



Report 03.438
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Committee Policy, Finance and Strategy
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CentrePort - 2003/04 draft SCI

1. Purpose

To receive the draft Statement of Corporate Intent (SCI) of CentrePort for the 2003/04 year (refer **Attachment 1**).

2. Background

In July each year we normally receive from CentrePort a draft SCI covering the next three financial years (the financial year in which it is delivered and each of the immediately following two financial years).

Section 10 of the Port Companies Act 1988 requires the Port Company Directors to consider any comments from shareholders on the draft SCI before 31 August, and to deliver the completed SCI to shareholders by 30 September. The delivery of the completed SCI has usually coincided with the briefing of the PIL Directors and Councillors by the Port Company Directors in September.

The draft SCI has already been considered by the Directors of Port Investments Ltd on 22 July 2003. Feedback provided to CentrePort by the Directors of Port Investments Ltd is attached as **Attachment 3**.

The SCI is now brought before the Policy, Finance and Strategy Committee to seek any additional comment from Councillors as the Council is the ultimate shareholder.

The Council has previously indicated that it wishes to see both CentrePort and the WRC Holdings Group continue to improve the performance indicators in their Statement of Intent accountability documents. On 18 March 2003, the Council in considering the draft SOI for WRC Holdings Group, resolved:

“The Council wishes to see WRC Holdings Ltd continue to develop environmental performance indicators in conjunction with CentrePort Ltd”.

3. Comment

As is normal, there are two broad issues to consider when reviewing the draft SCI document:

⇒ The words

⇒ The numbers

3.1 The words

I have compared the draft SCI for 2003/04 (refer **Attachment 1**) with the final SCI for 2002/03 (refer **Attachment 2**) to assess to what degree the Port Company has changed the wording.

Listed below are the changes that I have identified:

Para 5.3 a rewording of what was there (an improvement)

Para 5.4 a rewording of what was there (an improvement)

Para 5.4 c new (the Council has requested a change to this in the WRC Holdings SOI)

Para 10.1 the figure will change once the 2003 Annual Report has been finalised

Para 11.4 new (an improvement)

3.2 The numbers

The draft SCI figures reflect the Port Company’s projections including the impact of the loss of the P&O big ships but excluding the latest property development opportunity being considered by CentrePort.

The dividends have been calculated at 55% of Net Profit After Tax.

4. Communications

Communication will be required with CentrePort once the Committee has considered the draft SCI.

5. Recommendations

That the Committee recommend the Council:

- (1) receive the report and note its contents.*
- (2) receive the draft Statement of Corporate Intent of CentrePort for 2003/04, and the immediately following two years and request that any comments or recommendations for change be forwarded to the Directors of CentrePort for their consideration.*

Report prepared by:

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Chief Financial Officer

Attachment 1: CentrePort draft SCI – 2003/04

Attachment 2: CentrePort final SCI – 2002/03

Attachment 3: Letter to the Chairman of CentrePort from the Chairperson of PIL dated 30 July 2003