



CONSULTATION ON THE PROPOSAL TO AMALGAMATE WESTLAND HOLDINGS LTD (WHL) AND DESTINATION WESTLAND LTD (DWL)

Under s 82 of the Local Government Act

Submissions open: Thursday 28 March 2024, 4pm

Submissions close: Thursday 11 April 2024, 4pm

Council decision: Thursday 18 April 2024 at the Ordinary Council meeting

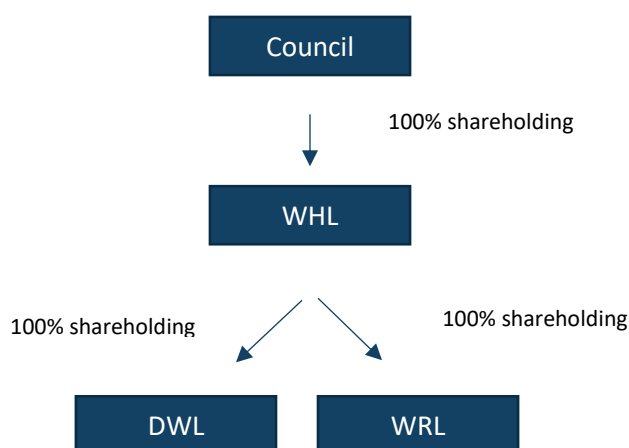
What is being proposed?

The Westland District Council (**Council**) is asking the community for feedback on its proposal to restructure the ownership of three council-controlled organisations (**CCO**), namely Westland Holdings Limited (**WHL**), Destination Westland Limited (**DWL**) and Westroads Limited (**WRL**).

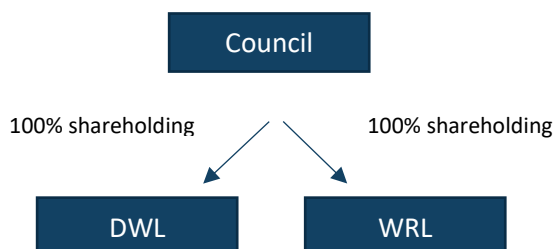
Council currently owns WHL. WHL currently owns DWL and WRL. Under Council's proposal:

- WHL will distribute the shares that it holds in WRL to Council (this will mean that Council will directly hold 100 per cent of the shares in WRL); and
- WHL and DWL will merge and continue as DWL (this will mean that Council will directly hold 100 per cent of the shares in DWL).

THE CURRENT STRUCTURE OPERATES AS FOLLOWS:



UNDER THE PROPOSED STRUCTURE:



There is no change in the ultimate ownership of each of the CCOs under this proposal. The reason for the restructure is to simplify the CCO ownership structure and reduce compliance costs for Council and save money in the future.

This consultation document asks for feedback on the proposed amalgamation of WHL into DWL.

What is a CCO?

A council-controlled organisation is a structure that is owned or controlled, directly or indirectly by one or more local authority. CCOs can be a company, partnership or trust arrangement, union of interest, co-operation, joint venture or other similar arrangement.

In this case, the CCOs (WHL, DWL and WRL) are companies. Council will still own DWL and WRL. However, WHL as an entity will cease to exist.

What is the purpose of the proposal?

The Council has received advice on the proposed amalgamation to simplify the ownership structure of the CCOs it owns, which will reduce compliance and costs for Council and save money for ratepayers. Council will retain (and now hold directly) 100% ownership of shares in both DWL and WRL.

Benefits for Council and the District

The structure proposed by Council's advisors means that Council does not have to allocate funding to day-to-day running costs of WHL, such as Board member fees and administration expenses.

WHL currently hold a \$6 million loan with the Local Government Funding Agency (LGFA) that is on-lent to DWL and WRL for pensioner housing and plant and equipment. The amalgamation will require this loan to be transferred to Council, which will similarly on-lend the full amount of the loan to DWL and WRL. Because of this, the proposal is fiscally neutral to Council and it will have no impact on Council's rates. Advice from LGFA is that this will have no impact on Council's debt limits, however it will reduce the cost of audit compliance and disbursements.

The amalgamation of WHL into DWL will allow Council to focus on core business of DWL and WRL under the simplified ownership structure. Council will have more oversight into the CCO's through a committee of Council with full council membership and an independent chair. Finally, WHL does not have a public presence in the district and there will be no change to services provided by Council as a result of the proposal.

Why are we consulting?

Council is consulting with anyone who may be affected or otherwise have an interest in the proposed amalgamation. Council encourages anyone who may have views on the proposal to share them during this consultation process.

More information about how to provide feedback is included in the feedback form **attached** to this document.

Council is required to consult with interested or affected persons in accordance with sections 56 and 82 of the Local Government Act 2002, its Significance and Engagement Policy and its Consultation Policy.

KEY DATES

SUBMISSIONS OPEN: 4pm, Thursday 28 March 2024

SUBMISSIONS CLOSE: 4pm, Thursday 11 April 2024

COUNCIL DECISION: Thursday 18 April 2024 at the Ordinary Council meeting.

SHARE YOUR FEEDBACK

ONLINE You can make your submission online. Go to: www.westlanddc.govt.nz/have-your-say/consultations-engagement/cco-amalgamation-proposal/

IN WRITING You can make a written submission by post or by sending us an email, or complete, scan and email the printable submission form.

POST: Westland District Council, 36 Weld Street, Hokitika 7811

EMAIL: Consult@westlanddc.govt.nz

OVER THE PHONE: If using the online submission form or sending an email is not an option, you can make a submission by calling Council on the number below.

PHONE: 03 756 9010

FREEPHONE: 0800 474 834

Please note, submissions will be publicly available on the council's website, through inclusion in council agendas, and/or retrievable by request under the Local Government Official Information and Meetings Act 1987. Contact details will be redacted under the Privacy Act 1993.

Share your Feedback – Amalgamation of Westland Holdings Ltd and Destination Westland Ltd

Submissions close: 4pm, Thursday 11 April 2024

We welcome your feedback on the proposed restructuring of Westland Holdings Limited (**WHL**), Destination Westland Limited (**DWL**) and Westroads Limited (**WRL**) (together, **Council CCOs**).

Full details of the proposed changes are set out in the Consultation Document.

Please **scan and email** this form to the Council. **Email:** consult@westlanddc.govt.nz

You can also **call** us with your submission and use the form to help you.

Phone: 03 756 901

Freephone: 0800 474 834

Name* _____ Organisation (if applicable) _____

Email* _____ Address* _____

Phone number _____ Area of the district _____

**Required*

Do you support the restructuring of the Council CCOs as set out in the Consultation Document?

Yes

No

Please provide reasoning for your response:

Do you have any comments about the proposed restructuring of the Council CCOs?

Do you have any other comments you would like to make about the information in this Consultation Document?

Yes

No

If yes, what are these comments?

If you wish the whole or any part of your submission or objection to be kept confidential, you must tell us and outline the reasons.

Do you wish for the whole, or any part of your submission to be kept confidential?

Yes

No

If yes, please tell us which part or parts of your submission you would like to remain confidential and why:

The personal information collected from you in your submission is held securely by Westland District Council.

We use this information to develop and advise on the proposed restructuring of Council CCOs (including compiling statistical information) and to contact you about the outcome of the process.

Please note, submissions will be publicly available on the council's website, through inclusion in council agendas, and/or retrievable by request under the Local Government Official Information and Meetings Act 1987. Personal contact details will be redacted under the Privacy Act 2020 or by request.