



Report 04.352
Date 21 June 2004
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Committee Council
Author Councillors Margaret Shields, Terry McDavitt and
Rick Long

WRC Holdings Group Meetings – 20 April and 17 June 2004

1. Purpose

To report to Council the proceedings of the WRC Holdings Group meetings held on Tuesday, 20 April 2004 and Thursday, 17 June 2004. There were no apologies at either meeting.

2. Comment

2.1 20 April 2004 Meeting

2.1.1 Regional Council Centre Operational Report

The Directors of Pringle House Ltd were updated on the progress of operational matters affecting the Regional Council Centre (RCC), and the intention of Council as major tenant to renew its lease of the RCC for a further six years.

2.1.2 Composition of Board of Directors – WRC Holdings Group

Officers advised Directors of Council's decision to extend the term of Stuart Macaskill as a director until 30 April 2005 to line up with the balance of the Board.

2.1.3 Tranz Metro Update

The Directors were advised that discussions between officers and Toll Holdings/Tranz Rail were progressing. Directors were advised that officers would be meeting again with Toll Holdings in the next week.

2.1.4 General Business

Officers advised Directors that it was expected there would be an upcoming vacancy on the CentrePort Board and, given the Port Board is currently operating on a minimum of six members, that it was prudent for a search to commence for two new CentrePort directors (using the process contained in Council's policy on the appointment and remuneration of directors).

The Directors were also advised that, consistent with the disappointing first half year result, CentrePort's net profit after tax was forecast to be less than the SCI targets, and that this might impact on the ability of the WRC Holdings Group to meet its 2003/04 SCI targets.

2.2 17 June 2004 Meeting

2.2.1 Matters arising from the minutes of the last meeting.

The Directors noted that they had resolved by circular resolution to approve the replacement/upgrade of the Regional Council Centre air conditioning controls.

The Directors were advised that a letter had been received from Nigel Gould advising that a suitable candidate had been identified to join the Board of Directors of CentrePort, and that it was necessary for shareholders to consider his appointment as a matter of urgency. The letter and a copy of Mr Janes' curriculum vitae were circulated.

2.2.2 Regional Council Centre Operational Report

The Directors of Pringle House Ltd were updated on the progress of operational matters affecting the RCC. The Directors were pleased to note that the refurbishment of level 10 has now been completed.

2.2.3 CentrePort Ltd – Results to 30 April 2004

The Directors considered CentrePort's results to 30 April 2004. Officers advised that CentrePort may struggle to meet its forecast to 30 June 2004 of a net profit after tax of \$5.2 million. Officers also advised that the potential impact on the WRC Holdings group's 2003/04 result had been signalled to Council as part of its half year review process.

2.2.4 Financial Statements for the Nine Months ended 31 March 2004

The Directors received Financial Statements for the nine months ended 31 March 2004.

2.2.5 Dividends payable for the Year Ending 30 June 2004

The Directors approved the payment of dividends, subject to satisfying the solvency test in each case, for the year ending 30 June 2004.

2.2.6 CentrePort – 2004/05 Draft SCI

The Directors considered CentrePort's 2004/05 Draft SCI. The Directors wish to meet with the Board of Directors of CentrePort to clarify aspects of the Draft

SCI before formally commenting on it. Directors will report to the Council regarding their discussions with the CentrePort Board once a meeting has taken place.

2.2.7 2004/05 Statement of Intent – WRC Holdings Group

The Directors approved the Statement of Intent for the WRC Holdings Group for 2004/05 for delivery to Council (as shareholder).

2.2.8 Directors’ and Officers’ Liability Insurance 2004/05

The Directors approved the effecting of insurance for Directors’ and Officers’ Liability for each of the WRC Holdings Group of Companies, and certified that in the opinion of each of the Directors the cost of effecting insurance was fair.

2.2.9 Tranz Metro Update

The Directors were advised that the Council had made progress towards establishing a new contract with Tranz Rail/Toll Holdings. However, there was still work to be done. For example, officers had still to finish verifying business plan information supplied by Tranz Metro/Toll.

2.2.10 General Business

Directors noted that the meeting was likely to be Greg Schollum’s last before leaving Greater Wellington to take up a new position at the Office of the Auditor-General. Directors commented that Greg’s work servicing the combined Boards of Directors had been highly valued and that he would be sorely missed as a friend and a good officer. The Directors wished Greg all the best for the future.

3. Recommendation

That the report be received and the contents noted.

Report approved by:

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Margaret Shields
Director, WRC Holdings Ltd

Terry McDavitt
Director, WRC Holdings Ltd

Rick Long
Director, WRC Holdings Ltd