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Corporate Plan Output: Corporate Expenses and Revenues	

The purpose of this report is to update the Committee on the progress being made by the Council on the Y2K issue.

BACKGROUND

The Council commenced work on this issue in 1997 when it commissioned a reconnaissance report from Ernst and Young. This report assessed all the systems according to the extent and risk of failure that could result. In mid 1998 the Council approved the provision of \$1.16 million in the 1998/99 Annual Plan so that the work could be undertaken.

A project team, which reports to the Director of Finance was subsequently established, under the leadership of John de Zwart, and a small internal steering group has been established to overview the process. The work done so far will ensure that the Council will complete its assurance testing and take all necessary remedial action several months before the vital dates.

PROCESS ACTIONED

As reported to the February meeting, a comprehensive project plan was prepared in October 1998 and that plan is being followed to ensure an orderly process reviews all potential risk areas to ensure equipment and processes are compliant or the necessary remedial action is taken.

The stages of this process are:

- Evaluation **Complete** Completion of inventory of systems
- Risk Assessment **Complete** All systems assigned a risk to enable priorities to be assigned.
- Compliance Claimed **Complete** Systems affecting public health and safety and other systems with medium risk are assessed and recorded as compliant by Council staff after review of information and testing by Council staff.
- Third Party Compliance Check **Complete** Public health and safety areas and medium risk items are checked and claimed compliant by an independent expert consultant.
- Certification of Key systems **In progress due for completion by 30 May** Completion of project of compliance checking of public health and safety and medium risk systems. Strategies developed to ensure compliance is maintained until 2000.
Due for completion by 30 May

- Full Compliance/readiness Low risk items either made compliant or alternative strategy developed and applied.
Due for completion by 22 June
- Contingency Plans Developed Contingency plans for all high risk and essential business systems will be developed as an extra precaution in addition to the checking and remedial action outlined in previous sections.
Due for completion by 31 August
- Contingency Plans finalised Contingency plans will continue to be refined and tested until 2000.

CONTINGENCY PLANNING

Contingency planning is an essential component of the Y2K project; it is required to prepare and subsequently ensure the Council's essential services continue in the event of a service provider (e.g. Telecom) failing. Contingency planning has been initiated and a plan outline is to be presented to the Project Steering Group on 21 May. Contingencies will be developed in order of their priority and based on service continuance. Fourteen hire generators have been booked for use over the New Year period to ensure the continued operation of the Council's sewerage system in the event of power failure. There may be scope to incorporate, in the Y2K contingency effort, some work towards the establishment of Unit Business Continuance and Emergency Management Plans. There is considerable commonality between these plans and because of this there may be opportunity to save some duplication of effort.

Unit Managers have been asked to take an estimate at contingency staffing requirements over the holiday period. Some staff will be asked to either be "on call" or make themselves available over critical periods. Y2K office intends to firm up staffing requirements by 11 June.

A round-table was organised by the Christchurch Y2K team for 7 May. David Brunson, National Lifelines Co-ordinator spoke on contingency planning. The round-table enabled discussion on contingency planning and promoted the sharing of ideas/networking on that and other Y2K subjects, between South Island councils.

Y2K LIFELINES SUBCOMMITTEE

A subcommittee of the Christchurch Engineering Lifelines Committee has been established to develop a mechanism for communicating local Y2K issues to Wellington prior to and during the affected dates. Council Y2K manager John de Zwart is a member of this committee. One of the more important roles of the sub-committee is to monitor and make suggestions on the allocation of resources throughout the region. Other members include representatives from Canterbury Health and Fire Department.

ESSENTIAL SYSTEMS: A BELT AND BRACES APPROACH

The Council provides a wide range of essential services to the Christchurch community and particular care has been taken to give high priority to ensuring the readiness of all those systems which have a major direct impact on the health and safety of the community. Those systems which come into this category are:

- Water supply
- Sewerage
- Drainage/flood prevention
- Traffic lights

In the majority of these systems the Council has always maintained back-up systems to deal with emergencies and these systems are capable of being brought into operation should emergencies arise from external causes. In view of the extensive compliance work being done on all such systems it is unlikely that there will be any failure. However, these back-up systems are capable of being activated, if necessary. Normally back-up diesel generators will start automatically in the event of power or other failure and these generators are also capable of being started manually.

Water Supply has back-up generators already in place to meet demand should power fail. 70% of Christchurch's wastewater/sewage is moved through gravity feed and the five critical pumping stations have back up systems. Additional back-up equipment has been booked with a hire company to ensure uninterrupted provision of the overall waste water and sewerage system. Some of these generators will be portable and able to be transported around the city to meet any additional unexpected faults in other areas.

High risk and medium risk systems have been accorded priority action in the compliance checking and contingency planning process as detailed in the next paragraph. All internal checking is complete and it is expected that third party checking will be complete by the end of May. Some buildings will be signed off after the end of May, but before the end of June.

RECENT LOCAL GOVERNMENT SURVEY

In April this year Local Government New Zealand made public the results of a survey conducted on the readiness of local bodies around New Zealand. Christchurch fared well in the survey although some of the results were misinterpreted by the media and others. This misinterpretation was a product of the reporting method used by the company conducting the survey. Assurances have been received by the Readiness Commission that this situation will be remedied. Another survey is presently being conducted.

MAJOR SYSTEMS

- Traffic Lights have undergone all necessary tests and have proven to be Y2K ready. Development of contingencies for traffic lights is being given further thought. In the event of power failure it seems more appropriate to look at the potential traffic patterns on or around the key times/dates and deal with those areas individually, (e.g. traffic leaving Hagley Park etc).
- Water Services and Waste Management functions are presently being audited by a third party (Mongomery Watson). This audit is to give the Council an extra level of comfort by cross-checking work previously done by the Council core team.

SUMMARY

The physical work of checking, by both Council staff and external third party consultants, is expected to be completed at least six months before 1 January. This allows plenty of time for contingency planning so that in the unlikely event of a system/service provider failure a back-up alternative will be available for important systems that affect public health and safety. The structured approach to this issue and the degree of back-up available will ensure that the public need have no concerns about delivery of essential services as we move into the new millennium.

Chairman's

Recommendation: That the information be received.