

Report to the Policy and Finance Committee  
from Greg Schollum, Chief Financial Officer

## **Year 2000 Expenditure**

### **1. Purpose**

To advise the Committee of the costs incurred to date by the Council in mitigating the risks posed by the Year 2000 issue.

### **2. Background**

At the Policy and Finance Committee Meeting on 8 April 1999 I was requested to make an assessment of the costs incurred by the Council on the Year 2000 issue.

An assessment has now been made of the external costs incurred by each division as a result of the Year 2000 issue.

While there has also been considerable internal management time spent on the issue, this has not been included, primarily for practical reasons (ie timesheets for all staff involved do not record time at a sufficient level of detail to facilitate the analysis).

### **3. Results**

<b>Division</b>	<b>External Costs Incurred to Date</b>	<b>Explanation</b>
Transport	Nil	-
Environment	\$25,000	Relates to consents database which has been replaced. The old

		system would have been replaced anyway, but Y2K provided a firm deadline.
Landcare	Nil	-
Wairarapa	\$49,000	The majority relates to the replacement of the rates system used for collection of pest and scheme rates.
Utility Services	\$52,000	Primarily relates to replacement of equipment.
Corporate	\$15,000	Relates to the cost of an external process review conducted by Audit New Zealand and some minor "patches" applied to Council's existing financial and payroll systems.
<b>Total Cost</b>	<b>\$141,000</b>	

In addition, the Utility Services Division is forecasting to spend a further \$220,000 on new laboratory software, replacement of equipment and additional communications equipment. There are no significant additional expenditure requirements in other divisions.

#### **4. Recommendation**

*That the report be received and the contents noted.*

GREG SCHOLLUM  
Chief Financial Officer