



Report 10.665
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Author Council
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Update to WRC Holdings Group Statement of Intent 2010/2011

1. Purpose

To approve the update to the Statement of Intent (SOI) for the period ending 30 June 2011 and the following two years, as provided for by section 4 of schedule 8 of the Local Government Act 2002 (LG Act).

2. Significance of the decision

The matters for decision in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

3. Background

The Council approved the SOI for WRC Holdings at the meeting on 29 June 2010, the format of which had been accepted by Audit New Zealand for a number of years.

During the audit of the WRC Holdings Group for the year ended June 2010 the auditors made a number of comments about the 2010/11 SOI and as a result we are amending the SOI to reflect these comments.

The changes have been reviewed by the Directors of WRC Holdings and they have approved the updated SOI.

4. Summary of changes to the June approved SOI

4.1 Performance targets

Audit New Zealand was of the view that our performance targets within the June approved SOI were inadequate, especially at the detailed company level. We have updated targets, including financial targets for each company.

4.2 Financial statements

Audit New Zealand advised that our forecasted financial statements should include a cash flow statement and a statement of changes in equity.

A detailed set of accounting policies are required to be disclosed along with a number of minor accounting requirements required by the Financial Reporting Standard 42 - Prospective Financial statements.

4.3 The numbers

The financial statements and the financial performance indicators presented in the June SOI remain unchanged.

4.4 Future Statements of Intent

The LG Act requires that an SOI be produced for each council controlled organisation.

However the LG Act makes a provision for exempting small organisations and the factors that should be considered are the nature and scope of the activities provided by the organisation and the costs and benefits if the exemption is granted.

Greater Wellington Transport and Greater Wellington Infrastructure are currently dormant companies, consequently an exemption to produce an SOI is sought.

5. Communications

No communications are necessary.

6. Recommendations

That the Council:

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Approves the updated SOI for the WRC Holdings Group.***
4. ***Resolves to make an exemption under section 7 of the Local Government Act 2002 which has the effect of avoiding the need to prepare a Statement of Intent for Greater Wellington Transport Limited and Greater Wellington Infrastructure. This exemption must be reviewed with in the next 3 years.***

Report prepared by:

Report approved by:

Mike Timmer
Treasurer

Bruce Simpson
Chief Financial Officer

Attachment 1: Updated WRC Holdings Group Statement of Intent