WRC
Holdings Group

STATEMENT OF INTENT

For the year ending 30 June 2027

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1. Introduction

WRC Holdings Limited (WRC Holdings) is a Council-Controlled Trading Organisation owned by Greater Wellington Regional Council Te Pane Matua Taiao (Greater Wellington). It was established to manage Council's commercial investments. This Statement of Intent (SOI) for 2026/27 to 2028/29 is prepared in accordance with section 64 and Schedule 8 of the Local Government Act 2002.

The SOI sets out the objectives, performance measures, targets, and activities of WRC Holdings and its subsidiary, Greater Wellington Rail Limited (GWRL). The SOI forms a major part of the company's accountability relationship with its shareholder, Greater Wellington.

Greater Wellington issued a Statement of Expectations to WRC Holdings in December 2025 as prescribed in section 64b of the Local Government Act 2002. The Statement of Expectations has been considered when completing this SOI.

2. Objectives of the Group

The primary objectives of WRC Holdings are to:

1) operate a successful, sustainable, and responsible business for the benefit of future generations;
2) impose commercial discipline on the Group's activities and generate a commercial rate of return;
3) manage its assets prudently;
4) support Council's strategic priorities.

GWRL

Specifically, for GWRL, the key objectives are to prudently manage and maintain the public transport infrastructure including the rail rolling stock, rail infrastructure (GWRL's Rail Assets), and any bus depots transferred to GWRL (GWRL's Strategic Bus Assets). Greater Wellington is contracted by GWRL (through a Management Services Agreement) to provide asset management, accounting, advisory, secretarial and general administration services.

GWRL ensures that:

- Greater Wellington, as its appointed agent, carries out all services and activities, in relation to GWRL's Public Transport Assets, that are reasonably necessary to enable Greater Wellington to provide quality transport services to the public in accordance with the contractual obligations entered into with the current rail and bus operators and the maintenance provider of GWRL's Rail Assets;
- Greater Wellington develops and maintains a systematic approach for the long-term management of GWRL's public transport assets in a manner consistent with industry best practice; and GWRL complies with its

responsibilities as a rail participant under the Railways Act 2005, the current health and safety legislation and any other legislation affecting GWRL's Rail Assets and operations.

CentrePort Limited

In responding to the challenge of the port regeneration and developing responses to the governance of the group, WRC Holdings created a Statement of Strategic Intent with regards to CentrePort. This was first developed in late 2019 and has been refined to provide four key strategic elements for Holdings when considering the activity and performance of the port.

Objective area	Intent
Financial	Optimise return on Council capital
Strategic	Secure port development as enabler of regional economic growth
Strategic	Strategic asset to promote community benefits
Financial	Secure capital for port investment and future growth

3. Approach to governance

WRC Holdings is governed by a board of up to eight directors, all of whom are appointed by the shareholder. Council has a policy on the appointment and remuneration of directors as specified in Section 57 of the Local Government Act 2002. All director remuneration is set by Council. WRC Holdings provides directors and officer's liability insurance cover at its own expense.

WRC Holdings provides a structure that allows independent external directors with commercial backgrounds to provide advice and expertise at the governance level. The current directors of WRC Holdings / GWRL are:

Director	Appointed	Current term expiry
Lucy Elwood (Chair)*	October 2023	September 2029
Ros Connelly	November 2025	December 2028
Nigel Elder	November 2025	December 2028
Ripeka Evans*	October 2023	September 2026
Claire Johnstone	November 2025	December 2028
Helmut Modlik *	October 2023	September 2028
Daran Ponter	November 2025	December 2028

*Independent Directors

The WRC Holdings structure is illustrated in Figure 1 below.

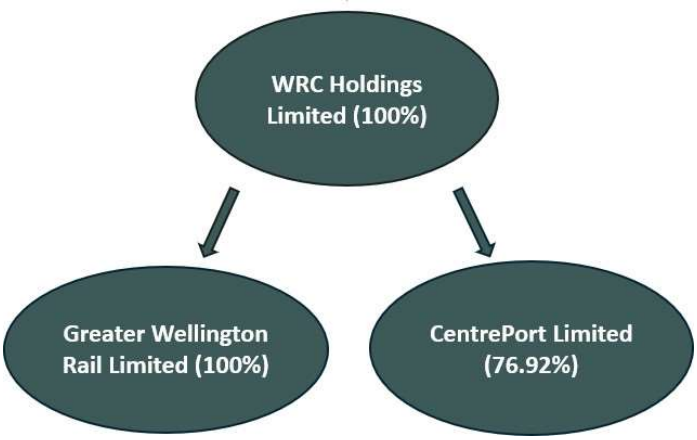

Figure 1: WRC Holdings structure.

GWRL
Council approves the directors of GWRL, who are appointed by special resolution of WRC Holdings. WRC Holdings and GWRL share the same directors.

CentrePort Limited
WRC Holdings owns 76.9% of the shareholding in CentrePort Limited. The remaining shareholding is held by MWRC Holdings Limited. All CentrePort directors are independent and external of Greater Wellington. CentrePort directors are appointed in accordance with the Port Companies Act 1988 and the company constitution.

4. Reporting framework

The Board will provide statutory reporting including the delivery of a half-yearly report by 28 February 2027, an annual report for the year by 30 September 2027 and a draft Statement of Intent for the 2027-28 year by 1 March 2027. The Board will continue to report on matters that arise outside of these reporting timeframes on a no surprises basis.

5. Health, safety and wellbeing

The WRC Holdings Board maintains active oversight of asset safety across all its sites and operations through an annual due diligence work programme, with particular emphasis on critical risk management and control systems. The Board also monitors worker health and safety matters as they relate to asset integrity and operational requirements.

GWRL
The WRC Holdings Board takes an active interest in the ongoing asset management of GWRL owned assets including rolling stock maintenance and station asset safety. These form regular reporting items and performance measures, in addition to board activities and site visits.

CentrePort Limited
As a major employer in the Wellington Region, CentrePort continues to focus on the identification and effective management of critical risk and on reducing serious harm, with our ambition for CentrePort to be the safest full-service port operation in Australasia. A culture of engagement around Health, Safety and Wellbeing is created through active worker consultation and participation in Health, Safety and Wellbeing matters. Specific wellbeing initiatives are delivered and are detailed in CentrePort's own Statement of Corporate Intent.

6. Improving outcomes for Māori

Our shareholder, Greater Wellington, recognises its Te Tiriti o Waitangi obligations to mana whenua partners and Māori living in our region, and works to ensure it gives effect to their rangatiratanga and mana motuhake as we work together. As part of the Council Group, WRC Holdings gives effect to Te Tiriti through Greater Wellington's Māori Outcomes Framework (Te Whāriki). This framework guides our decision-making to achieve the best outcomes for Māori across all aspects of our region. As well as complementing cultural awareness through the organisations that we hold shareholdings in, including cultural competency and te reo Māori training, the WRC Holdings Board will continue to look for opportunities to deliver on Te Whāriki. The WRC Holdings Board acknowledges these opportunities may be limited given its narrow role as an asset owner but will continue to pursue and develop opportunities as they arise.

The main way in which WRC Holdings gives effect to Te Whāriki is through setting its expectations to CentrePort through the annual Statement of Expectations, to ensure that CentrePort proactively engages mana whenua in decision making and incorporates te ao Māori and mātauranga Māori perspectives into its decision making. This commitment has been demonstrated through ongoing engagement with Taranaki Whānui and Ngāti Toa and senior management at the port.

The general approach for GWRL focuses on engaging iwi and mana whenua groups during major rail projects, with the iwi and mana whenua having autonomy to decide their level of involvement. Metlink toi Māori project has recently commenced in which a review of relevant artworks used by Metlink will be undertaken and subsequently reworked and revalidated to ensure relevant cultural significance and applicability to bring commonality to our standard offerings. In addition, the new Melling Station shelter, when delivered, will feature a significant art design and coloration applicable to the local area and culture.

7. Reducing emissions

Our shareholder, Greater Wellington, expects WRC Holdings to ensure that emissions reduction is a priority across its subsidiaries. CentrePort has a target of net zero emissions by 2040 and will be targeting a 50% reduction in emissions from 2019 to 2030. It is actively advancing its commitment to reducing emissions.

The delivery of Public Transport Services is focused on improving punctuality, reliability and customer satisfaction. Providing reliable and efficient travel choices for the region will support a shift from private motor vehicle to Public Transport and hence reduce overall transport emissions for the region.

The Lower North Island Rail Integrated Mobility (LNIRIM) project, which includes 18 new low emission passenger trains, and associated infrastructure, for the Wairarapa and Manawatū rail lines, is progressing. Providing an inter-regional rail public transport service with increased frequency and capacity will ensure communities have low-carbon transport choices.

WRC Holdings will investigate setting a baseline measurement of current rail emissions, to facilitate the tracking and reporting of emissions reductions as the new low emission trains from the LNIRIM project come into service in the coming years.

WRC Holdings

8. Nature and scope of activities

WRC Holdings is the holding company for investment in CentrePort and GWRL.

CentrePort is an important strategic asset for the Wellington Region and a long-term investment for Greater Wellington. It provides a full range of port services, including imported goods and exports by container, bulk trade (i.e. logs, vehicles and cement), fuel imports, and provides the northern hub for the Cook Strait ferry service. The services provided by CentrePort support businesses across the region and into Taranaki, Manawatu, and Marlborough. The Cook Strait ferry service is a nationally important link between the North Island and South Island. CentrePort also has a critical role as a lifelines asset during an emergency, such as an earthquake – providing an essential service to import food, water, fuel, equipment, first responders and evacuation of people.

The ability to integrate important outcomes (including progressively increasing CentrePort's dividend payouts and return on equity, regional economic development, incorporating te ao Māori into decision making, and emissions reduction) into the long-term development of the port are key benefits of long-term ownership in CentrePort. WRC Holdings monitors the performance of CentrePort through regular reporting and presentations and has issued its own Statement of Expectations to CentrePort for the 2026-2027 year. CentrePort produces a Statement of Corporate

Intent as required by the Port Companies Act 1988. This includes operational performance measures for CentrePort and is published on CentrePort's website.

The scope of GWRL's activities, performance measures and financial information are set out in detail in sections 11, 12 and 13 of this SOI.

Key activities for WRC Holdings in the 2026-2027 year include:

- continuing to work with its subsidiaries to see how it can increase its level of profitability, dividend stream and return on equity.
- developing and proposing options to Council for a new strategic investment strategy/policy and operating model by the end of the 2026/27 financial year, including the maximisation of shareholder returns to Council and identification of new commercial and investment opportunities that align with Council's strategic objectives whilst increasing the value of its assets.
- maintaining oversight and awareness of the GWRL asset portfolio, including the new rail rolling stock and supporting infrastructure now being progressed through the signed Lower North Island Rail Integrated Mobility (LNIRIM) procurement contract, and the likely incorporation of strategic bus assets into the GWRL portfolio.
- maintaining oversight of risks associated with the rail network to GWRL's rail assets, recognising their vital importance to both CentrePort's operations and Metlink's rail services.
- maintaining awareness of the risks and opportunities associated with the ferry terminal development.
- supporting, as appropriate, the implementation of the Regional Economic Development Plan.
- engaging with CentrePort to support its steps toward Living Wage Employer accreditation.
- providing advice, as appropriate, to Council on potential commercial opportunities.

9. Non-financial performance targets

Objective	Activity	Performance measure
Impose commercial discipline on the Group's activities and generate a commercial rate of return	Monitor performance of WRC Holdings Group companies to ensure financial returns are optimised	• WRC Holdings Board monitor Holdings Group companies' progress against their SOI targets quarterly • WRC Holdings receives a quarterly report from CentrePort on its financial and non-financial Performance
	Review WRC Holding's strategy and operating model to look for ways to maximise shareholder returns and identify new commercial and investment opportunities	• Develop options for a new strategic investment strategy/policy and operating model and provide recommendations to Council by 30 June 2027
Operate a successful, sustainable, and responsible business for the benefit of future generations	Review board performance against best practice governance standards	• WRC Holdings will undertake board effectiveness reviews on an annual basis
	Monitor performance of WRC Holdings Group companies to ensure continuous improvement to health and safety outcomes	• The WRC Holdings Board reviews the quarterly Health, Safety and Wellbeing updates and seeks assurance that controls to manage critical risks are in place and effective
	Monitor performance of the WRC Holdings Group companies in measuring, reporting and reducing Greenhouse Gas (GHG) emissions	• Measure and publicly report in the Annual Report our GHG emissions and progress towards Greater Wellington's emissions reduction targets for 2030 and beyond
	Monitor performance of WRC Holdings Group companies to ensure opportunities to give effect to Te Whāriki (Council's Māori Outcomes Framework) are considered and implemented	• Publicly report how we give effect to Te Whāriki in the Annual Report
Support Council's strategic priorities	Review and approve WRC Holdings Group Statement of Intent (SOI) for consistency with Council's strategic direction	• Review draft WRC Holdings SOI by 1 March each year • Approve WRC Holdings SOI by 30 June each year
	Review and provide comments on the draft CentrePort Statement of	• Review draft SCI and provide comments by 1 May each year

Objective	Activity	Performance measure
	Corporate Intent (SCI) to ensure consistency with Council's strategic direction	
	Set expectations through annual Statement of Expectation letter to CentrePort	• Send Statement of Expectations to CentrePort by 31 December each year
	Consult with the shareholder in a timely manner on WRC Holdings Group strategic or operational matters which could compromise the Council's community outcomes	• All such matters escalated to the Council in a timely manner • WRC Holdings to provide briefings to Councillors on matters of significance as required
	Substantive matters, including those likely to generate media coverage, are reported to Council	• Matters of this nature should be reported to Council as soon as practicable
Prudently manage assets	Monitor the management of public transport assets and risk to ensure GWRL's assets are fit-for-purpose	• WRC Holdings Board review quarterly risk reporting for GWRL • WRC Holdings Board receives the GWRL Annual Business Plan by 30 June each year • WRC Holdings Board receives the GWRL Asset Management Plan by 30 September each year

10. Financial information

a. Shareholder Funds to Assets

2026/27	2027/28	2028/29
82.87%	81.86%	81.56%

b. Prospective statement of comprehensive income

Year ended 30 June	2026/27 WRCH GROUP $000	2027/28 WRCH GROUP $000	2028/29 WRCH GROUP $000
Port income	146,761	151,075	156,226
Operating grant income	18,971	18,579	18,998
Interest income	3,633	3,172	3,545
Rental income	7,700	7,893	8,082
Other revenue	965	1,149	1,233
Total revenue	**178,029**	**181,867**	**188,084**
Interest expense	3,093	4,247	5,385
Depreciation & amortisation	43,333	44,696	45,527
Port expenditure	103,702	104,319	106,368
Other expenditure	27,165	26,974	27,591
Total expenditure	**177,294**	**180,237**	**184,871**
Surplus/(deficit) before tax	**735**	**1,630**	**3,212**
Taxation expense (credit)	3,003	3,222	3,622
Total comprehensive income	**(2,268)**	**(1,592)**	**(410)**
Comprehensive income applicable to non-controlling interest	5,219	5,467	5,796
Total comprehensive income applicable to parent	**(7,487)**	**(7,059)**	**(6,206)**

c. Prospective statement of financial position

As at 30 June	2026/27	2027/28	2028/29
	WRCH GROUP $000	WRCH GROUP $000	WRCH GROUP $000
Opening equity	981,602	1,122,777	1,245,184
Opening equity non-controlling interests	(122,263)	(124,251)	(126,256)
New equity	154,636	135,999	175,148
Total comprehensive income applicable to parent	(7,487)	(7,059)	(6,206)
	1,006,487	**1,127,466**	**1,287,871**
Dividends distributed	(8,600)	(9,200)	(9,900)
Closing Equity Non-controlling interest	124,251	126,256	128,360
Closing equity	**1,122,138**	**1,244,522**	**1,406,331**
Equity applicable to parent	997,887	1,118,266	1,277,971
Non-controlling interest	124,251	126,256	128,360
Closing equity	**1,122,138**	**1,244,522**	**1,406,331**
Cash and Cash Equivalents	4,935	5,768	7,798
Current assets	33,694	34,945	36,434
Non-current assets	1,124,910	1,284,909	1,465,361
Investment property	99,212	99,212	99,212
Investments	98,997	106,041	110,538
Total assets	**1,361,749**	**1,530,874**	**1,719,344**
Current Liabilities	32,491	33,827	35,014
Borrowings	122,171	174,249	206,531
Non-Current Liabilities	84,948	78,276	71,468
Total liabilities	**239,611**	**286,352**	**313,013**
Net assets	**1,122,138**	**1,244,522**	**1,406,331**

d. Prospective statement of changes in equity

As at 30 June	2026/27	2027/28	2028/29
	WRCH GROUP $000	WRCH GROUP $000	WRCH GROUP $000
Opening equity	981,602	1,122,777	1,245,184
Shares to be issued during the year	154,636	135,999	175,148
Total comprehensive income for the year	(2,268)	(1,592)	(410)
Dividend to be paid - Equity holders	(8,600)	(9,200)	(9,900)
Dividend to be paid - Non controlling Interests	(3,231)	(3,462)	(3,692)
Closing Equity	**1,122,138**	**1,244,522**	**1,406,331**

e. Prospective statement of cash flow

As at 30 June	2026/27	2027/28	2028/29
	WRCH GROUP $000	WRCH GROUP $000	WRCH GROUP $000
Cash flows from operations			
Receipts from operations	168,398	173,772	179,050
Interest received	3,633	3,172	3,545
Dividends received	1,059	1,191	1,224
Payments to suppliers	(83,931)	(84,002)	(85,669)
Payments to employees	(44,328)	(44,393)	(45,057)
Taxes paid	(7,400)	(9,386)	(10,179)
Interest paid	(3,094)	(4,247)	(5,385)
Net cash from operating activities	**34,337**	**36,106**	**37,527**
Cash flows from investing activities			
Purchase of Fixed Assets – Rail	(154,636)	(135,999)	(175,148)
Purchase of Fixed Assets – Port	(65,414)	(68,131)	(50,266)
Net cash from investing activities	**(220,050)**	**(204,130)**	**(225,414)**
Cash flows from financing activities			
Borrowings	47,000	52,078	32,282
Transfers from/(to) Investments	(3,632)	(6,305)	(3,685)
Dividend Paid	(11,831)	(12,662)	(13,592)
Issue of shares	154,636	135,999	175,148
Current Account movement	193	311	331
Lease Payments	(565)	(565)	(565)
Net cash from financing activities	**185,802**	**168,857**	**189,919**
Net Increase / (Decrease) in Cash	88	833	2,032
Cash & cash equivalents at beginning of the year	4,847	4,934	5,767
Cash and cash equivalents at year end	**4,935**	**5,767**	**7,798**

f. Financial Statements commentary

- The prospective statement of comprehensive income for the three-year period 2026/27 to 2028/29 shows deficits before tax relating to the surplus from CentrePort being insufficient to offset the deficit from GWRL. GWRL has deficits due to depreciation and interest not being funded by Greater Wellington.
- Interest expense rises over the SOI period due to investment in key capital projects—such as wharf renewals, infrastructure upgrades, a new ferry terminal, efficiency improvements, and green technology—which increase borrowings and the asset base, leading to higher depreciation.

- The taxation expense reflects the difference between CentrePort paying tax and GWRL having a tax credit from deferred tax.
- Equity increases by approximately $424.7 million over the period 2026/27 to 2028/29 mainly due to Council equity injections to fund GWRL capex of approximately $465.8 million partially offset by cumulative dividends of approximately $38 million and cumulative losses of approximately $4.3 million.
- Non-current assets increases significantly over the period 2026/27 to 2028/29 mainly due to port infrastructure upgrades program and the LNIRIM project.

g. Financial performance targets

As at 30 June	2026/27 WRCH GROUP $000	2027/28 WRCH GROUP $000	2028/29 WRCH GROUP $000
Earnings before Interest and Tax	3,828	5,877	8,598
Surplus/(deficit) before tax	735	1,630	3,212
Surplus/(deficit) after tax	(2,268)	(1,592)	(410)
Return on average assets (EBIT)	0.30%	0.41%	0.53%
Return on shareholder equity (NPAT)	-0.22%	-0.13%	-0.03%
Shareholders equity/Total assets	82.87%	81.86%	81.56%
Dividend distribution	8,600	9,200	9,900

h. Statement of Accounting Policies

The financial statements are presented in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002 and New Zealand Generally Accepted Accounting Practices (NZ GAAP).

These prospective financial statements are presented in accordance with Tier 1 PBE Accounting Standards, and comply with PBE Standards.

The detailed accounting policies are available in our most recent annual report as published on Greater Wellington Regional Council website.

i. Assumptions in preparing the prospective financial statements

The prospective financial statements information contained in this SOI is based on assumptions that WRC Holding Group could reasonably expect to occur in the future based on information that was current at the time this SOI was prepared. Actual results are likely to vary from the information presented and variations could be material.

The debt interest rate assumption for the WRC Holdings excluding Centre Port Limited is 4.42% for 2026/27, 4.96% for 2027/28 and 5.16% for the 2028/29 financial years after all

margin costs. Interest rate hedging is put in place from time to time (as all debt borrowed is at floating rate) to protect against interest rate variability. The borrowing margin is fixed and is assumed to remain at this level going forward.

There will be no changes to key legislation affecting the Group activities.
Asset lives are in accordance with the Group's Accounting Policies.

GWRL

11. Nature and scope of activities

GWRL owns the investment on metro rail assets. These include the following rolling stock and infrastructure assets:

Rolling Stock

The rolling stock portfolio encompasses a diverse fleet of traditional passenger carriages, electric multiple units (self-propelled carriages), maintenance vehicles for yard operations, and simulation equipment for operator training.

Infrastructure Assets

Infrastructure assets comprise essential facilities that support rail operations, including maintenance facilities, passenger amenities, and bus depot properties. The organisation maintains numerous station buildings across the rail network, various pedestrian access structures, and parking facilities, though it should be noted that some rail infrastructure components remain under KiwiRail ownership.

LNIRIM Rail Assets

The LNIRIM project focuses on expanding service capabilities through next-generation independently powered electric multiple units, along with associated maintenance facilities and operational bases. This program will extend service reach to additional stations, the ownership of which will be via a range of third parties. Other associated assets and infrastructure will also be procured.

GWRL is responsible for the management and maintenance of the rail rolling stock and rail infrastructure (GWRL's Rail Assets),and has contracted Greater Wellington (through a Management Services Agreement) to provide asset management, procurement, accounting, advisory, secretarial and general administration services. GWRL monitors the provision and performance of these services to ensure GWRL's Public Transport Assets are safe and fit-for-purpose. Operational delivery is the responsibility of Greater Wellington via a long-term performance-based contracts with individual rail.

Strategic bus assets may be added to the GWRL portfolio. The bus depot portfolio is expected to include both existing facilities and new locations in various stages of development.

Key Activities and Initiatives	
Wellington Strategic Rail Plan	Continue to work with major stakeholders to further develop and implement the Wellington Strategic Rail Plan. Significant investment is required across rolling stock, rail station infrastructure and rail network infrastructure, to deliver the improvements in customer experience, network dependability, and network capacity/frequency.
Maintenance	Deliver train maintenance services, within approved budgets, through an operations and maintenance contract, while ensuring that train condition and performance is maintained, to deliver required level of service, throughout the assets' life.
	Deliver rail station infrastructure cleaning and maintenance, within approved budgets, through various contracts ensuring assets are able to deliver the required level of service throughout the assets' life.
Renewals/Refurbishment	Deliver rolling stock heavy maintenance renewals/refurbishment, within approved budgets, through an operations and maintenance contract, while ensuring that train availability and reliability targets are met.
	Deliver rail infrastructure asset renewals/refurbishment and like-for-like replacement and improvement programme, to ensure the assets are able to meet the required level of service throughout the assets' life.
Rolling stock	Undertake an analysis, within the 2027 LTP process, to define the need/requirement for additional Electrical Multiple Unit (EMU), nominally 14 of 5-car sets, and develop required business case if required. NOTE – any order for additional rolling stock would be placed with the same manufacture as the LNIRIM units to leverage design work, manufacturer procurement strategy and commonality of spares.
Lower North Island Rail Integrated Mobility	Maintain oversight and awareness of the expanding asset portfolio for GWRL, including the new Lower North Island Rail Integrated Mobility rolling stock (made up of 18 x 5-car low emissions multiple units to replace near life expired carriage fleet and provide improved rail connectivity between Wellington and regional centres Masterton and Palmerston North).

Key Activities and Initiatives	
Seismic strengthening	Complete strengthening works at Woburn station building. Review requirements for Porirua subway ramp strengthening and Johnsonville Station building considering recent government guidelines on seismic NBS requirements.
Accessibility	Maintain oversight of the programme to improve station accessibility in line with Greater Wellington's Accessibility Action Plan. Specifics to be developed for relevant 'hub' and ICT type assets.
RiverLink - Melling Station Relocation	Continue to monitor the multi-stakeholder RiverLink project in relation to the design and construction of the relocated rail-bus Melling interchange to ensure the ideal end outcomes.
Waterloo Station	Maintain oversight of the development of the reference design and business case for the renewal of the Waterloo Bus-Rail Interchange. Where required initiate maintenance works to alleviate arising safety concerns and ad-hoc maintenance.
Potential additional assets	Maintain oversight and awareness of potential expanding asset portfolio for GWRL, including strategic bus assets.

12. Non-financial performance targets

GWRL's key objectives are to prudently manage and maintain the strategic bus assets, rail rolling stock and rail infrastructure (GWRL's Public Transport Assets). Non-financial performance targets for GWRL are set within the context of the strategic targets and objectives of GWRC's Long Term Plan (LTP) 2024-34 and associated GWRL Asset Management Plan.

Level of Service	Current performance result[1]	2026/27 Performance target	Performance target (by end of 2024-34 LTP)
CUSTOMER SATISFACTION WITH RAIL ASSETS			
Percentage of customers who are satisfied with the condition of the station	92%	94%	>96%
Percentage of passengers who are satisfied with the condition of the vehicle fleet	95%	≥94%	>96%
Percentage of passengers who are satisfied with provision of shelter from weather at shelter/station	84%	≥84%	≥85%

[1] This is an annual performance measure. May 2025 Customer Satisfaction Survey Results.

Level of Service	Current performance result	2026/27 Performance measure	Performance measure (by end of 2024-34 LTP)
ROLLING STOCK - ASSET MANAGEMENT			
Matangi - Mean distance between failure[2]	67,384	≥40,000km	≥40,000km
Carriage - Mean distance between failure[3]	110,079	≥80,000km	≥80,000km

Level of Service	Current performance result	2026/27 performance measures
RAIL FIXED ASSET - ASSET MANAGEMENT		
Average condition grade[5] of:		
Station buildings	1.96	≤2.5
Station shelters	1.52	≤2.5
Structures (pedestrian subways)	2.5	≤2.5
Structures (pedestrian bridges)	2.5	≤2.5
Park & Ride	1.84	≤2.5
Percentage of assets in condition grade 4 (Poor) or worse [6]		
Station buildings	1.5%	≤2.3%
Station shelters	0%	≤2.3%
Structures (pedestrian subways / bridges)	0%	≤8%
Park & Ride	1.4%	≤8%

[2] NB: Mean Distance Between Failure (MDBF) is defined as 'a rolling stock failure which causes or contributes to a service delay of 5 minutes or more'. MDBF from end December 2025, 12 month rolling average.
[3] NB: Mean Distance Between Failure (MDBF) is defined as 'a rolling stock failure which causes or contributes to a service delay of 5 minutes or more'. MDBF from end December 2025, 12 month rolling average.
[4] NB: Conditional grade score – 1: Is very good condition and, 5: very poor condition requiring replacement.
[5] Performance measures taken from 2025 Asset management Plan (AMP)

13. Financial information

a. Shareholder Funds to Assets

2026/27	2027/28	2028/29
95.66%	91.31%	93.21%

b. Prospective statement of comprehensive income

Year ended 30 June	2026/27	2027/28	2028/29
	GWRL $000	GWRL $000	GWRL $000
Operating grant income from Council	18,971	18,579	18,998
Rental income	7,700	7,893	8,082
Other revenue	79	81	83
Total revenue	**26,750**	**26,553**	**27,163**
Interest expense	332	382	401
Depreciation & amortisation	27,970	28,250	28,532
Other expenditure	26,750	26,553	27,163
Total expenditure	**55,051**	**55,184**	**56,096**
Surplus/(deficit) before tax	**(28,302)**	**(28,632)**	**(28,933)**
Taxation expense (credit)	(5,534)	(5,672)	(5,808)
Total comprehensive income	**(22,768)**	**(22,959)**	**(23,125)**

c. Prospective statement of financial position

As at 30 June	2026/27	2027/28	2028/29
	GWRL $000	GWRL $000	GWRL $000
Opening equity	485,459	617,327	730,367
New equity	154,636	135,999	175,148
Total comprehensive income	(22,768)	(22,959)	(23,125)
Closing equity	**617,327**	**730,367**	**882,391**
Equity applicable to parent	617,327	730,367	882,391
Closing equity	**617,327**	**730,367**	**882,391**
Current assets	2	2	2
Non-current assets	684,080	791,830	938,446
Total assets	**684,082**	**791,832**	**938,448**
Current liabilities	5,110	5,492	5,893
Non-current liabilities	61,645	55,973	50,165
Total liabilities	**66,755**	**61,465**	**56,057**
Net assets	**617,327**	**730,367**	**882,391**

d. Prospective statement of changes in equity

As at 30 June	2026/27	2027/28	2028/29
	GWRL $000	GWRL $000	GWRL $000
Opening equity	485,459	617,327	730,367
Shares to be issued during the year	154,636	135,999	175,148
Total comprehensive income for the year	(22,768)	(22,959)	(23,125)
Closing Equity	**617,327**	**730,367**	**882,391**

e. Prospective statement of cash flow from operations

As at 30 June	2026/27 GWRL $000	2027/28 GWRL $000	2028/29 GWRL $000
Prospective statement of cash flow			
Cash flows from operations			
Receipts from operations	26,750	26,553	27,163
Payments to suppliers/employees	(26,658)	(26,562)	(27,124)
Interest paid	(332)	(382)	(401)
Net cash from operating activities	**(240)**	**(391)**	**(363)**
Cash flows from investing activities			
Purchase of Fixed Assets	(154,636)	(135,999)	(175,148)
Net cash from investing activities	**(154,636)**	**(135,999)**	**(175,148)**
Cash flows from financing activities			
Issue of shares	154,636	135,999	175,148
Current Account movement	240	391	363
Net cash from financing activities	**154,876**	**136,390**	**175,511**
Net increase/(decrease) in cash & cash equivalents	-	-	-
Cash & cash equivalents at beginning of the year	2	2	2
Cash and cash equivalents at year end	2	2	2

f. Financial Statements commentary

- The statement of comprehensive income (2026/27 to 2028/29) shows deficits after tax due to depreciation and interest not being funded.
- The taxation credit/income represents GWRL having a tax credit from deferred tax.
- Equity increases by $396.9 million over the period (2026/27 to 2028/29). This results from WRC Holdings equity injections to fund GWRL capex of $465.8 million. This is offset by the net deficits of $68.9 million.
- Capital expenditure over the three-year period is significant at $465.8 million, mainly due to GWRL capex programme (LNIRIM $386.5, Matangi overhauls $45.9 million and infrastructure improvements $33.4 million), over the three-year period.

g. Financial performance targets

Year ended 30 June	2026/27	2027/28	2028/29
	GWRL $000	GWRL $000	GWRL $000
Operating expenditure	55,051	55,184	56,096
Capital expenditure	154,636	135,999	175,148
Shareholders equity/Total assets	95.66%	91.31%	93.21%

h. Statement of Accounting Policies

The financial statements are presented in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002 and New Zealand Generally Accepted Accounting Practices (NZ GAAP).

These prospective financial statements are presented in accordance with Tier 1 PBE Accounting Standards, and comply with PBE Standards.

The detailed accounting policies are available in our most recent annual report as published on Greater Wellington Regional Council website.

i. Assumptions in preparing the prospective financial statements

The prospective financial statements information contained in this SOI is based on assumptions that GW Rail Limited could reasonably expect to occur in the future based on information that was current at the time this SOI was prepared. Actual results are likely to vary from the information presented and variations could be material.

There will be no changes to key legislation affecting the company's activities.
Asset lives are in accordance with the company's Accounting Policies.

14. Attachment – Statement of Expectations from Council (December 2025)

Greater Wellington
Te Pane Matua Taiao

By email

11 December 2025

Lucy Elwood
Chair, WRC Holdings Limited
Lucy@elwoodlaw.co.nz

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Tēnā koe Lucy

WRC Holdings Limited - Statement of Expectations 2026/27

This letter sets out a statement of our expectations (including our enduring expectations in Appendix 1), as the shareholder in WRC Holdings Limited (WRCHL), as you begin drafting the Statement of Intent (SOI) for 2026/27 to 2028/29. Our statement of expectations, as prescribed in section 64B of the Local Government Act, specifies the relationship we expect to have with you over the period and our general expectations of the WRC Holdings Group.

The draft SOI is due to Greater Wellington Regional Council (the Council) by 1 March 2026. We will then consider this document and provide feedback by 1 May 2026 to allow the document to be finalised before 30 June 2026.

Continued focus on optimising return on investment

The Long Term Plan 2024-2034 (LTP) anticipates a continued revenue stream from dividend payments and this needs to continue to be factored into the SOI. WRCHL should continue to work with its subsidiaries to see how it can increase its level of profitability and dividend stream.

Council, as shareholder of WRC Holdings, considers CentrePort to be a strategic asset and a long-term investment. Council considers the ability to integrate important outcomes (including progressively increasing the CentrePort's dividend payouts and return on equity, regional economic development, incorporating te ao Māori into decision making, and emissions reduction) into the development of the port as key benefits of long-term ownership in CentrePort.

Developing a new Investment Strategy

Building on the previous work undertaken in 2024/25, Council expects WRCHL to develop and propose options for a new strategic investment strategy/policy and operating model by the end of the 2026/27 financial year. These options should include maximisation of shareholder returns to Council and identification of new commercial and investment opportunities that align with Council's strategic objectives whilst increasing the value of its assets. All opportunities should be assessed as to their contribution to the broader economic benefit of the Wellington region.

Public Transport assets

We expect that WRCHL and Greater Wellington Rail Limited (GWRL) will:

- maintain oversight and awareness of the GWRL asset portfolio, including the new rail rolling stock and supporting infrastructure now being progressed through the signed Lower North Island Rail Integrated Mobility (LNIRIM) procurement contract, and the likely incorporation of strategic bus assets into the GWRL portfolio.

- maintain oversight of risks associated with the rail network to GWRL's rail assets, recognising their vital importance to both CentrePort's operations and Metlink's rail services.

Health and Safety

We expect that WRCHL will continue to maintain awareness of, and seek assurance that, key critical health and safety risks for GWRL and CentrePort are appropriately managed. Health and safety should remain a priority in WRCHL's work programme, reflecting the Council's commitment to a safe and resilient community.

Living wage accreditation

Greater Wellington achieved Living Wage Employer accreditation through Living Wage Aotearoa's accreditation programme in October 2025. We are now turning our focus to ensuring that our majority-owned entities work toward meeting the same standard. We request that WRCHL engage with CentrePort to support its steps toward accreditation.

Regional economic development

WRCHL will support and align with appropriate Council regional projects, including the implementation of the Regional Economic Development Plan.

A continuing emphasis on emissions reductions

Council expects WRCHL to ensure that emissions reduction is a priority across its subsidiaries.

Council recognises CentrePort's strong commitment to, and success, in reducing emissions. We look forward to CentrePort's continuing contribution to meeting our organisational and regional emissions reduction targets.

If you have any need for clarification on the above matters, then please feel free to contact me at the soonest opportunity. We look forward to receiving your draft SOI by 1 March 2026. In accordance with section 64B of the Local Government Act 2002, this letter will be published on the Council's website.

Nāku noa, nā

Daran Ponter
Chair - Wellington Regional Council

Appendix 1: Enduring Expectations

ENDURING EXPECTATIONS	
Best practice governance	WRCHL is expected to meet best practice governance standards.
Alignment with the Council's strategic direction	WRCHL is expected to maintain an ongoing alignment to the four focus areas in the Council's 2024-34 Long Term Plan (LTP) strategic framework: • Active partnerships with mana whenua and improved outcomes for Māori • Leading action for climate resilience and emissions reduction • Holistic approaches to deliver improved outcomes for te taiao • Improved access to services and equitable outcomes for communities.
Alignment with the Council's specific objectives for WRCHL	WRCHL is expected to maintain an ongoing alignment to the Council's specific objectives for WRCHL in the LTP 2024-34: • Operate successful, sustainable and responsible businesses for the benefit of future generations • Impose commercial discipline on the Group's activities and generate a commercial rate of return • Manage its assets prudently • Support the Council's strategic vision.
Giving effect to Te Tiriti o Waitangi and Te Whāriki (the Council's Maori Outcomes Framework)	WRCHL should proactively engage mana whenua and incorporate te ao Māori and mātauranga Māori perspectives, into its decision-making, so we can achieve the best outcomes for Māori across all aspects of our region.
Board performance review	A board performance review should take place every two years or as required, and should include (but not be limited to): • The eight elements of effective governance (https://oag.parliament.nz/good-practice) • Management of conflicts of interest • Quality of reporting • How te ao Māori is considered within decision-making • A review of the board skills matrix, with te ao Māori included After completing the board performance review, the Council should receive a report detailing the review process and its outcomes.
Health and safety	WRCHL must maintain an ongoing focus on health and safety, particularly regarding the management of critical risks and controls.
Risk management	WRCHL is expected to follow robust processes at a governance level to identify and manage risks.
Living wage and mitigating modern slavery	WRCHL should reflect the Council's expectations that Council Organisations pay the Living Wage and mitigate the risk of modern slavery in their commercial activities.
Legislative compliance	WRCHL must ensure legislative compliance with all relevant legislation.
'No surprises' policy	WRCHL is required to operate under a 'no surprises' policy with the Council. The policy operates both ways in relation to items of public interest or matters of significance, encouraging open, honest, and timely communication between both parties.