

20 December 2021

Prue Lamason
Chair, WRC Holdings Limited

Prue.Lamason@gw.govt.nz

Dear Prue

Statement of Expectations – WRC Holdings Limited’s Statement of Intent for 2022/23

This letter sets out a statement of our expectations, as the shareholder in WRC Holdings Limited, as you begin drafting the Statement of Intent (SOI) for the 2022/23 financial year. 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 Holdings group.

The draft SOI is due to Council by 1 March 2022. We will then consider this document and provide feedback by 1 May 2022 to allow the document to be finalised before 30 June 2022.

Long Term Plan 2021-31

Council has adopted a Long Term Plan which includes four strategic priorities. These should also act as a guide for the Holdings group in developing its Statement of Intent. These are

- Responding to the climate emergency
- Improving outcomes for mana whenua and Maori
- Adapting and responding to the impacts of COVID-19
- Aligning with Government direction

The Long Term Plan also anticipates a continued revenue stream from dividend payments and these need to continue to be factored into the SOI.

Relationship framework

Council will require formal quarterly reports from WRC Holdings Limited to ensure we have a good understanding of performance against the SOI. These reports should focus on strategic issues facing the Holdings group and how these are being managed.

We expect a no surprises approach and to be informed of any issues that arise in a timely manner outside of this reporting.

Strategic Ownership Objectives

WRC Holdings own a significant portion of investment on behalf of Council. The Holdings board have previously considered their ownership and strategic objectives and Council would like to work with the board over the coming year to ensure that the Council and Holdings companies' strategic objectives align and are understood.

Board Development and Diversity

Council welcomes the initial steps taken towards understanding the Boards development needs and skillset. There are a number of succession and development considerations to be addressed over the coming year and Council will look to the Holdings Board to provide advice and a framework for addressing these issues.

Council will also look to the board to have a continued focus on diversity and cultural competency not only at a board level but throughout it wider relationships.

Minimising the risk of workplace incidents

The health, safety and wellbeing of our workforce and residents are key issues for Council as shareholder. We would like to see clarity that the Holdings group is aware of and managing its key critical risks, and that any assurance needed from other parties is satisfactory. Health and Safety should remain a key focus of the board work program.

Regional Projects

Where appropriate, Holdings should look to support and align to Councils regional projects including the Regional Growth Framework.

In accordance with section 64B of the Local Government Act 2002, this letter will be published on Greater Wellington's website.

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 01 March 2022.

Yours sincerely

Daran Ponter
Chair - Wellington Regional Council