require any director's appointment to be voted on individually.

Alternate directors

5.5

- a. Each director has the power from time to time to nominate any person not already a director and who is acceptable to the majority of other directors, and with the prior written approval of the shareholders by ordinary resolution, to act as an alternate director in his or her place. An alternate director can be appointed either for a specified period or generally during the absence from time to time of such director. A director can remove an alternate director that director has nominated.
- b. Unless otherwise provided for by the terms of his or her appointment, an alternate director has the same rights, powers and privileges (including the right to receive notice of meetings of directors but excluding the power to appoint an alternative director) and will discharge all the duties of and must be subject to the same provisions as the director in whose place he or she acts.
- c. An alternate director cannot be remunerated otherwise than out of the remuneration of the director in whose place he or she acts and automatically vacates office if and when the director in whose place he or she acts vacates office.
- d. Any notice appointing or removing an alternate director may be given by delivering it or by sending it through the post or by facsimile or email to the Company and is effective as from the time of its receipt as determined in accordance with clause 14.

Proceedings of the Board

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

Directors' indemnity

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

Vacation of Office

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

Removal following employment by Local Authority

Without limiting clause 10.8, if at any time the Board is comprised of more than one person who is or becomes either a member of a local authority or a person employed by a local authority, the

Shareholders shall exercise their power under clause 10.4(c) to remove any one or more directors (selected at the Shareholders' discretion) as are required in order to comply with clause 10.3 (Number of Directors) of this constitution.

Director's Resignation Procedure

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

Director's Remuneration and Other Benefits

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

Validity of actions

- 5.11 An act or decision of the Board shall not be invalid by reason only of:
- a. a fault, default or irregularity in or in connection with the appointment of a Director; or
 - b. a vacancy in the number of Directors including a vacancy arising because of the failure to appoint a Director.

6. DUTIES OF DIRECTORS AND BOARD

Statement of Intent

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

Interest of Shareholders

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

7. INTERESTED DIRECTORS

Directors must Disclose their Interest

- 7.1 As soon as a Director becomes aware of the fact that he or she is interested in a transaction or proposed transaction with the Company, then unless the Act provides otherwise or all entitled persons have agreed to or concur in the Company entering into the transaction, that Director must cause to be entered in the Interests Register, and disclosed to the Board:
- a. the nature and monetary value of his or her interest (if the monetary value of the interest is able to be quantified); or
 - b. the nature and extent of his or her interest (if the monetary value of the interest cannot be quantified).

General Disclosure in Certain Cases will Suffice

- 7.2 For the purposes of clause 12.1 a general notice entered in the Interests Register and disclosed to the Board to the effect that a Director:
- a. is a shareholder, Director, officer, or trustee of another named Company or other person; and

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

Failure to Disclose Does Not Affect Validity of Transaction

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

Company May Avoid Transaction if Director Interested

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

Interested Director May Not Vote

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

8. ACCOUNTS

Availability of Information

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

Statement of Intent

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

Accounts to be Prepared

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

Reports to be Delivered to Members

- 8.4 Within 3 months after the end of each financial year of the Company the Directors will deliver to the shareholders and make available to the public:

- a. a report of the operations of the Company and those of its subsidiaries during the financial year; and
- b. audited consolidated financial statements for the financial year in respect of the Company and its subsidiaries; and
- c. an auditor's report on:
 - i. those financial statements; and
 - ii. the performance targets and other measures by which performance has been judged in relation to the objectives as contained in the Statement of Intent.

Contents of Operations Report

8.5 Every report under clause 13.4 will:

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

Contents of Financial Statements

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

Auditor

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

9. NOTICES

Service

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

- d. email to an electronic address used by the director or shareholder.

Time of service by delivery

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

Time of service by facsimile

- 9.3 A notice served by facsimile is deemed to have been served on the working day following completion of its transmission.

Time of service by post

- 9.4 A notice sent by post is deemed to have been served:
- a. In the case of a person whose last known address is in New Zealand, at the end of 3 working days after the envelope or package containing the same was duly posted in New Zealand; and
 - b. In the case of a person whose last known address is outside New Zealand, at the expiration of 7 working days after the envelope or package containing the same was duly posted by fast post in New Zealand.

Time of service by email

- 9.5 A notice served by email is deemed to have been served on the working day following the day on which it was sent.

Proof of service

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

Service on joint holders

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

Service on representatives

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

10. LIQUIDATION**Distribution of surplus assets**

10.1

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

Distribution in specie

10.2

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

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

11.1 In the event that:

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

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

12. METHOD OF CONTRACTING

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

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

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

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

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

Election of Chairperson

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

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

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

Contents of notice

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

Irregularities in notice

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

Adjournment

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

Accidental omission to give notice

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

3. METHODS OF HOLDING MEETINGS

- 3.1 A meeting of shareholders may be held either:

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

4. QUORUM

Necessity for quorum

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

Numbers for quorum

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

No quorum

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

5. VOTING

Voting method

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

Voting method - audio, audio/visual

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

Evidence that resolution carried

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

Who may demand poll

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

When poll may be demanded

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

Counting of votes

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

Equality of votes

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

Proxy holder may demand poll

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

Voting entitlement

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

Chairperson may demand poll

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

Withdrawal of demand

- 5.11 The demand for a poll may be withdrawn.

Poll to be taken as chairperson directs

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

Poll on election of chairperson

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

6. PROXIES

Right to vote by proxy

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

Right of proxy to attend

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

Appointment of proxy

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

Proxy form to be sent with Notice of Meeting

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

Proxy form

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

**WESTLAND HOLDINGS LIMITED
INSTRUMENT APPOINTING A PROXY**

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

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

LIMITED
INSTRUMENT APPOINTING A PROXY

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

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

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

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

Validity of Vote

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

Deposit of Proxy

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

7. POSTAL VOTES

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

8. MINUTES

Minutes must be kept

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

Evidence

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

9. SHAREHOLDER PROPOSALS**Notice of matter for discussion or resolution**

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

Notice of shareholder proposal at Company's expense

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

Notice of shareholder proposal at shareholder's expense

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

Notice of late shareholder proposal to be given if practicable

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

Proposing shareholder's written statement

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

Limits on obligation to include statement

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

Payment by shareholder of costs

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

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

10. CORPORATIONS MAY ACT BY REPRESENTATIVES

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

11. VOTES OF JOINT HOLDERS

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

12. LOSS OF VOTING RIGHTS IF CALLS UNPAID

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

13. RESOLUTIONS IN LIEU OF MEETING

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

14. OTHER PROCEEDINGS

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

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SCHEDULE 2

PROCEEDINGS OF THE BOARD

1. CHAIRPERSON

Election of chairperson

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

Terms of office

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

Election of chairperson for particular meetings

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

2. NOTICE OF MEETING

Convening meetings

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

Period of notice

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

Irregularity in notice

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

Means of giving notice

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

3. METHOD OF HOLDING MEETINGS

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

4. QUORUM

Number constituting quorum

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

No business without quorum

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

Alternate director may be included

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

5. VOTING

Number of votes

- 5.1 Every director has one vote.

Chairperson does not have casting vote

- 5.2 The chairperson does not have a casting vote.

Majority

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

Presumption as to voting

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

Alternate director may vote

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

6. MINUTES

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

7. RESOLUTIONS

Written resolution

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

Forms of resolution

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

Resolution to be kept in minute book

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

Copy of resolution to be sent to directors not signing or assenting

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

8. NO NOTICE TO DIRECTORS OUTSIDE NEW ZEALAND

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

9. CONTINUING DIRECTORS

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

10. OTHER PROCEEDINGS

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

Report



DATE: 22 March 2018

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

DEVELOPMENT WEST COAST REQUEST FOR WITHDRAWAL OF COUNCIL REPRESENTATION ON TOURISM WEST COAST BOARD.

1 SUMMARY

- 1.1 The purpose of this report is to confirm a request from Development West Coast (DWC) for Council to withdraw its representation on the Tourism West Coast (TWC) board. This would then effectively remove the Council Controlled Organisation (CCO) status of TWC.
- 1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. These are stated on Page 2 of this agenda.
- 1.3 This report concludes by recommending that Council approve the proposal to Withdraw Councils representation on the Tourism West Coast Board under conditions outlined under 4.1

2 BACKGROUND

- 2.1 The West Coast is the fastest growing tourism region in New Zealand with a visitor spend in the local economy of \$549m. With 12% growth year ending January 2018.
- 2.2 Rebranding, planning and marketing of the region has ensured that the region has become busier with both local and overseas visitors. Tourism West Coast have been the driver behind this, together with local operators, regional and national partnerships.

- 2.3 Council is represented on the board together with the other West Coast Councils, and WDC have been providing funding through a targeted Tourism Promotions rate.
- 2.4 Despite Council representation and CCO status, TWC is an autonomous body in itself.

3 CURRENT SITUATION

- 3.1 One of the outcomes of the West Coast Economic Development Action Plan 2017 (EDAP) has been the creation of a single Economic Development activity under DWC.
- 3.2 The project outlined in the EDAP has taken some time to get to this stage and the trustees are keen to progress.
- 3.3 Council will no longer be funding TWC and as such, the reason for having a representative is no longer required.
- 3.4 DWC have been developing an operational structure for Regional Economic Development and Council have now received the request with further details of structure, attached as **Appendix 1**.
 - 3.4.1 DWC will fund for one year only 2018/19, the TWC budget previously funded by the three Councils.
 - 3.4.2 DWC, by 26 October 2018, will prepare a paper for discussion with the Regional Council on the costs of TWC, to enable it to strike the rates for 2019/20.
 - 3.4.3 The Board of Tourism West Coast will remain in place until the tourism CCO has been dissolved by the councils or at the latest 30 June 2018.
 - 3.4.4 DWC will develop a tourism advisory function within DWC by 1 June 2018.
- 3.5 It is important to note that the withdrawal of Council representation on the TWC board **does not mean** that TWC ceases to exist.
- 3.6 The TWC board are so far reluctant to agree to incorporate into the new function, as the proposed action lacks detail, and the board has yet to see any economic development strategy from Development West Coast that would provide confidence of successful outcomes. **Attached as Appendix 2.**

4. OPTIONS

4.1 Option: Withdraw Councils representation on the Tourism West Coast board on the understanding that:

4.1.1 agreement can be reached between the parties TWC and DWC on the integration of the tourism function.

4.1.2 Should one or more of the other Councils on the West Coast decide not to withdraw their representation on the TWC board, the matter is brought back to Council for further consideration.

5. SIGNIFICANCE AND ENGAGEMENT

5.1 The matter is administrative in nature therefore is deemed to be of low significance and no consultation is required.

6. RECOMMENDATION

A) **THAT** the Committee approve the proposal to Withdraw Councils representation on the Tourism West Coast Board under conditions outlined under 4.1

Lesley Crichton
Group Manager, Corporate Services

Appendix 1: Development West Coast proposal

Appendix 2: Tourism West Coast letter of concerns



POR.2017.04

Te Ohu Whakawhanake o Te Tai Poutini

12 March 2018

Mayor
Grey District Council
P O Box 382
GREYMOUTH

mayor@greycdc.govt.nz

Chair
West Coast Regional Council
P O Box 66
GREYMOUTH

andrewr@wrc.govt.nz

Mayor
Buller District Council
P O Box 21
WESTPORT

garry@bdc.govt.nz

Chair
Tourism West Coast
PO Box 76-137
Northwood
CHRISTCHURCH 8548

richardbenton@me.com

Mayor
Westland District Council
Private Bag 704
HOKITIKA

Bruce.smith@westlanddc.govt.nz

Bruce Parkes
Senior Regional Official
West Coast Regional Growth Programme
Ministry for Business, Innovation and Employment
WELLINGTON

bparkes@doc.govt.nz

Dear Sirs

WEST COAST ECONOMIC DEVELOPMENT ACTION PLAN Enhanced Economic Development Support

Trustees today reconfirmed their position of 18 February 2018, and various prior discussions, to support the integration of Tourism West Coast (TWC) into Development West Coast (DWC) as outlined in the West Coast Economic Development Action Plan 2017 (EDAP).

Trustees have been supportive of the proposed arrangements for the delivery of economic development on the West Coast, and wish to work alongside organisations to ensure the best outcome for the region.

Trustees acknowledge that the project outlined in the EDAP has taken some time to get to this stage and are keen to progress and conclude this project as soon as practicable, and wish to advise the following resolution for your councils' consideration:

Subject to the three district councils desolving the tourism CCO by 31 May 2018:

1. DWC will fund for one year only 2018/19, the Tourism West Coast budget previously funded by the three Councils;
2. DWC, by 26 October 2018, will prepare a paper for discussion with the Regional Council on the costs of Tourism West Coast, to enable the Regional Council to strike the rates for 2019/20;
3. The Board of Tourism West Coast will remain in place until the tourism CCO has been dissolved by the councils or, at the latest, 30 June 2018;
4. DWC will develop a tourism advisory function within DWC by 1 June 2018.

We would appreciate the four West Coast Councils formally considering this matter at their next council meetings and that DWC be informed of the outcomes as soon as possible.

Yours faithfully

RENEE ROONEY
Chair

CHRIS MACKENZIE
Chief Executive

Phone: 03 769 7000
Freephone: 0800 768 0140
Email: info@dwc.org.nz
Web: www.dwc.org.nz

1st Floor, Brunner House
54 Tainui St, Greymouth - *Mawhera* 7805
PO Box 451, Greymouth - *Mawhera* 7840

WEST COAST
UNTAMED NATURAL WILDERNESS

Lesley Crichton

From: Diane Maitland
Sent: Thursday, 15 March 2018 8:57 AM
To: Lesley Crichton
Subject: FW: Open letter to West Coast Tourism Operators From The Board of Tourism West Coast

From: Tourism West Coast [mailto:info=westcoast.co.nz@mail34.atl11.rsgsv.net] **On Behalf Of** Tourism West Coast
Sent: Wednesday, 14 March 2018 2:22 PM
To: Diane Maitland <diane.maitland@westlanddc.govt.nz>
Subject: Open letter to West Coast Tourism Operators From The Board of Tourism West Coast



Dear Industry Colleagues

On Monday evening this week Development West Coast signalled a firm intention to take over Tourism West Coast and have now written to the 3 mayors to ask them to execute this instruction with the support of their councils.

The West Coast is the fastest growing tourism region in New Zealand (+12% year ending January 18) with a visitor spend in the local economy of \$549m .

Most would have seen this season the effect of our rebranding, planning and marketing of our region. This hard work has ensured that the regions have

become busier and busier with both local and overseas visitors.

This has not happened by accident but has been as a direct result of a great deal of hard work by local operators, regional and national partnerships and joint ventures with vision and strategies by the executive team.

The Board of Tourism West Coast has some serious concerns around this proposed action as it lacks not only detail, but your Board has yet to see any economic development strategy from Development West Coast (vision) that would provide confidence of successful outcomes.

We also questions the expertise or track record of Development West Coast to operate successfully in this very competitive marketplace.

The Board is also pondering the reasons why Development West Coast would want to now change a winning tourism formula given our strong performance to date. To hand this success over to an organisation that is still working through its own structural changes and with little practicable tourism experience could be judged as fraught with risk.

Attached (click on Blue Button below) is the letter Development West Coast have circulated to the Councils and those who have a direct influence in this decision.

If you feel strongly regarding this move-please lobby your mayor, councils and councillors as soon as possible to ask them to seriously consider the long term implications of the loss of independent district involvement in Tourism West Coast.

Our recommendation would be to not support a Development West Coast Tourism amalgamation at this time, until more detail and strategy is forthcoming - to seriously consider.

Lobbying and written letters would need to take place before the following Council Meeting Dates:

Westland District Council - 22nd March 2018

Buller District Council - 28th March 2018

Grey District Council - 9th April 2018

The decision is now in your hands.

If the move is supported at council level then Tourism West Coast-Incorporated Society-will be wound up immediately and your Board will stand down.

Kind Regards

Rich

Richard Benton

Board Chairman & Industry Representative

Stephen Roberts - Grey District Board Representative

Margaret Grant - Buller District Board Representative

Alexander Tschampel - Westland District Board Representative

Margaret Grant - DWC Board Representative

[Find Out More](#)