

HIGHLIGHTS FROM THE LAST QUARTER

Summary

THIRD QUARTER 2015/16
1 January – 31 March 2016

Introduction

This executive summary report for the third quarter of 2015/16 provides the following:

- A summary of key strategic results across the council¹
- A financial report for the quarter
- An overview of Health & Safety
- A project dashboard, illustrating the status of significant projects for the council.

¹ Note: Wellington Water currently reports its progress separately to Council, so results against the relevant water supply goal is not reported here.



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao



Overview | Highlights



More people travel by public transport, walking and cycling

Rail Operator and Rolling Stock Maintenance contracts for the next 15 years were signed with Transdev Wellington. The Global CEO of Transdev attended the ceremonial signing of the rail contracts reflecting the importance attached to this strategic relationship.

The Petone carpark extension was completed with the addition of 215 additional parking spaces.

The Matangi 1 retrofit and upgrade program was completed, including the addition of auto-couplers. As a consequence we should see improved fleet reliability and operational flexibility.

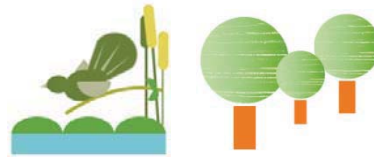
22 of 35 Matangi 2 units are in service with the last GanzMavag Units expected to be removed from service at the end of May.

Improvements to the Churton Park timetables were implemented and we expect to see an improvement to on-time performance as a consequence.

A hybrid bus and double decker bus were successfully demonstrated to public and media – and the public were provided opportunities to sample the experience.

60 schools participated in Movin' March, a month-long programme promoting active transport to schools.

Pedal Ready cycle skills training was provided to 572 children and 9 adults.



Our environment is clean, healthy, diverse and enjoyed by our community

GWRC coordinated the region's Seaweek events, which ranged from marine-themed storytelling in libraries to tours of the Moa Point treatment plant and beach clean-ups. There was also a public snorkelling event in Whitireia Park, run in conjunction with the Great Outdoors Summer Events programme.

Key Native Ecosystem plans for five sites were published, directly managing the biodiversity values at the Haruātai/Pareomatangi, Omahu, Ngā Manu Wetland Complex, Tauherenikau Bush Remnants and Belmont-Speedy's KNE sites.

Land Management and Environment Science held a workshop to assess farmer needs for climate variability now and in the future. The information gathered from this workshop will help with developing the project plan to improve our drought monitoring capability.

The planting programme for the coming winter was programmed with seedlings, both native and exotic secured and the Akura nursery expected to supply 30,000 poplar and willow poles for the forthcoming season.

In Biosecurity the use of thermal imaging has dramatically improved rabbit detection and control at a number of difficult sites.

An incursion response was initiated by MPI to inspect fodder crops in South Wairarapa for the invasive species velvet leaf. Two of the three properties that received potentially infected seed were found to have mature velvet leaf plants, which were removed and ongoing monitoring will occur.

The Summary of Decisions Requested on the Proposed Natural Resources Plan was publicly notified, and 95 further submissions were received. An initial analysis of submissions has been completed along with an assessment of technical expert needs.

Kaitoke Regional Park hosted a record number of campers over summer, with a revenue of \$108,000 to date. There were also increased camper numbers at Battle Hill and and Dry Creek.

Successful delivery of the Great Outdoor Summer Events programme across regional parks. This programme offered 51 events over three months and attracted 14,209 people into the regional parks. 39% of the people who attended were first time visitors to the park and 94% of the people plan to visit again.

Two serious environmental incidents were investigated - a natural occurrence of algae growth at Makara Beach resulting in fish deaths, and a discharge of hydrocarbons to Henley Lake where over 100 eels were relocated (the source was not found). There were ten incidents that were investigated during this quarter that will be referred to the Enforcement Decision Group for a decision.

A Leadership Modelling Group for the Porirua Collaborative Modelling Project has been formed.

A climate briefing and the Summer Climate and Water Resource Summary Report were developed and published.

Te Awarua-o-Porirua Whaitua Committee started work on understanding values held for fresh and coastal water across the catchment, including a series of community engagement activities.



Our communities are increasingly resilient to flood risk & other natural hazards

Tendering for technical design services for Hutt River City Centre Upgrade Project is underway, as well as property purchase negotiations.

The Waiohine River Floodplain Management Advisory Committee and South Wairarapa District Council have endorsed the draft Waiohine Floodplain Management Plan for release for public consultation.

The Chief Executives Group have approved the objectives and strategy outline for the Regional Hazards Management Strategy. At several of the major festivals in the region WREMO and the Natural Hazard Strategy team have shared a stand. This partnership has enabled the public to provide input into how they think natural hazards should be managed and at the same time receive support on how to prepare for an emergency.

Repairs to the damage caused by the 2015 floods has been completed.

Improvements to the Otaki estuary walkway have been completed.

The five-yearly Otaki River survey was completed on time and within budget, including an additional trial using drone technology.



Strong leadership and collaboration supports robust regional growth

Regional 2015 economic profiles have been developed and made publicly accessible on GW website along with other WRS economic information and reports.

Establishment of sector projects (design, cyber security and screen) in partnership with universities, peak industry bodies and business interests that are looking to build regional capability and investment.

A comprehensive public engagement exercise for the Nauranga to Airport Project was launched. Consultants (Beca) have been appointed to develop a new transport model to support the analysis of options.

NZTA co-funding has been approved for the Transport Regional Resilience Programme Business Case (joint project with NZTA).

The consultation document and supporting information for the Annual Plan 2016/17 was approved and released for public consultation.

Submissions on the Resource Legislation Amendment Bill and the 'Priority Issues' of the Emissions Trading Scheme review were completed and lodged with the Ministry for the Environment.

Planning for 'The Future is Electric' Symposium on 27 June continues. International experts from Canada, California, the UK and Norway have been secured and will join with a New Zealand speakers to discuss accelerating electric vehicle uptake in New Zealand. Sponsorship has been secured from EECA, CarBridge, Wellington Electricity, NZTA and the Ministry of Transport. CarBridge will be importing an electric bus for demonstration rides.

A regional EV working group has been established and advice is being provided across region to TAs and businesses investigating the installation of charging infrastructure.

Options for replacing the GWRC vehicle fleet with EVs have been analysed. As a result, a pool car is being replaced with a Nissan Leaf and a slow charging station will be installed at Shed 39. Information on suitable EV options will be provided for consideration when other cars and SUVs are due for replacement.

Corporate emissions reduction targets for the Council have been adopted in principle.

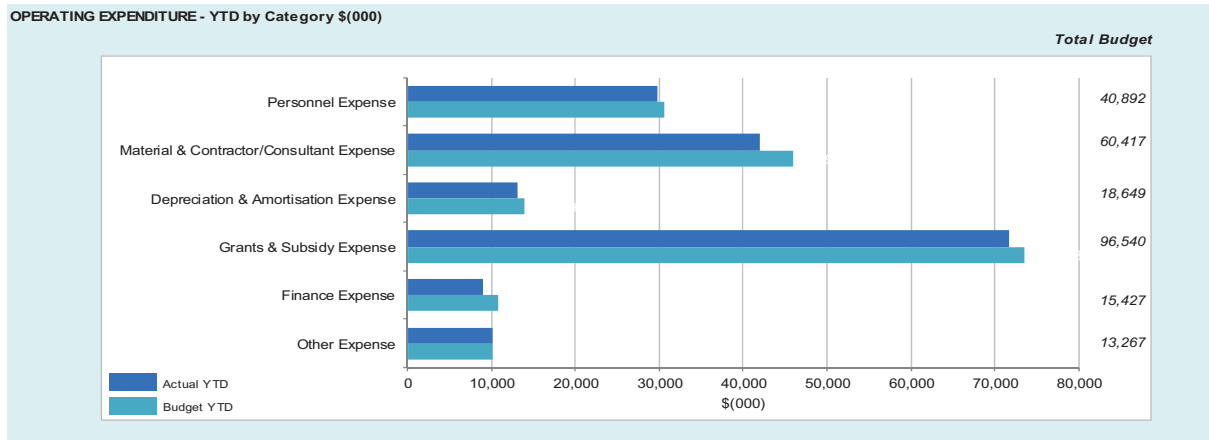
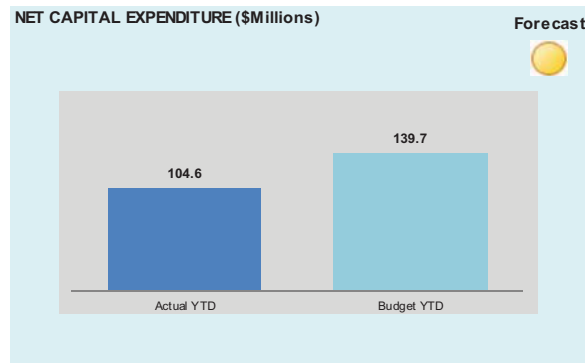
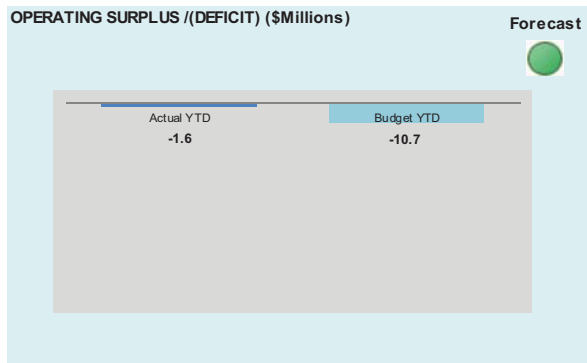
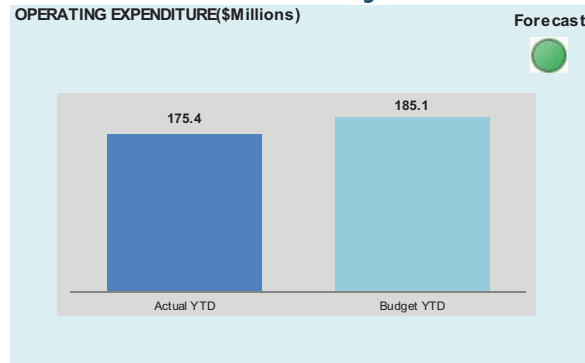
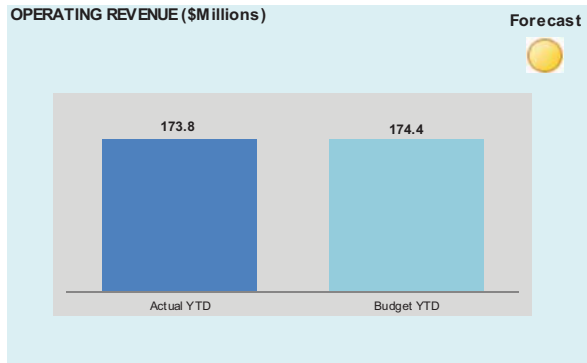
Whitireia Park Management Plan and Bylaws approved by Whitireia Park Board and Minister for Conservation.

Minor amendments to the Parks Bylaws and two minor amendments to the Parks Network Plan were approved by the Council for public consultation (changes to the Akatarawa maps for mororised recreation, and minimum stay periods for regional parks).

The inaugural meeting of the Cook Strait Forum was held in February. Forum participants included iwi, Greater Wellington, and Marlborough regional councils, agencies and entities that have vested interest in the Cook Strait.

The Poutiriao (formerly Kaitiaki) Forum signed off their Terms of Reference and were formally established as a Council advisory group.

Overview | March Financial Summary



Key YTD Highlights

- Operating Revenue: \$0.6M Unfavourable**
Revenue is below budget expectations largely due to lower grants and subsidy (\$0.8M) from NZTA for regional transport programmes within the Strategy Group, reflecting lower than planned claimable expenditure. Rates penalty revenue is \$0.3m lower than budget. Partially offsetting this is increased Finance revenue of \$0.9M reflecting the prefunding of debt and additional interest earned from investing.

- Operating Expenditure: \$9.7M Favourable**
Materials and Contractors expenditure is \$4.0m favourable to budget. Public Transport expenditure is \$1.3 million below budget primarily because of delays to the integrated fares and ticketing investigation and bus rapid transit investigation. Strategy is \$1.0m favourable as expenditure on spatial planning and sustainable pathways are occurring later than anticipated. Catchment is \$1.2m favourable to budget largely reflecting delays with Pest Control and Biodiversity work programmes.

Grants & Subsidy expenses is \$1.9m favourable to budget due to lower grants paid to Wellington Cable Car (trolley bus overhead network) and third party rail and bus operators.

Depreciation and amortisation is \$1.0m favourable to budget largely due to slower than planned CAPEX programmes in Water, ICT and Public Transport.

Financing costs is \$1.9m favourable to budget which reflects both the lower cost of borrowing and slower than planned growth in debt from planned CAPEX.

Personnel is \$0.9m favourable to budget reflecting savings from various role vacancies across Greater Wellington in areas such as ICT, Catchment and Environment.

- Capital Expenditure: \$23.4M Favourable**
Public Transport is \$28.2m favourable to budget reflecting changes in the timing of the delivery of the Matangi trains and improvement projects.

Catchment is \$4.9m favourable to budget as some of the capex work programme has been delayed or re-prioritised into 16/17.

Overview | Financial Summary by Group

\$000 Group	YEAR TO DATE				YEAR TO DATE				YEAR TO DATE			
	Operational Revenue				Operational Expenditure				Operational Surplus/(Deficit)			
	Actual YTD	Budget YTD	Variance	%	Actual YTD	Budget YTD	Variance	%	Actual YTD	Budget YTD	Variance	%
Catchment	25,270	25,453	183	-1%	19,892	21,540	1,648	-8%	5,378	3,914	1,464	37%
Corporate Services	6,587	7,085	499	-7%	10,215	10,565	350	-3%	(3,628)	(3,480)	148	4%
Environment	20,030	19,738	292	1%	19,344	19,477	133	-1%	685	260	425	163%
Investment	(3,158)	(4,103)	946	-23%	(3,667)	(3,511)	157	4%	510	(592)	1,102	-186%
People & Customer	0	0	0	0%	2,897	2,836	61	2%	(2,897)	(2,836)	61	2%
Public Transport	90,103	90,831	729	-1%	88,333	93,031	4,698	-5%	1,769	(2,200)	3,969	-180%
Strategy	8,298	8,417	118	-1%	8,133	9,546	1,413	-15%	165	(1,129)	1,295	-115%
Te Hunga Whiriwhiri	679	679	0	0%	533	634	101	-16%	146	45	101	227%
Warm GW	2,081	2,515	434	-17%	2,081	2,790	709	-25%	0	(275)	275	-100%
Water Supply	21,688	21,612	75	0%	25,543	25,931	388	-1%	(3,855)	(4,319)	464	-11%
WREMO	2,245	2,205	41	2%	2,108	2,283	175	-8%	138	(78)	216	-276%
TOTAL	173,822	174,432	610	0%	175,411	185,123	9,712	-5%	(1,588)	(10,690)	9,102	-85%

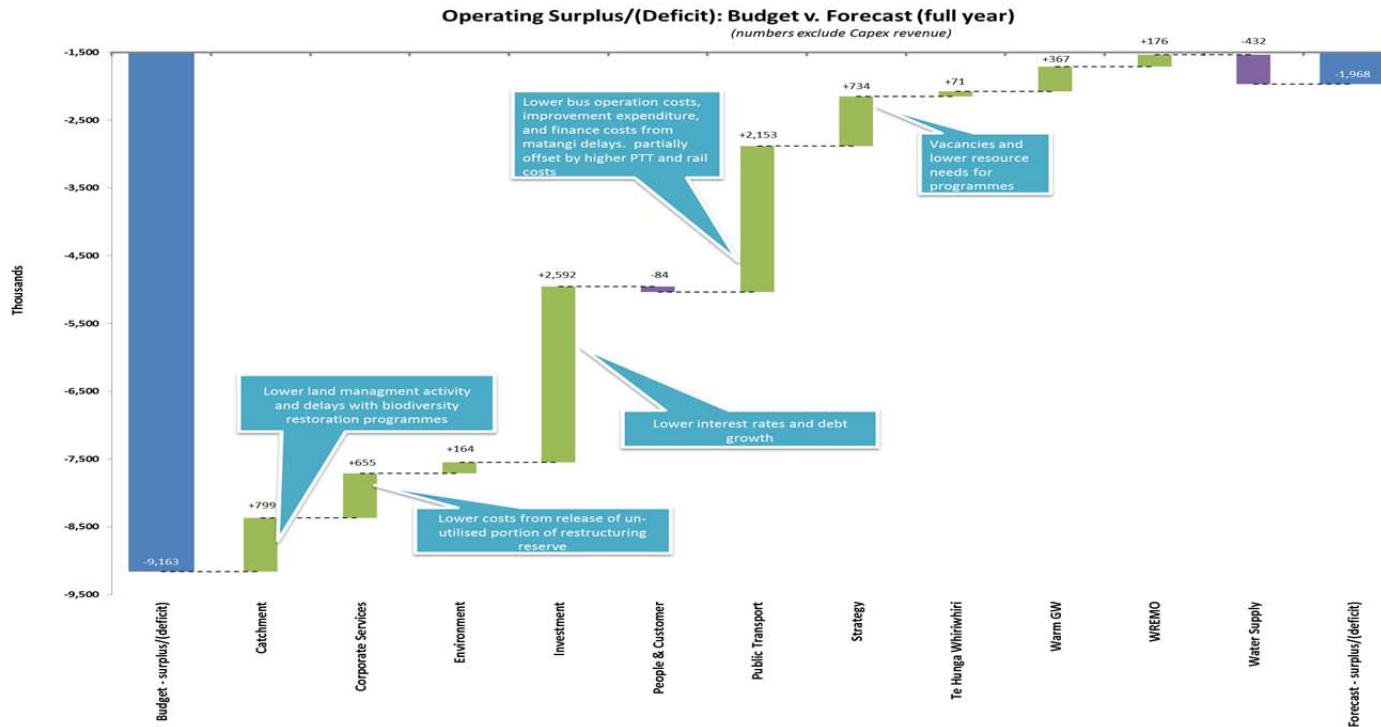
\$000 Group	YEAR TO DATE			
	Actual YTD	Budget YTD	Variance	%
Public Transport (incl investment projects)	95,319	123,512	28,194	-23%
Catchment Management	3,480	8,423	4,942	-59%
Environment Management	820	735	85	12%
Regional Parks	1,704	2,579	876	-34%
Strategy	65	225	159	-71%
Corporate Services	986	1,708	722	-42%
People and Customer	57	70	13	-19%
Investment Management	38	0	38	0%
Water Supply	2,108	2,406	298	-12%
TOTAL	104,577	139,658	35,081	-25%

(Note: For Detailed Business Group Commentary refer to Each Business Group Quarterly Report)

Overview | Full Year Forecast



\$000 Group	FULL YEAR Operational Revenue				FULL YEAR Operational Expenditure				FULL YEAR Operational Surplus/(Deficit)			
	Forecast	Total Budget	Variance	%	Forecast	Total Budget	Variance	%	Forecast	Total Budget	Variance	%
Catchment	33,770	33,927	157	0%	27,688	28,644	956	-3%	6,082	5,284	799	15%
Corporate Services	9,412	9,447	35	0%	13,397	14,087	690	-5%	(3,985)	(4,640)	655	-14%
Environment	27,418	26,291	1,127	4%	26,997	26,034	963	4%	422	257	164	64%
Investment	6	(1,103)	1,109	-101%	(5,179)	(3,696)	1,483	40%	5,185	2,593	2,592	100%
People & Customer	0	0	0	0%	3,865	3,782	84	2%	(3,865)	(3,782)	84	2%
Public Transport	120,359	120,162	197	0%	120,027	121,983	1,956	-2%	332	(1,821)	2,153	-118%
Strategy	10,995	11,222	227	-2%	11,781	12,743	961	-8%	(787)	(1,521)	734	-48%
Te Hunga Whiriwhiri	905	905	0	0%	774	846	71	-8%	131	60	71	119%
Warm GW	2,902	3,353	451	-13%	2,902	3,720	818	-22%	0	(367)	367	-100%
Water Supply	29,115	28,905	210	1%	34,648	34,006	642	2%	(5,533)	(5,101)	432	8%
WREMO	2,919	2,919	0	0%	2,869	3,045	176	-6%	51	(125)	176	-140%
TOTAL	237,802	236,030	1,772	1%	239,770	245,193	5,423	-2%	(1,968)	(9,163)	7,195	-79%



Overview | Health and Safety Indicators



Highlights and improvements

- ✓ Worker participation and engagement structure approved by ELT. This aligns our structure and process with the requirements of the new Health and Safety at Work Act 2015.
- ✓ Training module launched on KESAW (health and safety management system). As this and other additional modules become operational in KESAW it will enable us to support the management of our risk through workflow processes within KESAW.
- ✓ Continuation of work reviewing our key policies to ensure there is consistency across the various systems which support a risk management based approach to health and safety.

Risk management

As seen in the Risk Classification table the majority of our extreme and high risk incidents come from events related to workplace transport. Recent work has taken place implementing an electronic fleet management system (EROAD) into the organisation. EROAD coupled with training courses tailored to our specific driving needs and requirements, together with our Vehicle Use Policy, encourages safer driving and fit for purpose vehicles.

Injuries & incidents

This quarter the cumulative figure of injury days lost per 100,000 hours saw a positive move from the last quarter. We are now sitting at 7.2 days lost per 100,000 hours and our end of year target is 7.5 days per 100,000 hours worked. Rehabilitation and injury management training took place in the last quarter which potentially had a positive effect on this indicator. Prior to this financial year end incident management and investigation training is being held to improve capability in this area. This will potentially favourably improve the incident reporting and actions ratio indicators.

Indicator	Target	Achieved this ¼	Measure against target
1. Percentage of incidents reported within 2 days	95%	59%	●
2. Ratio of the number of incidents to the number of subsequent actions	0.4	0.16	●
3. Days lost due to injuries, per 100,000hrs worked	7.5	7.2	●
















		Risk Classification				Total	%
		Extreme	High	Medium	Low		
Risk source	Aggressive situations	0	0	1	2	3	10%
	Contracted activity	0	1	0	0	1	3%
	Hazardous substances	0	0	0	0	0	0%
	Lone/remote working	0	2	6	2	10	31%
	Physical works	0	0	0	0	0	0%
	Workplace transport	1	3	8	3	15	47%
	Tree Work	0	0	1	0	1	3%
	Working in/around water	0	0	1	1	2	6%
Total		1	6	17	8	32	


























Overview | Major Projects Indicators

Overall comment:

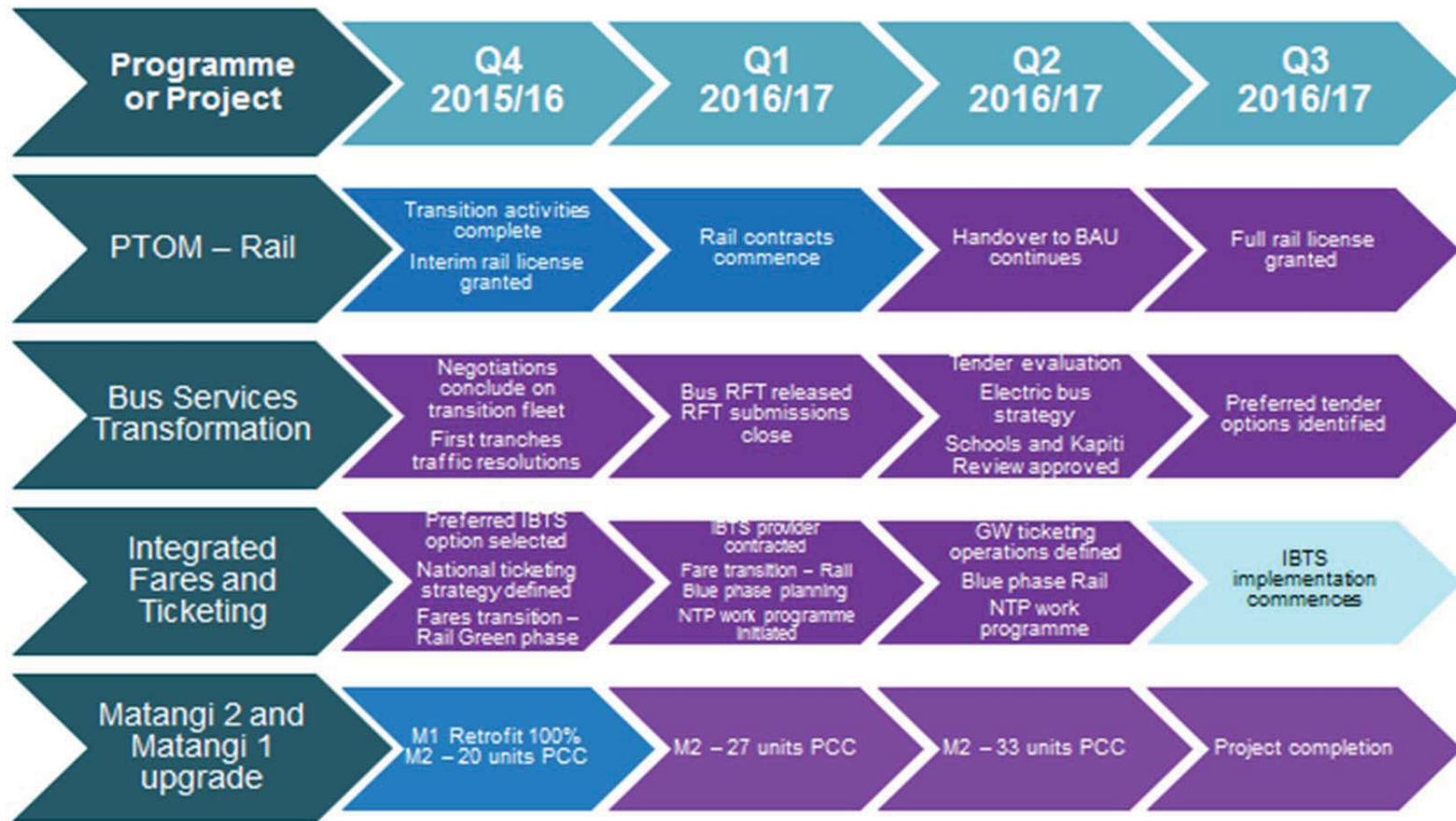
Public Transport projects continue to be the dominant area of focus with two thirds of the major projects being in the Public Transport realm. The projects within the Public Transport Transformation Programme have now been separated out into individual project streams. Due to the complexity and substantial increase in the scope of work for each of these projects additional expert resources have been recruited to balance workload and address areas of risk.

With the Organisation's renewed emphasis on upskilling of staff in project management practices, 22 staff have attended two in-house courses training this quarter. This strong level of participation highlights increased awareness in the benefits of project management for individuals and the organisation as a whole.

Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
PTOM – Rail contract						<p>Progress towards scheduled commencement on 3 July 2016 of new contracts with Tansdev / Hyundai Rotem continues satisfactorily. A significant milestone achieved during March was the contract signing and Transdev's satisfaction of preconditions. Business readiness projects supporting the systems and information management framework required for 'go-live' have also progressed, supporting an overall green status.</p> <p>A significant risk remains with the occupancy of Thordon Carriage Depot. Multiple options are being developed to mitigate the risk.</p>
Bus Services Transformation (BST) <i>PTOM – Bus contracting; Bus fleet; Network, Customer and Transition</i>						<p>The most significant matter for BST is the impact trolley decommissioning has on the programme. The solution for providing a transition fleet to replace trolley capacity when trolleys cease operating in mid 2017 is yet to be decided. This lack of clear visibility for transition from trolleys places risks on the rest of the BST programme, including timing of tender release. This may have a flow on effect to the timing of new bus network implementation in 2018.</p> <p>Work is progressing well on other aspects of the programme, specifically preparation for network reviews and implementation and the development of Bus RFT documentation. RFT release is provisionally scheduled for early July 2016.</p>
Integrated Fares and Ticketing (IFT) <i>National Ticketing Programme, Interim Bus Ticketing Solution; Fares transition</i>						<p>The overall IFT programme is going through a period of considerable change as GWRC projects are aligned with national initiatives potentially affecting timing and risks. Clarity at the National level is expected in June. In parallel, an Interim Bus Ticketing Solution (IBTS) will be developed and the options for sourcing the IBTS are targeted for agreement by end April.</p> <p>Fare media transition is progressing well and is aligned with rail transition to progressively simplify the large number of fare products.</p>

Matangi 2 and Matangi 1 upgrade						<p>Little change from previous reporting period. The project is moving into the final phase, and with the exception of a possible delay due to production issues for the final shipment, all areas are progressing to plan, budget and quality expectations.</p>
Proposed Natural Resources Plan (pNRP) <i>Whaitua programme & Collaborative Modelling Project(CMP)</i>						<p>There continues to be uncertainty around the ability to reach agreement between all parties who have submitted on the pNRP within the estimated 18 months timeframe and achieving the July 2017 . Meeting 31 July 2017 statutory milestone remains a significant challenge and may require an extension of time. Budget for current year on track and hiring of key staff continues to be major issue.</p> <p>Programming of the two Whaitua projects in parallel to Consolidated Modelling project is underway to ensure an integrated top down view.</p>
Wairarapa Water Use						<p>A busy quarter for the project with on site drilling work stream dominating activities. Progress with securing stage two funding from the Irrigation Acceleration Fund continues to be an issue with very slow application processing and changing requirements. Latest anticipated funding confirmation expected in April. Ongoing farmer engagement in preparation for three field days in April. Consultant is scoping commercial construct for future entity and funding arrangements. The uncertainty with funding has shifted the overall status from green to amber.</p>
Hutt River City Stop Bank Upgrade Project						<p>Project scope and preliminary design underway and will continue into early 2017. Property management RFP being prepared. Finance team assisting with tax and financial implications for property acquisitions. Ongoing risks remain with property cost escalation and NZTA meeting their indicated milestones.</p>
Nutanix						<p>Project tracking for July completion. Hardware installed and migration underway. Original budget exceeded, however, within current approved budget which delivers increased additional capability. Challenge with lack of available project management resources.</p>

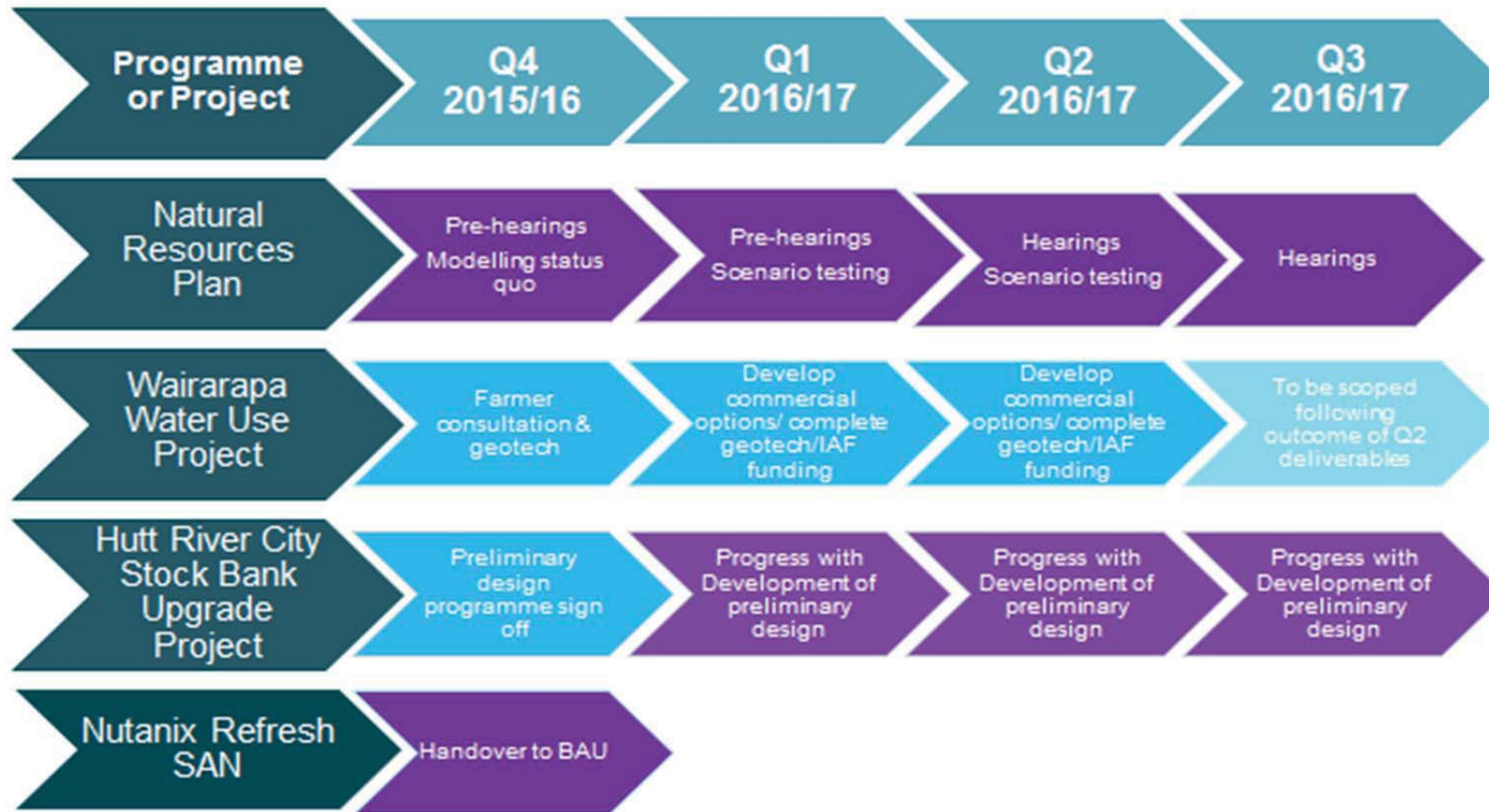
Overview | Major Projects Timing



KEY

- Committed date** (Dark Blue arrow): Existing commitments mean achievement in this timeframe will happen
- Planned** (Purple arrow): Plan supports achievement in this timeframe will happen
- Estimate** (Light Blue arrow): We estimate we can achieve in this timeframe
- Not scoped** (Grey arrow): We haven't planned this bit properly yet

Overview | Major Projects Timing



KEY



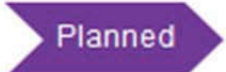
Committed date

Existing commitments mean achievement in this timeframe will happen



Estimate

We estimate we can achieve in this timeframe



Planned

Plan supports achievement in this timeframe will happen



Not scoped

We haven't planned this bit properly yet

Outcome Trends Report Interim Targets

FRESH WATER QUALITY - MAINTAINED OR IMPROVED

Fine sediment cover on riverbed maintained against 2013–2015 baselines:

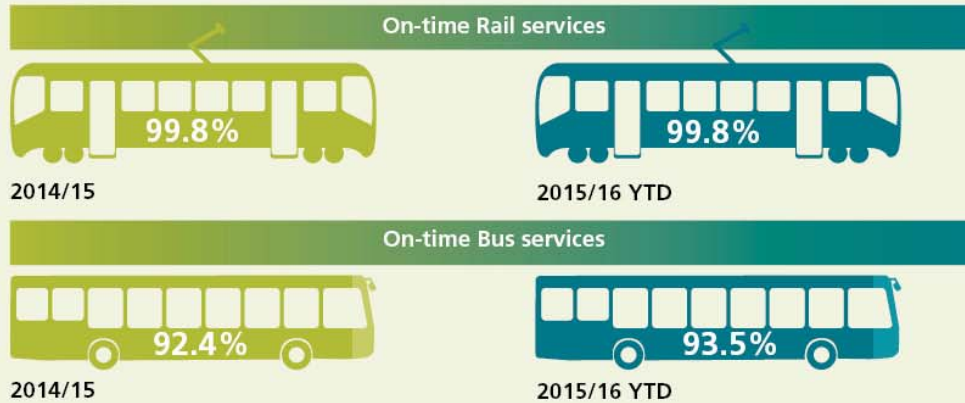
-  improved
-  maintained
-  deteriorated



MAJOR PROJECT PERFORMANCE



PUBLIC TRANSPORT SERVICES ON TIME



HEALTH & SAFETY

Injury days lost*/ severity rate:



* Days lost due to injury per 100,000 hours worked

ENGAGEMENT SURVEY

Our engagement survey results will be available in July.

REPUTATION INDEX

