



**FINAL STATEMENTS OF INTENT FOR COUNCIL
CONTROLLED ORGANISATIONS FOR THE YEAR
2013/14**

1. Purpose of report

To provide the Subcommittee with the final 2013/14 Statements of Intent received from Council Controlled Organisations (CCOs), in compliance with Local Government Act 2002 and Council reporting requirements.

2. Recommendations

It is recommended that the Subcommittee:

1. *Receive the information*
2. *Note that following the last Subcommittee meeting the Chair wrote to the Council Controlled Organisations requesting changes to be made in their Statements of Intent and that these changes have been included in the final Statements of Intent*
3. *Agree to recommend that the Strategy and Policy Committee approve the following 2013/14 Statements of Intent as outlined below:*
 - a) *Basin Reserve Trust*
 - b) *Positively Wellington Venues Limited*
 - c) *Partnership Wellington Trust (trading as Positively Wellington Tourism)*
 - d) *Wellington Museums Trust*
 - e) *Wellington Waterfront Limited*
 - f) *Wellington Zoo Trust*
 - g) *Wellington Regional Stadium Trust*
4. *Agree to recommend that the Strategy and Policy Committee approve the Capacity Infrastructure Services Limited 2013/14 Statement of Intent, noting that the performance measures will be updated once the final Service Level Agreements under the outcomes based model are agreed. The updated performance measures and targets will be brought back to the Subcommittee for consideration.*

5. *Agree to recommend that the Strategy and Policy Committee approve the Wellington Cable Car Limited 2013/14 Statement of Intent, noting that, subsequent to the terminal redevelopment, further discussions will occur between senior WCC officers and the Board regarding an optimal dividend policy for the Company in the current financial environment.*
6. *Note that the draft 2013/14 Statement of Intent for the Karori Sanctuary Trust was received by 30 April as requested, and that apart from adjustments to the financial statements that could result from decisions on pricing, its final Statement of Intent is not expected to differ materially from the draft.*
7. *Note any other issues for the Chair to raise with the Strategy and Policy Committee in regard to this report.*
8. *Note any issues for the Chair to raise with the entities covered by this report.*

3. Background

The requirements for Statements of Intent (SOIs) are prescribed in the Local Government Act 2002.

Under the Local Government Act 2002, CCOs are required to submit a draft SOI to the Council by 1 March in the previous financial year. As a matter of good practice, the Council preceded this with a Letter of Expectation, sent to all CCOs in December, which outlined the Council's expectations in respect of the SOIs to be received. This process provided both the Council and the CCOs with an opportunity to fine-tune respective expectations ahead of submitting the final SOI for Council approval prior to the beginning of the 2013/14 financial year.

Officers received the draft SOIs and tabled these at the CCOPS meeting on 8 April. This report included issues that had been identified in each SOI that were expected to be addressed in the final SOI. The issues were agreed by the Subcommittee and subsequently agreed by the Strategy and Policy Committee on 11 April. The Chair of the Subcommittee then wrote to each CCO, highlighting these issues and requesting that they be addressed in the final SOI, to be submitted to officers by 10 May.

These final SOIs are included in this report for referral to the Strategy and Policy Committee for its approval. As the key accountability document between the Council and the Board of each entity, the approval or support of the SOI is important in confirming the strategic direction and accountability to Council of each organisation.

4. Entities Covered by this Report

A final Statement of Intent has been received by the following CCOs:

- Basin Reserve Trust
- Capacity Infrastructure Services Ltd
- Partnership Wellington Trust (trading as Positively Wellington Tourism)
- Positively Wellington Venues
- Wellington Cable Car Ltd
- Wellington Museums Trust
- Wellington Waterfront Ltd
- Wellington Zoo Trust

4.1 New Zealand Local Government Funding Agency

At its meeting on 10 May 2013, the LGFA Shareholders' Council discussed the company's draft Statement of Intent for 2013/14 with the company's Chair and CEO. The LGFA's final SOI is expected to be published on the company's website before the end of June.

4.2 Karori Sanctuary Trust

The Trust's draft SOI was received on 30 April 2013. The draft SOI follows the Council's recommended SOI template and acknowledges the Council's relevant strategies and policies as these apply to the Trust. It is a well prepared document and officers are comfortable that the draft, as it stands, meets the Council's expectations of the Trust.

The board is working through a range of strategic initiatives for the Trust (including a review of its admissions and pricing structure) which have already caused changes to the draft SOI financials. While further modifications to the financials are possible before the final SOI is published on 30 June, the Trust has indicated these are not expected to be significant and will simply reflect the decisions of the board in terms of its strategic planning.

There will be an opportunity to discuss the final SOI at the Subcommittee meeting on 27 September 2013.

4.3 Wellington Regional Stadium Trust

A Court of Appeal ruling clarified the Trust's status and confirmed that it is not a CCO. It provides a Statement of Intent and Business Plan to its settler councils because of the materiality of the councils' financial commitment to the Trust and the Trust's contribution to the councils' outcomes.

5. Issues for the Subcommittee to Consider

Council Controlled Organisations:

5.1 Basin Reserve Trust

In its final SOI for 2013/14, the Basin Reserve Trust (the Trust) has responded to all points raised by CCOPS in its letter of 11 April 2013.

The Trust has identified several upcoming opportunities to work with the Council's Economic Development and Events teams to maximise the social and commercial benefits to the city of events hosted at the Basin Reserve, most notably the Indian cricket tour in 2014. The SOI notes the work that has been undertaken to date to secure a test match in this series and commits to working with officers to make the most of other opportunities for the city as they arise.

With respect to the development and implementation of a Facilities Management Plan, the SOI commits to working with officers in order to have this in place by the target date of 30 August 2013. Similarly, the Trust acknowledges its support of the Accessibility Action plan and that it will work with officers to implement strategies and initiatives as they apply to the Basin Reserve.

The SOI outlines the intention of the Trust to increase ground usage as requested, and notes several ways in which it is envisaged this could be achieved. In addition, a KPI has been added to reflect the use of the ground as a practice facility in preparation for cricket matches other sporting events.

In line with the Subcommittee's request, the Trust has engaged with officers to update the presentation of their financial statements. This consistency of formatting will be reflected throughout the year in quarterly reporting and the annual report.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve the Basin Reserve Trust's 2013/14 SOI.

5.2 Capacity Infrastructure Services Ltd

The final 2013/14 SOI of Capacity Infrastructure Services Ltd (Capacity or the Company) generally responds to the points raised by CCOPS in its letter of 11 April. The key changes from the draft SOI include:

- Inclusion of references to the expert advisory group on local government infrastructure efficiency.
- Greater discussion of the Company's work on asset management planning, effective and transparent prioritisation of work programmes, and the development of regional technical standards.

- Capacity has added the outdoor water ban in early 2013 as an example of the impact that public information and action can have and notes that it will focus on raising awareness of the implications of developing new storage facilities.
- As requested, a discussion of Capacity's engagement with local iwi, including opportunities to pro-actively advise them of upcoming work programmes, has been added.
- As requested, there is a commitment to working with the Council to achieve the objectives of the Living City programme.
- The Company has added detail to the proposed performance measures under the outcomes based model. Officers note that the proposed measures, reporting framework, and target levels still need to be approved by each council under the final outcomes based Service Level Agreements. This will have implications for the final SOI performance measures and will then be an addendum to the final SOI. Officers note that some of the proposed 'headline' measures appear to set a relatively low bar as a starting point, for example compliance with legislation.

Officers recommend that the relevant final outcomes based performance measures should be agreed as an addendum to the SOI once the revised Service Level Agreements are signed. At that point the SOI performance measures (including target levels) will be considered by the Subcommittee as an addendum to the 2013/14 SOI. If necessary, the Company's quarterly reports should report on these draft measures until that point in time.

- The Company continues to refer to half-yearly performance reports to the Subcommittee. Officers consider that this reporting framework should be adequate, subject to the continuation of the current arrangement whereby either a written report or a verbal briefing is provided to officers for each of quarters one and three.
- The financial forecasts have been updated to also include consultant costs, i.e. to reflect the total amount "billed" to councils by Capacity. Schedules 1 and 2 have been updated and reflect the figures currently in the Council's Draft Annual Plan.

As a result, officers recommend that CCOPS recommend that the Strategy and Policy Committee approve the Capacity Infrastructure Services Limited 2013/14 Statement of Intent, noting that the performance measures will be updated once the final Service Level Agreements under the outcomes based model are agreed. The updated performance measures and targets will be brought back to the Subcommittee for consideration.

Please note that Capacity's SOI needs to be approved by both existing shareholder councils, Wellington City Council and Hutt City Council.

5.3 Partnership Wellington Trust (Positively Wellington Tourism)

In its final SOI for 2013/14, Positively Wellington Tourism has responded to all points raised by CCOPS in its letter of 11 April 2013.

The Trust's financial statements have expanded to include more detail and align with its year end financial statements.

The SOI contains a clearer picture of the Trust's sources of funding and expenditure, particularly as this relates to the Downtown Levy.

Key performance indicators have been finalised and sources and definitions are now included to help with interpretation of the Trust's KPIs.

While reductions in some of the Trust's KPIs are not explained in the final SOI, PWT has provided comments and reasoning and officers are comfortable with the new settings.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve the Partnership Wellington Trust's 2013/14 SOI.

5.4 Positively Wellington Venues

The 2013/14 final SOI for Positively Wellington Venues Limited (Venues or the Company) responds to the points raised in the letter from the Chair of the Subcommittee, dated 11 April 2013.

The Company has set a baseline measure for occupancy rates that will enable officers to measure growth and progress across this key area of the business. They have also provided detail around the delivery of a 'market and audience development' strategy that will have children and young people as one of the target settings. In this way they anticipate being able to identify the appropriate channels to market and thus improve access and exposure to events.

The SOI notes the role that Venues plays in working with officers to maximise returns, both financial and non-financial, from iconic Wellington events such as WOW and the International Festival of the Arts. Venues management has engaged with the Council's Economic Development Manager to further develop these ideas and to give the Council a clear understanding of how community organisations will be able to utilise opportunities for Venues access support. This work is currently underway and is expected to feed in to the Letter of Expectation process later in 2013.

The SOI now references in more detail the Company's commitment to the Council's Accessibility Action plan.

With respect to the Venues 2013/14 budgets, the company has re-forecasted their year end financial position to reflect the on-going impact of the closure of the Town Hall and a challenging events market, along with unanticipated rental

cost increases. The forecasted result is now a positive EBITDA result of \$128k, but a net loss after depreciation and tax of \$126k. Looking forward, the budget anticipates static revenue in 2014/15, but growth in 2015/16 as the redeveloped TSB Arena/Shed 6 is absorbed fully into the operations of the Company.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve the final 2013/14 SOI from Positively Wellington Venues.

5.5 Wellington Cable Car Ltd

The 2013/14 final SOI and Business Plan for Wellington Cable Car Limited (the Company or WCCL), responds to all of the points raised in the letter from the Chair of the Subcommittee, dated 11 April.

As requested, the Company has outlined, at a high level, the Company's contribution to the relevant strategies of the Council, including the Economic Development Strategy, the Living City programme and the Accessibility Wellington Action Plan. The Company has also included high level discussion around the Company's planned strategies to improve the passenger experience and better integrate with other attractions at the top of the Cable Car. Potential opportunities for other revenue growth are included in the Business Plan. The final SOI includes a brief update on the Kelburn terminal redevelopment with discussion of the plans to mitigate construction-related impacts.

WCCL has reinstated the key performance indicator around Qualmark endorsement and included an updated forecast for 2012/13, which shows a forecast net surplus after tax of \$296k, in line with the budgeted result.

For 2013/14 the Company is forecasting cable car fare income of \$2.4m, a surplus before tax of \$388k and a net surplus after tax of \$265k. These figures are lower than the 2013/14 estimates from last year's business plan, which had fare income of \$2.3m, a before tax surplus of \$453k and a net surplus after tax of \$312k. The 15% decline in the 2013/14 budgeted net surplus after tax (relative to last year's budget) reflects higher depreciation for the overhead network (this is unfunded by Greater Wellington Regional Council) and lower external activities income, partially offset by higher cable car income and lower administration costs.

As a result, the forecast dividends as per the business plan are \$176k in 2013/14 (unchanged), \$159k in 2014/15 (was \$187k), and \$169k in 2015/16 (was \$186k).

The Company's dividend policy continues to reflect that the Company will pay the shareholder a dividend of 60% of net profits after tax for 2012/13, payable in 2013/14, subject to the Directors discharging their statutory duty in making that decision each year. The policy now also notes, however, that "if requested by the shareholder, the Directors are willing to review the matter, always taking into account their statutory duty." Given this, officers recommend that further discussion take place with the board, subsequent to the Kelburn terminal redevelopment, regarding the optimal dividend policy for the Company in the current financial environment.

A review of the business plan and the updated SOI notes the following points:

- Passenger numbers are forecast to increase by 1% in 2013/14 (relative to the 2012/13 forecast), 2014/15 and 2015/16. This appears reasonable relative to the passenger figures year to date for 2012/13 and relative to recent years.
- Fare income is forecast to increase at 5.9% in 2013/14, and then by 1% in 2014/15 and 6% in 2015/16, reflecting budgeted fare increases every second year.
- There is a budgeted net surplus of \$3k from the operation of the new electric bus service in the Botanic Garden, which has been trialled in 2012/13.
- The \$1.875m Kelburn terminus redevelopment is to be funded by the Company's cash reserves and a bank loan of \$580k for a 10-year term.
- Although previous assessments have not indicated major issues are likely, the 2013/14 budget includes provision for detailed seismic assessment of the cable car tunnels.
- The overhead network budget for 2013/14 is forecast to be \$9.1m. This includes planned replacements and \$3m in other network upgrade expenditure.
- The business plan has made some allowance from 2015 onwards for increases in pole user charges, including from third parties currently claiming not to be liable for charges.
- There are no forecast third party overhead network projects included in the Business Plan for 2013/14.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve WCCL's final 2013/14 SOI, noting that, subsequent to the terminal redevelopment, further discussions will occur between senior WCC officers and the Board regarding an optimal dividend policy for the Company in the current financial environment.

5.6 Wellington Museums Trust

In its final SOI for 2013/14, Wellington Museums Trust has responded to all points raised by CCOPS in its letter of 11 April 2013.

The Trust's financial statements have expanded to include more detail and align with its year end financial statements. The Trust has also updated its financial statements so that they form a reliable basis for monitoring its performance against its 2013/14 SOI. Officers are comfortable that the re-worked financial

statements don't present a materially different financial performance or financial position from those contained in the draft SOI.

The Trust has revised some of its visitation targets and officers are comfortable with the revisions. The review of the Capital E products and visitor experiences is continuing and its outcomes will be communicated to the Council when known.

In terms of the Trust's visitation performance, it has clarified its revised approach to visitation performance against target. The new approach in the 2013/14 SOI is based on a range of +/- 5% of the current annual average, reviewed annually to ensure that the mid-point reflects the trend of the previous 3 years. This approach is intended to compensate for factors relating to programme variation and allow for unexpected impacts outside the control of the institutions, such as changes in the operating environment.

While it was requested that the Trust adopt any new KPI measurement as a shadow-measure in 2013/14, officers accept the Trust's intentions that;

- the interpretation of the +/- 5% band is not intended to dilute the quarterly measure of visitation performance against targets, but
- is intended to be used in the Trust's annual report in the context of the Statement of Service Performance.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve the Wellington Museums Trust's 2013/14 SOI.

5.7 Wellington Waterfront Ltd

Wellington Waterfront Ltd (Waterfront or the Company) has presented a final SOI that addresses the issues raised by the Subcommittee in its letter of 11 April.

The SOI now includes a good discussion of the factors that have driven the changes in the company's capital works programme, along with a reforecast of timings for the completion of projects and the receipt of commercial proceeds; the redevelopment of the Overseas Passenger Terminal has been brought forward to June 2014, while work on the North Kumutoto master plan 1n 2012/13 has delayed the development of Sites 9 and 10 by a year to 2014/15. The Company also acknowledge that work on the three new projects (Frank Kitts Park playground redevelopment, Shed 6 retail space and the water activities space in the Queen's Wharf precinct) will not proceed until the necessary commercial proceeds have been received.

The Company acknowledges that it will contribute to the Council's investigation towards creating a public land development agency. There is also reference to engaging with CentrePort to ensure that there is maximum integration between Harbour Quays and the development work in the North Kumutoto precinct. This will be particularly important as the development of Site 10 is expected to make significant progress during the year and lies immediately adjacent to CentrePort land.

The Waterfront SOI notes in more detail the work that is being done in the Living City and Accessibility Action Plan space, along with the need to work closely with officers to deliver strong outcomes for these programmes.

The company has updated their financial statements to reflect the anticipated timing of commercial receipts from capital projects in 2013/14. The loan balance at 30 June 2014 is forecasted now to be \$14.4m.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve Wellington Waterfront Limited's final 2013/14 SOI.

5.8 Wellington Zoo Trust

Wellington Zoo Trust's (the Zoo's or the Trust's) final SOI is comprehensive and clearly presented and outlines how the Zoo is aligning itself with the Council's desired outcomes and its strategies to continue to build on its strong operating performance. It has addressed all of the issues raised by the Subcommittee in its letter of 11 April, including quarterly visitor targets and three years of performance targets. The Trust has also further highlighted the work it is doing to support the Council's Accessibility Action Plan.

The following comments are noted from the Zoo's final SOI:

- The visitor number forecast for 2013/14 remains at 216,890, which implies growth of nearly 5% over the 2012/13 target. This is significantly higher than the 2% per year visitor growth included as part of the original approved business plan for the Zoo Capital Plan programme. The targets for 2014/15 and 2015/16 return to a 2% annual growth rate, implying a visitor target of 225,652 for 2015/16.
- In line with the draft SOI, the Trust has included the reduced operating grant of \$2.715m in its 2013/14 forecast, a 3% decrease from the 2012/13 level. It comments that the Trust understands the rationale for this request given the current period of tight financial circumstances and will manage to this budget. However, the Trust also notes that these measures may not be sustainable beyond 2013/14 as in the long run the pressure of rising costs will mean that a lower level of grant funding may jeopardise conservation outcomes and lead to a potential loss of staff and visitors.
- The Zoo's partnership with Massey University Veterinary School for the Wildlife and Zoo Medicine Masterate (which builds wildlife veterinary capacity for New Zealand) is believed to be the only one of its kind in the world.
- The Trust operates under a Contract for Services with the Council and requests that the contract be extended for a further year.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve the Zoo's final 2013/14 SOI.

Other Organisations:

5.9 New Zealand Local Government Funding Agency

At its meeting on 10 May 2013, the LGFA Shareholders' Council discussed the company's draft Statement of Intent for 2013/14 with the company's Chair and CEO.

The draft SOI follows the format that was established in the company's first SOI (2011/12). The document is succinct and well presented, and contains all the necessary facts in complying with the LGA 2002.

The LGFA's final SOI is expected to be published on the company's website before the end of June.

5.10 Wellington Regional Stadium Trust

The final SOI for the Wellington Regional Stadium Trust (WRST or the Trust) is comprehensive and clear in setting out the Trust's operations, opportunities and challenges. It was submitted with its Business Plan for 2013/14 and a summary of its 5-year strategic plan.

The Trust has responded to the points raised by CCOPS in its letter of 11 April. It has confirmed that it will report on its financial and non-financial performance measures in its regular reporting. As requested, it has also provided detailed discussion on each of the key sporting codes, noting that the financial fortunes of the codes and the Trust are closely tied, with both parties impacted by crowd sizes. In particular, the Trust notes that it recognises and will honour its obligation to work with the codes to make the Stadium experience as enjoyable as possible to attract spectators.

The Trust has completed planning of the new membership and corporate box proposals, which will go to market in July/August 2013, to the existing members in the first instance. As was noted in the discussion on the draft SOI, the terms of new memberships will have a material impact on future income statements. Currently around \$2.8m a year of revenue in the income statement is from amortised membership/box funding, compared to an average net surplus of \$3.3m over the past five years. The new corporate box and membership arrangements will not result in substantial upfront payments for long term use. Further, the annual income from corporate boxes will be less than currently received, as the Trust expects to sell fewer boxes than are presently licenced. However, the Trust notes that it will still have a level of profit and cash flow that can service its borrowings and maintain its capital expenditure programme.

As a result, forecast net surpluses for the next three years are \$1.58m for 2013/14 (was \$2.66m), \$1.19m for 2014/15 (was \$2.08m) and \$0.08m for 2015/16. The external debt balance over this time is forecast to be \$12.0m for 2013/14, \$8.9m for 2014/15 and \$11.8m for 2015/16.

For 2013/14 the Trust is forecasting holding 46 events, resulting in events income of \$5.36m and a net surplus of \$1.58m. This is lower than the \$2.66m 2013/14 net surplus estimate from last year's SOI, due to a combination of lower forecast event revenue and higher forecast event operating and other operating costs.

A review of the Trust's business plan notes the following points:

- The Trust will have held 52 events by the end of 2012/13; this continues to be at the upper end of the number which can reasonably be expected to be held in a year.
- For 2012/13, the Trust is estimating a net surplus of \$2.8m, slightly above the revised forecast surplus of \$2.6m and above the original forecast of \$2.3m. It is estimating an external bank loan balance of \$8.2m by June 2013, below the budgeted bank loan balance of \$9.5m.
- The Trust regularly reviews its asset management plan and has it independently reviewed. The last review of the plan (with a physical inspection of the assets) was undertaken by Opus in 2013. As discussed in detail in last year's SOI, the Stadium Master Plan is designed to ensure the Stadium is the best developed stadium in New Zealand to accommodate certain events, provide high quality facilities for members and box holders, and provide a substantially improved public area experience. The Plan is the cornerstone of maintaining the Stadium as a critical and up-to-date regional asset.
- As part of the Master Plan, the upgrade and expansion of the changing rooms was completed in early 2013. They were a major asset in meeting the demands of both the 2013 IRB Sevens and the AFL match. The upgrade to the Deloitte Club Room has commenced and will be completed in June 2013. This upgrade is important in providing an opportunity for the Trust to demonstrate the quality of the new membership facilities that will be available. The next stage of the Master Plan is the construction of the Mezzanine Lounge on the eastern side of the Stadium. Tenders have been received for construction of this facility, which is expected to be completed by early 2014. The Trust is forecasting capex spend of \$6.45m in 2013/14, primarily reflecting the construction of the Mezzanine Lounge on the eastern side.
- Over the past year, members and box surveys have shown a significant increase in satisfaction for catering. The Trust notes that, while there has been media comment about the quality and cost of catering, WRST and Spotless have put a lot of work into improving catering in the public areas and pricing is continually ranked in the lower quartile of New Zealand stadiums. The Trust will continue its efforts to improve standards in the public areas.

Officers recommend that CCOPS recommend that the Strategy and Policy Committee approve the Stadium Trust's final 2013/14 SOI. Please note that the Trust's final SOI needs to be agreed by the two settlors, Wellington City Council and Greater Wellington Regional Council.

6. Conclusion

The final SOIs address the key issues requested by CCOPS and provide a clear discussion of how each CCO contributes towards the Council's outcomes.

Officers will continue to work with the CCOs to ensure that the SOIs continually improve and drive the performance of this important group of entities that provide a range of critical and popular services to the City.

Contact Officers:

Richard Hardie, Portfolio Manager, Council Controlled Organisations

Warwick Hayes, Portfolio Manager, Council Controlled Organisations

Maree Henwood, Portfolio Manager, Council Controlled Organisations

SUPPORTING INFORMATION

1) Strategic fit / Strategic outcome

These entities and projects support the achievement of a range of outcomes across most strategic areas. CCOs are required to state in their Statements of Intent how they contribute to Council's strategic goals.

2) LTP/Annual Plan reference and long term financial impact

Please refer to the individual summary for each entity.

3) Treaty of Waitangi considerations

This report raises no new treaty considerations. Where appropriate the entities do consult with the Council's Treaty Relations unit, and with the Tenth Trust, as part of normal operations.

4) Decision-making

This is not a significant decision.

5) Consultation

a) General consultation

A draft of each entity report will be circulated to the individual entity, with comments passed on to the Subcommittee as appropriate

b) Consultation with Maori

See section 3, above.

6) Legal implications

The Council's lawyers have been consulted during the year as part of normal operations. There are no new legal issues raised in this report.

A Statement of Intent is a legal requirement for CCOs under the Local Government Act 2002.

7) Consistency with existing policy

This report is consistent with existing WCC policy.