



AGENDA

RĀRANGI TAKE

NOTICE OF AN ORDINARY MEETING OF

COUNCIL

to be held on **Thursday 27 February 2020** commencing at **1.00 pm**
in the Council Chambers, 36 Weld Street, Hokitika

Chairperson: His Worship the Mayor

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

Cr Davidson
Cr Hartshorne
Cr Keogan
Cr Neale
Kw Madgwick



Council Vision:

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

Purpose:

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

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

1. NGĀ WHAKAPAAHA APOLOGIES

Cr. Keogan

2. WHAKAPUAKITANGA WHAIPĀNGA DECLARATIONS OF INTEREST

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

If a member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a member thinks they may have a conflict of interest, they can seek advice from the Chief Executive or the Group Manager: Corporate Services (preferably before the meeting). It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

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

Section 46A of the Local Government Official Information and Meetings Act 1987 states:

- (7) An item that is not on the agenda for a meeting may be dealt with at the meeting if
 -
 - (a) the local authority by resolution so decides, and
 - (b) the presiding member explains at the meeting at a time when it is open to the

public, -

(i) the reason why the item is not on the agenda; and

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

(7A) Where an item is not on the agenda for a meeting, -

(a) that item may be discussed at the meeting if -

(i) that item is a minor matter relating to the general business of the local authority; and

(ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) No resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.

4. NGĀ MENETI O TE HUI KAUNIHĒRA MINUTES OF MEETINGS

Minutes circulated separately

5. NGĀ TĀPAETANGA PRESENTATIONS

1.00pm – Local Government Funding Agency

1.40pm – Price Waterhouse Coopers

2.20pm – Bioplant

3.00pm – Enviroschools

3.30pm – Department of Conservation

4.10pm – Westland Holdings Limited

6. ACTION LIST

(Pages 6 – 7)

7. PŪRONGO KAIMAHI STAFF REPORTS

- Adoption of Audit Committee Terms of Reference (Pages 8 – 15)
- Adoption of Terms of Reference for Standing Committees (Pages 16 – 37)
- Te Tai o Poutini Plan Committee Deed (Pages 38 – 49)
- Westland Holdings Limited Strategic Plan (Pages 50 – 57)
- Westland Holdings Limited Draft Statement of Intent (Pages 58 – 71)
- Westland Holdings Limited Remuneration Review (Pages 72 – 77)

8. ADMINISTRATIVE RESOLUTIONS

<p>Lorraine MOLLOY</p>	<p>Warrant of Appointment - Enforcement Officer</p>	<p>To act in the Westland District as:</p> <ul style="list-style-type: none"> • Enforcement Officer pursuant to s.177 – Local Government Act 2002 for all offences under this Act, all offences against bylaw made under this Act and all infringement offences provided for by regulations made under s.259 of this Act • Inspector and Authorised Officer to enforce Westland District Council Bylaws. • Enforcement officer pursuant to s.32 of the Freedom Camping Act.
<p>Benjamin Graham MONK</p>	<p>Warrant of Appointment - Enforcement Officer</p>	<p>To act in the Westland District as:</p> <ul style="list-style-type: none"> • Enforcement Officer pursuant to s.177 – Local Government Act 2002 for all offences under this Act, all offences against bylaw made under this Act and all infringement offences provided for by regulations made under s.259 of this Act • Inspector and Authorised Officer to enforce Westland District Council Bylaws. • Enforcement officer pursuant to s.32 of the Freedom Camping Act.
<p>Frank Richard MOLLOY</p>	<p>Warrant of Appointment - Enforcement Officer</p>	<p>To act in the Westland District as:</p> <ul style="list-style-type: none"> • Enforcement Officer pursuant to s.177 – Local Government Act 2002 for all offences under this Act, all offences against bylaw made under this Act and all infringement offences provided for by regulations made under s.259 of this Act • Inspector and Authorised Officer to enforce Westland District Council Bylaws. • Enforcement officer pursuant to s.32 of the Freedom Camping Act.
<p>Michele Mary LAUGESSEN</p>	<p>Warrant of Appointment - Enforcement Officer</p>	<p>To act in the Westland District as:</p> <ul style="list-style-type: none"> • Enforcement Officer pursuant to s.177 – Local Government Act 2002 for all offences under this Act, all offences against bylaw made under this Act and all infringement offences provided for by regulations made under s.259 of this Act • Inspector and Authorised Officer to enforce Westland District Council Bylaws. • Enforcement officer pursuant to s.32 of the Freedom Camping Act.

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

(to consider and adopt confidential items)

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

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

Item No.	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Confidential Minutes – 23 January 2020	Good reason to withhold exist under Section 7	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason or withholding exists. Section 48(1)(a)

**DATE OF NEXT ORDINARY COUNCIL MEETING – 26 MARCH 2020
VENUE TO BE CONFIRMED**

Council Meetings - Action List

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

Date of Meeting	Item	Action	Completion Date/Target Date	Officer	Status
		Equipment for the Haast Community.			
25.07.19	Carnegie Building Project	The CE to seek additional external funding to minimise or eliminate the Council additional funding commitment.	On going	CE	Further discussions with Lotteries and new application Regional Culture and Heritage Fund underway.
22.08.19	Fox Landfill	Council support staff in progressing their investigations into the engineering methodology, financial implications and funding mechanisms of the long-term options.	March 2020		Golders have been contracted to complete a site assessment in partnership with MfE & WDC
28.11.19	Marks Road – Sale of Land for FENZ	Special Consultative Procedure.	Feb 2020	Community Development Advisor	Consultation underway – meeting held in Haast on the 18 th Feb. Report to council expected in March.
28.11.19	Tohu Whenua Pou	MOU for installation and maintenance required.	Completed	Community Development Advisor	Letter and MOU completed.
28.11.19	Iwi representation around the Council table	Mayor to write to the Minister of Local Government seeking advice.	In progress	Mayor & CE	Advice sought from DIA – awaiting a response.

Report



DATE: 27 February 2020
TO: Mayor and Councillors
FROM: Group Manager: Corporate Services

ADOPTION OF AUDIT AND RISK COMMITTEE TERMS OF REFERENCE AND COMMITTEE MEMBERS

1 SUMMARY

- 1.1 The purpose of this report is for the Council to adopt the Terms of Reference (ToR) and appointment of members for the Audit and Risk Committee.
- 1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which are set out in the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.3 This report concludes by recommending Council adopt the Terms of Reference and appointment of members for the Audit and Risk Committee.

2 BACKGROUND

- 2.1 At the Inaugural Council meeting it was determined that a committee structure would be more relevant and effective than a portfolio system.
- 2.2 As part of this, Council determined that an Audit and Risk Committee with an Independent Chair was best practice. This is also considered best practice by various agencies including Local Government NZ and the Office of the Auditor General.

3 CURRENT SITUATION

- 3.1 The Group Manager, Corporate Services was tasked with making contact with the Institute of Directors to instigate an Independent Chair search.
- 3.2 Several suitable and interested Institute of Director members were long listed and the Group Manager, Corporate Services provided a short list of 3 to the appointment panel.
- 3.3 The appointment panel consisted of;
- His Worship the Mayor Bruce Smith (apology)
 - Deputy Mayor David Carruthers
 - Chief Executive Simon Bastion
 - Group Manager, Corporate Services Lesley Crichton
- 3.4 The calibre of all candidates was very high and they all had the required mix of skills and experience that is required for an Audit and Risk Committee.
- 3.5 After discussion and consideration of skills, experience and of fit to Council of the 3 candidates, Rachael Dean has been selected as the Independent Chair to the Audit and Risk Committee.
- 3.6 Two references were sought which were extremely positive and it is clear that Rachael will be a great asset to Council.
- 3.7 The Group Manager, Corporate Services has spoken directly with Rachael and has confirmed Rachael is able to give this role the time and effort that is required to be successful.
- 3.8 In setting fees for the Independent Chair, staff looked at similar Councils and utilised List-Serve for information. Re-imburement of expenses will also be payable. The fees and re-imburement requirements are set out in the Appointment Letter.
- 3.9 To follow correct process the Audit and Risk Committee terms of reference must be adopted by Council before the first meeting takes place. In the terms of reference the names of appointed members must be stated.

4 OPTIONS

- 4.1 **Option 1:** Adopt terms of reference for the Audit and Risk Committee and appoint Independent Chair Rachael Dean, His Worship the Mayor, Councillor

Anna Hart, Councillor Jane Neale and Iwi Representatives to the Audit and Risk Committee.

4.2 **Option 2:** Request changes to the terms of reference and appointees.

4.3 **Option 3:** Do nothing

5 SIGNIFICANCE AND ENGAGEMENT

5.1 Adoption of Audit and Risk Committee terms of reference is administrative and is therefore of low significance.

5.2 Wider community engagement is not necessary.

6 ASSESSMENT OF OPTIONS

6.1 **Option 1:** Adopt terms of reference for the Audit and Risk Committee and appoint Independent Chair Rachael Dean and named members to the Committee.

6.1.1 Under advice from Local Government NZ, Council must adopt the Terms of Reference before the first Committee meeting. If Council do not adopt the ToR the Audit and Risk Committee cannot be formed in line with correct process.

6.1.2 The Committee Members had been discussed at the Inaugural Council meeting and no further changes have been made or are advised. It is best practice to keep the number of Committee members low and staff feel that 6 members which includes the Chair and the Mayor will provide for an effective Committee.

6.1.3 The financial implications of this option would be the cost of the fees and reimbursement of expenses for the Independent Chair.

6.2 **Option 2:** Request changes to the ToR and appointees.

6.2.1 The ToR have been based on LGNZ and OAG sample ToR's, any changes could potentially affect the purpose of the Committee and its effectiveness.

Staff recommend adopting the ToR to allow the Committee to form.

6.2.2 The recruitment process for the Independent Chair was a robust process using the skills of the Institute of Directors. The members of the committee were agreed at the Inaugural meeting previously and now only need to be formally appointed.

6.3 **Option 3:** Do nothing.

6.3.1 If Council elect to do nothing, the Committee cannot be formed.

7 RECOMMENDATION

A) **THAT** Council adopt the draft Terms of Reference and appoint the following to the Audit and Risk Committee. Rachael Dean as Independent Chair, His Worship the Mayor, Councillor Anna Hart, Councillor Jane Neale and Iwi Representatives.

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Audit and Risk Committee Draft Terms of Reference



DRAFT TERMS OF REFERENCE

Audit and Risk Committee

This document outlines the Terms of Reference for the Audit and Risk Committee.

The Chief Executive Officer (CE) will assign the Group Manager, Corporate Services GMCS) to the Committee. The GMCS will be responsible for coordinating agendas and be the principal point of contact for committee members.

1. Purpose

To assist the Council to discharge its responsibilities for:

- Monitoring the Councils external and internal audit process
- Recommend to Council an appropriate risk management strategy and monitor the effectiveness of that strategy
- Ensure the independence and effectiveness of Councils Internal Audit processes
- Monitor existing corporate policies and recommend new corporate policies to prohibit unethical, questionable or illegal activities
- Provide a communication link between management, Internal auditors/external auditors and Council
- Support measures to improve internal controls

2. Responsibilities

External Audit

- Engage with Councils external auditors regarding the external audit work programme and agree the terms and arrangements of the external audit
- Recommend to Council the terms and arrangements for the external audit programme
- Review of effectiveness of the annual audit and Long Term Plan audit
- Monitor managements response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented

Internal Control

- Monitor existing corporate policies and recommend new corporate policies to prohibit unethical, questionable or illegal activities. This also includes a reviewing/monitoring role of the documentation of policies and procedures
- In conjunction with the CE be satisfied with the existence and quality of cost-effective internal control and risk management systems, the proper application of processes, and agree the scope of the annual internal audit work programme
- Monitor the delivery of the internal audit work programme
- Review the annual internal audit plans and assess whether resources available to internal audit are adequate to implement the plans, and
- Assess whether all significant recommendations of the internal audit have been properly implemented by management.

Other Matters

- Review the effectiveness of the risk assessment/management policies and processes
- Review the effectiveness of the control environment established by management including computerised information systems controls and security. This also includes a review/monitoring role of the documentation of policies and procedures.
- Health and Safety.
- Review the process of the development of the financial strategy as required by the Long Term Plan. Monitor Councils treasury activities to ensure that it remains within policy limits, where there are good reasons to exceed policy, that this be recommended to Council; and
- Engage with internal and external auditors on any specific one-off audit assignments
- The Audit and Risk Committee will also periodically review its own effectiveness and report the results of that review to the Council.

3. Delegated Authority

- The Audit and Risk Committee shall have delegated authority to approve the appointment of the internal auditor, risk management and internal audit programmes, audit engagement letters and letters of undertaking for audit functions, and additional services provided by the external auditor.
- The audit and risk committee can conduct and monitor special investigations in accordance with Council policy, including engaging expert assistance, legal advisors or external auditors, and where appropriate, recommend action (s) to Council.

The audit and risk Committee can recommend to Council

- Adoption, or non-adoption of completed financial and non-financial performance statements

- Governance policies associated with Councils financial, accounting, risk management, compliance and ethics programmes, and internal control functions
- Accounting treatments, changes in generally accepted accounting practice
- New accounting and reporting requirements

Power to delegate

The audit and risk committee may not delegate any of its responsibilities, duties or powers.

4. Committee Meetings, records and reporting structure

- The committee will meet at least quarterly in each financial year.
- One meeting must consider the draft annual report prior to adoption of the annual report by Council
- Minutes of the committee be presented to the Council for its consideration
- Report to the Council at least twice a year on the effectiveness of internal controls, risk management and financial reporting, noting any recommendations for improvement.
- A quorum of 50% plus one of the committee is required to conduct committee business.
- The committee will be attended by a representative of External Audit for one meeting each year

Role of Chair

The role of Chair is key to achieving committee effectiveness, to achieve this;

- The chair should meet with the GMCS before each meeting to discuss and agree the business for the meeting.
- The Chair should take ownership of, and have final say in, the decisions about what business will be pursued at any particular meeting.
- The Chair should ensure that after each meeting appropriate reports (minutes) are prepared from the Audit and Risk Committee to the Council.
- Encourage good, open relationships between the Audit and Risk Committee, CE, GMCS and internal and external auditors.

Committee Membership

- Independent Chair
- His Worship the Mayor
- Councillor Hart

- Councillor Neale
- Iwi representatives

The Committee Chair will usually be the spokesperson on matters of public interest within the committee's scope of work. Some issues may be of such public interest that it is more appropriate for the Mayor to be the spokesperson. On technical matters or where the status is still at the staff proposal level, senior staff may be the appropriate spokesperson. Where necessary and practical the Mayor, Committee Chair and senior staff will confer to determine the most appropriate course of action for advising the public.

Report



DATE: 27 February 2020
TO: Mayor and Councillors
FROM: Chief Executive

ADOPTION OF TERMS OF REFERENCE AND COMMITTEE MEMBERS

1 SUMMARY

- 1.1 The purpose of this report is for the Council to adopt the Terms of Reference and appointment of members for the Capital Projects and Tenders Committee, Community Development Committee, Economic Development Committee and the Planning & Regulatory Services Committee.
- 1.2 This issue arises from the establishment of the five Standing Committees by the Mayor and the requirement to be clear as to the membership and the role of the Committees.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which are set out in the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council adopt the Terms of Reference and appointment of members for the Capital Projects and Tenders Committee, Community Development Committee, Economic Development Committee and the Planning and Regulatory Services Committee. These Terms of References are attached to this Report in Appendices 1-4.
- 1.5 The Terms of Reference for the Audit and Risk Committee is in a separate report to Council.

2 BACKGROUND

- 2.1 The Mayor established the committee structure of Council and appointed the respective Chairs of the Committee under [s.41A](#) of the LGA, with the exception of the Audit and Risk Committee. This items is covered in a

separate Report to Council. Under [s.41A](#) the Mayor is a member of those Committees.

2.2 The Mayor appointed Cr Carruthers as Deputy Mayor at the Inaugural Council Meeting on the 24 October 2019.

2.3 Council determined that a Committee structure would be more relevant and effective than a portfolio system as there was a lack of clarity around the purpose and expected outcomes of portfolio management.

i) Additional relevant provisions from [Schedule 7](#) of the LGA are:

i. Cl. 23(3):

(b)

a committee –

(i)

is not fewer than 2 members of the committee (as determined by the local authority or committee that appoints the committee); and

(ii)

in the case of a committee other than a subcommittee, must include at least 1 member of the local authority.

ii. Cl. 30(2):

(2)

A committee may appoint the subcommittees that it considers appropriate unless it is prohibited from doing so by the local authority.

iii. Cl. 31 Membership of Committees and Subcommittee:

31 Membership of committees and subcommittees

(1)

A local authority may appoint or discharge any member of a committee or a subcommittee.

(2)

Unless directed otherwise by the local authority, a committee may appoint or discharge any member of a subcommittee appointed by the committee.

(3)

The members of a committee or subcommittee may, but need not be, elected members of the local authority, and a local authority or

committee may appoint to a committee or subcommittee a person who is not a member of the local authority or committee if, in the opinion of the local authority, that person has the skills, attributes, or knowledge that will assist the work of the committee or subcommittee.

(4)

Despite subclause (3),—

(a)

at least 1 member of a committee must be an elected member of the local authority; and

(b)

an employee of a local authority acting in the course of his or her employment may not act as a member of any committee unless that committee is a subcommittee.

(5)

If a local authority resolves that a committee, subcommittee, or other decision-making body is not to be discharged under [clause 30\(7\)](#), the local authority may replace the members of that committee, subcommittee, or other subordinate decision-making body after the next triennial general election of members.

(6)

The minimum number of members—

(a)

is 3 for a committee; and

(b)

is 2 for a subcommittee.

Compare: 1974 No 66 [s 114R](#)

iv. Cl. 32 Delegations. Certain matters cannot be delegated to a Committee.

b. It should be noted that under Clause 19(2) of Schedule 7 **General Provisions for meetings:**

(2)

A member of a local authority, or of a committee of a local authority, has, unless lawfully excluded, the right to attend any meeting of the local authority or committee.

3 CURRENT SITUATION

3.1 Today we have Committees by name and a Chairperson of each Committee (excluding the Audit and Risk Committee). To give effect to the Mayor's declaration, it is necessary for the Council to agree to a Terms of Reference and Membership of that Committee.

3.2 The Mayor has indicated that he wished the Committee to be responsible for the following matters:

i) Capital Projects Committee:

The Capital Projects and Tenders Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers. In exercising the delegated powers, the committee will operate within:

- Policies, plans, standards or guidelines that have been established and approved by Council;
- The overall priorities of Council;
- The needs of Iwi and the local communities; and
- The approved budgets for the activity.
- The power to establish sub-committees

The Capital Projects and Tenders Committee shall have delegated authority to:

- Power to co-opt other members as appropriate
 - All powers necessary to perform the Committee's responsibilities
- Except:
- Powers that the Council cannot legally delegate or has retained for itself
 - Where the Committee's responsibility is limited to making a recommendation only
 - The approval of significant expenditure not contained within approved budgets (excluding emergency expenditure or for Health & Safety issues)
 - The approval of final policy
 - Deciding significant matters for which there is high public interest and which are controversial
 - The commissioning of reports on new policy where that policy programme of work has not been approved by the Council

ii) Community Development Committee

Delegations to the Committee:

The Community Development Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers.

In exercising the delegated powers, the committee will operate within:

- policies, plans, standards or guidelines that have been established and approved by Council;
- the overall priorities of Council;
- the needs of Iwi and the local communities; and
- the approved budgets for the activity.

The Community Development Committee shall have delegated authority to:

- Power to co-opt other members as appropriate
- All powers necessary to perform the Committee's responsibilities, except:
 - Powers that the Council cannot legally delegate or has retained for itself;
 - Where the Committee's responsibility is limited to making a recommendation only
 - Approval of expenditure
 - Deciding significant matters for which there is high public interest and which are controversial;
 - The commissioning of reports on new policy where that policy programme of work has not been approved by the Council;
 - Power to establish subcommittees

iii) Economic Development Committee:

Delegations to the Committee:

The Economic Development Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers.

In exercising the delegated powers, the committee will operate within:

- policies, plans, standards or guidelines that have been established and approved by Council;
- the overall priorities of Council;
- the needs of Iwi and the local communities; and
- the approved budgets for the activity.

The Economic Development Committee shall have delegated authority to:

- Power to co-opt other members as appropriate
- All powers necessary to perform the Committee's responsibilities, except:

- Powers that the Council cannot legally delegate or has retained for itself;
- Where the Committee's responsibility is limited to making a recommendation only;
- The approval of expenditure not contained within approved budgets.
- Approval of expenditure outside the remit of the delegations authority;
- The approval of final policy;
- Deciding significant matters for which there is high public interest and which are controversial;
- The commissioning of reports on new policy where that policy programme of work has not been approved by the Council;
- Power to establish subcommittees.

iv) Planning and Regulatory Committee:

Delegations to the Committee:

The Planning and Regulatory Services Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers.

- Authority to exercise all of Council powers, functions and authorities, except where delegation is prohibited by law or the matter is delegated to another committee of Council, in relation to all planning and regulatory matters.
- Responsibility to develop policies, and provide financial oversight, to provide assurance that funds are managed efficiently, effectively, and with due regard to risk.
- Responsibility to monitor Long Term Plan/Annual Plan implementation for the activities set out above.
- Authority to review bylaws and to recommend to the Council that new or amended bylaws be made, including but not limited to the review of bylaws made pursuant to rules under the Land Transport Act 1998, primarily relating to speed limits and parking.
- Except where otherwise provided by law, authority to fix fees and charges in relation to all planning and regulatory activities.
- Authority to make submissions on behalf of the Council in respect of any proposals by another authority under any legislation, or any proposed statute which might affect the District's environment or the wellbeing of residents including such matters as adjacent local authorities, district plans, regional plans, any regional or national policy statement and national environmental standards.
- Authority to hear and determine objections under the Dog Control Act 1996

4 OPTIONS

- 4.1 **Option 1** - Adopt the Terms of Reference and confirm the Council appointments.
- 4.2 **Option 2** - Request changes to the Terms of Reference and Council appointments.
- 4.3 **Option 3** - Do not adopt the Terms of Reference.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The establishment of Standing Committees is for the purpose of creating an efficient governance structure. The LGA has determined which matters are of such importance that they must be dealt with by Council. All other decisions of this Committee will be measured against the Significance Policy. Therefore the adoption of the Terms of Reference and Appointment of Committee Members is administrative and of low significance.
- 5.2 Wider community engagement is not considered necessary.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 The Mayor has proposed the establishment of five Standing Committees. This ensure the majority of matters are dealt with by the whole Council. The Committees have been established to allow for the efficient and effective decision-making for some of the more complex governance processes.
- 6.2 Local Government New Zealand advised that Council must adopt the Terms of Reference before any Committees can start operating.
- 6.3 For the matters delegated to the Committees, good process can be just as important, if not more so, than the final decision.
- 6.4 The Terms of Reference has largely been lifted from Terms of Reference for Committees or Sub-Committees of other Councils. This demonstrates that it is considered good practice to deal with these matters in a Committee.
- 6.5 Council has a choice to amend the proposed Terms of Reference to best suit its needs.
- 6.6 The direct financial implications of establishing Committees are limited to potentially higher remuneration for the Chairpersons. This is to be determined by the Remuneration Authority but could be as much as \$33,356.

The indirect cost of servicing Committees is high by comparison to the additional direct costs. Preparing reports, agendas and attending meetings (largely by senior staff) for meetings is estimated to cost up to \$1,000 per hour.

7 PREFERRED OPTION(S) AND REASONS

7.1 Option 1 is the preferred option to enable for the efficient and effective decision-making for some of the more complex governance processes.

8 RECOMMENDATION(S)

A) **THAT** Council adopts the Terms of Reference for the following Committees:

- Capital Projects and Tenders Committee
- Community Development Committee
- Economic Development Committee
- Planning and Regulatory Services Committee

B) **THAT** Council appoint the following Committee Members:

i) Capital Projects and Tenders Committee:

- Deputy Mayor Cr Carruthers (Chairperson)
- His Worship the Mayor
- Cr Davidson
- Cr Hart
- Cr Hartshorne
- Kw Madgwick
- Kw Tumahai

ii) Community Development Committee:

- Cr Martin (Chair)
- Deputy Mayor Carruthers
- Cr Davidson
- Cr Keogan
- Cr Neale
- Kw Madgwick
- Kw Tumahai

iii) Economic Development Committee:

- His Worship the Mayor (Chair)
- Cr Martin
- Cr Hart
- Cr Keogan
- Kw Madgwick

- Kw Tumahai

iv) **Planning and Regulatory Services Committee:**


- Cr Martin (Chair)
- Cr Davidson
- Cr Kennedy
- Cr Hartshorne
- Kw Madgwick
- Kw Tumahai

- B) **THAT** the Terms of Reference for the Committees be added to Part III of the Delegations Manual – “Delegations to Standing Committees”.
- C) **THAT** any changes to the Committee Structure be updated as required, in the Local Governance Statement.

Simon Bastion
Chief Executive

- Appendix 1:** Terms of Reference for the Capital Project and Tenders Committee
Appendix 2: Terms of Reference for the: Community Development Committee
Appendix 3: Terms of Reference for the: Economic Development Committee
Appendix 4: Terms of Reference for the: Planning and Regulatory Service Committee

TERMS OF REFERENCE CAPITAL PROJECTS AND TENDERS COMMITTEE

	Authorising Body	Mayor / Council
	Status	Standing Committee
	Title	Capital Project and Tenders Committee
	Approval Date	11 February 2020
	Administrative Support	Chief Executive Office

Purpose

The purpose of the Capital Projects & Tenders Committee is to ensure that all major capital expenditure (as defined in the WDC Tender Policy) is supported by a quality proposal, advances the councils strategic objectives and is financially sustainable. In addition, the Committee is to ensure tender evaluations are robust and appropriate decisions taken to advance capital projects.

Responsibility

The Capital Projects and Tenders Committee is responsible for considering all capital expenditure proposals within the Long Term Plan, with a particular focus on:

- The contribution each proposal would be to achieve the Strategic Plan objectives
- Financial sustainability of each proposal
- Ensuring the prioritisation of projects reflects the community needs
- Approving project tenders post tender evaluation

In connection with each Project, the Committee shall receive regular reports from management containing such information it deems relevant to fulfil its mandate, including but not limited to information concerning:

- Project timetable, critical path events and progress to completion
- Major project milestones, including variance analysis and mitigation strategies
- Key issues or disputes and proposed mitigation strategies
- Project budget updates, showing actual expenditures versus budget, use of contingencies and projected final expenditures
- Assist with bridging project barriers outside the influence of staff

Report to the full Council on a regular basis concerning all large Capital Project updates as required.

DELEGATIONS TO THE COMMITTEE:

The Capital Projects and Tenders Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers. In exercising the delegated powers, the committee will operate within:

- Policies, plans, standards or guidelines that have been established and approved by Council;
- The overall priorities of Council;
- The needs of Iwi and the local communities; and
- The approved budgets for the activity.
- The power to establish sub-committees

The Capital Projects and Tenders Committee shall have delegated authority to:

- Power to co-opt other members as appropriate
- All powers necessary to perform the Committee's responsibilities Except:
 - Powers that the Council cannot legally delegate or has retained for itself
 - Where the Committee's responsibility is limited to making a recommendation only
 - The approval of significant expenditure not contained within approved budgets (excluding emergency expenditure or for Health & Safety issues)
 - The approval of final policy
 - Deciding significant matters for which there is high public interest and which are controversial
 - The commissioning of reports on new policy where that policy programme of work has not been approved by the Council

Power to Delegate

The Capital Projects and Tenders Committee may not delegate any of its responsibilities, duties or powers.

Membership

The Capital Projects and Tenders Committee will comprise the following, one of which will be the chairperson:

Chairperson (Appointed by the Mayor)
 (3) Councillors
 Iwi Representatives
 Ex-Officio - Mayor

Chairperson

The Chairperson is responsible for:

- The efficient functioning of the Committee;
- Setting the agenda for Committee meetings in conjunction with the Chief Executive Officer; and
- Ensuring that all members of the Committee receive sufficient timely information to enable them to be effective Committee members.

The Chairperson will be the link between the Committee and Council staff.

Quorum

The quorum at any meeting of the Committee shall be Chairperson and any two members.

Frequency of Meetings

The Committee shall meet as required but not less than quarterly.

Relationships with Other Parties

The Chief Executive is responsible for servicing and providing support to the Committee in the completion of its duties and responsibilities. The Chief Executive shall assign council staff as required to provide these functions on his/her behalf.

The Chairperson may request the Chief Executive and staff in attendance to leave the meeting for the duration of the discussion. The Chairperson will provide minutes for that part of the meeting.

Contacts with Media and Outside Agencies

The Committee Chairperson is the authorised spokesperson for the Committee in all matters where the Committee has authority or a particular interest.

Committee members, including the Chairperson, do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the Committee's delegations.

The Chief Executive will manage the formal communications between the Committee and its constituents and for the Committee in the exercise of its business. Correspondence with central government, other local government agencies or other official agencies will only take place through Council staff and will be undertaken under the name of the District Council.

Conduct of Affairs

The Committee shall conduct its affairs in accordance with the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, the Local Authorities (Members' Interests) Act 1968, Council's Standing Orders and Code of Conduct.

Public Access and Reporting

Notification of meetings to the public and public access to meetings and information shall comply with Standing Orders, but it should be noted that:


- Workshop meetings solely for information and discussions and at which no resolutions or decisions are made may be held in accordance with Standing Orders.
- Extraordinary meetings of the Committee must be held in accordance with Standing Orders.

The public may be excluded from the whole or part of the proceedings of the meeting and information withheld on one or more of the grounds specified in s.48 of the Local Government Official Information and Meetings Act 1987.

The Committee shall record minutes of all its proceedings.

**The Terms of Reference were adopted by the
Capital Projects and Tenders Committee on the 11 February 2020.**

TERMS OF REFERENCE COMMUNITY DEVELOPMENT COMMITTEE

	Authorising Body	Mayor / Council
	Status	Standing Committee
	Title	Community Development Committee
	Approval Date	3 rd February 2020
	Administrative Support	Chief Executive Office

Purpose:

To assist the Council with the development of community services which contribute to the character, culture, and identity of the Westland district, and to pursue an active community role in active partnership with local communities.

The Community Services Committee covers a wide range of issues, altogether ensuring Westland is a vibrant, inclusive and safe district to live for all people, all ages and abilities.

Responsibilities:

The focus of the Community Services Committee is matters relating to social, culture and community well-being.

The Committee:

- Promotes active citizenship, community participation and community partnerships
- Seeks to address cultural, social, and economic disadvantage and promote equity for all people residing in Westland
- Work alongside Te Runanga o Ngāti Waewae and Te Rūnanga Makaawhio
- Works in partnership with key agencies, organisations, communities of place, identity and interest
- Is innovative and creative in ways it contributes to social and community wellbeing

The Community Development Committee considers and reports to council on issues and activities relating to:

- Community organisations
- Culture and Heritage
- Sports, recreation and leisure services and facilities
- Open spaces in the public realm: Parks, Reserves, Gardens, Cemeteries, Memorials, Statues and Public Art
- Youth
- Civic Awards
- Public Health
- Safe Community
- Local and Community events, programmes and activities
- Community Development and support, including grants

- Community engagement and participation
- Communities of place, identity and interest
- Creative Communities
- Hokitika CBD Revitalisation

Delegations to the Committee:

The Community Development Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers.

In exercising the delegated powers, the committee will operate within:

- policies, plans, standards or guidelines that have been established and approved by Council;
- the overall priorities of Council;
- the needs of Iwi and the local communities; and
- the approved budgets for the activity.

The Community Development Committee shall have delegated authority to:

- Power to co-opt other members as appropriate
- All powers necessary to perform the Committee's responsibilities, except:
 - Powers that the Council cannot legally delegate or has retained for itself;
 - Where the Committee's responsibility is limited to making a recommendation only
 - Approval of expenditure
 - Deciding significant matters for which there is high public interest and which are controversial;
 - The commissioning of reports on new policy where that policy programme of work has not been approved by the Council;
 - Power to establish subcommittees

Limitations:

In respect of matters requiring financial input the Community Development Committee's power is limited to the extent that provision has been made in the annual budgets and in the Long Term Plan.

Membership

The Community Development Committee will comprise the following, one of which will be the chairperson:

- Chairperson (Appointed by the Mayor)
- Mayor
- (4) Councillors
- Iwi Representatives

Chairperson

The Chairperson is responsible for:

- The efficient functioning of the Committee;
- Setting the agenda for Committee meetings in conjunction with the Chief Executive Officer; and

- Ensuring that all members of the Committee receive sufficient timely information to enable them to be effective Committee members.

The Chairperson will be the link between the Committee and Council staff.

Quorum

The quorum at any meeting of the Committee shall be Chairperson and any (3) Members.

Relationships with Other Parties

The Chief Executive is responsible for servicing and providing support to the Committee in the completion of its duties and responsibilities. The Chief Executive shall assign council staff as required to provide these functions on his/her behalf.

The Chairperson may request the Chief Executive and staff in attendance to leave the meeting for the duration of the discussion. The Chairperson will provide minutes for that part of the meeting.

Contacts with Media and Outside Agencies

The Committee Chairperson is the authorised spokesperson for the Committee in all matters where the Committee has authority or a particular interest.

Committee members, including the Chairperson, do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the Committee's delegations.

The Chief Executive will manage the formal communications between the Committee and its constituents and for the Committee in the exercise of its business. Correspondence with central government, other local government agencies or other official agencies will only take place through Council staff and will be undertaken under the name of the District Council.

Conduct of Affairs

The Committee shall conduct its affairs in accordance with the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, the Local Authorities (Members' Interests) Act 1968, Council's Standing Orders and Code of Conduct.

Public Access and Reporting

Notification of meetings to the public and public access to meetings and information shall comply with Standing Orders, but it should be noted that:


- Workshop meetings solely for information and discussions and at which no resolutions or decisions are made may be held in accordance with Standing Orders.
- Extraordinary meetings of the Committee must be held in accordance with Standing Orders.

The public may be excluded from the whole or part of the proceedings of the meeting and information withheld on one or more of the grounds specified in s.48 of the Local Government Official Information and Meetings Act 1987.

The Committee shall record minutes of all its proceedings.

**The Terms of Reference were adopted by the
Community Development Committee on the 3 February 2020.**

TERMS OF REFERENCE FOR THE ECONOMIC DEVELOPMENT COMMITTEE

	Authorising Body	Mayor / Council
	Status	Standing Committee
	Title	Economic Development Committee
	Approval Date	21 st January 2020
	Administrative Support	Chief Executive Office

Purpose

To:

- Provide strategic oversight and direction for economic development in the district.
- Management, monitoring and reporting to Council on the performance of Westland's economy and the coordination of the Economic Development Strategy.
- Propose, support and review strategic projects and programmes to deliver on the Economic Development Strategy.
- Facilitate partnerships and collaborative funding models to support economic development initiatives and across the arts, cultural and events sector.
- Point of engagement for the Council with the government, businesses, business organisations, and local economic development agencies in relation to all economic policy and strategy matters.
- Point of engagement for Council with the Westland Holdings Ltd.
- Evaluate the balance of economic development policies, programmes and initiatives across the district and ensure an appropriate balance between rural and urban opportunities.
- Engagement with Tangata Whenua as Kaitiaki with Mana Whenua status
- Develop international relationships with the intention of encouraging sister city relationships.

Responsibility

The Committee will focus on:

- delivering sustainable long-term economic growth and increased employment;
- work alongside DWC in regards to the economic strategy for the West Coast;
- work alongside Ngāti Waewae and Te Rūnanga o Makaawhio with their respective growth strategies
- optimise external funding options to level economic growth
- promoting the district's visitor attractions and tourism activities;
- supporting in the development and delivering high-quality events;
- and supporting initiatives aimed at the district's economic drivers

Within the specified areas of activity the Committee is responsible for:

- In accordance with the work programme agreed with Council, developing strategy and policy to recommend to Council, including any agreed community consultation.
- Developing an Economic Workplan to support the focus areas.
- Working with WHL on their Statement of Intent and Strategic Objectives.
- Making decisions within delegated powers.

DELEGATIONS TO THE COMMITTEE:

The Economic Development Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers.

In exercising the delegated powers, the committee will operate within:

- policies, plans, standards or guidelines that have been established and approved by Council;
- the overall priorities of Council;
- the needs of Iwi and the local communities; and
- the approved budgets for the activity.

The Economic Development Committee shall have delegated authority to:

- Power to co-opt other members as appropriate
- All powers necessary to perform the Committee's responsibilities, except:
 - Powers that the Council cannot legally delegate or has retained for itself;
 - Where the Committee's responsibility is limited to making a recommendation only;
 - The approval of expenditure not contained within approved budgets.
 - Approval of expenditure outside the remit of the delegations authority;
 - The approval of final policy;
 - Deciding significant matters for which there is high public interest and which are controversial;
 - The commissioning of reports on new policy where that policy programme of work has not been approved by the Council;
 - Power to establish subcommittees.

Power to Delegate

The Economic Development Committee may not delegate any of its responsibilities, duties or powers.

Membership

The Economic Development Committee will comprise the following, one of which will be the chairperson:

- Mayor (Chairperson)
- Councillors x 3
- Iwi Representatives

Chairperson

The Chairperson is responsible for:

- The efficient functioning of the Committee;
- Setting the agenda for Committee meetings in conjunction with the Chief Executive Officer; and
- Ensuring that all members of the Committee receive sufficient timely information to enable them to be effective Committee members.

The Chairperson will be the link between the Committee and Council staff.

Quorum

The quorum at any meeting of the Committee shall be Chairperson and any two members

Frequency of Meetings

The Committee shall meet as required but not less than quarterly.

Relationships with Other Parties

The Chief Executive is responsible for servicing and providing support to the Committee in the completion of its duties and responsibilities. The Chief Executive shall assign council staff as required to provide these functions on his / her behalf.

The Chairperson may request the Chief Executive and staff in attendance to leave the meeting for the duration of the discussion. The Chairperson will provide minutes for that part of the meeting.

Contacts with Media and Outside Agencies

The Committee Chairperson is the authorised spokesperson for the Committee in all matters where the Committee has authority or a particular interest.

Committee members, including the Chairperson, do not have delegated authority to speak to the media and / or outside agencies on behalf of Council on matters outside of the Committee's delegations.

The Chief Executive will manage the formal communications between the Committee and its constituents and for the Committee in the exercise of its business. Correspondence with central government, other local government agencies or other official agencies will only take place through Council staff and will be undertaken under the name of the District Council.

Conduct of Affairs

The Committee shall conduct its affairs in accordance with the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, the Local Authorities (Members' Interests) Act 1968, Council's Standing Orders and Code of Conduct.

Public Access and Reporting

Notification of meetings to the public and public access to meetings and information shall comply with Standing Orders, but it should be noted that:


- Workshop meetings solely for information and discussions and at which no resolutions or decisions are made may be held in accordance with Standing Orders.
- Extraordinary meetings of the Committee must be held in accordance with Standing Orders.

The public may be excluded from the whole or part of the proceedings of the meeting and information withheld on one or more of the grounds specified in s.48 of the Local Government Official Information and Meetings Act 1987.

The Committee shall record minutes of all its proceedings.

**The Terms of Reference were adopted by the
Economic Development Committee on the 21 January 2020.**

TERMS OF REFERENCE PLANNING AND REGULATORY SERVICES COMMITTEE

	Authorising Body	Mayor / Council
	Status	Standing Committee
	Title	Planning and Regulatory Services Committee
	Approval Date	21 st January 2020
	Administrative Support	Chief Executive Office

Purpose

To:

- Undertake functions as requested or delegated by Council from time to time provided the functions conform to the Local Government Act 2002.

Responsibility

The Committee shall have the responsibility for the oversight of all matters relating to Council's Planning and Regulatory functions and the development of policies and strategies in relation to those functions.

The matters within this committee's responsibilities include (but are not limited to):

- Resource Management Act 1991 and the Westland District Council District Plan
- Reserves Act 1977
- Building Act 2004 and applicable Building Regulations, and the New Zealand Building Code
- Dog Control Act 1996
- Impounding Act 1955
- Food Act 2014
- Sale and Supply of Alcohol Act 2012
- Health Act 1956
- Bylaws

Other regulatory matters including:

- Responsibility for all matters related to the District's environment, including the environment of neighbouring districts and water bodies
- Animal Control
- Dangerous goods and hazardous substances
- Fencing of swimming pools
- Earthquake prone buildings
- Litter
- Noise abatement
- Public health and safety
- Gambling
- Other Planning and Regulatory matters not otherwise defined.

DELEGATIONS TO THE COMMITTEE:

The Planning and Regulatory Services Committee shall have the following delegated powers and be accountable to Council for the exercising of these powers.

- Authority to exercise all of Council powers, functions and authorities, except where delegation is prohibited by law or the matter is delegated to another committee of Council, in relation to all planning and regulatory matters.
- Responsibility to develop policies, and provide financial oversight, to provide assurance that funds are managed efficiently, effectively, and with due regard to risk.
- Responsibility to monitor Long Term Plan/Annual Plan implementation for the activities set out above.
- Authority to review bylaws and to recommend to the Council that new or amended bylaws be made, including but not limited to the review of bylaws made pursuant to rules under the Land Transport Act 1998, primarily relating to speed limits and parking.
- Except where otherwise provided by law, authority to fix fees and charges in relation to all planning and regulatory activities.
- Authority to make submissions on behalf of the Council in respect of any proposals by another authority under any legislation, or any proposed statute which might affect the District's environment or the wellbeing of residents including such matters as adjacent local authorities, district plans, regional plans, any regional or national policy statement and national environmental standards.
- Authority to hear and determine objections under the Dog Control Act 1996

Membership

The Planning and Regulatory Services Committee will comprise the following, one of which will be the chairperson:

- Chairperson (Appointed by the Mayor)
- (4) Councillors
- (2) Iwi Representatives

Chairperson

The Chairperson is responsible for:

- The efficient functioning of the Committee;
- Setting the agenda for Committee meetings in conjunction with the Chief Executive Officer; and
- Ensuring that all members of the Committee receive sufficient timely information to enable them to be effective Committee members.

The Chairperson will be the link between the Committee and Council staff.

Quorum

The quorum at any meeting of the Committee shall be (3) Members.

Relationships with Other Parties

The Chief Executive is responsible for servicing and providing support to the Committee in the completion of its duties and responsibilities. The Chief Executive shall assign council staff as required to provide these functions on his/her behalf.

The Chairperson may request the Chief Executive and staff in attendance to leave the meeting for the duration of the discussion. The Chairperson will provide minutes for that part of the meeting.

Contacts with Media and Outside Agencies

The Committee Chairperson is the authorised spokesperson for the Committee in all matters where the Committee has authority or a particular interest.

Committee members, including the Chairperson, do not have delegated authority to speak to the media and/or outside agencies on behalf of Council on matters outside of the Committee's delegations.

The Chief Executive will manage the formal communications between the Committee and its constituents and for the Committee in the exercise of its business. Correspondence with central government, other local government agencies or other official agencies will only take place through Council staff and will be undertaken under the name of the District Council.

Conduct of Affairs

The Committee shall conduct its affairs in accordance with the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987, the Local Authorities (Members' Interests) Act 1968, Council's Standing Orders and Code of Conduct.

Public Access and Reporting

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- Workshop meetings solely for information and discussions and at which no resolutions or decisions are made may be held in accordance with Standing Orders.
- Extraordinary meetings of the Committee must be held in accordance with Standing Orders.

The public may be excluded from the whole or part of the proceedings of the meeting and information withheld on one or more of the grounds specified in s.48 of the Local Government Official Information and Meetings Act 1987.

The Committee shall record minutes of all its proceedings.

**The Terms of Reference were adopted by the
Planning and Regulatory Services Committee on the 21 January 2020.**

Report

DATE: 27 February 2020
TO: Mayor and Councillors
FROM: Chief Executive



TE TAI O POUTINI DEED

1 SUMMARY

- 1.1 The purpose of this report is to formally adopt the document “Te Tai o Poutini Plan Committee (TTPPC) Deed of Agreement”.
- 1.2 This issue arises from public consultation now being complete on this document, and agreement by the Te Tai o Poutini Plan Committee that the document be formally adopted by each individual West Coast Council.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which are set out in the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council adopts the Te Tai o Poutini Plan Committee Deed of Agreement attached as **Appendix 1**.

2 BACKGROUND

- 2.1 In October 2018 the Local Government Commission issued a final reorganisation proposal relating to district plan responsibilities on the West Coast. It involved the transfers of statutory obligations and a delegation to a joint committee, comprising members of the Buller, Grey and Westland District Councils, the West Coast Regional Council and local Iwi, to be responsible for preparing and approving a new combined district plan for the West Coast. This initiative followed receipt by the Local Government Commission of a local government reorganisation application and then extensive consultation and investigation work on the West Coast from 2015 to 2018.

- 2.2 In November 2018 an Order in Council was signed giving effect to the Commission's proposal. This enabled a transition period to take place for making a number of detailed decisions prior to the joint committee beginning its work on the combined district plan. This work has been completed and the contents of the required reorganisation scheme agreed. The reorganisation scheme was given effect to by a further Order in Council on 17 June 2019.
- 2.3 In addition to the reorganisation scheme, the parties have agreed to the contents of a further document (Deed of Agreement) to assist the parties meet their formal obligations set out in the reorganisation scheme.
- 2.4 This Deed of Agreement sets out both the main provisions of the reorganisation scheme as well as the further detailed and procedural matters agreed by the parties on how the joint committee will operate.

3 CURRENT SITUATION

- 3.1 At their meeting on the 31st January 2020 of the Te Tai o Poutini Plan Committee the deed was discussed and minor changes were requested. The deed was updated and circulated to all members and the final version approved for release by 19 Feb 2020.
- 3.2 The deed now needs adoption by individual councils.

4 OPTIONS

- 4.1 Option 1 is to adopt the document.
- 4.2 Option 2 is to make changes to the document for further discussion within the Te Tai o Poutini Plan Committee.
- 4.3 Option 3 is to not adopt the document.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The decision to adopt the document "Te Tai o Poutini Plan Committee Document" is administrative and is assessed as being of low significance.
- 5.2 The Council is not required to engage or consult with the community on the Deed of Agreement as it has been discussed in open public forum as part of the Te Tai o Poutini Plan Committee meetings.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Adopting the document demonstrates Westland District Council's commitment to meeting its obligations as part of the Commissioner's proposal and Order in Council Nov 2018. This is important for regional collaboration.
- 6.2 The Te Tai o Poutini Plan Committee Deed is a document that needs support and endorsement across the regional. Not adopting it could undermine its perceived validity and therefore its influence. It could also place Council in the position of not supporting the overall proposal and in contradiction to the Order in Council.
- 6.3 WDC has been represented by Mayor Bruce Smith and Cr Latham Martin on the Te Tai o Poutini Plan Committee which has discussed in detail the relevant points of the deed. WDC may suggest further changes as it sees fit if not fully satisfied with any points in the deed document.
- 6.4 There is no financial implication to Council in adopting the document

7 PREFERRED OPTION(S) AND REASONS

- 7.1 The preferred option is that Council adopts the document "Te Tai o Poutini Plan Committee Document". The reasons for this are:
- It is a further demonstration of Council's commitment to regional collaboration.
 - It meets WDC obligation to the Order in Council Nov 2018 and the Local Government Commissioner's proposal

8 RECOMMENDATION(S)

- A) **THAT** Council adopts the document "Te Tai o Poutini Plan Committee Deed" attached as **Appendix 1**.

Simon Bastion
Chief Executive

Appendix 1: Te Tai o Poutini Plan Committee Deed

BULLER DISTRICT COUNCIL

GREY DISTRICT COUNCIL

WESTLAND DISTRICT COUNCIL

WEST COAST REGIONAL COUNCIL

TE RŪNANGA O NGĀTI WAEWAE

TE RŪNANGA O MAKAAWHIO

Te Tai o Poutini Plan Committee

Deed of Agreement

THIS DEED is made this _19th_ day of ___February___2020

Parties

BULLER DISTRICT COUNCIL

GREY DISTRICT COUNCIL

WESTLAND DISTRICT COUNCIL

WEST COAST REGIONAL COUNCIL

TE RŪNANGA O NGĀTI WAEWAE

TE RŪNANGA O MAKAAWHIO

Background

In October 2018 the Local Government Commission issued a final reorganisation proposal relating to district plan responsibilities on the West Coast. It involves transfers of statutory obligations and a delegation to a joint committee, comprising members of the Buller, Grey and Westland District Councils, the West Coast Regional Council and local iwi, to be responsible for preparing and approving a new combined district plan for the West Coast. This initiative followed receipt by the Local Government Commission of a local government reorganisation application and then extensive consultation and investigation work on the West Coast from 2015 to 2018.

In November 2018 an Order in Council was signed giving effect to the Commission's proposal. This enabled a transition period to take place for making a number of detailed decisions prior to the joint committee beginning its work on the combined district plan. This work has been completed and the contents of the required reorganisation scheme agreed. The reorganisation scheme was given effect to by a further Order in Council on 17 June 2019.

In addition to the reorganisation scheme, the parties have agreed to the contents of a further document (Deed of Agreement) to assist the parties meet their formal obligations set out in the reorganisation scheme.

This Deed of Agreement sets out both the main provisions of the reorganisation scheme as well as the further detailed and procedural matters agreed by the parties on how the joint committee will operate.

Provisions of reorganisation scheme

Transfer of district plan obligations

1. The obligations of each of Buller, Grey and Westland district councils, under Section 73 and Schedule 1 of the Resource Management Act 1991, for there to be a district plan at all times

for each district and for the preparation, notification, adoption, periodic amendment and review of these district plans, are transferred to West Coast Regional Council.

2. The transferred obligations for the preparation, notification and adoption of new district plans and for the periodic amendment and review of those plans will be met by the preparation, notification, adoption, periodic amendment and review of a combined district plan for the Buller, Grey and Westland districts under section 80 of the Resource Management Act 1991.
3. For the avoidance of doubt, clause 2 will not prevent the preparation, notification, adoption, periodic amendment and review of a document that meets the requirements of both the combined district plan and a regional plan or regional policy statement, or both, as authorised under section 80 of the Resource Management Act 1991.

Delegation of transferred obligations to joint committee

4. There is to be a permanent joint committee between all four West Coast councils and local iwi the Te Tai o Poutini Plan Committee.
5. The West Coast Regional Council is to delegate to the Te Tai o Poutini Plan Committee the district plan obligations transferred to it.

Role and membership of joint committee

6. The purpose and terms of reference for Te Tai o Poutini Plan Committee are to:
 - a) prepare and notify the proposed Te Tai o Poutini Plan (combined district plan)
 - b) hear and consider (including through subcommittees as necessary and appropriate) all submissions received on the proposed combined district plan
 - c) adopt a final combined district plan
 - d) monitor implementation of the combined district plan and the need for amendments
 - e) undertake amendments and reviews of the combined district plan, or ensure these are undertaken, as required.
7. The initial membership of Te Tai o Poutini Plan Committee, to at least such time as the combined district plan becomes fully operative, is to comprise:
 - a) an independent chairperson
 - b) the Chairperson of West Coast Regional Council and one other elected member from and appointed by West Coast Regional Council
 - c) the Mayor of Buller District and one other elected member from and appointed by Buller District Council
 - d) the Mayor of Grey District and one other elected member from and appointed by Grey District Council
 - e) the Mayor of Westland District and one other elected member from and appointed by Westland District Council
 - f) one representative appointed by Te Rūnanga o Ngati Waewae

g) one representative appointed by Te Rūnanga o Makaawhio.

8. The first appointment of the independent chairperson of Tai Poutini Plan Committee will be made by the Local Government Commission on the recommendation of the transition board, with all subsequent appointments made by the committee.
9. If the Independent Chair is absent from a meeting, the host Chair or Mayor will chair that meeting.
10. Voting will be in accordance with the committees adopted version of standing orders.

Funding

11. Subject to clause 12, the costs for there to be a combined district plan and for preparing, notifying, adopting, periodically amending and reviewing the combined district plan will be funded by West Coast Regional Council through a rate set in relation to all rateable land within West Coast Region.
12. The Te Tai o Poutini Plan Committee may agree that the relevant district council or councils, or their district or districts, is to be responsible for funding work relating to a particular amendment to the operative combined district plan, which will have only, or predominantly, a localised impact.

Further provisions relating to operation of joint committee

Membership and meetings of Tai Poutini Plan Committee

13. The four West Coast Councils will appoint their second elected member to the Te Tai o Poutini Plan Committee (i.e. other than the regional council chairperson/district mayor) at their first meeting after each triennial election. The councils will appoint, if necessary, a replacement member for a particular triennium as soon as practically possible.
14. The four West Coast Councils may nominate an alternate to attend in the absence of the Chair or second elected member, this member shall have full voting rights.
15. Responsibility for hosting the Te Tai o Poutini Plan Committee meetings will rotate around the six parties making up the committee.
16. The quorum for the Te Tai o Poutini Plan Committee meetings will comprise one representative of four of the six parties comprising the committee.
17. Media publicity relating to Te Tai o Poutini Plan Committee meetings will be the responsibility of the chairperson but be undertaken after liaising with the committee members as appropriate. Proposed media releases will generally be an agenda item for committee meetings.
18. Remuneration of council members of Te Tai o Poutini Plan Committee will be the responsibility of each council. Remuneration of the chairperson and iwi representatives will be agreed by Te Tai o Poutini Plan Committee and be funded by West Coast Regional Council.
19. Administrative support for Te Tai o Poutini Plan Committee and its meetings will be provided by West Coast Regional Council in conjunction with the organisation hosting a particular meeting as agreed by the parties.

Membership of West Coast District Plan Technical Advisory Team

- 20.** The Te Tai o Poutini Plan Committee will be supported by a technical advisory team comprising planners with expertise from across the four councils and local iwi.
- 21.** The team will work with the project manager to ensure that the Te Tai o Poutini Plan Committee receives technical support throughout the process. The team's contribution in kind to the district plan development process will be supported by their reporting organisation.
- 22.** Each party to this agreement is expected to make contributions of staff time and technical expertise "in kind".

Steering group

- 23.** In addition to the technical advisory team, a steering group comprising the council chief executives and iwi representatives will meet regularly with the project manager to ensure the project is supported and progressing as planned.

Administration of existing district plans

- 24.** The Buller, Grey and Westland District Councils will continue to administer and be responsible for their own district plans in accordance with the requirements of the Resource Management Act 1991, until such time as there is an operative combined West Coast district plan.

Signatures

SIGNED by)
BULLER DISTRICT COUNCIL) _____
by its authorised signatory) Authorised Signatory
in the presence of:)

Witness signature

Witness name

Witness Occupation

Witness Town of Residence

SIGNED by)
GREY DISTRICT COUNCIL) _____
by its authorised signatory) Authorised Signatory
in the presence of:)

Witness signature

Witness name

Witness Occupation

Witness Town of Residence

SIGNED by _____)
WESTLAND DISTRICT COUNCIL) ___)
by its authorised signatory) Authorised Signatory
in the presence of:)

Witness signature

Witness name

Witness Occupation

Witness Town of Residence

SIGNED by _____)
WEST COAST REGIONAL COUNCIL) _)
by its authorised signatory) Authorised Signatory
in the presence of:)

Witness signature

Witness name

Witness Occupation

Witness Town of Residence

SIGNED by)
TE RŪNANGA O NGATI WAEWAE) _____
by its authorised signatory) Authorised Signatory
in the presence of:)

Witness signature

Witness name

Witness Occupation

Witness Town of Residence

SIGNED by)
TE RŪNANGA O MAKAAWHIO) _____
by its authorised signatory) Authorised Signatory
in the presence of:)

Witness signature

Witness name

Witness Occupation

Witness Town of Residence

Report



DATE: 27 February 2020
TO: Mayor and Councillors
FROM: Group Manager: Corporate Services

WESTLAND HOLDINGS LIMITED: STRATEGIC PLAN

1 SUMMARY

- 1.1 The purpose of this report is to present the Westland Holdings Ltd (WHL) Strategic Plan 2020-2023.
- 1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which is set out in the Long Term Plan 2018-28.
- 1.3 This report concludes by recommending that Council receive the Westland Holdings Ltd (WHL) Strategic Plan 2020-2023.

2 BACKGROUND

- 2.1 The structure of Council's CCO's have been reviewed several times over the past few years. The current structure was agreed two years ago and a new board appointed to Westland Holdings Ltd.
- 2.2 The board have been reviewing its strategy and have produced a working document for Council to review and receive.

3 CURRENT SITUATION

- 3.1 The WHL board have been carrying out a review of WHL and how it can contribute through its subsidiaries to Council's vision.
- 3.2 The board have produced a Strategy document for that aligns with the time period of the Statement of Intent.

- 3.3 The Strategy will determine high level priorities over the life of the strategy and allow for measuring success to ensure alignment with Council's future plans and priorities.

4 OPTIONS

4.1 Option 1: Council to receive the WHL strategic plan 2020-2023.

4.2 Option 2: Council does not receive the WHL strategic plan 2020-2023.

5 SIGNIFICANCE AND ENGAGEMENT

5.1 The decision to receive the strategic plan is administrative and does not require consultation.

6 ASSESSMENT OF OPTIONS

6.1 A Strategic plan provides high level direction for WHL and its subsidiaries, and shows commitment to Council vision.
The strategic plan allows for WHL and its subsidiaries to clearly align with Councils future plans and priorities.
There are no financial implications to receiving the WHL strategic plan.

7 RECOMMENDATION

A) **THAT** Council receive the Westland Holdings Ltd Strategic Plan 2020-2023.

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Westland Holdings Ltd Strategic Plan 2020-2023



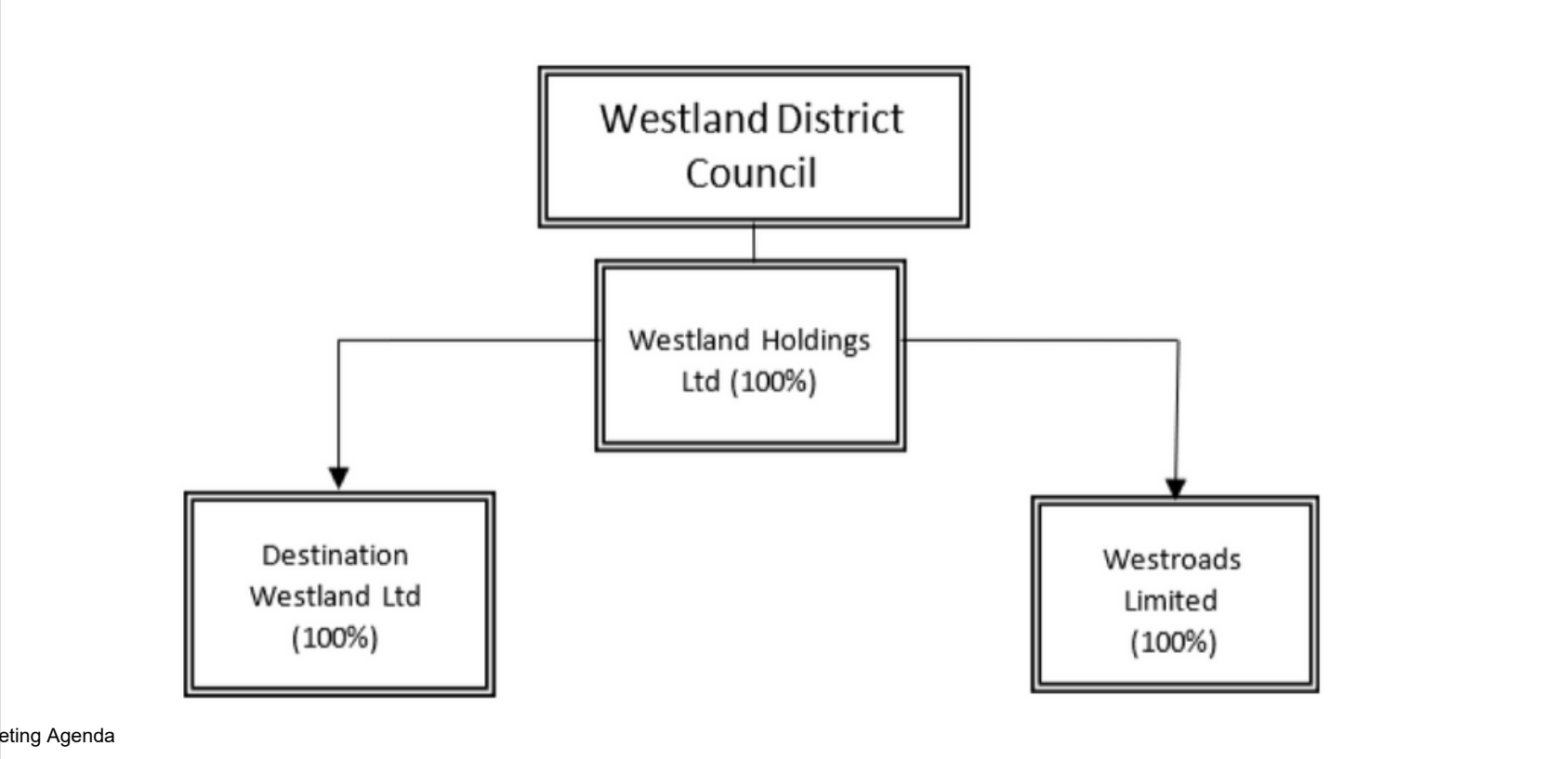
WESTLAND HOLDINGS LIMITED

STRATEGIC PLAN 2020 - 2023

Working Document

Westland Holdings Structure

*GROW AND PROTECT OUR
COMMUNITIES, OUR ECONOMY AND OUR
UNIQUE NATURAL ENVIRONMENT*



Grow and protect our communities, our economy and our unique natural environment

ECONOMIC BENEFIT

- Monitor performance of the CCTO's
- Communicate with the Economic Development Committee of council around key performance outcomes quarterly and full council 6 Monthly
- Influence future growth opportunities to enable strong returns to council and the community as well as accessing external funding sources to support that growth

SOCIAL AND COMMUNITY BENEFIT

- Ensure we focus on social benefit for the community as well as commercial outcomes
- Provide wider social impact reporting
- Ensure we support council initiatives to improve social well being
- Targeted long term strategy for events activity

GOVERNANCE AND SUPPORT

- Provide clear and structured governance support to ensure our CCTO's operate in a prudent and commercially responsible way
- Ensure health and safety is a primary focus for all CCTO's
- Monitor and report on performance against agreed KPI's

PROTECT OUR UNIQUE NATURAL ENVIRONMENT

- Promote our unique natural environment as a destination for tourism and a great place to live
- Maintain a future focused perspective and ensure our environment is protected and celebrated
- Consider environmental impacts of any commercial investments.

2019 - 2022+ Strategic Initiatives

PRIORITY	2020-2021	2021-2022	2022-2023+
Priority One	Promote key initiatives to help deliver on our SOI responsibilities	Improve both liveability and economic outcomes for the Westland community	Create sustainable succession across all boards within our control
Priority Two	Encourage better representation from Westland locals within governance opportunities	Influence council policy to support longer term strategic initiatives	

Top three priorities 2020-2022



KEY INITIATIVES TO DELIVER OUR SOI

- Develop a prioritised list of potential initiatives
- Engage CCTO's as part of their strategic planning to align initiatives and priorities
- Engage council for feedback and align to councils long term plan

Measures of Success

Prioritised list of key initiatives aligned and supported by council

LOCAL GOVERNANCE

- Create internship opportunities within our board structure
- Encourage regular and organised governance training in Westland District
- Identify list of potential directors locally based
- Role model best practice governance across all boards

Measures of Success

Stronger representation of local directors on our boards and increased number of directors in training

LIVEABILITY AND ECONOMIC GROWTH

- Create better social and economic impact reporting
- Identify and support targeted events that will create longer term benefit for the community and local businesses
- Encourage business growth and work with other local organisations to maximise business growth in the region

Measures of Success

Consistent event strategy that directly leads to increased economic and social activity and supports business growth

Westland Holdings

EMAIL

Admin@westlandholdings.co.nz



Report



DATE: 27 February 2020
TO: Mayor and Councillors
FROM: Group Manager: Corporate Services

DRAFT WESTLAND HOLDINGS LIMITED: STATEMENT OF INTENT 1 JULY 2020

1 SUMMARY

- 1.1 The purpose of this report is to present the Draft Westland Holdings Ltd (WHL) Statement of Intent (SOI) for the 3 years commencing 1 July 2020.
- 1.2 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which is set out in the Long Term Plan 2018-28.
- 1.3 This report concludes by recommending that Council receive the draft Westland Holdings Ltd Statement of Intent for the 3 years commencing 1 July 2020, attached as **Appendix 1**.

2 BACKGROUND

- 2.1 The statutory provisions concerning a SOI are contained in Schedule 8 of the Local Government Act 2002 (LGA 2002).
- 2.2 Sch. 8(1) outlines the purpose of the SOI, being to:
 - 2.2.1 state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute; and
 - 2.2.2 provide an opportunity for shareholders to influence the direction of the organisation; and
 - 2.2.3 provide a basis for the accountability of the directors to their shareholders for the performance of the organisation

3 CURRENT SITUATION

- 3.1 Sch. 8.(2) requires that the board of a council-controlled organisation must deliver to its shareholders the draft statement of intent to the shareholders on or before 1 March each year.
- 3.2 Council have the opportunity to make comments and require changes to the draft SOI.
- 3.3 Sch. 8.(3) the board must then –
 - 3.3.1 consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and
 - 3.3.2 deliver the completed statement of intent to the shareholders on or before 30 June each year
 - 3.3.3 The final SOI should then be adopted by Council and made available to the public by the board within 1 month after the date on which it is adopted.
- 3.4 The SOIs will inform the CCOs' Annual Reports for the year ended 30 June 2021.

4 OPTIONS

- 4.1 **Option 1:** Council receive the draft WHL SOI for the 3 years commencing 1 July 2020
- 4.2 **Option 2:** Council does not receive the WHL SOI for the 3 years commencing 1 July 2020

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The decision to receive the SOI is administrative and does not require consultation.

6 ASSESSMENT OF OPTIONS

6.1 **Option 1:** The WHL SOI is a draft document provided for comment by Council. By receiving the draft WHL SOI Council and WHL are meeting its statutory obligations.

Council can require the board to make changes to the document if they receive the draft SOI.

There are no financial obligations to receiving the draft WHL SOI.

6.2 **Option 2:** The purpose of receiving a draft SOI is to allow for Council to comment and make suggested changes. If Council do not receive the SOI it will be difficult to meet the statutory obligations under LGA 2002 Sch. 8.(2) and 8.(3).

If Council do not receive the draft WHL SOI the statutory deadline will not be met.

7 RECOMMENDATION

A) **THAT** Council receive the draft Westland Holdings Ltd Statement of Intent for the 3 years commencing 1 July 2020 attached as **Appendix 1**.

Lesley Crichton

Group Manager: Corporate Services

Appendix 1: Draft Westland Holdings Ltd Statement of Intent for the 3 years commencing 1 July 2020.



WESTLAND HOLDINGS LIMITED

**Destination Westland Limited
Westroads Limited**

STATEMENT OF INTENT FOR THE THREE YEARS COMMENCING 1 JULY 2020

Content

1.	INTRODUCTION.....	3
2.	COMPANY MISSION.....	3
3	THE OBJECTIVES OF THE COMPANY.....	3
4.	GOVERNANCE APPROACH.....	4
5.	NATURE AND SCOPE OF ACTIVITIES.....	4
6.	SHAREHOLDING.....	5
	Ratio of Shareholders' funds to total assets.....	5
7.	ACCOUNTING POLICIES.....	5
8.	PERFORMANCE TARGETS.....	6
	Relationship with WDC/Other Governance Issues.....	6
	Financial Objectives and Performance Measures.....	7
	Specific Subsidiary Management and Supervisory Functions.....	8
	Risk Management Processes.....	9
	Specific Activities to be Undertaken by WHL.....	9
	Specific Activities Not Permitted to WHL.....	9
9.	DISTRIBUTION POLICY.....	10
10.	REPORTING TO SHAREHOLDERS.....	10
11	ACQUISITION PROCEDURES.....	10
12	COMPENSATION.....	11
13	ESTIMATED COMMERCIAL VALUE OF WHL.....	11
14	OTHER MATTERS.....	11

1. INTRODUCTION

This Statement of Intent (“SOI”) for Westland Holdings Limited (“WHL” or “the Company”) is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

This SOI specifies the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of WHL and its subsidiaries Destination Westland Limited and Westroads Limited (collectively referred to as “the Group”) may be judged in relation to its objectives, amongst other requirements.

The negotiation and determination of an accepted SOI is a public and legally required expression of the accountability relationship between the Company and its sole shareholder, the Westland District Council (“WDC” or “the Council”). The SOI is reviewed annually with the Council and covers a three-year period commencing 1 July 2020.

WHL supports the vision of the Westland District Council, expressed as:

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

2. COMPANY MISSION

Westland Holdings Limited primary mission is to support the Council’s Vision for Westland as outlined above.

3 THE OBJECTIVES OF THE COMPANY

In addition to the requirements of section 59 of the Local Government Act 2002, the principal objectives of WHL are to:

- Monitor the performance of each of its subsidiary companies;
- Ensure that each subsidiary company has in place active and effective health and safety policies and procedures which provide a safe operating environment for all employees, contractors and affected parties;
- Ensure that each subsidiary company operates economically and efficiently, in accordance with an agreed SOI, to optimize the returns from each subsidiary as well as the value of each subsidiary within the operating parameters determined by the Council;
- Ensure, within any legal or commercial constraints, that the SOI of each of the subsidiary companies reflect the policies and objectives of the Council;

- Keep the WDC informed of matters of substance affecting WHL and the subsidiary companies and, as much as is considered practical and reasonable in the opinion of the directors of WHL, to provide the WDC an opportunity for comment on such matters prior to taking any action;
- Ensure that there is regular and informative reporting of the financial and non-financial performance and risk exposures of WHL and the subsidiary companies;
- Report to WDC on establishment opportunities for the subsidiary companies, and other investment opportunities that have the potential to enhance the economic well-being of the region and to provide an adequate return;
- Maintain and improve good governance by regularly and constructively appraising the performance of the subsidiary company directorates, maintaining an appropriate monitoring framework and informing WDC prior to the appointment of new directors and,
- Support the Council in reviewing or creating policies relevant to the Company, or to the Group.

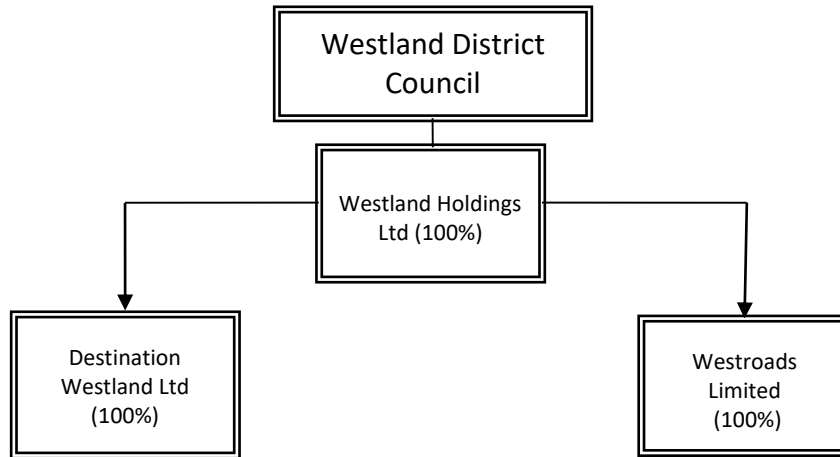
4. GOVERNANCE APPROACH

WHL seeks to govern the Group in a way that will ensure it:

- Achieves the objectives of its shareholder, both commercial and non-commercial, as detailed specifically in Section 3.3;
- Is a good employer in accordance with S:36(2) of schedule 7 of the Local Government Act 2002;
- Exhibits a sense of social responsibility by having regard to the interests of the community in which it operates; and
- Exhibits a sense of environmental responsibility by having regard to the interests of the community in which it operates.

5. NATURE AND SCOPE OF ACTIVITIES

WHL is a wholly-owned, council-controlled organization (“CCO”) of WDC, which was formed on 24 July 2002. WHL is the controlling entity that provides objective governance of the various operating subsidiaries on behalf of WDC. The Group structure is, as follows:



The current Directors of WDHL are:

- Joanne Conroy(Chair)
- Christopher Gourley
- Chris Rea

6. SHAREHOLDING

WHL, on behalf of the Council, holds the following investments in the subsidiary companies:

- A shareholding investment in Destination Westland (DWL), representing 100% of DWL share capital; and
- A shareholding investment in Westroads Limited (“WRL”), representing 100% of WRL’s share capital.

Ratio of Shareholders’ funds to total assets.

Shareholders’ funds are defined as the sum of the amount of share capital on issue, retained earnings/accumulated losses, revenue and capital reserves. Total assets are defined as the sum of the net book value of current assets, investments, fixed assets, and intangible assets as disclosed in the Company’s Statement of Financial Position, prepared in accordance with the accounting policies adopted by the Directors.

The target ratio of shareholders’ funds to total assets shall not be less than 50% for the period covered by this SOI. The appropriateness of this target ratio will be reviewed annually by the Directors.

7. ACCOUNTING POLICIES

The financial statements of the Company and its subsidiary companies are prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”). They comply with New Zealand equivalents to International Financial Reporting Standards (“NZIFRS”) and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities

The Reporting Entity for Accounting and Reporting purposes for the Company is Westland Holdings Limited. The Company has a balance date of 30 June.

WHL is expected to comply with the Accounting Policies adopted by its shareholder, the Westland District Council as they may be varied from time to time. The WDC Policies are outlined in its Annual Report for the period ending 30 June 2019.

8. PERFORMANCE TARGETS

The following performance targets have been set for the 2020/2021 financial year, and the two years following:

Relationship with WDC/Other Governance Issues

Objective	Performance Target
1 To ensure that the financial targets and strategic direction of WHL are in line with WHL’s strategic plan, which is developed in conjunction with the economic committee of the WDC	<p>A draft SOI for WHL will be submitted for approval to WDC by 1 March each year.</p> <p>A completed SOI will be submitted to WDC by 30 June each year.</p>
2 To ensure that WDC is kept informed of all significant matters relating to its subsidiaries on a “no surprises” basis	<p>Regular reporting of performance to the Economic Development Committee of the WDC will be done on a six monthly basis. With quarterly reports provided to council and full council updates for the Six monthly results and Annual Plan.</p> <p>Full year and half year reporting to WDC will be provided within 60 days after 31 December and 30 June of each year.</p>

Major matters of urgency are reported to the appropriate Council Committee or the Chief Executive of WDC within three days.

- 3 To ensure that WHL directors add value to the Company and that their conduct is according to generally accepted standards.

The Chair will initiate an independent formal evaluation of the WHL directorate every 2 years. The next such review will be undertaken in the 2021-2022 year.

The Company will review the training needs of individual WHL directors, and ensure training is provided, where required.

- 4 WHL's process for the selection and appointment of directors to the boards of subsidiaries is rigorous and impartial.

The process followed for each appointment to a subsidiary board is transparent, fully documented and reported to WDC. Any appointments will be made in accordance with the WDC's Policy for Director Appointments.

Financial Objectives and Performance Measures

Objective

Performance Target

- 5 To ensure that WHL returns a dividend to WDC in accordance with WDC's budgets and meets other financial targets.

WHL will agree with WDC on an achievable distribution for the 2020/21 financial year as part of the Council's requirement to approve the SOI for WHL. This estimated dividend receivable by WHL will be agreed with each CCO on an annual basis prior to finalising WDC's budget.

Specific Subsidiary Management and Supervisory Functions

Objective

Performance Target

- | | | |
|---|---|--|
| 6 | To ensure that WHL's procedure for appointment to subsidiary directorates are open and in accordance with written policy. | That the adopted WDC Directors Policy be followed for any director appointments made. |
| 7 | To ensure that the draft subsidiary company SOI's are received on a timely basis for review and comment. | Draft SOI's are to be received by 14 February from the subsidiary companies, and finalised by 1 June for each year covered by this SOI. |
| 8 | To ensure that the final subsidiary company SOI's are appropriate, measurable, attainable and timely and Connected to their strategic plan. | Comment on the draft SOI's within the statutory timeframe of 30 April each year, and ensure specific and measurable targets are included as Performance Objectives.

WHL will direct the subsidiary companies to produce commercially focused SOI's that are consistent with their strategic plan and aligned to WDC's strategic direction. |
| 9 | To ensure that the subsidiary company reporting is relevant and timely. | Subsidiary company SOI's will incorporate specific reporting requirements in accordance with legislation and accepted practice.

Subsidiary companies will also be required to provide Monthly Management reports followed by quarterly briefings to WHL in sufficient detail to allow WHL to fulfill its reporting obligations to the WDC.

All activity reports and formal reporting will be done through the Chairperson of WHL and the Chief Executive of WDC. |

Risk Management Processes

Objective

- 10 To ensure that there are adequate processes for the identification, assessment and management of the risk exposures of the subsidiary companies.
- 11 To ensure that subsidiary companies do not make decisions that could have significant implications for future Council funding.

Performance Target

Subsidiary company SOI's will incorporate specific statements regarding the processes for the management of risk exposures, including health and safety and reputational risk, all companies will also maintain an up to date risk register.

Long term investment assessment is carried out for any new projects of a size and nature that requires WHL approval. Significant projects and their sources of funding must also be assessed and approved by Council prior to initiating the projects.

Specific Activities to be Undertaken by WHL

- Negotiation of the individual annual SOIs for the CCOs that it owns on behalf of the Westland District Council (the subsidiary companies).
- Negotiation of the annual SOI between WDC as shareholder and WHL.
- Monitoring the performance of the subsidiary companies that WHL owns.
- Advice to WDC regarding potential CCO establishment or development opportunities.
- Maintaining a Register of Potential Directors for WHL and the subsidiary companies, including public advertising, as required.
- Appointment and monitoring of the directors of the subsidiary companies.
- Hosting an annual shareholders' meeting.

Specific Activities Not Permitted to WHL

- No subsidiary companies are to be formed by WHL without the prior approval of WDC.
- No shares are to be acquired by WHL or the subsidiaries without the prior approval of WDC.
- No shares held by WHL or the subsidiaries are to be sold or otherwise disposed of without the prior approval of WDC.

Over time, WDC may form other CCOs within the WHL structure. WHL is an obvious vehicle for holding the shares in these enterprises, however, the directors' approach to the holding of other shares will be determined on a case-by-case basis in consultation with Council. It is anticipated that WHL will assist WDC in the identification and assessment of such future opportunities.

9. DISTRIBUTION POLICY

Profit retention and dividend policy will be determined from year to year by the Directors in accordance with operational results, financial prospects, and the circumstances prevailing, with the objectives of ensuring that:

- The amount of the distribution does not limit WHL’s ability to fund future capital expenditure requirements of subsidiary companies to both maintain and expand current operations, nor to address issues relating to the Company’s debt structure. In determining any distribution, the following must be considered:
 - i. The Directors are satisfied that the requirements of section 4 of the Companies Act (the “solvency test”) have been satisfied;
 - ii. The amount of the distribution does not exceed the amount of the net profit after tax, plus cash held in reserves, in the year to which the distribution relates; and,
 - iii. Total liabilities do not exceed 50% of the total assets.

WHL will endeavor to make distributions as agreed in annual budget discussions with council in the 2020/21 year.

10. REPORTING TO SHAREHOLDERS

WHL will provide the following information in order to enable the WDC, as the shareholder of WHL, to make an informed assessment of the Company’s performance:

- a) An annual Draft SOI in accordance with Schedule 8 of the Local Government Act 2002, delivered by the 1st of March, with WDC comments returned by the 1st of May and a completed SOI after consideration of Shareholders comments delivered by 30 June. The Final Statement of Intent of WHL will be made available to the public one month following delivery to the WDC.
- b) A half-yearly financial and progress report or presentation to Council that details the financial performance and progress of the Company and its subsidiaries. This report shall be delivered to Council no later than 28th February.
- c) An annual report in accordance with Section 67 and 71 of the Local Government Act 2002 and the GAAP reporting requirements prescribed from time to time by the Institute of Chartered Accountant of New Zealand, and any other information that the Directors deem appropriate. The annual report is to be delivered to the WDC by the 30th of September and no later than 20 days prior to the Company’s AGM
- d) An annual Shareholders meeting is to be held by the 31st of December each year with not less than 10 days’ notice to the WDC.

11 ACQUISITION PROCEDURES

If the Directors believe they should invest in or otherwise acquire any interest in any other organisation, they shall obtain the prior approval of the WDC as shareholder by special resolution unless the total cost is less than \$500,000.

In this case prior approval is not required, but the Shareholder will be advised within 10 working days.

12 COMPENSATION

Currently there are no activities for which compensation will be sought from WDC

13 ESTIMATED COMMERCIAL VALUE OF WHL

The value of WHL has been defined as the estimated value of Shareholders' funds as at 30 June 2019.

This value is estimated to be \$13,773,000.

The value ascribed to shareholders' funds will be that stated in the annual Statement of Financial Position of the Company as at the end of the financial year preceding each SOI.

14 OTHER MATTERS

WHL's directors are appointed by the Shareholders to govern and direct WHL's activities, and to oversee the governance and performance of the WDC's council-controlled organisations. The Shareholders expect this responsibility to include such areas of stewardship as:

- Commercial performance
- Non-commercial performance
- Preparation and review of business plans and budgets
- Corporate policies
- Financial and distribution policies
- Management oversight and development
- Delegations or authority
- Identification and management of business risks
- Identification and management of business opportunities
- Internal control systems
- Integrity of management information systems
- Relationships with stakeholders and external parties
- Compliance with relevant law
- Reports to shareholder

Report



DATE: 27 February 2020

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

WESTLAND HOLDINGS LIMITED – REMUNERATION REVIEW 2020

1 SUMMARY

- 1.1 The purpose of this report is to set the Directors fees for Westland Holdings Limited (WHL).
- 1.2 This issue arises from the total remuneration amount was set when the current Directors were appointed in July 2018.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in May 2018, which are set out in the Long Term Plan 2018-28. These are stated on Page 2 of this agenda.
- 1.4 This report concludes by recommending that Council sets the Director's fees as per the recommendation provided by Westland Holdings Limited.

2 BACKGROUND

- 2.1 The total remuneration amount was set when the current Directors were appointed in July 2018, albeit the total was divided among one Chair and 3 Directors. The current Board consists of the Chair and two Directors, rather than three previously appointed. The current Chair and Directors do not believe the current remuneration reflects the level of work, responsibility and risk that they are exposed to in undertaking the required roles. Further information from Westland Holdings is outlined in **Appendix 1** attached to this report.
- 2.2 Since the current Board was appointed, the workload has been far greater than anticipated. It has required far more meetings both for the full Board and for the Chair. That has included Director interview and appointments, board

assessment, updating policies and plans and resolution of ongoing issues with Destination Westland.

3 CURRENT SITUATION

- 3.1 The Board also has a larger than usual administration burden. While it has access to an administrator who assists with meeting minutes, all other reporting tasks are undertaken by Directors. That includes writing agendas, accounts payable, compiling presentations to Council, liaison with the Auditors and completing the SOI, annual plan, strategic plan, risk management plan, and updating policies as needed. This work is usually undertaken by management.
- 3.2 The Board believes that the current remuneration is unreasonable and needs to be increased to reflect the workload and responsibilities it undertakes.

4. OPTIONS

- 4.1 Option 1 is to receive the report and adopt the recommendation.
- 4.2 Option 2 is to not receive the report or adopt the recommendation.

5 SIGNIFICANCE AND ENGAGEMENT

- 5.1 The matter of setting Director fees is administrative in nature, therefore consultation is not required.

6 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 The preferred option is Option 1.
It is essential to set Director Fees in line with market levels, assessment of time required to carry out the duties and degree of responsibility.
By not setting fees in line with the above, it is likely that Council will not get the calibre of Director that is required to carry out the role. The WHL director fees have not been reviewed for some time and have lagged behind the market rate.
- 6.2 The financial implication to Council is a reduced financial returns due to higher costs to be covered in WHL.

	Current	Requested	Increase in cost
Chair	\$17,000	\$31,416	\$14,416
Directors x 2	\$18,500	\$35,604	<u>\$17,104</u>
Total Change			\$31,520

6.3 The Board understands the financial constraint the Council is experiencing and does not want to be unreasonable. However, given the comparisons provided in the Report from Westland Holdings Limited, a significant increase is justified.

6.4 The Board agree that some discount from market fees is justified and we appreciate that fees must seem reasonable to the public. We therefore believe relying on the 2016 report, adjusted by 2% per annum since 2016, is reasonable.

7. PREFERRED OPTION(S) AND REASONS

7.1 Option 1 is the preferred option as the WHL Board believes that the current remuneration is unreasonable and needs to be increased to reflect the workload and responsibilities it undertakes.

8. RECOMMENDATION(S)

A) **THAT** Council receive the report from Westland Holdings Limited

B) **THAT** Council confirm that the following fees for Directors of Westland Holdings Limited be set from the 1 April 2020:

Chair	\$31,416
Directors	\$17,802

Lesley Crichton
Group Manager: Corporate Services

Appendix 1: Report from Chair of Westland Holdings Limited



Westland Holdings Ltd
 Private Bag 704, Hokitika 7842, New Zealand
 ph: +64 (0)3 756 9031
 fax: +64 (0)3 756 9045

Westland Holdings Limited – Remuneration Review 2020

Background

The current remuneration paid to Directors of Westland Holdings Limited (WHL) is:

Chair	\$17,000
Directors	\$9,250 x 2
Total	\$35,500

The total remuneration amount was set when the current Directors were appointed in July 2018, albeit the total was divided among one Chair and 3 Directors. The current Board consists of the Chair and two Directors, rather than three previously appointed. The current Chair and Directors do not believe the current remuneration reflects the level of work, responsibility and risk that they are exposed to in undertaking the required roles.

Since the current Board was appointed, the workload has been far greater than anticipated. It has required far more meetings both for the full Board and for the Chair. That has included Director interview and appointments, board assessment, updating policies and plans and resolution of ongoing issues with Destination Westland.

Looking forward, the Board is required to report four times each year to Council and twice to the Economic Development Committee. We are meeting twice with each of the subsidiary Boards, and informally with the Chairs of those Boards five time each year, hold an AGM and ensure year-end financials and annual plan are completed. We have our own strategy to implement and must keep our own policies and strategies current. Our 2020 calendar sees the Board meeting twelve times in total. Two of those meetings will be by teleconference, and three will be over two days.

The Board also has a larger than usual administration burden. While it has access to an administrator who assists with meeting minutes, all other reporting tasks are undertaken by Directors. That includes writing agendas, accounts payable, compiling presentations to Council, liaison with the Auditors and completing the SOI, annual plan, strategic plan, risk management plan, and updating policies as needed. This work is usually undertaken by management.

The Board believes that the current remuneration is unreasonable and needs to be increased to reflect the workload and responsibilities it undertakes.

2016 Remuneration Review

In 2016, Council commissioned a remuneration review by Strategic Pay. The report noted that the median fee for a Chairperson was \$33,000 and for Director's \$17,000.

The report noted "an important issues within Public Sector organisation is the rationale for Directors' and trustees' fee levels. There is often an expressed view that for these organisations an

element of “public service” exists in the role and this should be reflected in the fees paid, i.e. they should be paid at a discount compared to equivalent commercial organisations.”

It goes on to say “for organisations such as Westland Holdings the commercial focus is in relation to directing the subsidiaries and the economic advantages of this organisation operating effectively is obvious and can easily be argued as critical to the region and the image of Council.”

The relevance of the report has reduced as it is four years old and refers to an Audit and Risk Committee consisting of all Directors. The Board does not currently operate an Audit and Risk Committee as the Board undertakes the duties given there are only three Directors.

2020 Institute of Directors Fee Assessment

The WHL Board commissioned a brief (free) remuneration assessment with the Institute of Directors in February 2020. It points out that remuneration should be set at a level that acknowledges the responsibility and risks the Directors bear, along with attracting motivating and retaining suitable skilled members to the Board.

The report provided the following comparison chart:

All fees shown are for non-executive director roles:

Fee Category	Lower Quartile (\$)	Median Quartile (\$)	Upper Quartile (\$)
Organisation type – Public co-council, council owned or CCO	35,000	37,000	50,000
Industry – Government admin and safety	19,750	23,448	32,500
Organisation revenue – \$20.1 - 50m	25,000	35,000	42,195

It notes standard practise if for a loading of between 1.8 and 2 times the Director’s fee for the Chairperson.

Council Holding Company Comparisons

The following information was taken from the organisation’s published annual reports for either the 2018 or 2019 year:

Timaru Holdings	Directors	\$18,000
	Chair	\$23,060
Invercargill City Holdings	Directors	\$30,300
	Chair	\$57,500
Buller District Holdings	Directors	\$22,000
	Chair	\$47,500

Conclusion

The Board understands the financial constraint the Council is experiencing and does not want to be unreasonable. However, given the above comparisons, a significant increase is justified.

The Board agree that some discount from market fees is justified and we appreciate that fees must seem reasonable to the public. We therefore believe relying on the 2016 report, adjusted by 2% per annum since 2016, is reasonable.

Recommendation

The Board of Westland Holdings recommends that the following fees be set for Directors for the period beginning 1 April 2020:

Chair	\$31,416
Directors	\$17,802