Finance Risk and Audit Committee Workshop, 18 August 2026

Information considered in the workshop.

Greater Wellington
Te Pane Matua Taiao

Ability to deliver the capital programme

Finance, Risk and Audit Committee Workshop – August 2026

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Greater Wellington
Te Pane Matua Taiao

Purpose of the workshop:

The extent to which we deliver on capital projects in the LTP and Annual Plan

Purpose:

Discussion on our current controls and the improvements we are implementing to more effectively manage the uncertainty in delivering our capital programme

Discussion outcomes:

- Provide the Committee with an overview of the uncertainty “Ability to Deliver the Capital Programme”.
- Highlight control improvements and actions we are taking to reduce uncertainty.
- Explore the uncertainty using LNIRIM as an example.
- Seek the Committee's feedback and challenge on our proposed control improvements.

Capital Projects

The scope of this uncertainty is:

"The extent to which we deliver on capital projects in the LTP and annual plan"

Therefore, the uncertainty is focused only on the delivery of capital projects – noting this discussion is primarily focused on our major projects. Asset renewals and maintenance are out of scope of this discussion.

The uncertainty "Fitness for Purpose of Assets" includes asset renewals and maintenance for which we have already completed a risk deep dive.

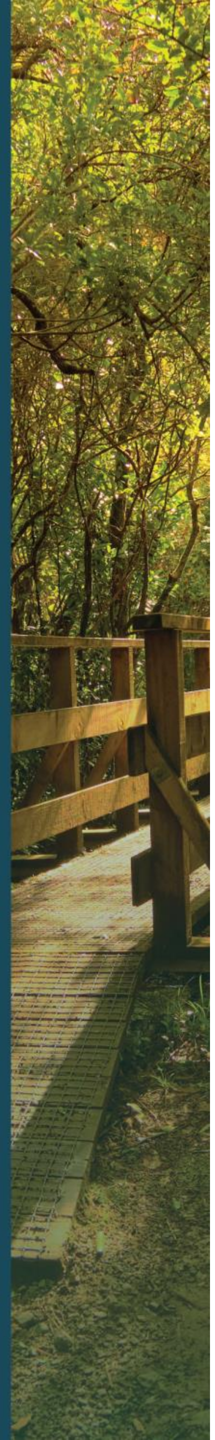
We note that Greater Wellington delivers capital projects that vary in terms of type, complexity, size and delivery model.

Our major projects within this uncertainty predominantly relate to Public Transport or Flood Protection.

Major Capital Projects in progress

Status as at 30th June 2026

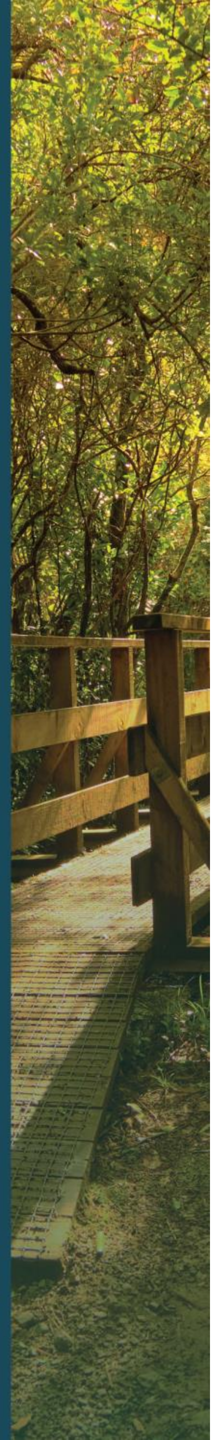
Programme Name	Delivery Group	Approved Budget	Status
Riverlink	Environment – Delivery	$353.8M	Red – additional funding requested to achieve programme outcomes. Funding request in 27-30 LTP.
Flood Resilience Tranche 1	Environment – Delivery	$26.8M	Red – the final three sites have issues that need to be resolved with decisions pending on final options, cost and timing of delivery.
LNIRIM	Metlink	$714.1M	Amber – programme risks including ongoing challenges in landing initial operator agreements, and out of scope level crossing risk on the Manawatū line
Transport Services Procurement Programme	Metlink	$11.06M	Amber – Tranche 1 Future Bus Services Contract tender is on track. Tranche 2 Future Rail Services is behind schedule resulting in compressed delivery timeframes.
National Ticketing System	Metlink	$50.49M	Red – risk profile increasing due to timeline pressures, and availability of development environments.
Kauri St Bus Depot	Metlink	$34.25M	Amber – forecasting delays in the installation of 15 bus charging stations and ongoing stakeholder engagement challenges.



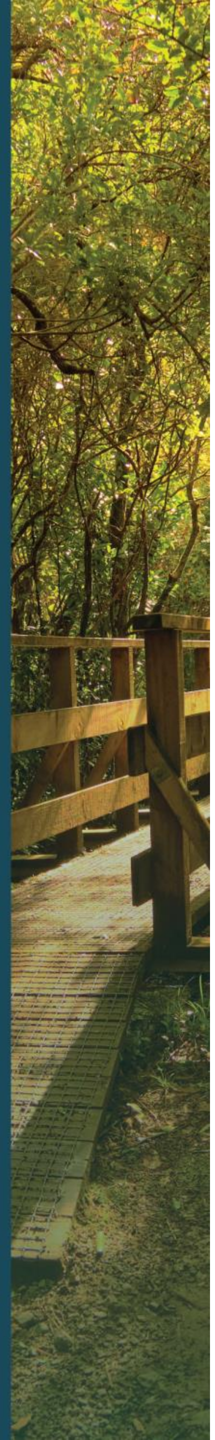
Risk Uncertainty Statement

Sub Uncertainties	Controls	Response	Group
Ability to fund the capital programme The extent to which we have sufficient funding to deliver our capital programme. This includes additional costs as a result of inflation and escalation.	• Integrated long term funding and financial planning aligned to capital programme	• Analyse opportunity to implement phased funding approvals and stage gates to improve accuracy of financial and programme delivery estimation	Corporate Services
	• Active monitoring of funding sources, debt limits and affordability constraints • Regular financial monitoring and re-forecasting of major programmes	• Creation of guidance for large programmes to build consistency and create robust cost estimation including inflation and escalation assumptions	Finance & Risk
Financial management of projects The extent to which projects effectively set budgets, manage cashflows and report on their results.	• Initiation document for pre-funding as part of the LTP process	• Establish a new template for major projects in the next LTP	Strategy
	• Prior to Business Case approval, internal panel review of all major Business Cases (noting that NZTA funded projects also go through an external NZTA review process)	• For GW funded projects, Business Accountants to review all BC's enabling a higher level of fiscal assurance of business cases prior to commitment of funding	Finance & Risk
	• Finance Business Partners review project deliverability and alignment of expected spend to budget phasing	• Existing PMO review panel strengthened to provide opportunity to review programme plan for deliverability and alignment with cashflow forecast	Corporate Services
	• Financial Systems (Ngātahi) provide ability to record a phased budget each year	• All major projects to have budgets phased next year 26/27 and subsequent years. • Forecasting capability to be configured and set up in Ngātahi no later than 27/28 financial year.	Finance & Risk

Risk Uncertainty Statement

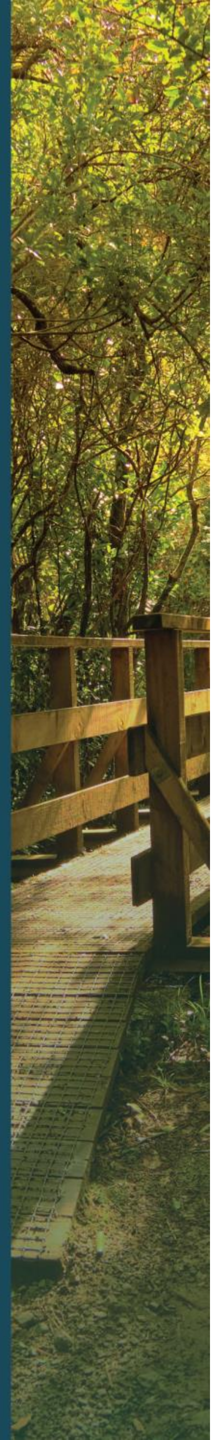


Sub Uncertainties	Controls	Response	Group
Reliance on third parties The extent to which external parties have different expectations and timelines for delivery. This includes requirements for external funding.	• In the Project Management Plan clearly define third party roles, responsibilities and delivery dependencies.	• Programme and Project Managers to ensure Project Management Plans document roles, decision rights and accountabilities for all critical third parties (e.g. funding agencies, delivery partners, asset owners.	Corporate Services
	• Use of formal agreements to align expectations for scope, funding and timeframes.	• Ensure agreements are aligned with programme plans.	Corporate Services
Capability and capacity of the industry, supply chain and workforce The extent to which resources are available as, when and where required	• Maintain a Forward works programme including portfolio level sequencing and prioritisation to manage demand on industry.	• GW to build capability to develop and regularly update a multi-year forward works programme, clearly signalling timing, scale and procurement approach to market.	Corporate Services
	• Identification of capacity constraints planning and business case documents • Early engagement with key suppliers and delivery partners • Use of flexible delivery and procurement models aligned to market capacity	• Project Manager's and Legal & Procurement plan to engage with suppliers early to test capacity, delivery models and timing assumptions	Corporate Services



Risk Uncertainty Statement

Sub Uncertainties	Controls	Response	Group
Impacts of central government policy The extent to which government direction can influence programmes and delivery requirements.	• GW Strategy team and business teams complete regular horizon scanning of central government policy, legislative reform and funding settings for early warning signs of changes in policy/direction	• Review our process to disseminate strategic horizon-scanning and integrate findings into LTP/AP refreshes and programme risk registers	Strategy
	• Engagement with relevant agencies (e.g. NZTA, DIA) during business casing	• Implement staged Business Case approvals and funding gates to avoid over commitment ahead of policy	Corporate Services
Internal capacity to deliver The extent to which we have sufficient resources to deliver and support our capital programme.	• Project delivery prioritisation approach	• Implement new framework and portfolio governance process to enable group leadership monitoring of achievability within current resourcing constraints	Corporate Services
	• Proactive workforce and capability planning for critical roles	• Ensuring existing workforce and succession planning identifies critical project roles and enables demand peaks to be managed through a mix of internal capability and external support for specialist short term skillsets	People and Culture
	• Building tools, systems and processes for use by programme teams to ensure consistency across programmes to reduce reliance on individual capability.		



Matters for discussion

Discussion

We have outlined the areas of uncertainty in the delivery of our capital programme, and how we are looking to respond

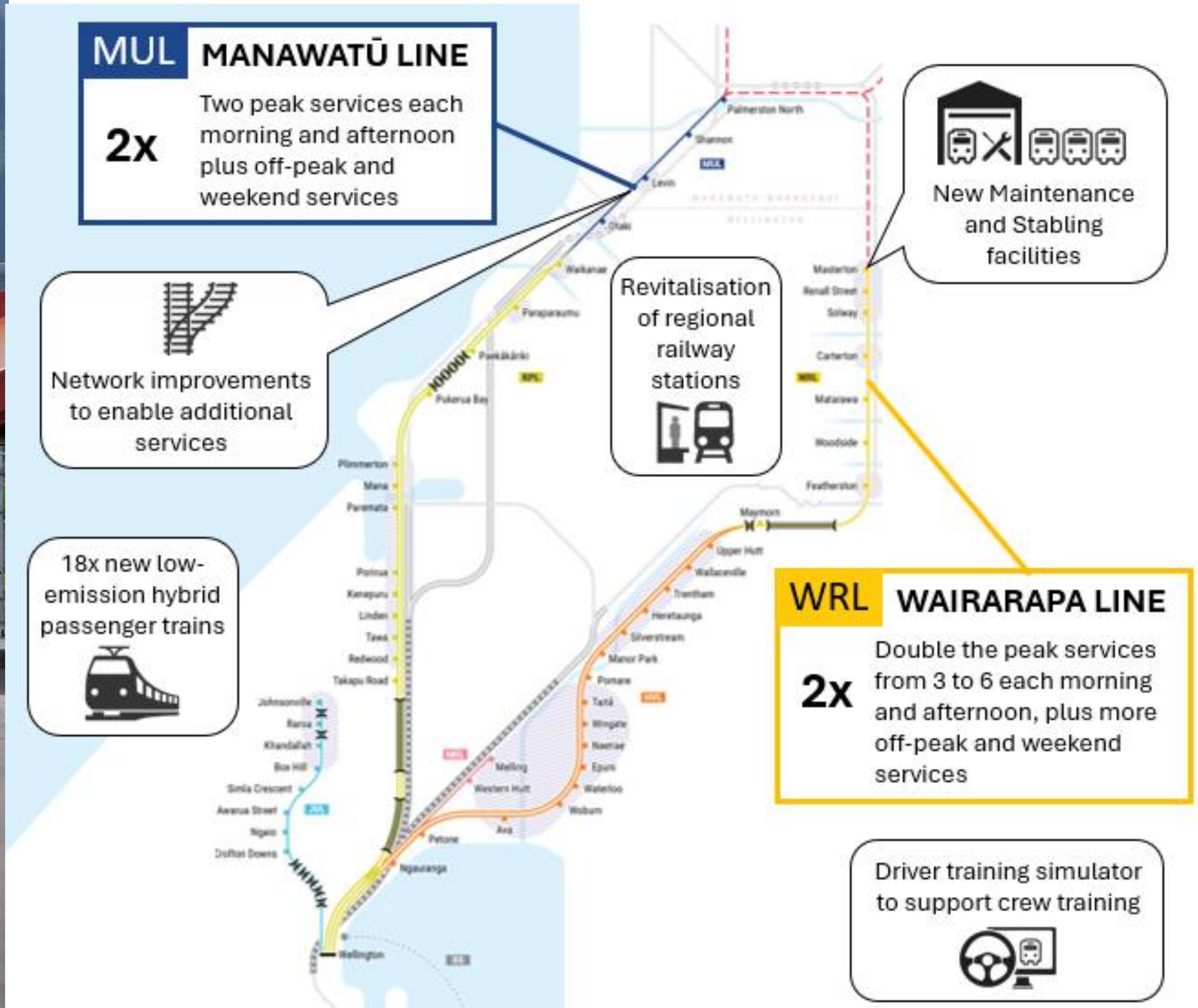
1. Overall, is the committee confident that the identified controls and planned responses effectively address and reduce our level of uncertainty?

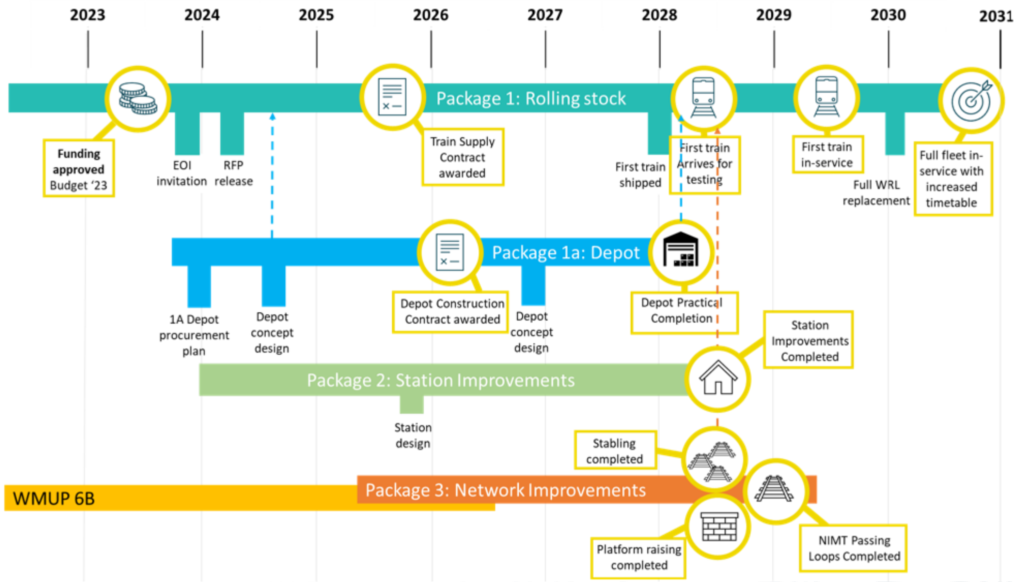
2. What further information would provide confidence in the decisions you make at the appropriate stages for funding of our major projects? For example how we fund and approve complex multi stage business cases.

3. We are already delivering several significant projects, what levers can we use to ensure Council are considering capacity and opportunity cost to the organisation to deliver major projects when considering the prioritisation of **new** initiatives or projects?

Deep Dive – Lower NI Rail Integrated Mobility

Background on Programme





Deep Dive – Lower NI Rail Integrated Mobility

Agenda

To understand capital delivery uncertainty in relation to the LNIRIM programme we will focus on the following areas:

- Financial Management & Ability to fund the capital programme
- Central Government Policy
- Capability and capacity of the industry and supply chain
- Internal Capability & Reliance on Third Parties
- Challenges achieving programme outcomes

Deep Dive – Lower NI Rail Integrated Mobility

Financial Management & Ability to fund the capital programme

- Accuracy of cash flow improves as Project / Programme evolves through planning and execution
  - Revise assumptions:
    - LNIRIM Business Case assumed up loading payments to rolling stock supply, during contract we aimed for cash flow neutrality.
    - Risk allocation
  - Need flexibility to update and revise cashflow
- Understand what is most important, and manage accordingly.
    - Critical Path
    - Scope, Cost and Time are inter-related
- Clear responsibility and accountability
  - LNIRIM has distributed financial control with two delivery agencies – GWRC and KiwiRail
  - Central responsibility of outcome sits with GWRC
- Contingency allocated across financial years
  - Due to multi funding agencies enables faster response times to issues
  - We underspent in 2026/27 by $17m - $6.6m was contingency not needed this year

Deep Dive – Lower NI Rail Integrated Mobility

Central Government Policy

- Took 9 years to land alignment
- Central Government Funding exposes us to policy shifts
  - Develop good long term strategy
    - Maintain focus on long term outcomes – ignore short term ‘noise’
    - Not easy!
  - Programme Funded near end of Labour Government Term
  - Delays in obtaining Funding Agreement under new National Government
  - Delays during procurement and award of rolling stock contract as government advisors re-assessed basis of the solution:
    - Diesel vs Battery electric technology
    - Post Covid patronage forecasts review
    - Exposed us to increasing forex costs

Deep Dive – Lower NI Rail Integrated Mobility

Capability and capacity of the industry and supply chain

- Understanding of the Market
- Understand interface risks
- Understand what is important
- Design procurements to ensure best outcomes – cost and risks
  - Separated Depot build from Rolling Stock contract
    - Maximise rolling stock market interest
    - Enable best rolling stock supplier and best depot builder to be selected
  - Separated Battery Charging Infrastructure rolling stock contract
    - Saved ~$11m in cost due to local uncertainty priced into rolling stock contract
  - Procured and Nominated Depot Protection System supplier as part of the Depot Contract
    - Enable best depot and best depot protection supplier to be selected
    - Force depot to be designed and built with consideration for the Depot Protection System

Deep Dive – Lower NI Rail Integrated Mobility

Internal Capability & Reliance on Third Parties

- Resource Project Team model
  - Internal teams:
    - Greater ownership of long term outcomes
    - Build knowledge and experience within organisation
  - External
    - Flexibility to scale up and down
    - Expertise and capability not available internally
- Get what you manage
  - quality and outcomes
  - Need to be a intelligent client to manage your risk exposure

Deep Dive – Lower NI Rail Integrated Mobility

Challenges achieving the outcomes of the programme both on time and budget, aligned to the predicted cashflow

- The right 35 year asset more important than alignment to cashflow / programme timelines
- Risk allocation:
  - Global and local impacts beyond our control
  - Is derisking financially viable?
- Stakeholder and Supplier Management and alignment
- Interface Management
- Management of our delivery partner - KiwiRail