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**Committee** Policy, Finance and Strategy  
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## 2003/04 Statement of Corporate Intent - CentrePort Ltd

### 1. Purpose

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

### 2. Background

The Committee considered the draft SCI of CentrePort on 5 August 2003 and endorsed the action taken by Port Investments Ltd in suggesting to CentrePort that certain changes be made to the draft SCI. On 6 August I wrote to CentrePort advising the company of the additional comments made by the Council (refer **Attachment 2**).

CentrePort directors have now considered the feedback received from shareholders and have finalised the 2003/04 SCI.

### 3. Comment

The CentrePort directors have made a number of wording changes to the draft SCI that was reviewed on 5 August by the Committee.

These are largely in response to feedback provided to CentrePort by shareholders.

The main changes from the draft SCI are as follows:

- The 'objectives of the company' section reflects the shareholders' desire for more emphasis on sustainability (refer paras 1.1(a) and 1.3(a)).
- The target ratio of equity to total assets has been increased to reflect the nature of the Port company balance sheet, post the revaluation of land which is expected to be booked in the 2003/04 year (refer para 3.1).
- The environmental and social performance indicators have been improved, albeit marginally (refer paras 5.3 and 5.4).

- The targeted dividend payout has been clarified to exclude unrealised gains/losses on investment property. This is consistent with the approach we take with Pringle House Ltd and WRC Holdings Ltd (refer para 6.1).
- The “communication with shareholders” section has been changed to reflect the wish of shareholders to have more comprehensive reporting on property vs port operations (refer para 11.1(a)).

Also, a new subsection has been added which recognises that CentrePort will keep shareholders advised of all sensitive issues (refer para 11.1(f)).

- The timeline for receipt of the draft SCI has been brought forward from July to May, consistent with our request (refer para 11.3).
- The commitment to reviewing the performance of the Board of Directors has been strengthened (refer para 11.4).

The final SCI figures are as in the draft SCI.

The finalised SCI is now the key accountability tool over CentrePort performance during 2003/04.

#### **4. Communication**

Not required.

#### **5. Recommendation**

*That the Committee recommend to Council that it receive the report and note its contents.*

Report prepared by:

**Greg Schollum**  
Chief Financial Officer

**Attachment 1:** 2003/04 SCI – CentrePort

**Attachment 2:** Letter from the CFO to Nigel Gould dated 6 August 2003