



HOLDING COMPANY

1. NATURE AND SCOPE OF ACTIVITIES

BULLER HOLDINGS LIMITED

The nature and scope of Buller Holdings Limited is to provide a holding company structure for the ownership of selected Council assets and investments. Buller Holdings provides a commercial focus in the governance and administration of Buller District's Council commercial assets, enabling more effective management of Council's commercial activities therefore allowing for maximum returns on behalf of ratepayers.

WESTREEF SERVICES LIMITED

Westreef Services Limited is 100% owned by Buller Holdings Limited.

The nature and scope of WestReef Services limited activities is predominantly to provide contracting services for physical works in the Buller Region and the West Coast of the South Island. Its activities include maintenance and construction services for:

- Road and bridges
- Response for Road and civil Defence Emergencies
- Park and reserves (including associated facilities)
- Utility services (water and sewerage reticulation)
- Rural fire emergency response
- Vehicle workshop repairs
- Landfill sites
- Roadside vegetation control
- Property maintenance
- Refuse collection and kerbside recycling

WESTPORT HARBOUR LIMITED

Westport Harbour Limited is proposed to be owned 100% owned by Buller Holdings Limited.

Council has decided to transfer the harbour assets to Westport Harbour Limited effective 01 July 2009. Westport Harbour Limited will provide land, facilities, plant for





receiving, delivery, stockpiling and shipment of a wide range of products and raw materials; the ownership of land and facilities necessary to maintain the company's commercial assets; and the provision of facilities associated with the repair and servicing of vessels.

Management of the Harbour assets and resources is currently delegated by way of a Management Contract to Buller Port Services Limited, a wholly owned subsidiary of Holcim Limited.

BULLER RECREATION LIMITED

Council has decided to incorporate a new council controlled organisation, Buller Recreation Limited which will be 100% owned by Buller Holdings Limited and to transfer the Solid Energy Centre assets from Council to Buller Arts and Leisure Limited. The Solid Energy Centre is a sports and leisure complex formally opened on 18 April 2009. Buller Recreation Limited will be responsible for the day to day management of the Solid Energy Centre.

2. SIGNIFICANT POLICIES AND OBJECTIVES

The principal objective of Buller Holdings limited is to operate as a successful business. In pursuing these objectives the company is guided by the following key principles.

Financial Performance:

The company is committed to operating as a successful business and achieving a competitive rate of return on its investments. It will be striving to minimise operating costs and manage the assets and liabilities in a prudent way.

Service:

The company recognises that the needs of the group's major customers are paramount and is committed to meeting those needs. It also recognises the need to develop its customer base to ensure sustainability of the business in the future.

Employee Relations:

The holding company values its employees and will recruit and retain employees with the skills necessary to run the business and will provide opportunities for staff training and development. It will ensure that employees are fairly treated and provided with good and safe working conditions.

The holding company, together with its employees, will create a culture that recognizes the importance of being competitive, the value of delivering a high quality of customer service and the mutual benefit of continued employment. This will involve effective internal communications.

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3. KEY PERFORMANCE TARGETS

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Objective	Performance Measure	Targets
Financial Performance	The Financial Performance will be an aggregation of the results from the businesses that make up the structure including administration costs of the parent company. This aggregation will include surpluses after tax less any losses.	Targets of subsidiaries are stated in the individual subsidiaries Statement of Intent
	To actively pursue additional revenue streams in each of the subsidiaries resulting in improved profitability of the subsidiary / Buller Holdings Limited, so as to increase the dividend payable to Council.	To be agreed as business/growth opportunities arise.
Service	The Board of Directors will meet with the Buller District Council Councillors on a formal basis.	Three times a year and at any other time by request.
	The General Manager will meet with the Buller District Council Chief Executive Officer on a formal basis.	Six times a year for a verbal update on issues and performance.





WESTREEF SERVICES

Objective	Performance Measures	Targets
Financial Performance	<ul style="list-style-type: none"> a. To achieve a post tax operating profit of at least 10% on gross revenue (before any subvention payment) b. To achieve a post tax operating profit of at least 20% on BHL's investment \$2,363,860) before any subvention payment c. To grow revenues by expansion or purchase other businesses 	<ul style="list-style-type: none"> 10% 20% Grow gross revenue by 10%
Service	<ul style="list-style-type: none"> a. To renew its TQS1 certification as required b. To conduct a focus group meeting with the community to obtain feedback on service performance c. Meeting with major client, Buller District Council Engineers, to obtain feedback on specific contract performance d. Support activities involved with the social and environmental development in the community 	<ul style="list-style-type: none"> Renewal To be conducted in the 2010 calendar year Meet monthly Support six activities
Employee Relations	<ul style="list-style-type: none"> a. Engage in policies that will assist in retaining staff b. Ensure succession plans are put in place for all senior management positions c. Hold staff meetings to ensure effective communication with all staff d. Maintain a zero tolerance to loss time incidents 	<ul style="list-style-type: none"> Staff turnover to be less than 15% annually excluding retirement Succession plans in place Meetings to be held weekly with minutes kept LTI's to be zero



WESTPORT HARBOUR LIMITED

Objective	Performance Measures	Targets
Financial Performance	<ul style="list-style-type: none"> a. To achieve a post tax operating profit of at least 10% of gross revenue b. To achieve a post tax operating profit of at least 2% of BHL's investment (\$12 million) before any subvention payment. 	10% 2% operating profit on BHL's investments
Service	<ul style="list-style-type: none"> a. To maintain an adequate bar depth b. To achieve a targeted total tonnage through the port c. Dredging for Flood Protection 	Average depth of 3.0m 460,000 tonnes Average river depth of 4.0m
Employee Relations	<ul style="list-style-type: none"> a. Engage in policies that will assist in retaining staff b. Achieve target training hours per employee 	Staff turnover 1 per year Target 0.005% total work hours
Safety and Environment	<ul style="list-style-type: none"> a. Maintain a zero tolerance to loss time incidents b. Conduct regular safety tours c. Maintain log of MNZ Harbour safety incidents d. Maintain a zero tolerance to environmental incidents 	LTI target is zero. LTIFR's to be less than 4 per annum Complete 8 per month Target less than 5 per annum Target zero per annum

BULLER ARTS AND LEISURE LIMITED

Key performance measures and targets are still be to agreed for the Solid Energy Centre.

