

Catchment Management Group

Performance Report for the year ended 30 June 2014



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CATCHMENT MANAGEMENT GROUP REPORT

1.1 Executive Summary for Catchment Management Group

Group Overview

Overall the Group had a very busy year, achieving the majority of Annual Plan objectives for 2013/14.

A number of flood protection projects were deferred due to re-prioritisation of resources. A start was made on developing the Te Kauru Upper Ruamahanga FMP with the appointment of a subcommittee and completion of Phase 1 investigations. There was a delay progressing development of the Waiohine FMP following the local committee's decision to consider another stopbank design option. Work also progressed on development of the Pinehaven and Waiwhetu FMP. Considerable resources were applied to developing the Flood Protection Asset Management Plan. Flood Protection were granted approval to purchase land to progress implementation of the Hutt River FMP. Initial investigations were completed for the Hutt City Centre section stopbank upgrade.

A major piece of work successfully completed included the Forests Cutting Rights sale. This sale has enabled Council to retire all forestry debt. The Akura Conservation Centre's nursery expansion and compound upgrade progressed well, although the expenditure required exceeded original estimates. A successful 2013 winter planting programme in the Wairarapa hill country was concluded. Good progress was made developing Land Environment Plans for a number of dairy farms around Wairarapa Moana, Mangatarere River and Otaki River catchments.

The Regional Pest Management Strategy was successfully implemented. The programmed review of the Strategy was deferred due to the delay producing the National Policy Direction by MPI. BioWorks successfully completed their TbFree NZ programme, but parts of the Possum/Predator Control Programme was deferred until 2014/15 due to lower than expected possum densities in the affected areas.

The Biodiversity Department completed a restructure during the year, following a review of all the major work programmes. The Key Native Ecosystem programme was successfully implemented.

Key results for the year to date

Biosecurity

- ▶ Three staff underwent extensive training and become part of the National Response Team for the National Biosecurity Capability Network;
- ▶ Completion of new portable buildings in Masterton and Ngaumutawa Road depot for WWUP, Biosecurity, Biodiversity and BioWorks staff;

- ▶ Biosecurity staff participated in a number of national projects including aquatic weed control best practice, Nature Central wildling pine strategy development and the national biocontrol strategy;
- ▶ Completion of large aerial 1080 projects, including Akatarawa, Project Kaka, Western Tararua and Otaki Buffer;
- ▶ Rabbit numbers remain low and stable, with no regulatory or compliance activity required.

Biodiversity

- ▶ As of June, the structure of the Biodiversity department was adjusted to form two teams that reflect the core functions of Biodiversity Management and Biodiversity Advice and Advocacy;
- ▶ Significant departmental operational planning work has been undertaken to align programmes with the new structure and to clearly define and describe key work streams;
- ▶ Completion of 2013/14 Key Native Ecosystem pest control operations;
- ▶ Five management plans for Key Native Ecosystem sites in regional parks (Baring Head/Ōrua-pouanui, East Harbour Northern Forest, Parangarahu Lakes, Queen Elizabeth Park and Whitireia Coast) have been completed and are now available on the GWRC website.

Land Management

- ▶ Rainfall for the last twelve months at the Tinui site has been 1611mm (approx. 120% of normal). The highest daily rainfall occurred in late November which ensured that soil moisture levels were above average heading into the summer months. An audit of pole survival was completed in March 2014 and a survival rate of 91.5% was recorded across a range of properties, soil types and geographical locations.
- ▶ The second stage of planting in the new nursery has grown extremely well over the last year. The 2012 plantings have also grown well and a small number will be harvested should demand exceed supply from the old nursery. It will be preferable that all the 2012 blocks are harvested in the same year as this provides better long term management.
- ▶ Development of the yard and retail area that began in early March 2013 is now complete. New shade houses with better access and improved display areas have been constructed, along with an expanded area for storing poplar and willow pole material prior to delivery to planting sites.
- ▶ WRECI continues to be strongly supported by the farming communities in the five priority catchments. The Ministry for Primary Industries have agreed to roll-over the existing funding agreement for both the 2013/14 and 2014/15 years. Discussions are underway regarding future funding to complete the initial ten year programme. A further 13 new WRECI plans have been completed over the summer, bringing the number completed since 2009 to 66.
- ▶ The six Catchment Schemes have completed all their annual programmes in accordance with the annual plans prepared in conjunction with the respective local Scheme Advisory Committees.
- ▶ Forty-two on-farm projects were approved as part of the on-farm component of the Wairarapa Moana Clean-up project. A start has been made on 25 of these projects and expenditure over the last twelve months has totalled \$309K. Two constructed wetlands are ready for planting this winter. Another six constructed wetlands are planned for next year.
- ▶ Returns from forestry for the year are well ahead of budget. This is largely on the back of excellent log prices across all grades for the first 10 months. Log prices suffered a 30% drop across May/June which had a significant impact on stumpage returns. Surplus from harvest operations of \$4.4M has been achieved for the year against a budgeted figure of \$3.9M.

- ▶ The sale of forestry Cutting Rights was completed on 10 July 2014. Transition arrangements have proceeded very well with the respective parties exhibiting a high level of co-operation. A draft Principal's Agreement has been prepared to cover Health and Safety requirements in relation to recreational activities in and around the forested land.

Flood Protection

- ▶ The Te Kāuru Upper Ruamahanga River FMP Subcommittee was established;
- ▶ The Pinehaven FMP was available for community consultation;
- ▶ Draft updated Porirua Flood Hazard information was released;
- ▶ Cross-section surveys of the Hutt River and Waitohu Stream were completed;
- ▶ Waikanae river planting plan for 2014/15 completed;
- ▶ The Otaki edge protection works were completed;
- ▶ Progressed the Integrated Concept Design options for the Hutt River City Centre Project;
- ▶ Progressed strategic land purchase at Woollen Mills Point, Hutt River;
- ▶ Completing the feasibility designs for the Jim Cooke Park stopbank project
- ▶ Completed the 2013/14 works programme for the LWVDS development project;
- ▶ Lodged the Operational resource consent applications for the Western Rivers;
- ▶ Maintenance work was completed to programme. Annual river scheme meetings in the Wairarapa have been completed and rate increases approved;
- ▶ Flood damage repairs across the region were completed;
- ▶ The Waikanae River walkover with local iwi was held;
- ▶ Support for the summer programme continued, including gravel grabs, have a go fly-fishing and Chrystalls walk;
- ▶ Resource consents were granted for the Whakawhiriwhiri Stream diversion and mitigation works. However, the consents were appealed;
- ▶ Completed the first stage of the Turanganui Stopbank improvements in the lower Wairarapa valley;
- ▶ A draft Code of Practice for the Department's activities was developed;
- ▶ Progress continued on the Asset Management Plan.

Looking Ahead

Biosecurity

- ▶ Implement new prioritised Biodiversity KNE programme and associated contracts, assess new KNE areas and assist Biodiversity develop KNE Plans;
- ▶ Implement RPMS and RPPCP programmes;
- ▶ Plan and deliver Wellington City Council funded pest animal management on the sites that were historically part of the KNE programme;
- ▶ Complete Kaitoke/Hutt river catchment aerial 1080 operation;
- ▶ Complete Project Aorangi aerial 1080 operation;
- ▶ Investigate new techniques to control rabbits at low densities in coastal ecosystems;

- ▶ Complete carry-over 2013/14 pest plant control activities in Regional Parks, Lake Onoke, East Harbour and Rimutaka aerial pine control.

Biodiversity

- ▶ Commence the Fish Passage Restoration and Wetland Protection Support programmes. This work aims to improve the ecological functioning of streams and wetlands respectively, by providing advice and resources to landowners and assisting with restoration in priority areas;
- ▶ Complete Management plans for all Key Native Ecosystem sites owned or managed by GWRC or the region's territorial authorities;
- ▶ In the first quarter, carry out in the Pakuratahi Forest aerial pine control programme originally planned for 2013/14. Similarly, at Parangarahu Lakes Area, complete the deferred aerial spraying of the aquatic weeds in Gollans Stream, Lake Kohangatera and the small lake on adjoining private land;
- ▶ Preparation is underway for aerial 1080 drops at Kaitoke/Te Marua and Hutt Water Collection Area KNE sites this winter. This will combat increasing rat numbers resulting from the mast event (which boosts seed production);
- ▶ A change in pest animal control is being considered for the Wainuiomata Mainland Island in light of recent monitoring. This has recorded rat numbers far above target levels - the highest since the project began in August 2005. The complexities of this control work are being worked through with the Water Supply Department and Medical Officer of Health, both whom are very supportive of this project;
- ▶ A complete review of GWRC's publications relating to biodiversity will be undertaken identifying what educational information needs to be provided and the best format for this;
- ▶ The Porirua Harbour Sediment Reduction Plan is currently being finalised, and once completed will enable the development and implementation of programmes that target the reduction of sediment reaching the harbour.

Land Management

- ▶ Complete 10 Farm Environment Plans with a focus on managing nutrients in the Mangatarere and Rangiora catchment and 13 WRECI Plans targeting erosion prone land in the Wairarapa hill country. A second application to the Ministry for Primary Industries for WRECI funding to cover the period 2015-2019 will be made in December 2014;
- ▶ Provide operational support to the final year of the Wairarapa Moana Fresh Start for Freshwater Clean-up Fund programme, particularly the delivery of the on-farm components of the approved works programme. A total of 42 farms around the lake are part of this aspect of the programme. The budget for on-farm works in the coming year is \$700k.
- ▶ Complete transition requirements for the sale of Forestry Cutting Rights and appoint a Forest Ranger to cover operational, environmental and health and safety aspects relating to the ongoing ownership of the afforested land in the Metro and Wairarapa forests.
- ▶ Prepare annual works programmes for the 35 FEP's and the 66 WRECI Plans prepared to date.
- ▶ In conjunction with the local Scheme Advisory Committees, prepare annual works programme for each of the six Catchment Control Schemes operating in the eastern Wairarapa hill country.
- ▶ Provide support to the work of the Ruamahanga Whaitua and assist with the development of non-regulatory methods to implement relevant land and water provisions in the Natural Resource Management Plan.

Flood Protection

- ▶ Completing the Pinehaven FMP;
- ▶ Develop mitigation options for the Te Kāuru Upper Ruamahanga River FMP;
- ▶ Progressing Plan Change 15 with UHCC;
- ▶ Complete Phase 3 (of 5) of the Waiohine FMP;
- ▶ Develop a trial flood forecasting project;
- ▶ Select a preferred Integrated Concept Design for the Hutt River City Centre Project;
- ▶ Complete the Boulcott project land transfers and resolve the injurious affection claim from Safeway Storage;
- ▶ Lodge resource consent applications for the Jim Cooke Park stopbank project;
- ▶ Lodge resource consent applications for the lower Waitohu Stream channel works;
- ▶ Complete the 2014/15 works programme for the LWVDS development project;
- ▶ Lodge Wairarapa Operational resource consent applications;
- ▶ Complete land entry negotiations to construct the Whakawhiriwhiri Stream improvements;
- ▶ Commence maintenance programmes with particular focus on the tree planting programmes;
- ▶ Complete asset condition assessments and reporting;
- ▶ Progress the Operational resource consents project and Code of Practice.

1.2 Group Financial Summary

At the close of June, the Catchment Management Group (excluding Forests) had a funding deficit of \$83K after reserve movements. Total revenue was \$1.7M above budget and total expenditure was \$1.2M above budget.

External revenue from MfE and farmers was \$634K above budget for the Wairarapa Moana Clean-up Project. External revenue from TbFree NZ and DoC for BioWorks was \$527K above budget. Internal revenue was \$478K above budget for Wairarapa Moana, parks aerial operations and additional monitoring for Water Group and Resource Investigations.

Flood Protection operating expenditure was \$458K above budget due to additional river maintenance, asset management and financial costs. BioWorks expenditure was \$276K above budget because of Project Kaka and additional TbFree NZ operational costs. Akura Conservation Centre expenditure was \$210K above budget because of the new nursery and yard development costs.

Net capital expenditure was \$1.6M above budget due to land purchases by Flood Protection, partly offset by the deferral of some Kapiti capital works.

Group Financial Statements

Catchment Management Group Funding Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	23,423	23,423	-	23,550
Government Grants & Subsidies	145	-	145	142
External revenue	4,741	3,657	1,084	3,848
Investment Revenue	515	484	31	543
Internal Revenue	4,049	3,573	476	4,021
TOTAL INCOME	32,873	31,137	1,736	32,104
<i>less:</i>				
Base Personnel Costs	9,788	9,711	(77)	9,662
Capex Project Resource Cost Credit	(722)	(487)	235	(555)
Materials, Supplies & Services	3,429	2,897	(532)	2,685
Travel & Transport Costs	449	468	19	494
Contractor & Consultants	5,417	4,746	(671)	5,055
Grants and Subsidies Expenditure	424	502	78	495
Internal Charges	4,415	4,140	(275)	4,473
Total Direct Expenditure	23,200	21,977	(1,223)	22,309
Other Financial Costs	-	1	1	-
Financial Costs	3,165	3,026	(139)	3,469
Net Divisional Overheads	-	-	-	-
Corporate & Department Overheads	2,223	2,223	-	2,189
Depreciation	1,327	1,423	96	1,347
Loss(Gain) on Assets	(100)	(107)	(7)	-
Loss(Gain) Investments	-	-	-	-
TOTAL EXPENDITURE	29,815	28,543	(1,273)	29,128
Operating Surplus/(Deficit)	3,058	2,594	463	2,976
Add Back Depreciation	1,327	1,423	96	1,347
Other Non Cash	(100)	(107)	7	(186)
Net Asset Acquisitions and Capital Expenditure	(5,956)	(4,331)	(1,625)	(10,259)
Net External Investment Movements	(379)	(346)	33	(356)
Repaid Debt	(3,064)	(3,033)	31	(2,999)
Net Reserves (Increase) / decrease	(721)	(360)	361	(343)
NET FUNDING BEFORE DEBT ADDITIONS	(5,835)	(4,160)	1,675	(9,819)
Internal Debt Additions	5,752	4,159	(1,593)	9,475
External Debt Additions	-	-	-	-
Net Funding Surplus (Deficit)	(83)	(1)	(82)	(344)

Actual year to date variances to budget

- ▶ Additional BioWorks external revenue of \$529K due to project Kaka aerial operation for DoC and corresponding additional external contractor expenditure of \$91K;
- ▶ Reduced BioWorks internal revenue of \$204K due to timing of predator control work and corresponding saving for Biosecurity internal contractors;
- ▶ BioWorks personnel cost savings were \$86K;

- ▶ Biosecurity materials and contractor expenditure savings were \$47K
- ▶ Biosecurity personnel \$112K above budget;
- ▶ Grants and Subsidies for Biosecurity was \$81K below budget due to a refund of the 12/13 regional TbFree NZ contribution;
- ▶ Biodiversity personnel cost savings were \$90K and internal charges were \$192K over budget, mostly due to the transfer of income for the Wairarapa Moana project;
- ▶ Additional external revenue of \$634K for the Wairarapa Moana project from MfE and contributing farmers. Corresponding expenditure was \$494K above budget;
- ▶ Additional Grants and Subsidies revenue of \$96K for Land Management WRECI;
- ▶ Reduced Land Management external revenue of \$26K for other land management programmes;
- ▶ Reduced Akura external revenue of \$111K due to increased market competition for native trees;
- ▶ Flood Protection personnel cost savings of \$111K due to transfer to capex projects;
- ▶ Additional materials expenditure of \$168K and increased contractors expenditure of \$341K in flood protection due to flood damage repairs, asset management and consent renewal.

Catchment Management Group Funding Surplus/(Deficit)	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Biosecurity	268	-	268	306
BioWorks	-	-	-	49
FP Flood Protection	(374)	-	(374)	(366)
LM Consolidated	(12)	-	(12)	31
Akura Conservation Centre	-	-	-	-
Integrated Catchment Management	36	-	36	(46)
Catchment Support	(1)	-	(1)	(398)
Biodiversity	-	-	-	78
Catchment management (excluding Forests)	(83)	-	(83)	(346)

Catchment Management Group Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	5,623	302	(5,321)	17,717
Capital Project Expenditure	442	4,136	3,694	(7,259)
Asset Disposal Cash Proceeds	(108)	(107)	1	(198)
Net Capital Expenditure	5,957	4,331	(1,626)	10,260
Investments Additions	379	346	(33)	356
Net Capital and Investment Expenditure	6,336	4,677	(1,659)	10,616

Capital expenditure actual year to date variances to budget

- ▶ Flood Protection net capital expenditure was \$1.2M above budget due to property purchases for the City Centre project and savings for Kapiti and Waiohine stopbank improvements
- ▶ Finance and Support net capital expenditure was \$273K above budget due to costs associated with the Portacom buildings
- ▶ Vehicle acquisitions for the Group were \$115K above budget, influenced by health and safety requirements for quad replacements (i.e. purchase of mule 4WD vehicles)

2 STRATEGY AND POLICY COMMITTEE

2.1 Biosecurity

Department Activity

The 2013/14 year was another challenging year for the Biosecurity department. The majority of programmes were successfully delivered. The Regional Possum Predator Control Programme was under budget due to low possum monitoring densities.

Biosecurity was again active responding to national biosecurity initiatives. We actively participated in the completion and implementation of the National Machinery Cleaning Guidelines with a number of regional councils, Federated Farmers, contractors associations and the Ministry for Primary Industries (MPI). We remain active participants in the Biocontrol collective and the lead council agency in supporting the work of the National Dung Beetle Release Group. During 2013/14, three of our staff underwent extensive training and become part of the National Response Team with the National Biosecurity Capability Network led by MPI.

We continued to engage in consultation with a number of government agencies on national issues, such as the review of the Regional Pest Management Plans and development of the National Policy Direction.

Biosecurity staff were active in the Biosecurity Working Group, Biocontrol Collective and working closely with DoC and Lower North Island regional councils on Nature Central initiatives.



Akatarawa aerial 1080 operation

Pest Animals

Total Control

The extreme wind events last year destroyed rook nests and impacted on the annual aerial nest poisoning. What impact the failed breeding season will have on the overall rook population is currently unknown.

A small flock of rooks was successfully poisoned in the northern Wairarapa in late May.

The vertebrate toxic agent application for aerial rook nest baiting has been submitted to Wairarapa Public Health for the 2014/15 rook nesting season. Approval should be granted well before the baiting season in late September.

Suppression

The overall rabbit population remains low, with rabbit numbers in the Wairarapa at particularly low levels. Day and night inspections in a number of rabbit prone properties across the Wairarapa struggled to find any evidence of rabbits.

Rabbit numbers on the Kapiti Coast remain relatively low, with a few rabbit prone areas showing moderate numbers. Public enquires for control assistance remain low.

On the Kapiti Coast a trial will be undertaken to investigate control of rabbits at very low density levels. Total elimination of isolated populations is the goal in some Biodiversity sites.

Night shooting on behalf of local authorities was undertaken around Wellington, Lower Hutt and Kapiti reserves. Blood sampling for RHD resistance has been completed with 160 samples taken. Some localised pindone poisoning was undertaken, mainly for clients in urban areas.



Goat control using bailing dogs in Pukuratahi forests

Site-Led Programmes

Magpies

Complaints about problem magpies remained relatively low during the year, but the start of the nesting season in July will increase demand for live-capture traps from the public. More traps are being manufactured to replace a number of stolen and damaged traps.

Possums

Possum complaints and enquires have extended into the winter because of the unseasonably mild weather. In the Wairarapa, complaints have been infrequent and generally urban based.

Mustelids

Since the summer there has been an increase in public enquires about mustelids across the region. The mustelid population is expected to increase with the high rat numbers forecast for the winter.

Feral Cats

There have been a number of requests for advice on controlling feral cats. Most enquires have been referred to the SPCA or Cats Protection League as the animals are unwanted domestic cats.

Cat traps to control feral populations are currently deployed at high biodiversity sites in the Wainuiomata Catchment and at the northern end of Miramar Peninsula.



Goodnature gas rat trap trial at Johnsonville Park

Pest Plants

Total Control and Surveillance

Staff surveyed 575 properties in the last quarter and registered six new Total Control (TC) sites. We discovered 33 new TC sites for the whole year. Despite the new-found sites the decline in the total number of active TC sites continued for almost all of the species, with only 25% of sites requiring control work this year.

Madeira vine inspections within urban sites were ceased this year. Madeira vine will be reviewed at the Regional Pest Management Strategy review. It is highly likely that it will be removed from the Total Control programme as there are no effective control methods available. In our view, it appears unlikely that the plant will become more than a localised pest, mostly due to human induced spread.

Containment and Site Led

In 2013/14, the Containment programme was completed in accordance with the Strategy, with a reduction in the number of sites and new plants located within the containment zone. Preparations are well underway for the annual boneseed control programme due to commence in July.

Boundary control site led species complaints for old man's beard, blackberry and gorse continued for longer than usual due to the unseasonal warm weather.



Wairarapa Moana Aerial Willow Spraying

Biocontrol

Activity in the last quarter focused on monitoring the spread and harvesting of a number of biocontrol agents for breeding and dispersal. Some green thistle beetle and broom gall mite releases were completed. Scotch thistle seed heads containing juvenile gall fly were harvested to store during the winter for release in spring. Significant predation was observed of infected seed heads by rodents during the winter.

Staff gathered Information for Landcare Research on the long term benefits of Ragwort biocontrol agent releases.

Land Resource Support System (LRSS)

During 2013/14, GWRC and the Bay of Plenty Regional Councils completed user specifications and a business case analysis for software development. The software will provide a management system and data storage for land based activities, including biosecurity, biodiversity and land management services. The developed system should result in significant time saving and increased efficiency.

The GWRC ICT department is currently preparing documentation for a request for proposal from selected developers. We have extended collaboration on production of the system to other organisations seen to have similar software or data management issues. TbFree NZ offered a trial of their VectorNet system that might successfully cover the pest animal management segment of LRSS requirements. We are also negotiating with several other interested regional councils with a potential to embark on joint development of the system.

Working with MPI and other agencies

We continued our collaboration with MPI on the National Pests of Interest Response programme to eradicate Manchurian wild rice. Our local Kapiti infestation is at the final and critical stage for successful eradication. We completed another positive “Check, Clean, Dry” MPI funded campaign to prevent the further spread of aquatic pests, including didymo, over the 2013/14 year.

BioWorks

TbFree NZ Contracts 2013/14

BioWorks were awarded 15 projects from TbFree NZ covering 31,323ha for the 2013/14 year which included 24,629ha ground control and 6,694ha of aerial control work. In addition, pre-operational planning and inspections were undertaken for the Project Aorangi aerial which covers approximately 30,000ha.

BioWorks completed seven output projects covering 13,398ha and all performance targets were achieved. Five survey projects (9,428ha) were completed.

The Western Tararua and Otaki Crown (6,694ha) aerial projects were completed.

Planning for Project Aorangi was completed by the end of June. Bait application has not yet commenced due to inclement weather conditions. Project Aorangi is an unusual contract as the bait application methodology uses strip sowing rather than broadscale and seeks to maximise exposure of bait to a range of pest species. Project Aorangi is a multi-agency collaboration (Aorangi Restoration Trust, Ngati Hinewaka, DoC, TbFree NZ, GWRC, landowners and local hunters) which aims to maximise biodiversity benefits.

Regional Possum and Predator Control Programme

BioWorks undertook four projects for the Regional Possum and Predator Control programme this year over 36,300 hectares using high strength brodifacoum in bait stations.

- ▶ Kapiti, 11,500ha control completed late June 2014
- ▶ Porirua, 7,700ha. Two rounds of control, operation completed June 2014
- ▶ Moonshine, 1,600ha. Initial control undertaken between April and June 2014
- ▶ North Wairarapa, 15,500ha. Control was completed in the first quarter of the year and monitoring was undertaken between April and June 2014.

Department of Conservation NZ Aerial 1080 Work

The DoC Project Kaka (22,000ha) aerial project was completed in November 2013



TbFree NZ 2014/15 Programme

The TbFree NZ tender round 1 closed 28 April. Eight separate blocks were let within the Wellington Region ranging between 272 hectares up to 34,400ha. BioWorks tendered for four parcels covering 28,900 hectares.

BioWorks was successful in being awarded 20,986ha of ground control for the 2014/15 year.

Financial Reports

Biosecurity Funding Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	3,410	3,410	-	3,023
Government Grants & Subsidies	-	-	-	-
External revenue	94	-	94	141
Investment Revenue	13	11	2	11
Internal Revenue	1,690	1,512	178	2,063
TOTAL INCOME	5,207	4,933	274	5,238
<i>less:</i>				
Personnel	1,913	1,801	(112)	1,840
Materials, Supplies & Services	312	351	39	349
Travel & Transport Costs	99	103	4	99
Contractor & Consultants	811	819	8	857
Grants and Subsidies Expenditure	399	480	81	495
Internal Charges	635	838	203	702
Total Direct Expenditure	4,169	4,392	223	4,342
Financial Costs	-	-	-	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	529	514	(15)	560
Depreciation	93	88	(5)	103
Loss(Gain) on Sale of Assets / Investments	-	(12)	(12)	(39)
TOTAL EXPENDITURE	4,791	4,982	191	4,966
Operating Surplus/(Deficit)	416	(49)	465	272
Add Back Depreciation	93	88	5	103
Other Non Cash	-	(12)	12	(39)
Net Asset Acquisitions and Capital Expenditure	(87)	(26)	61	(65)
Net External Investment Movements	-	-	-	-
Repaid Debt	-	-	-	-
Net Reserves (Increase) / decrease	(153)	(1)	152	36
NET FUNDING BEFORE DEBT ADDITIONS	269	-	(269)	307
Internal Debt Additions	-	-	-	-
External Debt Additions	-	-	-	-
Net Funding Surplus (Deficit)	269	-	269	307

Biosecurity Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	69	38	(31)	109
Capital Project Expenditure	20	-	(20)	-
Asset Disposal Cash Proceeds	(2)	(12)	(10)	(44)
Net Capital Expenditure	87	26	(61)	65

BioWorks Funding Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	-	-	-	-
Government Grants & Subsidies	-	-	-	-
External revenue	1,603	1,073	530	999
Reserve Investment Revenue	20	23	(3)	28
Other Investment Revenue	-	-	-	-
Unrealised Revaluation Gains	-	-	-	-
Investment Revenue	20	23	(3)	28
Internal Revenue	358	563	(205)	457
TOTAL INCOME	1,981	1,659	322	1,484
<i>less:</i>				
Personnel	942	1,027	85	989
Materials,Supplies & Services	465	262	(203)	136
Travel & Transport Costs	52	60	8	53
Contractor & Consultants	189	98	(91)	164
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	164	89	(75)	79
Total Direct Expenditure	1,812	1,536	(276)	1,421
Financial Costs	-	-	-	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	50	50	-	100
Depreciation	104	131	27	104
Loss(Gain) on Sale of Assets / Investments	(14)	(26)	(12)	(7)
TOTAL EXPENDITURE	1,952	1,691	(261)	1,618
Operating Surplus/(Deficit)	29	(32)	61	(134)
Add Back Depreciation	104	131	27	104
Other Non Cash	(14)	(26)	12	(7)
Net Asset Acquisitions and Capital Expenditure	(15)	(50)	(35)	(14)
Net External Investment Movements	-	-	-	-
Repaid Debt	-	-	-	-
Net Reserves (Increase) / decrease	(105)	(23)	(82)	100
NET FUNDING BEFORE DEBT ADDITIONS	(1)	-	(1)	49
Internal Debt Additions	-	-	-	-
External Debt Additions	-	-	-	-
Net Funding Surplus (Deficit)	(1)	-	(1)	49

BioWorks Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	29	76	47	21
Capital Project Expenditure	-	-	-	-
Asset Disposal Cash Proceeds	(14)	(26)	(12)	(7)
Net Capital Expenditure	15	50	35	14

Financial Variance Analysis

The Biosecurity department completed the year with a favourable \$465K operating surplus. The Regional Possum and Predator Control Programme savings were \$256K. The demand on Biosecurity staff professional services resulted in additional external revenue of \$93K and internal revenue of \$177K. Personnel costs were \$112K over budget due to the employment of additional staff to complete RPMS work.

The BioWorks business unit completed the year with a favourable operating surplus of \$61K. Increased external income of \$530K offset unfavourable materials \$203, external contractors \$91K and internal contractors \$79K.

Annual Plan Performance Measures

Specific Areas of Work 2013/14	Comment
Commence the five year review of the Regional Pest Management Strategy	Due to the delay in producing the National Policy Direction, GWRC and our partners from Nature Central (Horizons Regional Council and Hawkes Bay Regional Council) were unable to progress the review of our respective Regional Pest Management Strategies (RPMS). The NPD is due for release early in 2015.
Implement the Regional Possum Predator Control Programme	The following programme was completed: 15,400ha in Wairarapa, 11,500ha in Kapiti and 7,700ha in Porirua and 1,600ha in Moonshine.
Implement the current Regional Pest Management Strategy	The RPMS programme was completed. The results will be reported in the RPMS Operational Plan Report by November 2014, as per statutory requirements.

Performance Measure	Performance Target			Comment
	Baseline	2012/13	2013/14	
Number of active pest plant "Total Control" sites	890 (2010/11)	Overall active sites decreased by 53	Overall active sites decreased by a further 48	Delimiting surveys of Total Control species resulted in the discovery of 33 new sites. During the year nine sites changed status from Active to Monitored and a further 72 sites changed from Monitored to Eradicated.
Number of rabbits in the region	Low No areas persistently recording above 5 on the Modified McLean Scale (2010/11)	Low (<5 on the Modified McLean Scale)	Low (<5 on the Modified McLean Scale)	The overall rabbit population in the Region remains low (no areas above level 5 on the Modified McLean Scale. Rabbit numbers in the Wairarapa are at particularly low levels. On the Kapiti Coast, numbers remain relatively low, with rabbit prone areas showing moderate numbers.
Number of possums in the Regional Possum Predator Control Programme area	Low Less than 5% Residual Trap Catch (2010/11)	Low ($<5\%$ Residual Trap Catch)	Low ($<5\%$ Residual Trap Catch)	Monitoring of 12 strata confirmed low numbers of possums in controlled areas (overall average of 3% RTC).

Risk Analysis

The Biosecurity Department will continue to undertake aerial 1080 operations on behalf of TbFree NZ within the Aorangi Ranges and the Kaitoke Hutt River Catchment for GWRC. Although GWRC has an excellent track record of safe and successful aerial 1080 operations, there are always risks associated with the public perception of this toxin.

2.2 Biodiversity

Overview

The Biodiversity department's work programmes are aligned with its two core functions of Biodiversity Management and Biodiversity Advice and Advocacy. Under the Biodiversity Management function, planning and implementation of measures to protect and restore Key Native Ecosystem sites is ongoing. Under the Biodiversity Advice and Advocacy function, staff continue to deliver high quality and timely advice and information to a range of internal and external clients as well as the wider community. Involvement in collaborative multi-stakeholder projects at Wairarapa Moana and Porirua Harbour are also coordinated under this function.

Significant departmental operational planning work has been undertaken to align programmes with the new team structure put in place in June 2014. Three programme plans have been completed for key work streams of the department. These are for the Wetland Protection Support, Fish Passage Restoration, and Strategy and Systems programmes, with further plans at various stages of completion.

Twelve community groups received funding as part of the Take Care programme. Future community work will focus on groups working at sites actively managed under other Biodiversity programmes and involve working collaboratively to achieve objectives set in management/project plans.

Biodiversity Management

Key Native Ecosystems

All sites within the Key Native Ecosystem (KNE) programme were reviewed in late 2013 using a range of ecological criteria as part of a prioritisation exercise. As a result, a revised list of KNE sites has been developed on which the department will focus from 1 July 2014.

Three-year management plans are being developed for KNE sites. These cover operations and set out management actions that address identified threats to the sites' biodiversity values. KNE plans have been completed and approved by managers for the following KNE sites: Baring Head/Ōrua-pouanui, East Harbour Northern Forest, Parangarahu Lakes Area, Queen Elizabeth Park and Whitireia Coast.

Translocation of 60 North Island robins to the Wainuiomata Mainland Island was undertaken at the beginning of the financial year. Monitoring by the Environmental Science department showed that the translocated birds settled and began breeding in the KNE. Biodiversity has reviewed its role in bird translocation and believes that this work should be led by the community with Biodiversity staff providing a facilitation role, if required.

Following the successful breeding of a pair of New Zealand dotterels last year, birds returned to the same nest site at Riversdale beach. This year two pairs of birds were seen in the area. This activity confirmed a rare extension of the range of a threatened bird species. Biodiversity staff organised signage, fencing and pest control, and engaged with and educated the community to protect the habitat of these threatened birds.

Initiatives undertaken in the last 12 months to protect banded dotterels at the Parangarahu Lakes Area and Baring Head/Ōrua-pouanui KNE sites include additional trapping to target hedgehogs and cats, as well as a rāhui by local iwi. This was in response to monitoring by Environmental Science staff over the previous three summer breeding seasons, which established that the main cause of nest failure was predation by hedgehogs as well as cats, followed by human disturbance and storm events. The activities undertaken have contributed to improved nesting success which went from less than 3% to almost 20% this season.

Pest Animals

Rat numbers are very high at the Wainuiomata Mainland Island, as shown by monitoring in May 2014. Populations have increased due to a peak in tree seed production this year, known as a mast. This has the effect of boosting rodent populations, and poses a significant threat to resident native bird species. A pest control response to this situation is planned for this winter to maintain the hard-won gains in bird populations that have been made in the last five or more years.

Monitoring undertaken following the aerial 1080 operation in the Akatarawa Forest in July 2013 has indicated positive results and very low possum numbers.

Judas goats in GRWC regional parks are being fitted with new radio-tracking collars this year. All Judas goats are located twice a year and any feral goats living with them are destroyed.

Biosecurity and Biodiversity staff met with students from Otaki Te Wananga-o-Raukawa for discussion and practical experience in setting traps in the Haru Atai KNE in Otaki. The students have since volunteered to service these traps as part of their course studies.

Pest Plants

Biosecurity completed planned weed control operations in 61 KNE sites this financial year, utilising both external contractors and staff resources.

Wilding pine control is planned for the Lake Onoke KNE, following approval by the Civil Aviation Authority for work to be undertaken from beneath a helicopter. This 'underslung' technique allows control work to be carried out in areas difficult to access by foot and will be of benefit to areas where vegetation communities are being modified by spreading wilding pine trees. Discussions have also been held with DoC to assist completing other weed control at the Lake Onoke KNE.

At the Haywards Scenic Reserve KNE site, GWRC contractors completed the planned climbing asparagus work in the reserve. This year's contract allowed the use of motorised mist blowers to apply the herbicide, after successful trials were conducted in the reserve last year by the contractor. The use of mist blowers has increased productivity markedly and a much greater area was covered this year than expected. Non-target damage was minimal and the application method seems to provide for a better uptake of herbicide by the plant resulting in a greater level of success. Though not recommended for general use due to the expertise required, opportunities may be identified to employ this technique further.

Weed surveys were completed at Ocean Beach, Kelson Bush and Karehana Scenic Reserve KNE sites, including on private land. These are used to determine weed species, locations and densities and also provide the opportunity to appraise the practicalities of control work at sites.

At the Riversdale/Orui KNE trials were undertaken to ascertain the effectiveness of Gallant spray on marram and other exotic grass species in the sheltered land-ward dunes (backdunes). The outcome was fairly favourable and the technique may be applied further.

Collaborative Projects

Wairarapa Moana

Staff have developed and published the Wairarapa Moana Wetlands Project website www.waiwetlands.org.nz/. Publications, including the Onoke Spit and Wairarapa Moana Wetlands Project brochures, were also revised and made available online.

Staff have worked on an interpretation strategy for Wairarapa Moana with DoC, Rangitane o Wairarapa, Kahungunu ki Wairarapa and South Wairarapa District council.

Wairarapa Moana Fresh Start for Freshwater Clean-up Project site visits have assessed the success of 2012/13's aerial spraying work. This work was very successful at Wairio wetlands as there has been very little recovery of willows and alder. This year's programme has focused on tackling regrowth of pest plant species in Donald's Block and continues extending aerial control at all sites as well as undertaking ground-based spraying at Barton's Lagoon.

About 20 hectares of willows at JK Donald Reserve and 30 hectares of willows at Boggy Pond were aerially sprayed by helicopter to combat their encroachment into open water which is preventing water flow in places. Two other large areas of approximately 130ha of willow and alder trees in JK Donald Reserve and Wairio Wetland were also aerially sprayed.

A predator control programme has commenced at Boggy Pond/Matthews Lagoon/Wairio Wetland on the eastern side of Lake Wairarapa to protect Australasian bittern during the breeding season.

A predator control network was also installed at Rototawai Lagoon and Te Hopai in May. Control sites were established using a range of trapping and baiting techniques.

In June staff facilitated a community planting day at Lake Domain and also facilitated Kuranui School water quality testing in the Papawai Stream as part of the school's programme about freshwater.

Staff presented on the restoration of dunes at Kohunui Marae in Pirinoa as well as during site visits to restoration sites at Whangaimoana and Te Hamenga Point. This focused on using the native dune plant pīngao to bind sand and help restore duneland ecosystems.

Porirua Harbour

This year, 2.3km of fencing was erected on erosion prone land and over 9,000 plants were established to restore terrestrial habitats and improve water quality as part of the Pauatahanui Vegetation Framework. This long-standing project is managed by the Biodiversity department, jointly funded with Porirua City Council, and implemented by Ground Truth consultancy. It involves riparian restoration and land stabilisation work undertaken on private land in the Pauatahanui catchment.

Mustelid traps have been installed around Motukaraka Point on the Pauatahanui Inlet and are being serviced by local volunteers.

This winter's revegetation at Pauatahanui Wildlife Reserve has been completed in conjunction with Forest and Bird. Discovery school pupils participated and planted 1000 native plants.

In June staff facilitated an event with Aotea College which involved a planting event linked with the Sustainable Coastlines Initiative to raise awareness about marine issues. Students were involved in the first stages of revegetation at Te Onepoto Bay with 600 plants planted and much rubbish collected for disposal. Titahi Bay Intermediate School also participated in planting at this site.

The Porirua Stream Mouth and Associated Estuary Enhancement Plan first draft and workshop was completed in May, and consultants are currently working on the revised draft along with an implementation plan. Restoration work under this plan will be led by GWRC and it is likely that amenity improvement works will be undertaken by other management partners.

Biosecurity staff provided pest plant control advice to Biodiversity staff for ongoing activity planning in Kakaho Estuary Reserve, Motukaraka Point Reserve and Pauatahanui Esplanade Reserve. At Pauatahanui Esplanade Reserve two contracts were set up for multi-species control (mainly gorse), release spraying and site preparation for planting in winter 2014.

At Bothamley Park, weed control was completed that targeted the climbing species old man's beard, Japanese honeysuckle and banana passionfruit. Porirua City Council and the Biodiversity department provided funding additional to what was originally planned, in order to combat the large amounts of old man's beard discovered and to complete control across the area.

Pukaha/Mt Bruce

The Biodiversity department funds pest control efforts in the buffer area surrounding Pukaha/Mt Bruce. The Department of Conservation (who manage the main part of the project) are reporting that kiwi and kōkako are thought to be moving from the centre of the reserve out into the buffer zone.

Project Aorangi - Haumanu Kia Haumoko

This project is being developed by a group consisting of representatives of a range of organisations, including DoC as well as iwi, landowners and hunters. The Biodiversity department contributed by drafting a strategy for the project in November.

QEII Trust Support

A memorandum of understanding (MOU) between GWRC and the Queen Elizabeth II National Trust (QEII) was signed that sets out how landowners will be supported to establish open space covenants on their land. GWRC has committed to contributing to the costs associated with the legal protection of land by QEII covenant. This year 41ha have been protected in perpetuity at sites where landowners are supported with pest control work to safeguard the sites' biodiversity values.

Biodiversity Advocacy and Advice

Biodiversity Advice

Advice has been provided by the department on 91 occasions this financial year, including 24 on resource consents for the Environmental Regulation department. Of the remaining 67 advice requests, 32 were from other GWRC departments and 35 were from external parties.

Table 1: Summary of all biodiversity advice provided in the 2013/14 financial year

	Q1	Q2	Q3	Q4	Total
Policy and planning documents	6	7	6	9	28
Consents	9	6	3	6	24
Technical advice	7	9	13	10	39
Total	22	22	22	25	91

Policy and Planning Advice

Significant work has gone into a Biodiversity department review of the Regional Plan Working Document for Discussion, which was circulated in August. A series of project briefs were developed and submitted to the Environmental Policy department to outline how Biodiversity could implement several non-regulatory methods in the new Plan. Since then project briefs for the restoration of fish passage and the protection of wetlands have been developed further in consultation with Environmental Policy staff and have been confirmed for launch as Biodiversity programmes in the coming financial year.

In March, a review was undertaken of draft policies and rules for the coastal and general chapters of the second generation Regional Plan.

On behalf of the Regional Council Biodiversity Working Group, staff participated in a two-day workshop to develop the direction of a revised New Zealand Biodiversity Strategy. This central government project is coordinated by the Department of Conservation and contributes to New Zealand's fulfilment of the international 'Aichi Biodiversity Targets' agreed to at the 2010 Conference of the Parties to the Convention on Biological Diversity. Several draft chapters of the refreshed Strategy have also been reviewed.

Biodiversity staff supported Environmental Regulation in submission against the Hutt City Plan Change 33 for the extension of Belmont Quarry. Preparations for the hearing, attendance and speaking in support of GWRC's position helped to provide a strong case for the protection of biodiversity, not only at the site but in the district, by setting an example. Winstones Aggregates also entered into a legal agreement with GWRC to ensure mitigation was secured as a back-stop if the plan change is allowed.

Best Practice and Technical Advice

The Biodiversity department provided technical advice on 39 occasions this year, covering a range of ecosystem types. This includes requests received from landowners (10), individuals (5), community groups (2), iwi (2) and schools (2), as well as territorial authorities (4) and NGOs (2). Other GWRC departments who requested technical advice were Flood Protection (3), Parks (3), Environmental Regulation (2), Environmental Policy (1) and Land Management (1).

Table 2: Summary of technical advice provided in the 2013/14 financial year

	Q1	Q2	Q3	Q4	Total
Coastal (non-dunes)		1	1	1	3
Dunelands			1		1
Estuaries			3	1	4
Forest-shrubland		2	7	1	10
Riparian	3	2	1	3	9
Rivers and streams	1	1		1	3
Wetlands and lakes	1	1	1	1	4
Mixture/non-specific	2	1		2	5
Totals	7	8	14	10	39

Biodiversity Advocacy

Information to the Community

The Biodiversity department coordinated a series of events around World Fish Migration Day in May. This involved educational book readings for almost 250 school children at nine of the region's libraries to highlight threats faced by native fish. Support was also provided to a community day and an EnviroSchools event held in the Wairarapa.

A fish poster was published and is now available on our website. This resource is intended to serve a range of purposes, both in engaging the community and informing those who manage structures in waterways that may be a barrier to fish.

GWRC publications "Restoration Planting" and "Managing Your Bush Block" were updated and re-printed in May. The biodiversity section of the GWRC website was reviewed and updated, with new content published in April.

GWRC co-funds the Nature Space website, alongside DoC, NGOs and other councils. This initiative provides information resources to community groups who undertake restoration work around the country, and gives them a platform to profile their projects and connect with each other. Biodiversity staff have contributed to Nature Space this year through active participation in governance of the project and assisting the steering group by writing a strategy to capture its vision and direction. A presentation was given by Biodiversity staff on behalf of Nature Space to a regional council BioManagers meeting, explaining the role and benefits of the initiative, and this has successfully led to financial support for the project from other councils.

Staff and Community Training

Restoration Day was held in May, bringing together community groups from all over the region to learn restoration techniques, network and share knowledge. This was jointly funded by GWRC, DoC, and other agencies and NGOs and involved presentations by a range of speakers including Ruud Kleinpaste and Lou Sanson.



Lou Sanson, DoC's Director General, speaking at Restoration Day

Financial Reports

Biodiversity Funding Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	3,798	3,798	-	4,321
Government Grants & Subsidies	-	-	-	-
External revenue	278	256	22	271
Investment Revenue	-	-	-	-
Internal Revenue	190	81	109	95
TOTAL INCOME	4,266	4,135	131	4,687
<i>less:</i>				
Personnel	1,357	1,447	90	1,370
Materials, Supplies & Services	231	314	83	203
Travel & Transport Costs	52	73	21	65
Contractor & Consultants	262	318	56	279
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	2,017	1,825	(192)	2,335
Total Direct Expenditure	3,919	3,977	58	4,252
Financial Costs	-	-	-	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	362	362	-	404
Depreciation	28	46	18	33
Loss(Gain) on Sale of Assets / Investments	-	(12)	(12)	(19)
TOTAL EXPENDITURE	4,309	4,373	64	4,670
Operating Surplus/(Deficit)	(43)	(238)	195	17
Add Back Depreciation	28	46	18	33
Other Non Cash	-	(12)	12	(19)
Net Asset Acquisitions and Capital Expenditure	(57)	(26)	31	(42)
Net External Investment Movements	-	-	-	-
Repaid Debt	-	-	-	-
Net Reserves (Increase) / decrease	72	228	(156)	88
NET FUNDING BEFORE DEBT ADDITIONS	-	(2)	2	78
Internal Debt Additions	-	-	-	-
External Debt Additions	-	-	-	-
Net Funding Surplus (Deficit)	-	(2)	2	78

Biodiversity Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	35	38	3	67
Capital Project Expenditure	22	-	(22)	-
Asset Disposal Cash Proceeds	-	(12)	(12)	(26)
Net Capital Expenditure	57	26	(31)	41

Financial Variance Analysis

The operating surplus was \$195K favourable at the close of June due to savings in personnel costs and additional internal revenue for predator control. Internal charges were above budget due to the \$100K Wairarapa Moana contribution and additional Biosecurity charges for pest control.

Annual Plan Performance Measures

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Total number of identified high value biodiversity areas (excluding streams and marine sites) under active management	106 (2011/12)	120	120 sites under active management

Specific areas of work 2013/14	Comment
Implement the Key Native Ecosystems and habitats of threatened species programmes	KNE plans for 35 sites are in various stages of completion with five published plans now available on the GWRC website.
Monitor high value biodiversity areas	Fourteen reference sites have ongoing small mammal presence monitoring programmes in place. Further monitoring is undertaken and reported by the Environmental Science department.
Provide advice to planning and regulatory processes to protect indigenous biodiversity	Statutory and non-statutory planning and policy advice has been provided to internal and external clients at local, regional and national levels.
Implement relevant aspects of the Porirua Harbour and Catchments Strategy and Action Plan	SB5 - Redrafted sediment reduction plan EB2 - Contracted consultants to develop Porirua stream mouth and delta enhancement plan

2.3 Land Management

Overview

The last twelve months has been highlighted by the completion of the sale of the Cutting Rights in the Metro and Wairarapa forests. The process has taken the best part of 15 months and has delivered a favourable outcome. The sale will cover forest debt and provide a surplus after costs of managing the process are deducted.

Results from the annual poplar and willow pole establishment audit are very promising. Establishment rates in excess of 91% have been recorded. While this is slightly below the previous year's result of 95% it is still a very good outcome. Rainfall for the last twelve months has been above average and well spread throughout the summer months. The rainfall through January and February has a direct effect on poplar and willow pole establishment.

Work programmes developed for each of the six Catchment Schemes have been completed. Expenditure of \$105k is slightly ahead of the budgeted figure of \$100k. Meetings with each Advisory Committee were held throughout May and a very positive attitude was evident across all meetings. The efforts of individual staff members were recognised at a number of the meetings.

The WRECI programme is currently under review by the Ministry of Primary Industries. Minor changes have been agreed to in a roll-over of the existing contract for 2013/14, as well as a further extension for 2014/15. The target of 12,200 poplar and willow poles and 40 hectares of land retired from grazing has been achieved.

The Akura Conservation Centre has returned a deficit of \$164k for the year. The deficit includes yard development costs of \$57k and nursery expansion costs of \$114k. Operating surplus was \$7k when the yard development and the nursery expansion costs are deducted. The second planting of four hectares in the new PK Trust nursery was completed in the spring of 2013, along with blanking of the 2012 plantings which were hit heavily by a bacterial blast. Very good growth over the summer months has resulted. The remaining two hectares will be planted in the spring of 2014.

Good progress has been made with the on-farm works programme associated with the Wairarapa Moana Fresh Start for Freshwater Clean-up project. A total of \$309k has been spent this year with 47% of the funding provided by landowners. This has been a very challenging project and the budget figure of \$700k for on-farm works in 2014/15 will provide further challenges.

Department Activity

Akura Conservation Centre

Stage II of the Yard development is mostly complete. The project has greatly improved traffic flow around the compound and provided better display areas, parking and separation of the retail and day to day operational activities. Tar sealing of the entrance and retail areas has been put on hold. It is likely that this work will only be completed when the new nursery area becomes productive in 2015 and the Mangapakeha nursery, near Tinui, has been sold.

In January a new plant pest arrived; the black aphid (*Tuberolachnus salignus*) colonised stem wood on one year old willows. This intense sap sucker had the potential to do considerable leader growth damage. Immediate action was taken, made easier as a result of the nursery layout and tractor spray equipment on hand. A single Lorsban spray removed the problem.

Pole counts have been completed and it is estimated that 20,000 3 metre A grade poles and 9,000 3 metre B grade poles will be available for farm plan programmes. Up to 9,000 of these were planted in June.

Land preparation for the planting of the last two hectares of new nursery on the PK Trust site has begun. Old pine trees have been removed and cultivation will commence shortly with planting scheduled for late September.

New sales area at Akura



Farm Environment Plans- Mangatarere/Otaki

Currently 22 Farm and Environment Plans (FEP) have been completed in the Mangatarere Catchment. Of these, 14 have carried out on-farm works for the 2013/14 financial year and all 22 will have an active works programme for 2014/15 year. It is estimated that there are only a handful of properties in the catchment still to join the programme. Discussions are currently being held with the landowners and there is quiet confidence that the majority will come on board.

The conscious effort from Land Management to develop and foster closer relationships with industry has moved forward with discussions now focussing on a partnership approach to managing nutrients. It is likely that the Sustainable Dairy Water Accord riparian work will remain as a specific Fonterra requirement. Fonterra would gain value from this new partnership as it would assist in helping their suppliers meet their other long term targets through the Sustainable Dairy Water Accord. Areas of interest that would be addressed outside of riparian management would include nutrient management, effluent management and water use management. Fonterra would add value to the project by partnering with GW as they would provide some leverage to encourage farmers to engage in the project and combine resources to provide for the most efficient and effective outcomes.

Two FEPs in the Otaki region have been prepared, taking the number of FEP's in this part of the region to four. On farm work on the two previously prepared FEPs has included the re-contouring of a farm race away from a drain and the retirement of a wetland area from grazing.

Wairarapa Moana Freshstart for Freshwater Clean-up Project



Riparian planting at the Ruamahanga cut-off

A total of 42 farms have signed up for on-farm work as part of the Wairarapa Moana Clean-up project. Twenty five projects are currently in progress. This last quarter has seen a large amount of fencing, pre-planting spraying and planting. Other projects completed or near completion include the optimisation of irrigation systems and the installation of a water recycling effluent wash down system.

As with the Mangatarere site, there is a particular interest in exploring a partnership with Fonterra within the Wairarapa Moana area. This would help build on the momentum generated with landowners through the Fresh Start project, for which funding ends in June 2015. In order to achieve this, the Land Management Department are currently seeking to expand their FEP programme into the Wairarapa Moana catchment through the council's Long Term Plan (LTP) process. A partnership with Fonterra in this new project will greatly improve progress through the LTP whilst helping both GW and Fonterra meet some of their joint environmental outcomes.

Wellington Regional Erosion Control Initiative (WRECI)

Work in the WRECI programme has focussed in two main areas for 2013/14. Firstly, completion of the planning and planting requirements for 2013/14, and secondly securing MPI funding approval for both 2013/14 and 2014/15. Both of these funding approvals have been achieved.

Targets agreed under the new arrangement for the 2013/2014 financial year were:

- ▶ 13 plans produced
- ▶ 12,200 poles planted
- ▶ 40 hectares of land retired
- ▶ A summary report of the first four years of the WRECI programme.

A new round of applications to MPI for funding the WRECI programme from 2015/16 to 2018/19 is due by December 2014.

Landowners continue to provide excellent support to the WRECI initiative and milestones for the areas of land planted for erosion control purposes, as set out in the initial application in 2009, have been exceeded.

Wairarapa Forests

Harvesting of the 1984 plantings at Hiwinui was completed prior to the sale of Cutting Rights being completed. Excellent returns were achieved over the first 10 months with stumpage returns averaging \$48/tonne. Stumpage returns dropped significantly in May and June 2014 with stumpages averaging \$35 and \$22 per tonne respectively.

The following table provides a summary of the 2013/14 budget and actual performance for the Wairarapa forests.

Wairarapa - June 2014	FY Budget	FY Actual	% of Budget
Volume - tonnes	25,000	29,888	120%
Gross Revenue	\$2,225,000	\$3,081,952	139%
Costs	\$1,319,286	\$1,715,921	130%
Net Revenue	\$905,714	\$1,366,030	151%
Stumpage - per tonne	\$36.23	\$45.71	126%

Over the last twelve months a total of 29,888 tonnes has been harvested from Hiwinui. This equates to an average of 600 tonnes per hectare. The revenue over the last two months has dropped significantly on the back of a 30% drop in log returns. The drop in the market has been caused by over supply into the Chinese market. It is anticipated that the market will not begin to correct itself until the fourth quarter of 2014.

Metro Forests

Harvesting was largely confined to blocks at Valley View and Puketiro. Excellent returns were achieved over the first 10 months with stumpage returns averaging \$41/tonne. Stumpage returns dropped significantly in May and June 2014 with stumpages averaging \$26 and \$7 per tonne respectively. The lower stumpages reflect the lower grade of log from parts of the Metro forest when compared to the 1984 block at Hiwinui.

The following table provides a summary of the 2013/14 budget and actual performance for the Metro forests.

Metro - June 2014	FY Budget	FY Actual	% of Budget
Volume - tonnes	80,000	82,134	103%
Gross Revenue	\$6,890,000	\$7,787,005	113%
Costs	\$3,908,000	\$4,701,087	120%
Net Revenue	\$2,982,000	\$3,085,918	103%
Stumpage - per tonne	\$37.28	\$37.57	101%

Financial Reports

Land Management Funding Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	1,896	1,896	-	1,644
Government Grants & Subsidies	145	-	145	141
External revenue	763	848	(85)	773
Investment Revenue	9	10	(1)	10
Internal Revenue	73	57	16	87
TOTAL INCOME	2,886	2,811	75	2,655
<i>less:</i>				
Personnel	991	952	(39)	940
Materials,Supplies & Services	81	64	(17)	143
Travel & Transport Costs	57	48	(9)	58
Contractor & Consultants	566	679	113	558
Grants and Subsidies Expenditure	25	22	(3)	-
Internal Charges	700	638	(62)	597
Total Direct Expenditure	2,420	2,403	(17)	2,296
Financial Costs	-	-	-	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	376	346	(30)	270
Depreciation	58	66	8	66
Loss(Gain) on Sale of Assets / Investments	(24)	(12)	12	(17)
TOTAL EXPENDITURE	2,830	2,803	(27)	2,615
Operating Surplus/(Deficit)	56	8	48	40
Add Back Depreciation	58	66	8	66
Other Non Cash	(24)	(12)	(12)	(17)
Net Asset Acquisitions and Capital Expenditure	(72)	(26)	46	(41)
Net External Investment Movements	-	-	-	-
Repaid Debt	-	-	-	-
Net Reserves (Increase) / decrease	(30)	(35)	5	(19)
NET FUNDING BEFORE DEBT ADDITIONS	(12)	1	(13)	29
Internal Debt Additions	-	-	-	-
External Debt Additions	-	-	-	-
Net Funding Surplus (Deficit)	(12)	1	(13)	29

Land Management Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	101	38	(63)	53
Capital Project Expenditure	-	-	-	-
Asset Disposal Cash Proceeds	(29)	(12)	17	(11)
Net Capital Expenditure	72	26	(46)	42

Akura Conservation Centre Funding Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	-	-	-	-
Government Grants & Subsidies	-	-	-	-
External revenue	162	271	(109)	338
Investment Revenue	-	3	(3)	2
Internal Revenue	728	573	155	521
TOTAL INCOME	890	847	43	861
<i>less:</i>				
Personnel	73	90	17	63
Materials,Supplies & Services	655	532	(123)	565
Travel & Transport Costs	7	13	6	13
Contractor & Consultants	243	148	(95)	173
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	28	-	(28)	26
Total Direct Expenditure	1,006	783	(223)	840
Financial Costs	13	10	(3)	1
Bad Debts	-	-	-	-
Corporate & Department Overheads	-	30	30	30
Depreciation	35	21	(14)	19
Loss(Gain) on Sale of Assets / Investments	-	-	-	-
TOTAL EXPENDITURE	1,054	844	(210)	890
Operating Surplus/(Deficit)	(164)	3	(167)	(29)
Add Back Depreciation	35	21	(14)	19
Other Non Cash	-	-	-	-
Net Asset Acquisitions and Capital Expenditure	(61)	(35)	26	(226)
Net External Investment Movements	-	-	-	-
Repaid Debt	(19)	(14)	(5)	(5)
Net Reserves (Increase) / decrease	-	(33)	33	45
NET FUNDING BEFORE DEBT ADDITIONS	(209)	(58)	(141)	(196)
Internal Debt Additions	209	58	151	196
External Debt Additions	-	-	-	-
Net Funding Surplus (Deficit)	-	-	-	-

Akura Conservation Centre Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	61	-	(61)	226
Capital Project Expenditure	-	35	35	84
Asset Disposal Cash Proceeds	-	-	-	-
Net Capital Expenditure	61	35	(26)	310

Plantation Forestry

Plantation Forestry Funding Statement For the year ended	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Harvest Operations				
Harvest and other revenue	7,892	6,900	992	7,194
Harvest cost	4,854	3,908	(946)	4,124
	3,038	2,992	46	3,070
Forest Operations				
Personnel	204	130	(74)	230
Transport	20	30	10	22
Materials, Supplies & Services	242	203	(39)	347
Silviculture	7	150	143	2
Road maintenance, contractors and consultants	639	745	106	366
Road development and other capex	240	338	98	200
	1,352	1,596	244	1,167
Cash surplus from Operations	1,686	1,396	290	1,903
Other Costs				
Internal Charges	124	70	(54)	119
Overheads	155	155	-	120
Financial Costs	897	774	(123)	1,105
Debt Repayment	1,487	1,636	149	1,430
	2,663	2,635	(28)	2,774
Overall Cash Surplus (Deficit)	(977)	(1,239)	262	(871)
Cash Surplus (Deficit) excluding loan repayment	510	397	113	559
Cash Surplus (Deficit) excluding loan repayment & interest	1,407	1,171	236	1,664

Plantation Forestry Statement of financial position	30 June	30 June	Movement \$000
	2014	2013	
Total Retained Earnings	23,420	7,196	16,224
Asset Revaluation Reserves	1,978	1,978	-
Movement in Equity	4,651	(371)	5,022
Total Ratepayer Funds	30,049	8,803	21,246
Receivables	5,472	22	5,450
Accrued Revenue and Prepayments	40	287	(247)
Stocks	-	-	-
Total Current Assets	5,512	308	5,204
Total Investments	30,051	14,486	15,565
Net Fixed Assets	9,631	9,720	(89)
Capital Works In Progress	(127)	(368)	241
Total Non Current Assets	39,555	23,838	15,717
Total Assets	45,067	24,146	20,921
Payables and Accrued Expenses	463	238	225
Employee Provisions and Accruals	12	53	(41)
Current Liabilities	476	291	185
Internal Debt	14,542	15,052	510
Total Liabilities	15,018	15,343	325
Net Assets	30,049	8,803	21,246

Reserves Forestry

Reserves Forestry Funding Statement For the year ended	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Harvest Operations				
Harvest and other revenue	3,093	2,242	851	871
Harvest cost	1,730	1,319	(411)	600
	1,363	923	440	271
Forest Operations				
Personnel	164	89	(75)	77
Transport	4	6	2	3
Materials,Supplies & Services	16	48	32	36
Silviculture	15	25	10	12
Road maintenance, contractors and consultants	449	126	(323)	69
Road development and other capex		66	66	14
	648	360	(288)	211
Cash surplus from Operations	715	563	152	60
Other Costs				
Internal Charges	76	71	(5)	69
Overheads	82	82	-	63
Financial Costs	1,053	1,069	16	1,166
Debt Repayment	2,803	1,568	(1,235)	1,347
	4,014	2,790	(1,224)	2,645
Overall Cash Surplus (Deficit)	(3,299)	(2,227)	(1,072)	(2,585)
Cash Surplus (Deficit) excluding loan repayment	(496)	(659)	163	(1,238)
Cash Surplus (Deficit) excluding loan repayment & interest	557	410	147	(72)

Reserve Forestry Statement of financial position	30 June	30 June	Movement \$000
	2014	2013	
Total Retained Earnings	(4,638)	(5,395)	757
Asset Revaluation Reserves	3,856	3,856	-
Departmental Reserves	-	-	-
Movement in Equity	276	67	209
Total Ratepayer Funds	(506)	(1,472)	966
Receivables	368	-	368
Accrued Revenue and Prepayments	46	98	(52)
Stocks	-	-	-
Total Current Assets	414	98	316
Total Investments	11,136	9,834	1,302
Net Fixed Assets	5,667	5,718	(51)
Capital Works In Progress	(58)	(58)	-
Total Non Current Assets	16,745	15,494	1,251
Total Assets	17,159	15,592	1,567
Payables and Accrued Expenses	105	1	104
Employee Provisions and Accruals	13	10	3
Current Liabilities	118	11	107
Internal Debt	17,548	17,053	(495)
Total Liabilities	17,665	17,064	(601)
Net Assets	(506)	(1,472)	966

Financial Variance Analysis

The Land Management operating surplus was \$48K above budget. Operating revenue was \$76K above budget and operating expenditure was \$27K above budget.

The Akura Conservation Centre operating surplus was \$166K below budget due to new nursery and yard development costs and reduced sales of native species.

The Plantation Forestry balance sheet at 30 June 2014 incorporates a \$15m increase in forest value to \$30m and total debt of \$14.5m.

The Reserve Forestry balance sheet at 30 June 2014 includes a \$1.1m increase in forest value to \$11m and total debt of \$17.5m.

Annual Plan Performance Measures

Performance Measure	Performance Target			Comment
	Baseline	2012/13	2013/14	
Percentage of erosion-prone land covered by a Farm Plan	72% (2010/11)	75%	76%	76.4% of erosion-prone land was covered by a Farm Plan
Hectares of erosion-prone land planted	432 hectares per annum (2010/11)	400 hectares per annum	400 hectares per annum	350 hectares of erosion-prone land has been planted to date
Number of Land Environment Plans (LEP) prepared	This is a new level of service	10	10	10 completed, including 8 in the Mangatarere and 2 in the Otaki catchments

Specific areas of work 2013/14	Comment
Implement the Wellington Regional Erosion Control Initiative	The Wellington Regional Erosion Control Initiative is entering its fifth year. Ten new Plans are to be prepared and four are presently in the planning stages
Implement annual works programme on erosion-prone land within Property and Sustainability Plans	Annual works programmes have been implemented on 158 Property and Sustainability Plans
Implement Land Environment Plans for landowners with intensive farming systems	Ten landowners have confirmed the preparation of new Land Environment Plans for their properties. Works have been completed for all existing Plans
Complete annual works programmes for each of the Catchment Control Schemes	Planting programmes have been completed for each Catchment Control Scheme and planning is underway for the balance of the Scheme programmes
Continue expansion of Akura nursery and supply poplars and willows for erosion control	Five hectares have been planted this quarter as part of the Akura expansion.

Risk Analysis

The national forestry schemes have recently been reviewed by government, including the Hill Country Erosion Programme that funds WERCI. GWRC have managed to secure funding for the 2014/15 year but ongoing funding will not be known until late 2014, early 2015.

2.4 Flood Protection

Overview

The department made significant progress on all projects this financial year. The earthquake and subsequent move to temporary offices and Shed 39 was disruptive but work was generally progressed without significant delays.

Looking ahead, there are a number of challenges for the department. Some are related to progressing large projects and others are related to the need to bring the community along with the development of innovative solutions to existing flood problems. Meeting the communities' expectations within an affordable framework will also be a challenge.

Investigations, Strategy and Planning

Good progress was made on the work programme, although there have been delays/deferrals on some of the FMP projects. In each case, this reflects further work that has been required due to the complexity of the floodplain issues. Approval for the deferrals was sought in each case. We will examine the work programmes for 2014/15 and 2015/16 in light of our recent experiences to ensure that realistic timeframes are being allowed for technical investigations and consultation.

Significant milestones are coming up on Te Kāuru Upper Ruamahanga River FMP, Pinehaven FMP and Waiohine FMP. Advisory workload has picked up significantly although the reasons for this are not clear. In addition, team members will be providing considerable support to projects in our FMP Implementation and Operations, Delivery & Planning Teams. The next six months in particular will be a busy period for us and will require careful management of resourcing. A fixed term Graduate Engineer position has been created to help us to deliver on these projects.

FMP Implementation

Overall good progress was made in all FMP implementation works.

Hutt River City Centre Project

The Working Group made good progress in developing Integrated Concept Design options for the Hutt River City Centre Project. The conceptual options investigated include; river corridor options, Melling Bridge improvement options (waterway and traffic), and options for connecting the CBD to the river. A number of workshops were held with the HVFMS, HCC and GWRC to discuss these options. HVFMS recommendations on a preferred option are expected to be made by the end of June 2015.

Boulcott/Hutt Stopbank Project

The stopbank defects liability period is now complete. The boundary surveys required for the land transfers are progressing. Safeway's compensation claim for \$381,600 is now before the Land Valuation Tribunal (LVT). GW experts are now reviewing Safeway evidence and preparing their evidence for submission by 4 August 2014. A hearing is expected before the end of 2014.

Woollen Mills Point

In February 2014, Council approved land purchase at the Woollen Mills point in the Hutt River of two properties required to implement future upgrade works recommended in the Hutt River FIMP. The properties affected include two commercial properties, three residential properties and a small part of the Randwick School grounds at Pirie Crescent. The two properties purchased were at 45 and 39 Pirie Crescent (total cost \$1,624k). The properties will be rented until required for construction. It is expected that the rental income will cover most of the financial costs.

Otaki Edge Protections

Construction of the edge protection works at Tracey's in the Otaki River was completed for \$550k, under the budget of \$600k. Willow planting will be completed in the first quarter of 2014/15.

Jim Cooke Park Stopbank

Developing feasibility design options for the Jim Cooke Park stopbank project was completed. The options include a standard stopbank option and combined stopbank/wall arrangements. Consulting with the community on feasibility options will begin in July 2014.

Waiohine River Capex

The 2013/14 Annual Plan provides a budget of \$300,000 for commencing the design process for the proposed structural works. The programme for implementing this component of work was set in anticipation of completion of the Waiohine FMP. The FMP is taking longer to complete than anticipated, and it is proposed to defer any construction work until the FMP is complete.

Lower Wairarapa Development Scheme Improvement Works

The 2013/14 works programme was completed. Works completed include stage 1 of the Turanganui River Stopbank upgrade (3km from the bottom end) and boulder protection works to Pauls Bank at Lake Onoke.

Operations, Delivery and Planning

Operational work activities were completed to programme. Scheduled channel management improvements and bank protection works are progressing. Flood damage during the year has been repaired but has resulted in an overspend, particularly for the Wairarapa Schemes. This will result in reduced contributions to scheme reserves.



Waipoua River flood damage repairs adjacent to Henley Lake Ruamahanga River tree cabling at Patricks

Progress with the Asset Management Plan has been slow, with AECOM providing support where possible. Focus has been on two areas: Levels of Service and ensuring that these link to community outcomes, and developing a 30 year financial model. This now requires populating for years 10 to 30. However, the AMP will be advanced to support the LTP process.

Good progress was made with the river management resource consent project and the Code of Practice and Environmental Monitoring Plan.

Department Activity

Category	Actual \$000	FY Budget \$000	Comment
Opex Activities			
Regulatory and Ongoing	464	420	<p>Input into Kapiti Expressways – design workshops/reviews.</p> <p>Advisory workload picked up significantly during the second half of the year.</p> <p>Involvement in defending Jefferies application for Judicial Review.</p> <p>Support to Friends of the Waikanae and Otaki Rivers with AGMs, river walkovers and Council policy matters. Developing planting plans.</p> <p>Input to resource consent applications and technical support to Environmental Regulation Department and Parks Department.</p> <p>Undertaking 5-yearly cross-section surveys of the Hutt River and Waitohu Stream with associated gravel analysis.</p> <p>Working with WCC and PCC to continue Porirua flood hazard information with stormwater information before release.</p>

Category	Actual \$000	FY Budget \$000	Comment
Investigations and Planning	528	740	Additional Wairarapa staff time on investigations and liaison. Finalising review of Waikanae Environmental Strategy. Policy advice, particularly on the Regional Plan review. Updating and improving the Regional Flood Hazard model. Initial investigations into the Mangatarere Stream flood hazard. Purchase of Flexible Mesh hydraulic modelling software.
Planning and Policy	595	528	Flood warning activities – Duty Flood Managers and Flood Manual update. Policy advice, particularly on the Regional Plan review. Developing departmental policies and guidance. Investigating and developing flood forecasting options. Input and further technical work on UHCC Plan Change 15.
Sub Total Investigations Opex	1,587	1,688	\$104k favourable expenditure

Category	Actual \$000	FY Budget \$000	Comment
Capex Activities			
Waiohine FMP	158	147	Progressed investigations to develop a workable, sustainable, secure preferred option. Extensive consultation has occurred with a focus on affected landowners. Additional funding from other FMP Implementation Capex underspends will be used to offset the overspend. The overspend is less than previously forecast.
Pinehaven FMP	15	24	Preferred option combination approved by HVFMS. Draft FMP being updated and will be consulted on with the community before being presented to HVFMS for approval.
Waiwhetu FMP	8	40	House raising work presented to HVFMS in June 2014. Approval given to defer completion of the preferred option recommendation until June 2016, due to a combination of resourcing issues and challenges in developing a workable preferred option. Work will recommence in early 2015.
Upper Wairarapa FMP		161	Only \$161k was budgeted in 2013-14.
Phase 1	301		Phase 1 will be complete and reported to the Te Kāuru Upper Ruamāhanga Floodplain Management Subcommittee in July 2014. Phase 2 is underway to the extent possible before the Phase 1 Issues and Phase 2 objectives are confirmed in July 2014.
Phase 2	11		
Resource Consent Project	42	125	Environmental monitoring has been undertaken and a draft Code of Practice has been prepared.
Sub Total Investigations Capex	535	497	Forecast overspend in capital investigations has been allowed for in the overall department capex expenditure.

FMP IMPLEMENTATION			
	Actual \$000	FY Budget \$000	Comment
Boulcott/Hutt stopbank	351	450	Stopbank works complete. Final payment will be in August 2014. Safeway fence dispute yet to be resolved (Safeway claim \$80k fence; allowed \$45k fence). Safeway compensation claim for \$381,600 is now with the Land Valuation Tribunal.
Hutt Environmental strategy implementation	38	72	2013/14 works programme completed. Maintenance of landscape planting will continue.
City Centre Design	1,217	400	Actual Expenditure includes \$443k design costs and \$774k property purchase (Flats 3 & 4 39B Mills Street).
Woollen Mills Corner Land purchase	1,605	0	Purchase of 45 Pirie Crescent and 39 Pirie Crescent.
Waiwhetu Stream improvements	58	0	Final planting and maintenance works completed.
Hutt Valley Total	3,269	922	
Jim Cook Park Stopbank	148	200	Feasibility designs completed.
Waikanae Environmental strategy implementation	0	20	Deferred until Jim Cooke Park construction commences.
Waikanae Total	148	220	

	Actual \$000	FY Budget \$000	Comment
River Works Mouth to Chrystalls	92	370	Deferred.
River works Chrystalls to Gorge	407	310	Tracey's edge protection work complete.
Lower Waitohu improvements	51	380	Finalising land entry arrangement with OPTB taking more time than previously planned. Construction deferred to 2014/15.
North stopbank improvements (Mouth to SH1)	0	250	Deferred until FMP review is completed.
Otaki Environmental strategy implementation	0	65	Deferred to 2014/15.
Otaki River Total	550	1375	

	Actual \$000	FY Budget \$000	Comment
Lower Wairarapa Valley Development Scheme Otaki	512	787	2013/14 works programme completed; Stage 1 of Turanganui Stopbank (3k from the bottom end) and Boulder Protection works to Pauls Bank at Lake Onoke.
Whakawhiwhiri Stream	259	0	Consent granted but the decision has been appealed. Construction deferred to 2014/15.
Waiohine Stopbank design	0	300	Deferred until FMP completed.
Wairarapa Total	772	1,087	
Sub Total Implementation Capex	4,738	3,604	Actual expenditure includes \$2,374k property purchases

OPERATIONS, DELIVERY & PLANNING			
Category	Actual \$000	FY Budget \$000	Comment
Wellington Operations	2,306	2,342	All works programmed were completed as planned and to budget. A significant focus this period has been the preparation and planting of willow and native sites. Staff have also been busy completing the willow layering programme. The river berms and trails continued to attract high user numbers in both the Hutt and Kapiti rivers, with the mild autumn encouraging users even on the coldest days, and there were a number of planned recreation events during the period.
Recreation Activities			
Kapiti Operations	1,197	1,136	Work programmes were completed as planned with an overspend, which was offset by additional gravel management income. A successful walk over of the Waikanae River with Te Ati awa Ki Whakarongotai took place on 12 April 2014.
Wairarapa Operations	2,463	2,324	Work programmes in the Wairarapa rivers are now largely complete. Numerous small floods during the year caused significant damage, and resulted in budgets being exceeded. All annual scheme meetings have been held.

Category	Actual \$000	FY Budget \$000	Comment
Drainage Schemes	301	282	Work activities for the pumped drainage schemes have been completed to programme. The Papatahi Drainage Scheme has been discontinued. Refunding the scheme reserves from this scheme has resulted in an overspend.
Asset Management Project	247	114	Progress has been made in preparing the AMP with additional resource being used from AECOM. However, business as usual activities are still hindering substantial advancement. Current resources continue to be insufficient to implement the three year Asset Management Improvement Plan.
Resource Consent Project	231	255	The focus of this quarter has been completing a working draft of the Code of Practice, and socialising this document with Flood Protection and Environmental Science staff. All documents, including further information request, the COP and review process will be lodged with the Environmental Regulation Department in the next quarter.
Other Costs	554	509	Activities, including depot management, the Health & Safety programme and operations activities, have been progressed.
Sub Total Operations (45200)	7,299	6,960	Overall operations and maintenance costs have exceeded budget by \$336,000. Primarily this relates to additional costs for asset management activities (\$134,000) and Wairarapa maintenance costs for additional repairs resulting from flood damage.

Annual Plan Performance Measures			Comment
Performance Measure	Performance Target		
	Baseline	2013/14	
Number of new flood hazard assessment completed	2 new assessments completed (2011/12 forecast) In total 14 out of 24 rivers and streams have been assessed	0 (The focus has been on floodplain management planning)	The focus has been on completing Floodplain Management Plans. Flood Hazard Assessments have been completed for Carterton and Porirua. Regional Flood Hazard modelling, used for prioritising investigations, is currently being updated.
Number of new floodplain management plans developed	1 new plan completed (2011/12 forecast) 5 out of 24 rivers have plans	2	No new FMPs have been completed this year. Waiohine River, Waiwhetu and Pinehaven Stream FMPs are currently in Phase 3 'detailed options investigations'. A preferred option combination has been approved by HVFMS for Pinehaven, and the FMP will be consulted on with the community in July 2014. Approval has been given by HVFMS to defer Waiwhetu FMP until June 2016.
Number of requests for flood hazard advice	500 (2010/11)	Increase on previous year	420 requests were logged in 2013/14. This is a significant increase on 2012/13 (281), especially considering that a disproportionate number were received in the second half of the year. The RON's projects have required a significant amount of input although they are only recorded as a single advice request.

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Percentage of flood warning alarms responded to appropriately	100% (2010/11)	100%	Flood warning alarms received to date have been 100% responded to in an appropriate manner. The technical update of the Flood Manual has included discussions with WREMO to confirm what the processes should be.
Percentage of floodplain management plan capital works 40-year programme implemented	30% completed (2011/12 forecast)	33% completed	On target.
No failures of flood protection schemes below specified design levels	100% (2010/11)	100%	No failure of flood protection schemes occurred. Damage resulting from a number of recent floods has been repaired.
All flood protection works are undertaken in accordance with resource consent conditions or relevant plan provision	No significant non-compliance (2010/11)	No significant non-compliance	All works have been completed in accordance with planning approvals. Gravel extraction in the Waingawa River and disposal of unsuitable material at the Hutt Mouth, that did not comply with consent conditions, has been reported.
Number of new public access points to rivers and streams	1 (2011/12 forecast)	1 new public access point	A new access way through Carters Reserve to the Ruamahanga River has had the property easement formalised.

Specific areas of work 2013/14	Comment
Undertaking Flood Risk	
Develop Waiwhetu Floodplain Management Plan	Approval has been given by HVFMS to defer completion of the preferred option recommendation until June 2016, due to a combination of resourcing issues and challenges in developing a workable preferred option. Work will recommence in early 2015. House raising work was presented to HVFMS in June 2014.
Undertake next phase of the Mangaroa flood hazard assessment	The final phase of the Mangaroa FHA is to implement planning controls via UHCC Plan Change 15. This work is ongoing.
Prepare Ruamāhanga, Waipoua and Waingawa Floodplain Management Plan	<p>The Te Kauru Upper Ruamahanga Floodplain Management Planning Subcommittee (TKURFMPS) has been established.</p> <p>Phase 1 (establish the context) will be reported to the TKURFMS in July 2014.</p> <p>Phase 2 is underway and will involve considerable engagement with the community and stakeholders to develop a preferred option combination in 2014/15.</p>
Maintaining Flood Protection	
Commence obtaining statutory approvals for maintenance of infrastructure assets	Work is continuing to programme.
Construct Boulcott-Hutt Stopbank (Hutt River Floodplain Management Plan)	Completed 2013, one year ahead of schedule.
Plan for Lower Hutt City Centre stopbank upgrade (Hutt River Floodplain Management Plan)	On target. Good progress made on the Integrated Concept Design.
Plan for channel widening on the Hutt River from Melling Bridge to Kennedy Good Bridge (Hutt River Floodplain Management Plan)	On target. Scoping report complete and work on Integrated Concept Design progressing.
Continue implementing the environmental strategy on the Hutt, Waikanae and Otaki Rivers	On target.
Carry out Lower Waitohu improvement works (Waitohu Stream Management Plan)	Behind schedule. Land entry agreements with OPTB are taking longer than anticipated. Construction deferred to 2014/15.

Specific areas of work 2013/14	Comment
Commence Jim Cooke Park stopbank improvements (Waikanae Floodplain Management Plan)	On target. Concept designs completed.
Commence implementation of Waiohine Floodplain Management Plan outcomes	Delayed. Awaiting completion of the Waiohine FMP.

Financial Reports

Flood Protection Funding Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	14,152	14,152	-	14,397
Government Grants & Subsidies	-	-	-	1
External revenue	1,160	1,112	48	1,085
Investment Revenue	463	436	27	489
Internal Revenue	83	66	17	58
TOTAL INCOME	15,858	15,766	92	16,030
<i>less:</i>				
Base Personnel Costs	3,445	3,363	(82)	2,899
Capex Project Resource Cost Credit	(680)	(487)	193	-
Materials,Supplies & Services	1,272	1,104	(168)	985
Travel & Transport Costs	164	149	(15)	199
Contractor & Consultants	3,008	2,667	(341)	2,773
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	531	526	(5)	524
Total Direct Expenditure	7,740	7,322	(418)	7,380
Financial Costs	3,146	3,017	(129)	3,463
Bad Debts	-	-	-	-
Corporate & Department Overheads	1,500	1,500	-	1,393
Depreciation	978	1,050	72	992
Loss(Gain) on Sale of Assets / Investments	(63)	(45)	18	(98)
TOTAL EXPENDITURE	13,301	12,844	(457)	13,130
Operating Surplus/(Deficit)	2,557	2,922	(365)	2,900
Add Back Depreciation	978	1,050	72	992
Other Non Cash	(63)	(45)	(18)	(98)
Cash Operating Surplus from Operations	3,472	3,927	419	3,794
<i>less:</i>				
Total Asset Acquisitions	(5,054)	(112)	4,942	(16,847)
Asset Disposal Cash Proceeds	63	45	(18)	104
Capital Project Expenditure	(400)	(4,101)	(3,701)	7,259
Net Asset Acquisitions and Capital Expenditure	(5,391)	(4,168)	1,223	(9,484)
Net External Investment Movements	(379)	(346)	33	(356)
Repaid Debt	(3,045)	(3,019)	26	(2,994)
Net Reserves (Increase) / decrease	(300)	(494)	(194)	(607)
NET FUNDING BEFORE DEBT ADDITIONS	(5,643)	(4,100)	1,543	(9,646)
Internal Debt Additions	5,270	4,101	1,169	9,279
External Debt Additions	-	-	-	-
Net Funding Surplus (Deficit)	(373)	1	(374)	(367)

Flood Protection Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	5,054	112	(4,942)	16,847
Capital Project Expenditure	400	4,101	3,701	(7,259)
Asset Disposal Cash Proceeds	(63)	(45)	18	(104)
Net Capital Expenditure	5,391	4,168	(1,223)	9,484
Investments Additions	379	346	33	341
Net Capital and Investment Expenditure	5,770	4,514	(1,190)	9,825

Financial Variance Analysis

Operational works programmes have been completed. Additional costs have been incurred repairing flood damage in the Wairarapa river schemes. Work on the Asset Management Improvement Programme has also exceeded budget. Financial costs were over budget due to Hutt land acquisitions.

2.5 Business Continuity and Property Update

Very good progress on IT initiatives to improve business continuity was achieved during the quarter at the Masterton site including; HAWAN mast installation, rail fibre connection, electrical work and UPS upgrade in the server room to enable the network replication project to be completed early in the 2014/15 year.



Recently installed Hawan Mast at Masterton office

Biosecurity, Biodiversity and WWUP staff were relocated to a Portacom office on the Chapel Street site. The upgraded facilities provide additional workstations and improved health and safety for staff.



Lab, meeting rooms and office Portacoms at Masterton



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Environment Management Group

Performance Report for the year ended 30 June 2014



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1 ENVIRONMENT MANAGEMENT GROUP REPORT

1.1 Executive summary for Environment Management Group

Group Overview

This quarter marks the close of a very busy financial year for the Environment Group.

The development of the draft regional plan through the work of Te Upoko Taiao is approaching a key milestone with the draft due to be released in September. We have been working hard to pull the entire document together including the introduction, the visual look and feel of the Plan, and of course the policy content. While the Draft will be a major milestone in itself, it will mark the start of another intensive period of community engagement, and in particular some pretty focussed conversations around key issues such as stock access, significant sites, and section 32 analyses.

In conjunction with this, we have made excellent progress with the ongoing evolution of the first of our Whaitua in the Ruamahanga. The committee continued to meet and workshop last quarter, elected a Chairman (Peter Gawith), and is now starting to move into some of the meaty discussions that will mark its work over the next 18 months. Importantly, we also agreed with Council in the last quarter that the Porirua Whaitua would be the next to commence, as opposed to the Hutt/Wellington Whaitua. There are good reasons for this, and we have already started to pull key officers together from all Councils and Ngati Toa with a view to getting the Porirua Whaitua Committee established before the end of the year. We will continue to 'socialise' the Hutt/Wellington Whaitua, however, even while establishing Porirua and hopefully will have this up and running mid to late 2015. Conversations with both the Ministry for Primary Industries and Ministry for the Environment around our Plan and Whaitua process have been ongoing during the quarter, and we hope to secure some substantial investment from these agencies in the next few weeks to assist with our work programme.

The Regional Natural Hazards Management Strategy is becoming an increasingly important and large piece of work for us as well, with tenders being advertised in April for help in preparing the strategy. Kapiti Coast District Council also agreed to join this piece of work during the quarter, so it is now very much an integrated regional project.

Work in Environmental Regulation continued to be dominated by Roads of National Significance (RONS) with Board of Inquiry processes concluding, and our key focus now moving into monitoring and implementation. The formation of a RONS team within Environmental Regulation, the cost of which is cost recoverable from the NZTA, was completed during the quarter. There has been a lot of quite intense discussion with NZTA and Wellington Gateway Partnership in the last quarter as financial close for Transmission Gully drew closer. While we have successfully managed this, we are planning some high level meetings in the next few weeks to ensure a successful transition in our

relationships into the implementation phase post financial close. Overall, we have processed more consents, undertaken more compliance inspections and managed almost double the amount of appeal proceedings in this financial year than the last.

The Science department continues to direct a huge amount of its focus on providing information for the Plan and Whaitua process. A key component of this work will be the modelling options that are used in the limit setting process. Graham has led one modelling 'mash pit' exercise already, and another is planned where expert modellers are looking to define the models that will be best applied in the Whaitua process for land use/water interactions. Getting this right is critical, and we have essentially taken a collaborative approach to identifying and implementing the most applicable models for individual Whaitua. The new look State of the Environment Summary was also widely circulated during the quarter. This document is a major step forward in the way we are looking to communicate science effectively and has been very well received.

The Harbours department successfully made the move to the Meridian Building and are now happily operating out of there. The much vexed process of getting the Port and Harbour Safety Management System 'approval' took another twist during the quarter with Maritime New Zealand looking to establish a MNZ led, but Regional Council facilitated, auditing process in place to undertake the eight or so outstanding audits across the country. This is still a work in progress some three years after we completed and lodged our SMS with Maritime New Zealand. The review of our Port and Harbour Risk Assessment continued in quarter, in conjunction with CentrePort.

A major milestone for the Parks department in the last quarter was the formal Council approval for the compensation and mitigation package negotiated with the NZTA around the impacts of Transmission Gully Motorway on Belmont and Battle Hill Regional Parks. This was the result of extensive discussions and negotiations over an 18-24 month period and represented what we thought was an extremely good outcome for Council. Funding was also secured from NZTA for the cycleway through QEP in the last quarter, again, another extremely good outcome. The Nature Central Project, which has potential benefits for Parks around QEP and Whareroa in particular, has been re-energised in the last quarter and we are hopeful that the lease, and ultimately management arrangements around QEP can be enhanced in the coming months.

Both the Parks and Harbours departments have been working extremely hard on their Asset Management Plan during the quarter, including the asset revaluation process. This has been a major undertaking consistent with the direction the organisation is taking to increase its asset management information. Sue has had to contract in an extra resource to ensure that the asset revaluation process was completed.

Finally, we received formal sign off for our latest funding application with the Irrigation Acceleration Fund (IAF) this quarter and have guaranteed funding for the Wairarapa Water Use Project until the end of the prefeasibility phase. The Governance Group has been an excellent addition to the WWUP process and is providing huge value, as is the increasingly strong relationship with the Ministry for Primary Industries as we move into a number of key decision points for the project, prior to year end. The coming quarter will be a critical period for this project.

In relation to our year-end financial position the accounts for the whole Group show a Net Deficit of \$2.1m which is \$1.7m worse than budget. However the vast majority of this figure comes from the effects of the Parks Infrastructure Assets revaluation which has increased depreciation costs by \$1.3m. The remainder of the overspend is due to the unrecovered costs of the RONS projects of \$0.4m which has been reported throughout the year. Neither of these items were anticipated in the budget. The Parks revaluation has increased the Infrastructure asset balance by \$22m to \$37m and the total Fixed Asset Register to \$71m. This will also impact on future years accounts. Despite these

'bottom line' figures, budgets were in fact generally well managed throughout the year and with the exceptions above were in line with forecast.

Key results for the year to date

Environmental Policy

- ▶ Positive engagement with Ministry for Primary Industries and the Ministry for the Environment around options to develop Memorandums of Understanding for partnership programmes to complement GRWRC's NPS implementation programme
- ▶ Work is progressing on the implementation of the National Policy Statement for Freshwater Management with,
 - » the Ruamāhanga Whaitua Committee's programme of work in underway
 - » meetings with partners and stakeholders regarding the establishment of the Porirua Harbour Whaitua Committee
- ▶ Workshops and meetings continue to be held with stakeholder groups on preliminary policy and rule options, as part of our work towards a release of a draft regional plan in September 2014
- ▶ Te Upoko Taiao continues to meet and provided direction on a large number of policy areas ahead of the Draft Plan being released in September 2014

Environmental Regulation

- ▶ Continued roll out of programmes for land development activities including contracting out compliance monitoring, development of a forestry sector regulatory strategy, and further development of a winter works earthworks protocol
- ▶ Ongoing roll-out of the dairy effluent pond storage calculator, and continuing implementation of the water management strategy around water metering and reporting (national regulations) compliance requirements
- ▶ Roads of National Significance – Significant ongoing workload in the Transmission Gully pre-construction work programme prior to 30 July PPP 'Financial Close'. Also significant ongoing projects in Basin Bridge Board of Inquiry; and in MacKays to Peka Peka construction work
- ▶ Appeals, declarations and judicial reviews – A substantial case load in appeals, and judicial review, injunction and declaration proceedings (in the Supreme, High and Environment Courts)
- ▶ Compliance – Completion of annual scheduled compliance programme
- ▶ Completion and roll-out of the Ozone Call Centre database for Pollution Incidents and other Helpdesk calls
- ▶ Ongoing work to both implement the Resource Management Amendment Act (RMAA) 2013 consenting provisions, and review proposed reforms under the Government's Phase Three reforms package; and work to develop processes ahead of the 2014 roll-out of the Building Act Dam Safety Scheme
- ▶ Ongoing work on major revisions of procedures manuals and further development of a revised QMS for Environmental Regulation statutory process work

Environmental Science

- ▶ Completion of departmental science strategy
- ▶ Development of a project brief for reviewing the groundwater quality SoE monitoring network (Stage 1)
- ▶ Completion of the suite of 2012/13 State of the Environment Annual Data Reports
- ▶ Completion of the “new look” 2012/13 Annual Summary Report
- ▶ Development of a project plan in conjunction with SCEG to produce an organisational research strategy and implementation plan
- ▶ Completion of information provision to Wheel of Water project
- ▶ Completion and release of the final report for the second Wellington Harbour sediment survey
- ▶ Successful modelling ‘moshpit’ with expert modellers nationwide to explore development of a modelling framework for modelling land use/water interactions for the whaitua
- ▶ Successful completion of a multi-council tendering process and contract for the provision of analytical laboratory services for water quality testing
- ▶ Launch of LAWA at GWRC head office which created media opportunities to promote the site

Harbours

- ▶ Engagement with Maritime New Zealand around a review of the Port and Harbour Safety Code and the Safety Management System (SMS), with agreement reached to proceed with the audit of the SMS.
- ▶ Commencement of the review of the GRWC/CentrePort Port and Harbour Risk Assessment.

Parks

- ▶ Completion of another very successful Great Outdoors Summer Events programme, in conjunction with a wide range of partner agencies and volunteers
- ▶ Kaitoke Regional Park received awards from the Parks Forum and New Zealand Recreation Association.
- ▶ Community liaison in relation to proposed Muritai Track realignment continues
- ▶ Further storm damage recovery work followed by good progress on Korokoro Forks - Belmont Trig track improvements
- ▶ NZTA agreed to move main farm hub from Waitangirua to Hill Road area of Belmont Regional Park and fully fund new cycleway from Paekakariki to Raumati South in Queen Elizabeth Park
- ▶ Logging completed in the Stratton Street (Belmont) pine plantation
- ▶ Initial enhancement of Rimutaka Summit on SH2 completed with inter-agency planting day on 13 June 2014

Wairarapa Water Use Project

- ▶ Commencement of the pre-feasibility programme of works
- ▶ Prefeasibility programme will identify the most viable sites (if any) to take through to a full feasibility work programme

- ▶ Governance Group for the Wairarapa Water Use Project is up and running
- ▶ A further funding application successfully signed off with the Irrigation Acceleration Fund
- ▶ Stakeholder Advisory Group continues to meet every 5 – 6 weeks

Looking Ahead

Environmental Policy

- ▶ Engagement with individual landowners regarding possible ‘sites of significance’ on their land started in March 2014 and will continue over the coming months
- ▶ The Ruamāhanga Whaitua Committee will continue to progress its work
- ▶ Meetings will be held with individual stakeholder groups in this quarter to clarify and make changes to the provisions contained in the Working Document for the Regional Plan leading to the Draft
- ▶ The establishment process for the Porirua Whaitua Committee will commence
- ▶ Meeting with councils around the region to explain the intention and process around the draft regional plan are being scheduled

Environmental Regulation

- ▶ Ongoing management of core statutory work with high work-loads in major enforcement investigations, completion of annual compliance programmes, dairy shed effluent and water take replacement consenting, significant earthworks consenting, a range of notified consenting projects, and RoNS projects and Board of Inquiry work
- ▶ Ongoing work with national sector groups and the Ministry for the Environment on proposed RMA reforms; and the development and implementation of processes and procedures in response to the RMAA 2013
- ▶ Development of a comprehensive ‘strategic compliance’ framework for our RMA compliance programme
- ▶ Completing the review of the GWRC Erosion & Sediment Control Guidelines
- ▶ Rolling out revised Environmental Regulation Quality Management System
- ▶ Ongoing work in Regional Sector groups in responding to developing amendments to the Building Act 1991 regarding large dam and the pending implementation of the Dam Safety Scheme

Environmental Science

- ▶ Continued development and release of reports around flow investigations in a variety of rivers across the region, and including lake Wairarapa
- ▶ Implementation of a monitoring programme for terrestrial biodiversity
- ▶ Development of MoA’s (Memorandums of Agreement) with various internal departments to define services provided by the science department
- ▶ Integration of Mātauranga Māori and science where appropriate and development of cultural health monitoring and indicators

- ▶ Working in partnership with iwi, NGO's and TA's to provide an increasingly integrated monitoring network
- ▶ A focus for the coming year will be a comprehensive review of all SOE monitoring programmes which will take into consideration future information requirements (particularly for the whitua) as well as central government directives such as NOF
- ▶ Consideration of monitoring requirements for the Kapiti Airshed
- ▶ Implementation of a monitoring programme for terrestrial biodiversity
- ▶ The second modelling 'moshpit' in August to progress the development of a modelling framework for modelling land use/water interactions, including modelling the Managatarere catchment as Stage 1 of the Ruamāhanga Whaitua
- ▶ Ongoing input to the Ruamāhanga Whaitua and gearing up for the Porirua Harbour whaitua
- ▶ Preparation of information and involvement in the development of new modules proposed for LAWA around lakes and air quality
- ▶ Completion of technical supporting documents for the Draft Regional Plan

Harbours

- ▶ Finalisation of the SMS review audit by MNZ and the completion of the Risk Assessment Review.

Parks

- ▶ Construction of a Paekakariki-Raumati South walkway/cycleway in Queen Elizabeth Park
- ▶ Finalising compensation and mitigation measures related to TGM on Belmont Regional Park including relocation of the permanent farm hub to Hill Road
- ▶ Working with Biodiversity on the three Year Plans for the Key Native Ecosystem sites on the parks
- ▶ Working with the Department of Conservation to develop a joint licence for grazing at Queen Elizabeth Park and Whareroa Farm
- ▶ Implementation of the Whitireia Park Millennium Pou site development project plan
- ▶ Muritai Track realignment postponed to enable wider community feedback about the proposal
- ▶ Re-phasing and refining the Queen Elizabeth Park Heritage Precinct project plan to line up with updated plans for Transmission Gully Motorway
- ▶ Continue to work with Department of Conservation Regional Council partners on the Nature Central Project
- ▶ Korokoro Forks – Belmont Trig track improvements completed

Wairarapa Water Use Project

- ▶ Ongoing consultation and engagement with homeowners and landowners
- ▶ Ongoing prefeasibility work based around the six key work streams
- ▶ Review points built into work programme with initial key decision around site viability in late 2014

1.2 Group financial summary

Environment Management financial statements

Environment Management Income Statement Period ending 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Regional Rates	11,431	11,431	-	10,824
Regional Water Supply Levies	-	-	-	-
Rates & Levies	11,431	11,431	-	10,824
Government Grants & Subsidies	-	-	-	-
External Revenue	3,481	2,548	933	2,278
Investment Revenue	8	-	8	15
Internal Revenue	548	406	142	424
TOTAL INCOME	15,468	14,385	1,083	13,541
less:				
Personnel Costs	8,702	8,306	(396)	7,946
Materials, Supplies & Services	868	843	(25)	917
Travel & Transport Costs	232	201	(31)	257
Contractor & Consultants	2,845	1,999	(846)	1,890
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	1,526	1,389	(137)	1,301
Total Direct Expenditure	14,173	12,738	(1,435)	12,311
Financial Costs	69	59	(10)	88
Bad Debts	194	-	(194)	-
Corporate & Department Overheads	1,158	1,158	-	1,042
Depreciation	436	524	88	463
Loss(Gain) on Sale of Assets / Investments	-	(18)	(18)	(40)
Total Indirect Expenditure	1,857	1,723	(134)	1,553
TOTAL EXPENDITURE	16,030	14,461	(1,569)	13,864
OPERATING SURPLUS/(DEFICIT)	(562)	(76)	(486)	(323)
Add Back Depreciation	436	524	(88)	463
Other Non Cash	-	(18)	18	(40)
Net Asset Acquisitions	(143)	(240)	97	(318)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOV	(269)	190	(459)	(218)
Debt Additions / (decrease)	115	-	115	139
Debt Repaid	(208)	(190)	(18)	(212)
Net Reserves (Increase) / decrease	(8)	-	(8)	109
NET FUNDING SURPLUS (DEFICIT)	(370)	-	(370)	(182)
Environment Management Capital Expenditure Statement Period ending 30 June 2014				
	Actual \$000	41,820 Budget \$000	Variance \$000	41,455 FY Actual \$000
Total Asset Acquisitions	54	265	211	172
Capital Project Expenditure	87	-	(87)	138
Asset Disposal Cash Proceeds	-	(25)	(25)	(68)
Net Capital Expenditure	141	240	99	242

- ▶ These accounts include the five Environment departments (Policy, Regulation, Science, Harbours & Support) but exclude Parks (shown in section 3.2) & Wairarapa Water Use Project (shown in section 3.3)
- ▶ External income is \$3,481k which is \$933k (37%) more than budget of which \$849k is for consent processing including additional on charging of consultants costs
- ▶ Direct costs of \$14,173k which is \$1,435k more than budget mainly due to \$1,294k overspend in Regulation on staff and consultants costs; \$348k over spend in Science offset by \$175k underspend on consultants in Policy
- ▶ Indirect costs are \$1,857k which is \$134k more than budget due to an increase in bad debts provision in Regulation department
- ▶ Net result is a Deficit of \$562k which is \$486k worse than budget
 - » Harbours net surplus of \$52k, which is close to budget surplus of \$68k
 - » Policy net surplus is \$194k, which is \$200k better than budget due to underspends in consultants costs
 - » Support net surplus is \$84k, which is \$89k better than budget due to unbudgeted staff recharges to other Environment departments
 - » These surpluses are offset by deficits in the following departments
 - » Regulation net deficit is \$555k, which is \$576k worse than budget mainly due to unbudgeted consultants costs for consent processing, legal costs of enforcement actions, RONS projects and notified consents. The net cost of the RONS projects is \$399k
 - » Science net deficit is \$341k, which is \$188k worse than budget mainly due to additional staff costs
- ▶ Travel and vehicle costs, materials, are all close to budget
- ▶ Staff costs are \$396k over budget mainly in Regulation and Science due to unbudgeted staff and higher salaries than budgeted with no vacancies to offset the overspends
- ▶ Regulation consultants & contractors spend of \$1,529k is \$1,138k more than budget and includes Hearing commissioners costs, contracts for earthworks monitoring, contract staff for consent processing, enforcement legal costs and technical advice for RONS projects. In total the RONS projects have cost \$766k of which \$607k is for legal & other consultants costs
- ▶ Environmental Science is \$102k under budget for consultants spend as some work was done internally by Biosecurity so internal costs are over budget. There is also overspend on staff costs of \$266k.
- ▶ The funding position at the end of June is \$370k worse than budget mainly due to the net deficits in Regulation & Science
- ▶ Capital spend is mainly in Parks and WWUP so refer to sections 3.2 and 3.3 for details. The \$141k spend shown in the table above includes \$100k for replacing Monitoring equipment and \$39k for the repainting Hallswell lighthouse

2 TE UPOKO TAIAO NATURAL RESOURCE MANAGEMENT COMMITTEE

2.1 Environmental Policy



Overview

The development of the second generation regional plans continues, with both stakeholder and Te Upoko Taiao meetings

The Ruamāhanga Whaitua Committee's work programme is underway with two meetings held this quarter

Work to prepare for the establishment of the next whaitua committee is progressing, with the option of establishing Porirua Harbour Whaitua Committee next

The Department's implementation of the Regional Policy Statement is on-going

Tenders have been called for the Regional Hazard Management Review

Key results

- ▶ Reprioritising of the methods in the Regional Policy Statement
- ▶ Work is progressing on the implementation of the National Policy Statement for Freshwater Management with,
 - » the Ruamāhanga Whaitua Committee's programme of work in underway
 - » meetings with partners and stakeholders regarding the establishment of the Porirua Harbour Whaitua Committee
- ▶ Workshops and meetings continue to be held with stakeholder groups on preliminary policy and rule options, as part of our work towards a release of a draft regional plan in September 2014
- ▶ Te Upoko Taiao continues to meet and provided direction on a large number of policy areas ahead of the Draft Plan being released in September 2014

Looking ahead

- ▶ Meetings will be held with individual stakeholder groups in this quarter to clarify and make changes to the provisions contained in the Working Document for the Regional Plan leading to the Draft
- ▶ Engagement with individual landowners regarding possible 'sites of significance' on their land continues over the coming months
- ▶ The Ruamāhanga Whaitua Committee will continue to progress its work
- ▶ The establishment process for the Porirua Whaitua Committee will commence
- ▶ Meeting with councils around the region to explain the intention and process around the draft regional plan are being scheduled

Departmental activity

The department is currently working on the following activities to support its programmes, including;

- ▶ the review of the regional plans
- ▶ supporting the Ruamāhanga Whaitua Committee
- ▶ the establishment process for the Porirua Whaitua Committee
- ▶ the development of a Regional Hazard Management Strategy, and
- ▶ the implementation of the Regional Policy Statement

Implementation of the NPS for Freshwater Management

The Ruamāhanga Whaitua Committee is continuing its work programme, meeting approximately every six weeks at different locations around the catchment. The committee held a meeting on Monday 5 May at the Martinborough Town Hall. The meeting started with the election of a Ruamāhanga Whaitua Committee Chair and Deputy Chair, with Peter Gawith and Esther Dijkstra securing the respective roles. The agenda items focused on the physical environment of the catchment, the roles of regional and district councils, and the work programme of the Ruamāhanga Whaitua Committee over the coming two years.

The next Ruamāhanga Whaitua Committee meeting was held in Masterton on Monday 16 June 2014. It was pleasing to have an increased number of community members in attendance. There were four reports presented to the committee: Landuse and water quality; Implementing the National Policy Statement for Freshwater Management 2011; Water allocation; Community engagement.

Preliminary planning work had been undertaken to prepare for the formation of the Wellington Harbour/Hutt Valley Whaitua Committee. However, a number of factors have been taken into consideration and a decision has been made to establish the Porirua Whaitua Committee next. The key factors considered were:

- ▶ Aligns very well with the soon to be formalised PCC Porirua Harbour Joint Committee. momentum in the Porirua Harbour catchment (following on from the Porirua Harbour Strategy)
- ▶ Strong desire and readiness in Porirua from Ngati Toa, territorial authorities and the community generally
- ▶ Good political support for bringing the establishment of the Porirua Whaitua Committee forward

- Capacity, the major stakeholder within the Wellington Harbour/Hutt Valley whitua, has recently undergone restructuring and allow their re-structure to be completed and bedded in prior to the establishment of this whitua committee will provide for more effective and efficient work planning

The timing is for the Porirua Whitua Committee Terms of Reference to be approved and the selection process for community committee members to be underway by October 2014. Confirmation of membership should happen by the end of 2014, and the first Porirua Whitua Committee meeting will be held early in 2015.

Operative Regional Policy Statement

The methods have been reprioritised and this is being further developed. Activity planning is underway and this will be worked through with the Regional Planning Manager Group.

Regional Plan review

Te Upoko Taiao – Natural Resource Management Committee

Te Upoko Taiao had a meeting, followed by a workshop, scheduled for Thursday 1 May 2014. At the workshop, reports on three key topics of the Working Document for Discussion were presented: Taking water that exceeds the allocation regime; Wastewater; Trout fishery provisions.

Also presented at the 1 May Te Upoko Taiao workshop were a working copy of the Objectives and Policies for the Draft Regional Plan.

In addition to the reports presented, two verbal updates were also provided. Paul Denton gave Te Upoko Taiao an update on the development of the Section 32 process, and Alastair Smaill provided Te Upoko Taiao with an update on the whitua programme.

On 11 June 2014, Te Upoko Taiao held a meeting followed by a workshop with the presentation of nine written reports: Contact recreation; Integrated management of livestock exclusions and riparian and wetland areas; Wastewater; Other methods; Wetland management and protection; Managing indigenous bird habitats; Reclamation; Lambton Harbour Development Area; The use of Te Reo Māori in the Regional Plan. Te Upoko Taiao was also presented with a working copy of the Rules, Definitions and Schedules sections of the Draft Plan.

Engagement

A programme of stakeholder meetings has been held during this quarter to focus on the specifics of particular policy and rule options. These meetings are part of the ongoing stakeholder engagement process. Individual meetings with some stakeholders are also taking place to get a greater understanding of the provisions and to highlight areas of particular interest.

Consultation and Engagement Plan

A number of meetings were held in this quarter around the regional plan review. Stakeholder workshops around values and water quality were also held.

Interagency/Interdepartmental Cooperation and Partnerships

Staff continue to hold discussions with staff from the Ministry of Primary Industries and Ministry for the Environment, as part of on-going efforts to work together better on the implementation of the National Policy Statement for Fresh Water Management and the development of farm plan tools.

Regional Council input into Statutory Planning

District Plan Changes

Wellington City Council

- ▶ Proposed plan change 77 – Curtis Street Business Area

Two independent mediation sessions (outside of the Environment Court) to resolve appeal matters have been held, with some small progress made to date. GWRC will continue to participate in the mediations as an interested party on the aspects of the plan change that affect biodiversity values and stormwater management.

Porirua City Council

- ▶ Proposed plan change 16 – Network Utilities
- ▶ Conversations still underway with hearing date in September
- ▶ Proposed plan change 17 – Aotea Supermarket Zone

This private Proposed District Plan Change was put forward by Progressive Enterprises in order to create a site-specific zoning for a supermarket and carpark on Whitford Brown Avenue, Aotea. GWRC made a neutral submission on the plan change, seeking amendments to provisions affecting the safety and efficiency of a local bus route, and to seek further management of the adverse effects of stormwater from the new development.

Hutt City Council

- ▶ Proposed plan change 33 – Amendments to the extraction activity area
- ▶ Prior to the hearing, GWRC officers met with Winstone Aggregates representatives on a number of occasions to discuss mitigation options that would satisfy the concerns addressed in our submission. As a consequence of these meetings, a legal agreement was drawn up and agreed to by both parties. GWRC officers attended the hearing on 5 and 6 June where we stated that our concerns had been addressed via the legal agreement. A decision on this plan change is anticipated towards the end of August

Notified resource consents

None received.

Natural hazards

Research Projects

Hikurangi Subduction Zone Tsunami Project

A project has been initiated to investigate the potential for the Hikurangi Subduction zone to generate large mega-thrust earthquakes and consequent tsunamis. The subduction Hikurangi Subduction zone is the tectonic interface between the Pacific Plate and the Australian Plate. The seabed expression of this is one of the deepest ocean trenches in the world 30km off the Wairarapa Coast; the Hikurangi Trench. The interface runs under Wellington at a depth of around 20km and under the Kapiti Coast at about 30km. Movements on the interface are responsible for the slow slip earthquakes that have been occurring on the Kapiti Coast, which are thought to be responsible for triggering other large regional earthquakes, such as the Cooks Straight sequence and the Eketahuna Earthquake. Features such as these have the potential to generate earthquakes, known as mega-

thrust events of over > M8.5. Consequently, they represent a severe risk to local communities. This project, initiated by Environment Canterbury and undertaken by GNS Science is bringing together councils from either side of Cooks Strait, including Nelson City Council, Marlborough District Council and the Greater Wellington Regional Council. The project will cost \$21,000, with GWRC contributing \$3,000. The project started with a workshop at GNS Science that brought together a group of geological and tsunami scientists and representatives from the partner councils to discuss the latest understanding of the Hikurangi Subduction Zone and to define parameters for a mega-thrust earthquake and agree on several credible earthquake scenarios. Work will now begin on modelling these scenarios.

Porirua Fault Trace Study

Work has nearly finished on this project which is identifying and updating information on the location, rupture frequency and earthquake magnitude potential of active faults running through the Porirua area. The work is being undertaken by GNS Science and is being part funded by GWRC and the Porirua City Council. The results indicate that the location of the Ohariu Fault through the CBD is approximately in line with previous work, but that there is greater uncertainty about its exact location due to the amount of earthworks that has occurred in the area over the past 60 years. A draft report will be completed by mid-July 2014 for feedback from GWRC and PCC.

Wellington Harbour Fault Investigation

Work conducted as part of the It's Our Fault project has revealed the presence of fault structures on the seabed of Wellington Harbour. GWRC is providing funds to allow a more thorough analysis of these faults and the seismic hazard implications they pose Wellington City. Preliminary analysis of the data indicates that these may be an extension of a fault that bisects Mt Victoria. The project is funded over two years, of which the first half of the project has been completed and an interim report has been filed. To date, an analysis of the faults and related sedimentary structures has been completed based on high-resolution geophysical data from Evans Bay, Lambton Harbour and the Kaiwharawhara regions of Wellington Harbour. The work is progressing satisfactorily, and is due to be completed by 30 September 2014.

Lower Hutt Seismic Event Related Geotectonic Investigation

Greater Wellington Regional Council is working with the Hutt City Council and GNS Science to fund a study that will investigate in more detail the type of fault movement that may occur in Lower Hutt and the potential magnitude of any subsidence that may occur. It is thought that Lower Hutt may experience subsidence from a Wellington Fault event of up to 2.0m. The Fault runs along the western side of the Valley and poses a major risk to communities living in the area. Data is currently being analysed and a report is due to be completed by August 2014.

Regional Natural Hazards Management Strategy

A 'request for proposals' tender was advertised in mid-April for a consultant to help prepare the strategy. The tender was advertised online and in the Dominion Post. There were 30 registrations of interest and an information session was held in mid-May for interested parties, which was attended by around 40 people. Fran Wilde is the political sponsor for the project and the tender advertisement was accompanied by a media release that resulted in a radio interview on National Radio and article in the Dominion Post.

The tender review team comprised Iain Dawe, Jonathan Streat, Matt Trlin (PCC), Sarah Gauden-ing (WREMO) and Sharyn Westlake. The team met in early June to discuss the tenders with the contract being awarded to a MWH led consortium.

Significant progress was made with the Kapiti Coast District Council agreeing to join the partnering councils and contribute \$30,000 to the strategy development fund. This followed a presentation by Project Manager, GW hazards analyst to a full Kapiti Coast council meeting, at which they agreed to Kapiti joining the programme.

Greater Wellington Regional Council is managing the expenses for the project through the natural hazards budget. Councils are being invoiced by GWRC and the money is being held for later payments. Currently the project fund sits at \$200,000, which includes \$50,000 from the Greater Wellington Regional Council and \$30,000 from each of the partner TAs.

Civil Defence and Emergency Management

Wellington region civil defence and emergency management group plan

The department continues to work with civil defence emergency management. The Wellington regional CDEM group is currently in the process of working on tsunami preparedness. Environmental Policy has been involved in providing advice and feedback on regional tsunami hazards, attending workshops and reviewing documents and providing regional hazards and planning advice.

Presentations/Publications/Media

There have been a number of media articles surrounding the work of the Ruamāhanga Whaitua Committee, both on the GWRC website and in local newspapers.

Environment Policy Senior Policy Advisor (hazards) was interviewed, along with Cr Fran Wilde and Cr Paul Bruce, by The Dominion Post in March on climate change related natural hazards and sea level rise.

Financial reports

Policy Income Statement Period ending 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	2,717	2,717	-	2,170
Government Grants & Subsidies	-	-	-	-
External Revenue	26	-	26	-
Investment Revenue	-	-	-	6
Internal Revenue	25	25	-	25
TOTAL INCOME	2,768	2,742	26	2,201
less:				
Personnel Costs	1,527	1,528	1	1,351
Materials, Supplies & Services	77	46	(31)	46
Travel & Transport Costs	25	7	(18)	30
Contractor & Consultants	289	537	248	320
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	235	210	(25)	195
Total Direct Expenditure	2,153	2,328	175	1,942
Financial Costs	-	-	-	-
Bad Debts	-	-	-	(3)
Corporate & Department Overheads	415	415	-	390
Depreciation	7	6	(1)	7
Loss(Gain) on Sale of Assets / Investments	-	-	-	-
TOTAL EXPENDITURE	2,575	2,749	174	2,336
OPERATING SURPLUS/(DEFICIT)	193	(7)	200	(135)
Add Back Depreciation	7	6	1	7
Other Non Cash	-	-	-	-
Net Asset Acquisitions	-	-	-	(11)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT AND RESE	200	(1)	201	(139)
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	118
NET FUNDING SURPLUS (DEFICIT)	200	(1)	201	(21)

Financial variance analysis

- ▶ Policy has a net surplus of \$193k which is \$200k better than budget deficit of \$7k. This result is in line with the year end forecast
- ▶ Personnel, materials & travel costs are all close to budget
- ▶ Consultants' costs are only \$289k so the budget is \$248k underspent. There was less need for external consultants as more work was done by the inhouse staff

- ▶ There is no capital budget or spend

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
That the Regional Policy Statement is reviewed and adopted	The Regional Policy Statement was approved by the Council in May 2010 and is subject to a number of appeals	Establish a work programme for methods in the RPS	The RPS was made operative in March 2013 and a programme is required to progress the methods and monitoring.
That regional plans are reviewed and adopted	Review of regional plans has been underway since 2009	Review of regional plans continues	The Regional plan review continues and it is expected that a draft will be made public in 2014.

Risk analysis

No significant risks for the operation of this department are identified.

2.2 Environmental Regulation



Overview

The current peak in notified and national consenting workload was down slightly in the last quarter, but is expected to rise again for the remainder of 2014. This quarter's major consenting work was dominated by a flow on from hearings in December, and the annual influx of 'replacement' dairy effluent discharge and water take consent applications

Non-notified consent workload peaked over the last six months, up from the December quarter

Ongoing high enforcement and investigations load including significant inquiries and court work and the flow on from appeals, judicial reviews and declaration applications to the Environment Court lodged in the December quarter

Annual overview:

- Resource consents processed: Considerably up on 2012-13 at 635
- Consent inspections: Considerably up from 2012-13 at 2,257
- Enforcement: Prosecutions initiated down this year – but similar overall ongoing case load
- Appeals, declarations and objections: Number of actions doubled 2012-13

Incidents down on 2012-13 at 939

Key results for the year

- ▶ Consenting – Ongoing replacement consenting across the region for municipal waste water plant treatment and infrastructure overflows at South Wairarapa and Hutt Councils; and processing of significant applications including WCC Southern Landfill, Burrell Demolition Ltd C n D Landfill, GW Flood Protection Western Rivers global consents, Te Marua Golf Club erosion protection and SWDC's waste water treatment plants suite
- ▶ Roads of National Significance – Significant ongoing workload in the Transmission Gully pre-construction work programme prior to 30 July PPP 'Financial Close'. Also significant ongoing projects in Basin Bridge Board of Inquiry; and in MacKays to Peka Peka construction work
- ▶ Appeals, declarations and judicial reviews – A substantial case load in appeals, and judicial review, injunction and declaration proceedings (in the Supreme, High and Environment Courts)

- ▶ Enforcement – Ongoing enforcement cases including the Jefferies before the District Court; and recent cases in C&M Transport/Mayall Properties and PCC prosecutions resolved in the District Court; and a number of significant investigations in progress
- ▶ Compliance – Completion of annual scheduled compliance programme
- ▶ Completion and roll-out of the Ozone Call Centre database and new Incidents module
- ▶ Regional Plan review input, incorporating significant input into draft plan provisions in the June quarter
- ▶ Continued roll out of programmes for land development activities including roll out of the revised protocol winter works earthworks; and development of a revised Erosion and Sediment Control Guideline with industry
- ▶ Ongoing roll-out of the dairy effluent pond storage calculator, and continuing implementation of the water management project around water data collection and reporting (national regulations) compliance requirements
- ▶ Ongoing work to both implement the Resource Management Amendment Act (RMAA) 2013 consenting provisions, and review proposed reforms under the Government’s Phase Three reforms package; and work to develop processes ahead of the 2014 roll-out of the Building Act Dam Safety Scheme
- ▶ Ongoing work on major revisions of procedures manuals and further development of a revised QMS for Environmental Regulation statutory process work

Looking ahead

- ▶ Ongoing management of core statutory work with particularly heavy loads in major enforcement investigations, a range of notified consenting projects, and RoNS projects (pre-lodgement to implementation) and Board of Inquiry work, and winter earthworks compliance
- ▶ Development of a comprehensive ‘strategic compliance’ framework for our RMA compliance programme
- ▶ Completing the review of the GWRC Erosion & Sediment Control Guidelines
- ▶ Rolling out revised Environmental Regulation Quality Management System
- ▶ Commencing Take Charge Porirua Area Assessment
- ▶ Ongoing work with Regional Sector groups and the Ministry for the Environment on RMA reforms; and the development and implementation of processes and procedures in response to the RMAA 2013
- ▶ Ongoing work in Regional Sector groups in responding to developing amendments to the Building Act 1991 regarding large dam and the pending implementation of the Dam Safety Scheme

Resource consents

Non-notified consents

In the past quarter we have received fewer applications than the March quarter, yet processed substantially more – with an ongoing high number of replacement applications for existing water take and dairy effluent resource consents that expire this year (carried over from the March quarter), bore permits, and RoNS project consents.

Overall, we are well up on the number of consents processed compared to the 2012-13 year.

Consents summary * Figures exclude applications to the EPA

Item	June Quarter 2014	Mar Quarter 2014	June Quarter 2013
Consents received	126	167	165
Consents issued	164	95	211

Item	2013-14 year	2012-13 year
Consents received	591	552
Consents issued	635	457

Item	June Quarter 2014	Mar Quarter 2014
Median processing time frame	18	18

Item	2013-14 year	2012-13 year
Median processing time frame	18	16

Notified and limited notified consents

A high load in assessments, pre-hearings and hearings has been completed and/or decisions has plateaued in the last quarter:

- ▶ **South Wairarapa District Council – Martinborough:** The final Martinborough application has now been formally received and was publicly notified on 9 July 2014. The proposal is essentially looking at a staged approach to upgrading the infrastructure and reducing overall discharges into the river by utilising adjacent land disposal options. Stage 1 (2012-2022) involves minor upgrades (stage 1A) and then 24% of the waste water discharged to 5.3ha of vacant land during low flows in the Ruamahanga (Stage 1B). Stage 2 involves irrigation of 42% of wastewater to a council owned property and stage 2B involves additional storage on site to contain all treated wastewater.
- ▶ **South Wairarapa District Council - Featherston and Greytown wastewater treatment plants re-consenting:** SWDC has now completed the majority of the investigations programme which has enabled associated additional information to be provided. A completed application is expected for Featherston WWTP shortly and provided the information is sufficient notification will occur soon after after that. The Greytown WWTP is expected after notification for Featherston has occurred.
- ▶ **Masteron District Council – Te Ore Ore water race re-consenting:** All parties are continuing to attempt to resolve the issues without the need for a formal hearing. A set of draft conditions are currently being devised and will be circulated to all the parties. Ultimately it is hoped that agreement can be reached and thus a formal hearing will not be required.
- ▶ **Juken New Zealand Ltd – Ongoing pant discharges to air:** After a couple of pre-hearings and further negotiation all parties have formally agreed to a set of conditions thereby negating the need for a formal hearing. The final report is currently being finalised with a decision due shortly. Conditions will deal with reducing particulate matter (PM10), dust management, and a requirement to trigger a Community Liaison Group if there are any dust or odour issues.
- ▶ **Burrell Demolition Limited – re-consenting and demolition fill extension at C n D Landfill:** Following a drawn-out adjournment and reconvening process from December 2013 onwards (to address technical matters), the application for consents for this project was finally determined in June 2014, with the commissioners granting the applications to GWRC and WCC. The hearing panel set down a robust set of consent conditions with some of the key outcomes being: monitoring of water quality and the setting of environmental limits on contaminants; a mitigation package to ‘offset’ for the loss of aquatic and terrestrial habitat; a specific acceptable materials ‘list’ allowed to be deposited; limits on height and extent of the fill areas and batter slope steepness. GWRC will now begin discussions regarding the implementation of these consents with the operators.
- ▶ **Wellington City Council – Southern Landfill extension (Stage 4):** – This project has slowed slightly, with the technical matters (including stormwater design and management, leachate treatment, odour management, hydrogeology and geotechnical issues) taking longer than expected to resolve that originally envisaged. We have set down technical roundtables with all the experts in late July. We are now expecting any hearing to be in the latter part of 2014.
- ▶ **CentrePort Limited – Stage 1 Harbour Dredging:** CentrePort has applied to renew their existing consent to deepen the Wellington Harbour navigational channel and specified berths (existing consent expires in 2015). To date no dredging has occurred under the existing consents. CentrePort seeks to obtain new resource consent for the same proposed dredging and disposal activity, with a reduced ‘maximum’ depth of 12.2m (below chart datum) to align with the currently consented dredge volume. CentrePort is also now considering a Stage 2 option to increase the current depth of dredging in the Harbour. If they proceed with this option, Stage 2 would likely supersede Stage 1. Notification of Stage 1 is therefore on hold until CentrePort has confirmed plans ahead for Stages 1 and 2.

- ▶ **GWRC (Flood Protection) – Western Region global rivers consents:** Throughout 2013 GWRC Flood Protection department lodged consent applications to continue flood protection and erosion control operations and maintenance activities on the Hutt, Waikanae and Otaki Rivers. Applications seek a continuation of their existing activities. Further information has been requested and notification of these applications will likely occur in the next quarter. In the meantime, we are working with GWRC Flood Protection around possible options for running combined hearings for these applications.



Channel excavation in Hutt River

- ▶ **Aquacom NZ Ltd – Aotea Lagoon wakeboard proposal:** Aquacom NZ Ltd has applied for resource consent to construct and operate a cable wakeboard facility within the Aotea Lagoon, Porirua City. This application will more than likely be jointly notified with PCC as the activity of wakeboarding will be carried out in the CMA while the other facilities will be within the jurisdiction of PCC. Notification, if confirmed, is expected sometime in next quarter.
- ▶ **Te Marua Golf Club – erosion protection works:** The Te Marua Golf Club is seeking resource consent to undertake erosion control works on the Hutt River along the north-western edge of the golf course. The application was limited notified on 4 March 2014, due to an affected neighbour not wishing to sign off on the proposal. The neighbour subsequently lodged a submission in opposition, citing potentially increased erosion risk along their own property river margin. A hearing was held on 3 July, the decision is due for release by 25 July 2014.

Major pre-application discussions continue for:

- ▶ **Aotea Block:** Carrus intends to lodge a global consent for the remainder of the development in relation to land use consents and discharge permits for bulk earthworks, in mid 2014. This application is likely to be publicly notified.
- ▶ **Woodridge Block:** Cardno is currently preparing to lodge consent application for the remainder of the Woodridge development in relation to land use consents and discharge permits for bulk earthworks, in mid-2014. This application is likely to be publicly notified.

Board of Inquiry – national consenting projects

- ▶ **NZTA – Transmission Gully RoNS:** ‘Financial close’ on the PPP contract has been shifted out to the end of July. Leading up to financial close, GWRC has been working closely and intensively with the four participating territorial authorities (TAs) (PCC, WCC, KCDC, UHCC) to address the consenting and outline plan requirements of NZTA and WGP deemed critical to the PPP contract. Applications to GWRC for changes to conditions and new consents have been made by NZTA to provide for the changes in streamworks associated with the WGP scheme design. A decision on those applications is likely to be made before then end of July, prior to financial close. Applications have also been made to GWRC and the four TAs for changes to conditions to facilitate enabling works in the second half of 2014. GWRC has also provided interim and conditional certification of the partial Ecological Monitoring and Management Plan (EMMP) and has certified relevant aspects of the Landscape and Urban Design Management Plan (LUDMP). Additional consents are expected to be lodged post financial close. In addition, full management plans will be lodged post financial close, with site specific management plans to be provided throughout the construction of the project over the next five years. Subject to the confirmation

of WGP as successful bidder, GWRC, together with the TAs, will be meeting with WGP and NZTA to discuss expectations of all parties and however to ensure a successful project implementation and relationship going forward.

- ▶ **NZTA/MacKays to Peka Peka Alliance – MacKays to Peka Peka RoNS:** Construction of the M2PP expressway is ongoing, with bulk earthworks commencing earlier in 2014. GWRC site audits are occurring weekly. Good levels of compliance on site are being achieved generally – and multiple management plans are still being received and certified almost on a daily basis, as are new consent applications for ancillary works and changes to conditions. Fortnightly meetings between the Project Leader, Statutory Projects, and M2PP planners and compliance managers, also continues.
- ▶ **NZTA – Basin Reserve RoNS:** The application was notified on 10 August 2013. GWRC made a submission in support of the application, primarily covering strategic and public transport matters. Regulatory and environmental matters were also covered but are considered to be minor. The hearing began on 3 February 2014. GWRC’s Public Transport, Strategic Planning and Resource Management experts presented evidence through the course of the 73-day hearing. Ongoing discussions with NZTA and other parties through the hearing regarding proposed consent conditions have occurred, and it was pleasing to see that GWRC’s concerns raised in its submission were addressed. GWRC’s closing submission largely focussed on points of disagreement between the Council and other submitters regarding public transport issues. It noted that there would be significant short and long term benefits for transportation utilising the Basin Reserve, and that it is an important next step in the development of the city's transport infrastructure. The date for release of the draft decision is 22 July 2014, and 30 August 2014 for the final decision, in line with the time extension granted by the Minister for the Environment.
- ▶ **NZTA – Mt Victoria Tunnel duplication:** Pre-application consultation has commenced with NZTA on this project. NZTA is currently working up the design and consultation will be ongoing.

Appeals, objections, and declarations

One new appeal was lodged in the March Quarter, with ongoing work on a number of existing appeals, objections, judicial reviews and declarations:

- ▶ **Alan Jefferies declaration:** GWRC is defending a declaration sought by Mr Jefferies on 18 November 2013 in the Environment Court that a crossing on a tributary of the Akatarawa River does not require resource consent. Evidence was filed with the Environment Court on 21 January 2014 and mediation was held on 25 February 2014; no agreement was reached. The matter was heard by Judge Thompson in the Environment Court on 12 June 2014.

On 16 June 2014, the Declaration was declined by Judge Thompson who stated “*Mr Jefferies made a point of saying that he regards himself as much wronged and victimised by the Council in all of this. I should record that from an objective observer’s viewpoint I do not agree with this. The considerable chain of correspondence from the Council’s officers to him about these issues, exhibited in the evidence, is both fulsomely helpful and courteous in tone. Far from being victimised, Mr Jefferies just must accept that he too is required to comply with the law*”
- ▶ **Alan Jefferies judicial review and application for injunction:** GWRC is defended a statement of claim for judicial review including damages, filed in the High Court on 15 November 2013. This claim relates to two matters: the charges laid in the Criminal Court following the diversion of the Mangaroa River (see above); and the setting of Regional Council rates for flood protection activities and associated works expected. The matter was heard in the High Court on 5 May 2014

by Justice J Collins who, on 6 May 2014, struck out the applications. Costs were awarded to GWRC totalling \$24,972.

- ▶ **A J Barton consent application objection:** A J Barton has objected under s357 of the RMA to GWRC's decision to return his application for a water take under s88 of the Act as there was insufficient information to process the application. Mr Barton agreed to a meeting in April where it appeared that a way forward had been reached; however, it is now not certain if Mr Barton wishes to pursue the agreed option. We are currently waiting to hear back from Mr Barton and if agreement cannot be reached a hearing will be held.
- ▶ **A J Barton - GWRC (Flood Protection) Whakawhiriwhiri Stream works:** As previously reported, the hearing panel decided to grant consents for this activity. The main issues covered by conditions included regulating outflows from the Tawaha Floodway; and mitigation of potential effects on water quality and habitat – including the provision of refuge areas of aquatic life and marginal vegetation, and riparian planting requirements. An appeal against some of the conditions has been received from one of the adjacent landowners, namely with regard to issues such as culvert designs, creation of refuge areas/riparian planting and the operational management plan – believing the consent requirements to be too onerous.
- ▶ **NZTA consent condition objection – consent to discharge de-icing/prevention chemical calcium magnesium acetate to the State Highway network:** NZTA objected to a monitoring condition on a non-notified resource consent granted in September 2013. We worked through their concerns around water quality monitoring requirements – and consequently removed unnecessary monitoring conditions. NZTA agree to the revised conditions, and as anticipated withdrew their objection on 5 May 2014.
- ▶ **Winstone Aggregates Ltd – Dry Creek Cleanfill:** This is an appeal relating to the January 2014 decision of the hearing panel to decline consents to establish a cleanfill at Dry Creek near Judgeford. The joint application with PCC and HCC was to develop, operate and maintain a cleanfill on rural land near Judgeford, Porirua. The hearing panel decided to decline all council consents for reasons based on proposed location and configuration of access to the site; site safety; on-site provisions for erosion and sediment control. The decision also raised important planning matters regarding the consideration of significant reclamations and policies related to impacts on Pauatahanui Stream – finding that on both counts the proposal failed against the 'gateway test' of the Act.

On 9 May 2014, Winstone Aggregates formally withdrew their appeal against the decision.

Consented compliance monitoring

- ▶ **Kapiti Coast District Council – public water supply project:** With the extensive set of baseline monitoring plans now approved, KCDC is implementing these consents and collecting environmental information to inform the development of long term triggers. KCDC is permitted to use the borefield while they collect this information, but the takes are subject to 'interim' compliance limits for matters such as saline intrusion and groundwater level changes. KCDC has also engaged BECA consultancy to assist with the compliance programme for these consents.

- ▶ **PCC Porirua wastewater treatment plant – discharge to CMA at Rukatane Point:** Following the laying of charges, we have stepped up our already robust compliance programme for this plant. With the continued issues of the bypassing and discharge to the sea of partially treated effluent, we have asked Capacity to commence work on a methodology to assess the environmental effects of the discharge on the environment – including effects on contact recreation or the gathering and consumption of kai moana. Capacity has also engaged MWH to complete a full plant/ process review.



Porirua wastewater treatment plant
(photo from PCC website)

- ▶ **Hutt Valley wastewater treatment plant – maintenance discharges to eastern bays/Waiwhetu Stream:** HCC carried out scheduled maintenance of the plant’s main outfall pipeline to replace sections of pipeline determined structurally compromised in the 2013 pipeline assessment, and to repair a minor leak notified by a member of the public in May 2014. In mid June 2014 the pipeline was partially drained over a short period via three scour valves (mainly around Burdens Gate) to Wellington Harbour. Two sections of pipework were then replaced over a three week period. During this time all treated effluent was discharged to Waiwhetu Stream. The main outfall pipeline was put back online 4 July 2014. During these events the consent holder is required to monitor and report on the effects of the discharge.

Environmental incidents

228 incidents were notified and responded to in the quarter, down from 249 in the previous quarter. A summary breakdown of incidents is reported 6-weekly through the Councillor’s Bulletin.

Enforcement

Abatement and infringement notices

Item	June Quarter 2014	Dec Quarter 2013	June Quarter 2013
Abatement notices	6	45	4
Infringement notices	0	12	33

Item	2013-14 year to date	2012-13 year
Abatement notices	81	61
Infringement notices	36	53

Prosecutions and enforcement orders

Significant prosecutions and enforcement order work in the last quarter includes:

- ▶ **Alan Jefferies prosecution:** Four charges were laid in 2010 relating to the diversion of the Mangaroa River, associated river works and deposition of fill. Mr Jefferies pleaded not guilty and requested a jury trial. The jury trial is set down for 4-8 August 2014. A one-day Pre-Jury Trial hearing was heard in the Wellington District Court on 18 March 2014 to establish matters of law (scope of the jury trial). Judge Harland ruled on 25 June 2014 that the Crown’s pre-trial applications were granted. This means that the area of land where the alleged activities took place is confirmed to be riverbed (under the RMA), and the associated resource consent, and relevant permitted rules of the Regional Freshwater Plan do not permit the alleged works/activities.
- ▶ **Mayall Properties Ltd and C & M Transport Ltd prosecution:** Four charges were laid in the Wellington District Court on 19 December 2013 relating to the reclamation of the bed and diversion of the Korimako Stream. The parties pleaded guilty on 12 March 2014, and were convicted and fined \$3,200 on each charge on 4 July 2014. Ultimately, the lower fine resulted from Judge Thompson’s view that heavy rainfall around the time of the incident (July 2013), WCC’s request to the parties that the overflow be dealt with, together with the defendant’s offer to consent existing works, equated to a lower level of offending.
- ▶ **Porirua City Council:** One charge was laid in Porirua District Court on 24 March 2014 relating to the unauthorised discharge of partially treated wastewater to land where it entered a stream and the coastal marine area. A guilty plea was entered on 6 May 2014, and subsequently an offer of environmental restitution by PCC – to be used in a project benefiting the local environment. PCC paid \$39,375 to Takapuwahia Stream Restoration Project. This project, which is being coordinated by Ngati Toa Rangatira, aims to see an improvement in the quality of water flowing into the Porirua Harbour – so the money will remain in the community where the incident occurred. \$2,500 costs were also paid to GWRC. Subsequently on 26 June 2014, Judge Dwyer convicted and discharged PCC.

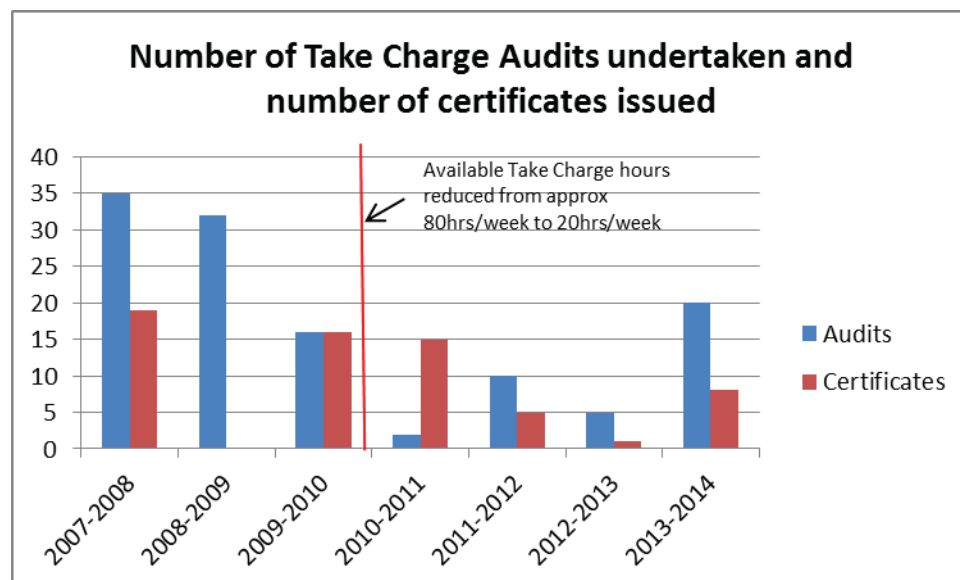


Wastewater overflowing the aeration basin and ponding on the ground at PCC WWTP, before flowing into the stormwater channel, stream and into the CMA

Take Charge Programme

The last of the Take Charge audits took place in the Naenae industrial area this quarter. The strategy and procedure to engage businesses introduced in October 2013 worked well, although a small number of businesses required some persuasion to take part in the programme.

Four new businesses were audited in the April/June quarter bringing the total number of audits for the 2013-2014 year to 20.



Eight Take Charge certificates have now been issued to businesses in the Naenae industrial area. Certificates are issued to those businesses that have met the Take Charge programme requirements and are complying with our regional rules. Certificates have been issued to Naenae Panelbeaters, DIC (printing ink and chemical supplier), Trethewey Stone, Hoults Doors, Thorndon Rubber, Arrow Matting, ATCO Steel Developments and The Good Shed. A further seven businesses are actively working towards meeting their Take Charge requirements.

Letters were sent to the remaining five businesses which are all complying with the Resource Management Act 1991 (the Act) and the permitted activities in our regional plans. These businesses were reminded of their obligations to comply with the Resource Management Act 1991 and by completing the requirements of the Take Charge programme they would be reducing their risk of breaching the Act.

Projects work programme

Progress on recent significant projects include:

Ozone Call Centre

Work with ICT and Environment Support staff to develop and implement the Ozone Call Centre (OCC) module of the Ozone regulatory database has now been completed – with the new database going live on 1 July 2014. The OCC replaces the current Incident Database. The Incident Database was no longer supported by ICT and does not perform the services required as the GWRC operating system, duty role and reporting requirements have evolved over time. During this quarter procedures for use of OCC were developed; testing undertaken, training resources written and training delivered. Completion of the OCC Database has been a significant achievement, given that the project to develop OCC was only confirmed in late 2013 after initial product viability testing.

Review of Erosion and Sediment Control Guidelines

Our review of the Erosion and Sediment Control Guidelines is now approaching completion, following some very productive engagement with key stakeholders including our external industry advisory group. We expect to roll out the Guidelines to the Land Development sector in the next quarter.

Sampling Toolbox

Sampling procedures have been developed during the last year and finalized in this quarter. The purpose of the procedure is to assist field officers in making decisions on when to sample, what to sample and how to use the other tools available to them, eg, conductivity meter, dissolved oxygen meter, etc. Environmental Science has been consulted during the process to ensure the sampling undertaken is useful in quantifying environmental effects from the data collected. Training in the use of the procedure will be rolled out next year.

Dam Safety Scheme

The commencement date of the Building Act (2004) Dam Safety Regulations – Dam Safety Scheme roll out has been further delayed until 1 July 2015. This is as a result of amendments to the Regulations taking longer than anticipated. We are continuing to work with other regional councils to ensure a consistent approach to implementing the Regulations.

Financial reports

Regulation Income Statement Period ending 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	2,265	2,265	-	2,462
Government Grants & Subsidies	-	-	-	-
External Revenue	2,720	1,871	849	1,524
Investment Revenue	-	-	-	-
Internal Revenue	203	125	78	86
TOTAL INCOME	5,188	4,261	927	4,072
less:				
Personnel Costs	2,647	2,440	(207)	2,571
Materials, Supplies & Services	78	108	30	72
Travel & Transport Costs	42	45	3	46
Contractor & Consultants	1,529	391	(1,138)	505
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	544	562	18	524
Total Direct Expenditure	4,840	3,546	(1,294)	3,718
Financial Costs	-	-	-	-
Bad Debts	196	-	(196)	2
Corporate & Department Overheads	678	678	-	614
Depreciation	30	37	7	35
Loss(Gain) on Sale of Assets / Investments	-	(20)	(20)	(17)
Total Indirect Expenditure	904	695	(209)	634
TOTAL EXPENDITURE	5,744	4,241	(1,503)	4,352
OPERATING SURPLUS/(DEFICIT)	(556)	20	(576)	(280)
Add Back Depreciation	30	37	(7)	35
Other Non Cash	-	17	13	(17)
Net Asset Acquisitions	-	(38)	38	(3)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEM	(525)	-	(525)	(265)
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(525)	-	(525)	(265)
Regulation Capital Expenditure Statement Period ending 30 June 2014	Actual \$000	41,820 Budget \$000	Variance \$000	41,455 FY Actual \$000
Total Asset Acquisitions	-	58	58	3
Capital Project Expenditure	-	-	-	-
Asset Disposal Cash Proceeds	-	(20)	(20)	(23)
Net Capital Expenditure	-	38	38	(20)

Financial variance analysis

- ▶ Regulation has a net deficit of \$556k which is \$576k worse than budget. \$399k of this deficit is due to unrecovered costs of the RONS projects
- ▶ External income is \$2,720k which is \$849k more than the full year budget. \$367k of this additional invoicing is on charging of consultants costs for RONS project work. The other additional income is on charging of consultants & commissioners costs of notified consents
- ▶ Regulation consultants & contractors spend of \$1,529k is \$1,138k more than budget and includes Hearing commissioners costs, contracts for earthworks monitoring, contract staff for consent processing, enforcement legal costs and technical advice for RONS projects. In total the RONS projects have cost \$766k of which \$607k is for legal & other consultants costs
- ▶ Personnel costs are \$207k more than budget of which \$107k is resource costing from staff in Science & Support departments which is unbudgeted but nets off across the Group
- ▶ Travel costs and materials are all close to budget
- ▶ The provision for bad debts (on debtors balances over 90 days old) has increased by \$196k to \$281k of which \$171k relates to just 2 outstanding debtors where we are negotiating payment terms
- ▶ There was no capital spend in 2014

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Percentage of resource consents ¹ processed within 20 working days ²	98% (2010/11)	98.5%	98.7% Eight consents as part of one suite processed beyond statutory timeframes in the December quarter. 635 consents processed.
Percentage of monitoring inspections completed for resource consents with individual monitoring programmes	98% (2010/11)	100%	100% 2257 consents were inspected.
Percentage of environmental incidents reported to the 24-hour incident response service investigated in accordance with legal timeframes ³ for enforcement	68% (2010/11)	100%	99.5% Four exceedances. 939 environmental incidents investigated.

Risk analysis

None identified in this department.

2.3 Environmental Science

Overview

Completion of ESci's departmental science strategy, and development of a GWRC research strategy in conjunction with SCEG

Ongoing collection and data management for SoE programmes, including work on reviewing SoE monitoring programmes

Work around provision of basic science and environmental information for Ruamāhanga Whaitua now well underway

Work has commenced in preparing for the Porirua Harbour and Wellington Hutt Valley Whaitua

Continuing to provide scientific information for major projects around Wairarapa Moana, Mangatarere, WWUP and Wellington and Porirua Harbours

Provision of a range of advice and information to internal departments

Key results for the year

- ▶ Completion of departmental science strategy and implementation plan
- ▶ Completion of the first phase of the Lake Wairarapa water balance project and report
- ▶ Completion of the suite of 2012/13 State of the Environment Annual Data Reports
- ▶ Completion of the "new look" 2012/13 Annual Summary Report
- ▶ Completion of information provision to Wheel of Water project
- ▶ Completion and release of the final report for the second Wellington Harbour sediment survey
- ▶ Completion of a three year banded dotterel investigation which demonstrated that management actions undertaken have resulted in improved nesting success
- ▶ Successful modelling 'moshpit' with expert modellers nationwide to explore development of a modelling framework for modelling land use/water interactions for the whaitua
- ▶ Successful completion of a multi-council tendering process and contract for the provision of analytical laboratory services for water quality testing
- ▶ Launch of LAWA at GWRC head office which created media opportunities to promote the site
- ▶ Completion of Asset Management Plan for the department
- ▶ Completion of a Health and Safety Strategy for the department

- ▶ Development of a Monitoring Plan to guide reviews of SOE monitoring programmes
- ▶ Preparation for the LTP, which included a review of costs to run existing programmes and projects as well as defining costs for future requirements
- ▶ Lodgement of an application to MfE to reduce the boundaries of the Wairarapa airshed to a smaller Masterton airshed

Looking ahead

- ▶ A focus for the coming year will be a comprehensive review of all SOE monitoring programmes which will take into consideration future information requirements (particularly for the whitua) as well as central government directives such as NOF
- ▶ Consideration of monitoring requirements for the Kapiti Airshed
- ▶ Implementation of a monitoring programme for terrestrial biodiversity
- ▶ Development of MoA's (Memorandums of Agreement) with various internal departments to define services provided by the science department
- ▶ Consideration of Mātauranga Māori and development of cultural health monitoring and indicators
- ▶ Working in partnership with iwi, NGO's and TA's to provide an increasingly integrated monitoring network
- ▶ The second modelling 'mōshpit' in August to progress the development of a modelling framework for modelling land use/water interactions, including modelling the Managatarere catchment as Stage 1 of the Ruamāhanga Whitua
- ▶ Ongoing input to the Ruamāhanga Whitua and gearing up for the Porirua Harbour whitua
- ▶ Preparation of information and involvement in the development of new modules proposed for LAWA around lakes and air quality
- ▶ Development of a Communications Plan for the department
- ▶ Third presentation to TA's and the Hutt River Catchment Group in August on water quality issues
- ▶ Completion of technical supporting documents for the Draft Regional Plan

Departmental activity

General

The more significant areas of work for the department during the quarter were:

- ▶ Completion of a second workshop with internal working group which formed the basis of the organisational research strategy (now being written in conjunction with SCEG)
- ▶ Continuation of a new 12-18 month trial with three community groups monitoring water quality and ecological health in parallel with ESci's river monitoring programme
- ▶ Completion of the air and climate science needs analysis and commencement of the recruitment process for an Environmental Scientist for the Air and Climate team
- ▶ Ongoing collaborations with Victoria University and DoC around biodiversity monitoring

- Provision of a range of technical support to Environmental Regulation, Environmental Policy, Biodiversity, Biosecurity, Parks, Water Supply and Flood Protection departments
- Ongoing work around reviewing provisions for Schedules C and H of the Draft Regional Plan and developing the appropriate supporting technical documentation
- Provision of preliminary information to the newly formed Ruamāhanga Whaitua Committee
- Work on the long term planning process

A summary of work carried out in the various teams within the departments is as follows:

Air quality and climate

PM10 national environmental standard exceedances

For the period April-June 2014 there were 10 days in Masterton where daily PM10 levels were above the national standard of 50 µg/m³. These exceedances were publicly notified in the Wairarapa Times Age on 14 June and 5 July as required by the regulations. The same period last year (April-June 2013) recorded six exceedance days.

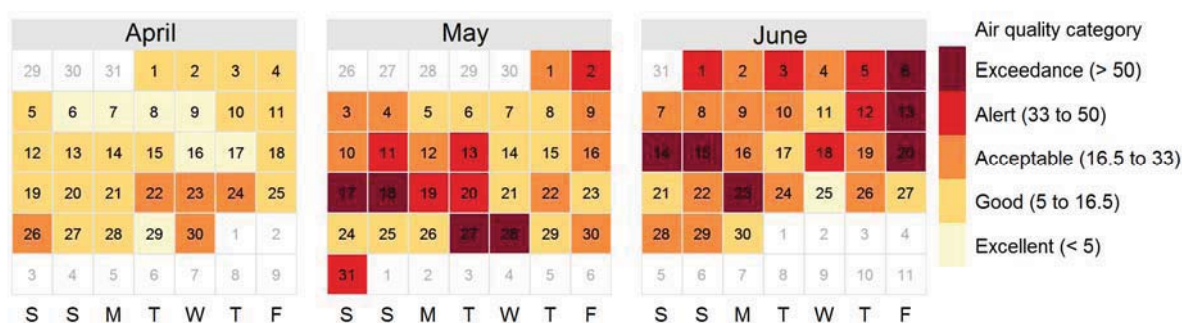


Figure 1: Calendar showing PM10 air quality categories as recorded at Chanel College, Masterton

Redefining Wairarapa airshed boundaries

An application to MfE to reduce the boundary of the Wairarapa airshed to a smaller Masterton airshed was lodged on 30 June following full council approval on 26 June.

This required formal sign-off from the Minister for the Environment. We are working with the DHB and Masterton District Council to form an Action Plan to manage air quality in the Wairarapa/Masterton airshed.

Aquatic ecosystems and quality

Rivers and streams

Annual assessments of ecological condition (macroinvertebrates, periphyton and biofilms) at our 55 Rivers State of the Environment (RSoE) monitoring sites were completed early in the quarter. While the majority of these assessments were completed in the previous quarter, rainfall and subsequent high river flows delayed sampling at a small number of sites.

Monitoring staff continue to work with three community groups in the region on carrying out parallel water quality and ecological monitoring of the Mangatarere Stream in the Wairarapa, the Mawaihakona Stream in Upper Hutt and the Waikanae River in Kapiti. Led by NIWA, the principal goal of this national monitoring project is to advance the use of community monitoring in freshwater management in New Zealand, thereby increasing engagement and knowledge among community groups and iwi while extending the monitoring capacity of regional councils.

In June GWRC concluded its multi-council tender process for analytical laboratory services in relation to water quality testing with Tasman District Council, Hawke's Bay Regional Council and West Coast Regional Council. The joint tendering process proved to be very successful, with cost savings achieved across all four participating councils as well opportunities to maximise consistency across council monitoring programmes. GWRC's new contract with Hill Laboratories is valid for a term of three years with an option for a two-year extension subject to satisfactory performance.



Senior Environmental Scientist Summer Greenfield (left) explains to community volunteers how stream invertebrate sampling is carried out at the Mawaihakona Stream (a tributary of the Hutt River)

Lakes

There is nothing of significance to report this quarter – monthly water quality monitoring continues at Lakes Wairarapa and Onoke.

Estuarine and marine waters

The reports for monitoring carried out at five estuaries and two sandy beaches in January have now been received. The results show that high rates of sedimentation continue to be a problem for Porirua Harbour, Waikanae and Whareama estuaries, while excessive macroalgae growth is a problem in the Hutt Estuary. Castlepoint Beach (revisited five years after the baseline ecological assessment) condition was found to be good. Detailed ecological monitoring of Peka Peka Beach was undertaken for the first time and results indicate that the beach supports a diverse range of invertebrates and is presently at very low risk from issues such as sedimentation, nutrient enrichment and toxic contamination. Another one or two annual monitoring surveys will be undertaken at Peka Peka Beach to establish a baseline ecological condition.

Scientific advice was provided to Ngati Toa and NIWA regarding the proposed shellfish survey of the Onepoto Arm of Porirua Harbour in late 2014. Ngati Toa wishes to conduct a baseline assessment of shellfish populations throughout the intertidal areas of the Onepoto Arm – funding will be sought from MPI in August for this. GWRC will continue to lend in-kind support should funding be secured.

Work continued during the quarter on documenting various investigations and research that have been undertaken over the last three or so years in relation to the Porirua Harbour and Catchment Strategy and Action Plan.

Recreational water quality

The key focus during this quarter was documenting the results of the 2013/14 summer recreational water quality monitoring programme. In late June a draft of the "On the Beaches" report was circulated to our partner organisations for comment. The final report, coupled with new summary

report cards for four key sub-regions (Kapiti, Porirua, Wellington City/Hutt Valley and Wairarapa) are expected to be released in late July.

A meeting was also held with our partner organisations to discuss a review of winter beach monitoring as well as the results of faecal source tracking (FST) investigations carried out over the last two years. The FST results strongly indicate that faecal contamination in many urban streams and some coastal waters is linked with stormwater and/or sewer infrastructure (eg, cross connections, pipe leaks, overflows).

In late May staff presented information at a public meeting in Wainuiomata on the water quality issues and investigations undertaken at Wainuiomata River at Richard Prouse Park (there were frequent exceedances of the national recreational water quality guidelines at this site during March). Hutt City Council (HCC) also spoke at the meeting, outlining septic tank inspections being carried out in the area. Approximately 50 people attended the meeting and the discussion was wide-ranging covering all aspects of river and stream health in the Wainuiomata area. Campbell Barry, a HCC councillor who organised the meeting, is now working with a small group of attendees to establish a 'Wainuiomata Waterways Group' that can engage with GWRC and HCC on issues relating to river health.

Terrestrial ecosystems and quality

Contaminated land

Staff continue to improve and update the Selected Land Use Register (SLUR), including efforts to align terminology and classifications to that used by MfE. The draft strategy for managing contaminated site information has been received from Sephira Environmental Ltd, and a number of significant outcomes of the strategy have already been implemented. Several draft Standard Operating Procedures have also been received and reviewed, the intention being to have these formally adopted as standard procedure for the SLUR database.

Staff sent out 44 property enquiry letters and made several amendments to site records based on contamination status review reports. Golder Associates has now reviewed around a third of the potential new sites for inclusion on the database, and identified 33 that are to be listed. This leaves over 100 potential new sites that are awaiting review.

GWRC has been liaising closely with the MfE contaminated land remediation team, and prepared background media information on sites in the region identified in the Contaminated Sites Remediation Fund priority list. We have also been actively involved with the Regional Waste and Contaminated Land Forum (special interest group), hosting the last meeting on 20 May which was attended by approximately 30 regional council and central government representatives.

Other activities included; involvement in the MfE reference group for reviewing the "Contaminated Land Management Guideline No. 5 (Site Investigation and Analysis of Soils)", taking part in the MfE technical working group on developing national consistency in managing contaminated sites in New Zealand, and attending the New Zealand Trace Elements Group Conference 2014.

Soil quality

Monitoring for the Soil Quality SoE programme was undertaken at market garden and cropping sites during late April/early May 2014. The Soil Quality SOE programme also contributed samples to an Envirolink Tool project evaluating bacterial community DNA related to the nitrogen cycle. Several other regional councils are also contributing to this project.

As part of keeping landowners informed the 2012/13 Soil Quality SoE Annual Data Report and relevant pages from 'Our Environment at a Glance' were sent to the landowners (farmers) of properties sampled in 2013.

Our soil scientist has organised a contract with Landcare Research for the completion of S-map soil mapping and modelling in the Otaki region. This project will have benefits for land management and provide information to inform the Kapiti whitua process. Once completed, the new mapping will be uploaded into the national database.

Staff organised a presentation from Sharn Hainsworth (soil scientist at Landcare Research) on digital soil mapping techniques used in the national S-map programme, and more recently in Hawkes Bay, which Land Management staff attended. Sharn covered a variety of topics including use of high resolution data and landscape modelling. Our soil scientist attended a workshop on DCD (a fertiliser additive used to reduce nitrate leaching) and presentations on water quality interactions organised by MPI.

Groundwater quality

Quarterly Groundwater Quality State of the Environment (GQSoE) sampling runs were completed in June. Preliminary work investigating the cause of elevated concentrations of nitrate-nitrogen in the Parkvale Stream at Lowes Bush (which is thought to be derived from groundwater) has begun. The focus will be on gathering and summarising existing data and information collected when the Waingawa Freezing Works was operating during the 1980s. The next stage will identify where monitoring could be used to help provide answers for any knowledge gaps.

GWRC has engaged NIWA to write a document on the fundamentals of groundwater ecosystems, and why it is important to protect groundwater quality and ecosystem health. This report will provide key underpinning information for the regional plan process, the subsequent whitua and will also inform future reviews of our GQSoE monitoring programme.

Terrestrial biodiversity

The terrestrial ecosystem classification system continues to be progressed – a paper describing the application of this classification system has been published and experts are providing feedback about the proposed maps for our region.

GWRC has been working with the Department of Conservation (DoC) to develop criteria for determining regional threat status using a nationally consistent approach. Following the development of criteria at a national workshop in March, the completion of a Wellington regional threat list for birds was used to trial the criteria. This exercise identified that the system worked well, but there is a need to make some adjustments to the criteria for more common species. DoC will now undertake a trial regional threat listing for plants in the Waikato region. Staff also attended a workshop aimed at initiating interoperability between databases containing biological information held by regional councils. Two of the target datasets were those containing information on pest plants and bird species.

Staff continued to assist Wellington City Council (WCC) in designing their urban rodent monitoring project. Selected households within the 'halo' (a 1km area surrounding Zealandia) will be asked to put chew cards in their backyards over a night in August to assess rodent numbers in the area. We also completed some bat monitoring for WCC near Makara, but no bats were located.

A Project Kaka rodent monitor was completed in June in the Hutt catchment. The rat tracking rate has increased from 15% in February to 34%, with the highest rates observed in the eastern Hutt. A 1080 operation planned for August to reduce possum numbers will help to lower the high rodent numbers that have resulted from this year's prolific beech masting (increased seed production).

A number of presentations on terrestrial biodiversity have been given during the quarter including:

- ▶ A talk to a local school about some of our terrestrial science studies
- ▶ A presentation to the Wellington branch of OSNZ on the Wainuiomata Mainland Island robin translocation
- ▶ A presentation to a branch of the Biosecurity Institute on the banded dotterel investigation
- ▶ A joint presentation at MPI's Primary Industry Summit on behalf of the Biosecurity Institute (the biosecurity issues raised during the presentation were discussed in a columnist article in a national newspaper)

Hydrology

The entire region recorded average to above average rainfall over autumn. Areas that were particularly wetter than normal were the Tararua Ranges and north-eastern Wairarapa. As a consequence river flows were also above average on the whole, but we did see a number of sites drop briefly below the mean annual low flow towards the end of March. The Waikanae River was one of these and as a result the public water supply abstraction from the river was restricted for parts of March and April. This led to increased groundwater abstraction in Waikanae and the shallow semi-confined aquifer reached almost record low levels at this time, although it has now recovered to normal levels.

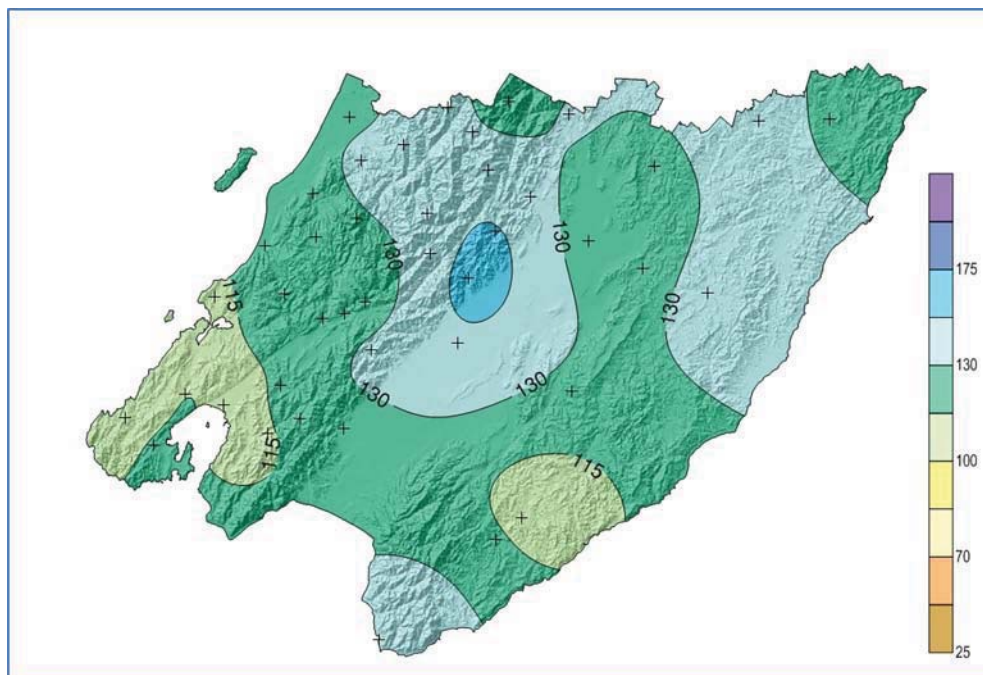


Figure 2: Autumn 2014 rainfall as a percentage of long term average (crosses show the locations of monitoring stations)

Monitoring

Monitoring staff are in the process of developing the methodology for reviewing the Hydrology SoE monitoring network. This review will take into account the data needs of our various clients including Flood Protection, Water Supply (soon to be Wellington Water) and the TA's, and will provide the basis for refinement of the network, sampling schedules and data QA. This project will continue to be a priority for these staff over the coming quarter.

Replacement of the catwalk access to the Hutt River at Taita Gorge flow site has been completed and the site is now in a fully serviceable condition.

Investigations

Fieldwork for the Lake Wairarapa Water Balance Model has been completed and final updates to the model are underway. There are several unresolved aspects of the lake water balance that may need further attention as part of future investigations; these include more detailed assessment of groundwater fluxes and the influence of pumped drainage.

A project was initiated in March to try to establish a visual record of flow at various sites on rivers with significant abstraction and instream values. A pilot study is underway with camera installations at two sites on the Waipoua River. The first site was vandalised and has not yet been re-established. The second site is proving more successful although there are not yet sufficient data to determine long-term viability of the project (the aim is to eventually use the time-lapse footage to help communicate some of the hydrology science and flow management policies during Regional Plan and whitua discussions). Work on the project will continue for the next two years.

A suite of water resource investigations have been scoped for progression over the next two years in partnership with the Wairarapa Water Use Project (WWUP). It is recognised that a number of the questions that are likely to be raised by the Ruamāhanga Whitua Committee are also relevant to the WWUP and that it makes sense to align this work where possible for the mutual benefit of both entities. The work ranges in scale from catchment-based testing of water use modelling packages to general questions about the approach to water allocation with regard to ground and surface water interactions. One project, relating to firming up our understanding of low flow regimes in the Ruamahanga got underway in the last quarter with the focus on collation of existing data. Another project relating to allocation scenario modelling has been scoped to the point where a contract is close to being let. Two desktop projects – (1) an assessment of permitted surface water takes (being managed by Environmental Policy team) and (2) an assessment of water availability in the Wairarapa Valley under allocation regimes geared towards either surface or groundwater sources – are close to completion.

Science strategy and information

Following the completion of our departmental science strategy, an implementation plan (which outlines the actions and projects required to realise the strategy objectives) was developed during the quarter. A monitoring plan has also been developed which will be instrumental in guiding the review of our monitoring programmes. The strategy and ESci's vision for monitoring was discussed with GWRC's Kaitiaki Group at a meeting in June. This is the start of an ongoing dialogue with mana whenua the aims of which are to:

- ▶ See how we can produce information that engages with and is meaningful to Maori
- ▶ Explore how we can promote and support cultural monitoring for the benefit of the region

A further workshop was held in June on the development of an organisational research strategy. A draft strategy based on the outcomes of the two workshops held is now being written.

An external Science Advisory Group has recently been established and the second meeting will be held at the start of the next quarter. This group will provide input to the review of our monitoring programmes, provide advice on our modelling projects and assist engagement with external research parties.

There continues to be a strong focus on science communications, with recent emphasis being on promoting the role of the science department internally. During the quarter we:

- ▶ Started work on developing a department communications plan
- ▶ Started work on revising ESci's Gwennie pages
- ▶ Contributed to a new look "On the Beaches" report for the 2013/14 year, including the development of accompanying report cards
- ▶ Contributed to the development of posters for several of our SoE monitoring programmes

In line with this, work has also commenced on the development of MOA's with several of the key departments that ESci works with internally. These MOA's will facilitate an improved working relationship, including promoting a pro-active rather than reactive approach to dealing with issues and providing certainty around the level of service we can provide.

We have almost completed an asset management plan for the department, the most notable point being that we now have a comprehensive and up-to-date inventory of all our assets and when they need to be replaced.

There has been a significant amount of work in coordinating the necessary science input to the Regional Plan and Ruamāhanga Whaitua process – please see below for further detail. Our Senior Science Coordinator has also been involved with coordinating science presentations to the "Hutt River Group". This group, convened by Fran Wilde, aims to establish relationships with key stakeholders/interest groups and bridge the gap until the establishment of the Wellington and Hutt Valley whaitua.

Significant projects

Wairarapa Moana

ESci continues to play a key role in the Wairarapa Moana project and is heavily involved in the FreshStart for Freshwater Programme. Members of the Terrestrial and Aquatic Ecology and Quality teams are part of the Technical Advisory Group and involved in all three arms of the project; lake-edge wetland restoration, Land Environment Plans and monitoring.

Following an initial survey of fish in farm drains earlier this year, a further survey was completed on three dairy farms around the lake in April/May. A NIWA scientist who had studied the effects of drain management on fish took part in a field day with farmers in June and ESci staff organised a demonstration of the types of fish living in the drains.

A number of constructed wetlands are being created on farms as part of the FreshStart for Freshwater project. ESci has organised monthly water quality sampling at these sites, so that the effectiveness of the wetlands in improving water quality may be determined. A sampling regime has also been established for a trial where the water quality of tile drains is being tested both in paddocks receiving irrigation and where effluent is applied.

The May shorebird count was completed by a mixed team of DoC, GWRC and OSNZ staff and volunteers. A highlight of the day was the sighting of a flock of 122 red-billed gulls, who rarely visit Lake Wairarapa. This is the third winter survey completed since the counts began in 2011 and comparisons can now be made with the surveys completed between 1985 and 1994. Numbers of New Zealand dabchick, three shag species, black-fronted dotterel and black billed gull appear to have increased, while those of South Island pied oystercatcher, pied stilt and black billed gull have decreased. This information has been made a feature in a local Wairarapa newspaper.

Three intensive fishing episodes have now been completed for the exotic fish removal trial in Barton's Lagoon. The April catch netted 47 rudd, 40 perch and 6 trout. After the three rounds of intensive fishing, a total of 172 rudd, 100 perch and 57 trout have been removed from the wetland.

A class of students from Massey University, assisted by ESci staff, completed a fish survey of the wetland next to Barton's Lagoon as part of an assessment of the site where wetland remediation is being planned.

Ruamāhanga Whaitua

Now that the Ruamāhanga Whaitua Committee has formally commenced its work, a number of projects have been kicked off to gather the information the committee is likely to require over the next 12 months. These projects are being coordinated by the SSI team, and are largely around providing information on the current state of our environment, trends, key issues and drivers of those.

To date summary papers have been provided to the committee on water resources, biodiversity, river water quality and lake water quality.

Preparing land-based information has been a high priority and a number of projects associated with this are continuing. A workshop with modellers from around New Zealand is planned for 5 August and staff have been involved in preparing for the workshop and providing information for modelling of the Mangatarere catchment (Stage 1 of the modelling for the Ruamāhanga Whaitua), including undertaking a data inventory. The agricultural land use GIS layer is still in preparation, while the estimation of nutrient loads from the five municipal wastewater treatment plants is being finalised. A consented effluent discharge GIS layer has been sourced and other relevant information from consents data is being gathered. GIS staff are also investigating a methodology for determining the length of riparian vegetation in the catchment using LIDAR information.

Technical support for other departments

Considerable technical support was provided to other GWRC departments/groups during the quarter:

Environmental Regulation

- ▶ Technical advice continues to be provided for both the Transmission Gully Motorway (TGM) and the MacKays to Peka Peka Motorway projects in relation to impacts on birds, lizards, bats, vegetation and contaminated land. Technical input was also provided on reviewing the effects of the proposed changes to the construction of TGM on the ecology of Porirua Harbour
- ▶ Planting plans for riparian areas and wetlands at Manchester Street, Newtown, the Duck Creek development and Nikau cleanfill have been reviewed

Environmental Policy

- ▶ ESci staff continue work closely with EPol to refine the attributes for rivers, lakes, wetlands, groundwater and coastal waters relating to Schedule H of the Draft Regional Plan.
- ▶ Hydrology scientists continue to work closely with EPol to refine Regional Plan provisions for minimum flows and water allocation regimes
- ▶ Hydrology staff have also been assisting GNS with work on defining capture zones for drinking water supplies from groundwater. GNS are making use of groundwater models that were developed in-house by GWRC for this work
- ▶ Input is ongoing in relation to identifying rivers and lakes in the region that have significant or outstanding ecological values (as required by the NPS-Freshwater Management), with a desktop assessment of aquatic plant values across the region's lakes completed by NIWA in June. This assessment ranks aquatic plant values in Lakes Kohangatera and Kohangapiripiri as outstanding

Flood Protection

- ▶ Hydrology staff are continuing to work closely with Flood Protection in scoping options for the enhancement of flood models for short-term event scale prediction of flood flows
- ▶ Our terrestrial ecology scientist has provided information to Flood Protection about the impacts of their work on shorebirds. Surveys were carried out on the Hutt, Waikanae and Otaki Rivers between November 2013 and January 2014, and the Otaki River was found to support regionally-significant breeding populations of the nationally-vulnerable banded dotterel and black-fronted dotterel, as well as a large breeding population of pied stilts

Biodiversity

- ▶ Ecologists continue to provide feedback on the KNE plans currently being produced by the Biodiversity department
- ▶ Six KNE sites were monitored for rodents and small mammals in May. A rat plague was detected in all of the sites monitored. Rat tracking in Wainuiomata Mainland Island increased from 4% in February to 63%, while in the East Harbour Mainland Island the tracking rate has increased to 26%. These high rat levels are a concern for the viability of robin populations in these areas, while other bird species will also be impacted if the levels are not reduced. High rat tracking rates were also recorded in Korokoro Valley (20%), Battle Hill bush remnant (55%) and Queen Elizabeth Park (35%). This increase in rat numbers was predicted as part of a nationwide irruption in rodent numbers driven by a heavy mast seeding of beech, podocarp and many broadleaf species in the past few months

Parks

- ▶ Staff completed assessments of the ecological impacts of widening Tane's Track in Pakuaratahi Forest and the Belmont Trig to Baked Beans Bend track realignment in Belmont Regional Park
- ▶ Five permits for the collection of natural materials or research in GWRC's parks and forests have been issued in the last three months. One was for seed collection for national seed banking purposes and another for collecting molluscan fauna. The three research projects included investigations of lycophytes by Te Papa, Victoria University PH.D study of pest detection and lures and a lizard survey of Whiteria Park
- ▶ An audit of the re-measurement of the vegetation plots in Belmont Regional Park and Battle Hill bush reserve was completed in April. The auditor expressed the view that "for the most part the field data collection has continued the high standards set by Regional Council staff in recent years."
- ▶ Staff from both the Terrestrial and Aquatic Ecosystem and Quality teams provided technical responses to submissions received on the Draft Parangarahu Lakes Management Plan. This input was required to assist Parks staff with their hearing on the draft plan in June

Biosecurity

- ▶ ESci is continuing to collate data from world-wide databases to provide to AgResearch for the development of a CLIMEX model for moth plant. These CLIMEX models predict the types of habitats in the region where the emerging weed species may be found, and will assist Biosecurity with surveillance efforts
- ▶ Staff are providing possum monitoring reports for Bioworks in the Wairarapa and assisting Biosecurity with annual reporting of rabbit and possum night counts

Water Supply

- ▶ Ungulate plot re-measurements in the Wainuiomata/Orongorongo water collection area have been completed. This monitoring is completed every two years and measures the impact of goat and deer hunting on the growth of forest seedlings

Staff changes

We have advertised the position of Environmental Scientist (Climate) and received a good response. We are currently compiling a shortlist for interviews. This role will be responsible for developing a climate science programme designed to inform council wide climate-sensitive decision making and to provide a forward looking focus for resource management planning.

In June, Mark Heath was appointed to the fixed-term position of Environmental Scientist (Freshwater) in the Aquatic Ecosystems and Quality Team. Mark will start in July.

Tessa Bunny has accepted a 1 year fixed-term role as Science Coordinator to cover for Elaine Asquith (Senior Science Coordinator) who is currently on maternity leave. We are also recruiting for another Senior Science Coordinator to be involved with the upcoming Porirua Harbour whaitua.

We are continuing to look for candidates for a newly created internship with local iwi, and are working closely with the regional Kaitiaki Group to get the right person

Financial reports

Science Income Statement Period ending 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	5,045	5,045	-	4,793
Government Grants & Subsidies	-	-	-	-
External Revenue	39	10	29	71
Investment Revenue	4	-	4	4
Internal Revenue	320	245	75	312
TOTAL INCOME	5,408	5,300	108	5,180
less:				
Personnel Costs	2,804	2,538	(266)	2,313
Materials,Supplies & Services	308	277	(31)	376
Travel & Transport Costs	104	91	(13)	124
Contractor & Consultants	874	977	103	945
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	607	466	(141)	441
Total Direct Expenditure	4,697	4,349	(348)	4,199
Financial Costs	17	14	(3)	23
Bad Debts	(2)	-	2	-
Corporate & Department Overheads	770	770	-	677
Depreciation	267	321	54	281
Loss(Gain) on Sale of Assets / Investment	-	-	-	(15)
TOTAL EXPENDITURE	5,749	5,454	(295)	5,165
OPERATING SURPLUS/(DEFICIT)	(341)	(154)	(187)	15
Add Back Depreciation	267	321	(54)	281
Other Non Cash	-	-	-	(15)
Net Asset Acquisitions	(102)	(105)	3	(180)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RE	(176)	62	(238)	101
Debt Additions / (decrease)	68	-	68	50
Debt Repaid	(64)	(63)	(1)	(96)
Net Reserves (Increase) / decrease	(4)	-	(4)	(4)
NET FUNDING SURPLUS (DEFICIT)	(176)	(1)	(175)	51
Science				
Capital Expenditure Statement		41,820		41,455
Period ending 30 June 2014	Actual	Budget	Variance	FY Actual
	\$000	\$000	\$000	\$000
Total Asset Acquisitions	52	105	53	124
Capital Project Expenditure	48	-	(48)	49
Asset Disposal Cash Proceeds	-	-	-	(38)
Net Capital Expenditure	100	105	5	135

Financial variance analysis

- ▶ E Science has a net deficit of \$341k which is \$187k worse than budget as per forecast
- ▶ Direct costs are \$348k over budget of which staff costs are \$266k of this variance
- ▶ Staff costs are more than budget due to a combination of factors. Two key positions were recruited with higher salaries than budgeted, there is overlap in one position with replacement staff being recruited prior to the incumbent staff leaving and unbudgeted casual staff
- ▶ Internal costs are overbudget in two areas, \$54k of ICT charges due to more computers for extra staff and \$64k Biosecurity charges for work done internally but budgeted as external costs
- ▶ Capital spend is \$100k on monitoring equipment which is in line with budget of \$105k

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Number of state of the environment report cards downloaded on the Greater Wellington website	1929 (2010/11)	Increase on previous year	This information is not currently available.

Risk analysis

We have reviewed our risks and no changes are required to the risk register.

3 STRATEGY AND POLICY COMMITTEE

3.1 Harbours



Overview

The Maritime Transport Amendment Act was passed into law in October 2013. Further changes to the Maritime Transport Amendment Act are required so that the provisions of the Act can take full effect. This is ongoing work for the Ministry of Transport

Key results for the year

- ▶ Successfully managing the response to the earthquake and also the strong southerly storm

Looking ahead

- ▶ A report from Maritime New Zealand about the approval/auditing process for the Port & Harbour Safety Code Safety was received in March, giving various options for completion. GWRC's preferred option was communicated to them by letter
- ▶ A joint GWRC/CentrePort review of the Port & Harbour Risk Assessment (originally completed in 2006) is scheduled to begin in July 2014 with Marico Marine

Departmental activity

Earthquakes

CentrePort contractors continue working on permanent repairs to the southern edge of the Thorndon Reclamation area, which had been damaged during the June 2013 earthquake. An old 200-metre length of floating oil spill boom supplied by Harbours for containment of any floating debris deteriorated beyond usefulness and has been replaced with a newer boom. The full restoration work is likely to continue until February 2015.

Administration

On the 2 June, the Harbours department moved into new offices in the Meridian Building on Customhouse Quay, ending 25 years of occupancy of the Bond Store Building, previously occupied by the Wellington Harbour Board.

Navigation aids

During June, new back-up batteries were installed at Pencarrow lighthouse and work progressed on installing a new LED light. This is temporarily on hold pending decisions about the need to retain the intensified sector PEL light.

Barrett Reef buoy light was reported extinguished on the morning of 5 May. A broken wire from the solar panels was repaired and new batteries were fitted.

The Porirua Inner Channel marker light was reported extinguished on 9 May. A new battery was fitted the following day.

Falcon Shoal light was reported to be extinguished on the morning of 12 June. A new battery was fitted.



Barrett Reef buoy

Beacon Hill

After discussion with Electronic Navigation Ltd in Auckland (NZ rep for TRANSAS), a three-year service contract was agreed for replacement/upgrade of the main radar, and for service of main and back-up radars.

Marine oil spill response

On 1 May, Maritime New Zealand provided training in use of their oil spill WebEOC website.

There were 13 reports of "oil in the water" which were investigated. None required remedial action undertaken by the responsible party. Several were suspected to originate from the storm water outfall along Aotea Quay; this was relayed to Environmental Protection and the CentrePort Environmental Manager.

On 27 May, CIMS training and a table top Tier 2 exercise was conducted at the Exxon Mobil Terminal at Seaview.

On 17 June, the marine oil pollution equipment received a routine condition check.

Health and Safety

Three incidents occurred which involved divers working near shipping in the commercial wharf area. None directly involved GWRC staff or contractors but a full review of procedures, including communication to shipping by Beacon Hill Signal Station was carried out and is under further review.

At the end of March, an incident occurred where Harbour Ranger Grant Nalder received a slight electrical shock due to faulty underground cable at one of the Porirua leading lights.

The annual electrical inspection of Harbour's office, store and Beacon Hill Signal Station, was carried out in June.

Recreational Boating

The Harbourmaster attended the Inshore Marine Search & Rescue meeting at Porirua on 8 April 2014. This forum discusses local Search & Rescue events and issues with Police, Coastguard, Maritime New Zealand and Westpac Rescue helicopter.

Until the end of April, the part-time summer Harbour Rangers Bill Humphries and Wayne Wilkey continued patrols outside normal office hours to monitor recreational boating behaviour and compliance with the Navigation & Safety Bylaws, and to advise boaties on safe boating practices. Harbours provided a support vessel for the Matariki waka ama races held from Petone Beach on 7 June.

Other events

On 8 April, the ferry STENA ALEGRA damaged her hull whilst berthing at Wellington, and was out of service for seven days.

On 9 May, propeller damage to STENA ALEGRA's starboard propeller was discovered, and was out of service for five days.

On 1 May, the entire HM office Team attended a day's training on MNZ's oil pollution website WebEOC.

On 26 May, the Deputy HM attended a meeting with LINZ and CentrePort with regards to information required on the planned new edition of the Wellington Harbour charts.

Between 4 and 6 June, and on 19 June, NIWA surveyed the harbour entrance channel.

On 4 June, the Harbourmaster attended the National Pleasure Boat Safety Forum in Wellington. This forum received a report on the 2014 Review of the NZ Pleasure Boat Safety Strategy.

On 6 June, the CentrePort Marine Services Manager, and Harbours staff discussed issues regarding the pilotage obligations whilst a vessel was within the compulsory pilotage waters re pilots getting off inside these limits, in connection with recent TIAC findings of a related incident at Napier.

On 9 June, a body was recovered from the sea at the harbour entrance. It appeared that the person had deliberately gone overboard from a Cook Strait ferry.

On 13 June, the HM examined a Strait Shipping Master for his Wellington Pilot Exemption Exam Certificate.

On 19 June, the Deputy HM attended at WEMO for the Tsunami Response Plan update.

On 14 June, the repaired Interislander ferry ARATERE sailed from Singapore to return to New Zealand.



Stena Alegra



Beacon Hill interior

Financial reports

Harbours Income Statement Period ending 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	1,404	1,404	-	1,399
Government Grants & Subsidies	-	-	-	-
External Revenue	695	667	28	684
Investment Revenue	-	-	-	-
Internal Revenue	-	10	(10)	-
TOTAL INCOME	2,099	2,081	18	2,083
less:				
Personnel Costs	961	968	7	941
Materials,Supplies & Services	377	391	14	394
Travel & Transport Costs	53	47	(6)	48
Contractor & Consultants	136	62	(74)	59
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	23	26	3	26
Total Direct Expenditure	1,550	1,494	(56)	1,468
Financial Costs	52	45	(7)	64
Bad Debts	-	-	-	-
Corporate & Department Overheads	326	326	-	298
Depreciation	118	145	27	124
Loss(Gain) on Sale of Assets / Investments	-	2	2	-
TOTAL EXPENDITURE	2,046	2,012	(34)	1,954
OPERATING SURPLUS/(DEFICIT)	53	69	(16)	129
Add Back Depreciation	118	145	(27)	124
Other Non Cash	-	2	(2)	-
Net Asset Acquisitions	(41)	(97)	56	(124)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERV	130	119	11	129
Debt Additions / (decrease)	48	-	48	89
Debt Repaid	(135)	(118)	(17)	(108)
Net Reserves (Increase) / decrease	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	43	1	42	110
Harbours				
Capital Expenditure Statement				
Period ending 30 June 2014				
	Actual	41,820		41,455
	\$000	\$000	Variance	FY Actual
			\$000	\$000
Total Asset Acquisitions	2	102	100	35
Capital Project Expenditure	39	-	(39)	89
Asset Disposal Cash Proceeds	-	(5)	(5)	-
Net Capital Expenditure	41	97	56	124

Financial variance analysis

- ▶ Harbours' has a net surplus of \$53k which is close to the budget surplus of \$69k
 - » Staff costs, Materials, Travel and internal spend are all close to budget
 - » Consultants costs includes the cost of moving to their new offices in the Meridian Building and half of the Harbours Risk Assessment report costs
 - » Depreciation is slightly under budget
 - » Capital spend is on painting & refurbishment of the Point Halswell Lighthouse which is now complete

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
That Beacon Hill Communications station is staffed and operational 24 hours a day, seven days a week	100% (2010/11)	100%	
That all navigational aids are working, 24 hours a day, seven days a week	100% (2010/11)	100%	
Percentage of reports of unsafe boating incidents investigated	90% (2010/11)	100%	All reported incidents investigated as appropriate.
Percentage of harbour oil spills responded to within 30 minutes and clean up started within one hour	100% (2010/11)	100%	Eight reports were received; one needed minor response action undertaken by the polluter. Two others originated from the storm water discharge. The Environmental Protection Department and CentrePort Environmental Manager were informed.
Coastal oil spills responded to within time limits	100% (2010/11)	100%	No reports of coastal oil spills were received.

Risk analysis

- ▶ Harbours risk assessment is currently under review in conjunction with CentrePort
- ▶ Regular maintenance checks of oil spill equipment are occurring

3.2 Parks



Overview

Agreements signed with NZTA for sale of land at Belmont Regional Park and Battle Hill Farm Forest Park for the Transmission Gully Motorway project. Agreement includes relocation of the permanent farm hub to Hill Road.

Community liaison in relation to proposed Muritai Track realignment continues

Korokoro Forks – Belmont Trig track improvements progressing well

NZTA agrees to fully fund new cycleway from Paekakariki to Raumati South in Queen Elizabeth Park

Initial enhancement of Rimutaka Summit on SH2 completed with inter-agency planting day on 13 June 2014

Logging completed in the Stratton Street (Belmont) pine plantation

Key results for the year

- ▶ Seven day ranger services are provided at Battle Hill, Kaitoke and Queen Elizabeth Parks. 5-day services are provided to Akatarawa/Pakuratahi Forests, Belmont, East Harbour, and Wainuiomata/Orongorongo Water Collection Area. A 3-day per week service is provided at Whitireia Park

Looking ahead

- ▶ Construction of a Paekakariki-Raumati South walkway/cycleway in Queen Elizabeth Park funded by NZTA as part of the M2PP and the TGM projects
- ▶ Finalising compensation and mitigation measures related to TGM on Belmont Regional Park
- ▶ Working with Biodiversity on implementing the 3 Year Key Native Ecosystem Plans for the sites on the parks. This includes integrating this work with community environmental projects on the parks
- ▶ Working with the Department of Conservation to develop a joint licence for grazing at Queen Elizabeth Park and Whareroa Farm, in consultation with the community
- ▶ Implementation of the Whitireia Park Millennium Pou site development project plan. Continuing the search for external funding to supplement Park Board support

- ▶ Further planning and implementation of interpretative posts at the Rimutaka Summit (SH2), in conjunction with local iwi
- ▶ Re-phasing and refining the Queen Elizabeth Park Heritage Precinct project plan to line up with updated plans for Transmission Gully Motorway
- ▶ Strengthening structures along the Otonga section of the Oakleigh Street loop track in Belmont Regional Park in preparation for track improvement work.
- ▶ Further road entranceway sealing in Pakuratahi Forest in Tunnel Gully and Kaitoke Hill entrance
- ▶ Developing Service Level Agreement with Water Supply for Wainuiomata and Kaitoke/Te Marua
- ▶ Establishing maintenance plans for roading and working with PF Olsen's in plantation forests
- ▶ Enhancement of the Orange Hut and new BBQ area in conjunction with ARAC
- ▶ Updating Kaitoke Regional Park information signage
- ▶ Working with the Department of Conservation to develop a joint licence for grazing at Queen Elizabeth Park and Whareroa Farm
- ▶ Implementation of the Whitireia Park Millennium Pou site development project plan
- ▶ Further planning and implementation of improvements and interpretation at the Rimutaka Summit (SH2)
- ▶ Muritai Track realignment postponed to 2015/16 (as part of LTP) to enable wider community feedback about the proposal
- ▶ Re-phasing and refining the Queen Elizabeth Park Heritage Precinct project plan to line up with updated plans for Transmission Gully Motorway

Departmental activity

The major projects undertaken this quarter include:

Stratton Street plantation forest (Belmont Regional Park)

Logging of the forest has been completed and all logs removed from the site.

Maintenance of the road and sediment control measures has been completed allowing resource consents to be signed off by both the Greater Wellington Regional Council and Hutt City Council

Planning for reinvestment works is well underway with the physical works to begin later in the year.

This will see construction of an easy graded track for walkers and mountain bikers connecting Stratton Street and the Old Coach Road. Other works will see retirement fencing in the Upper Cannons Creek headwaters, carpark improvements at the Woolshed classroom at Stratton Street and wilding pine and gorse control within the former pine block.

Farming on regional parks

Working with the Department of Conservation, further work has been undertaken to investigate the feasibility of farming Whareroa Farm and Queen Elizabeth Park as one farming unit.

The brief was to provide practical, commercial, ecological and cultural implications of any joint licence and make recommendations as to the implementation.

Baker and Associates produced a report which considers the combining of the grazing licence for the two properties, identifies opportunities and conditions which may be incorporated into any licence agreement and outlines the areas which would require further investment to achieve the best return for DOC and GWRC.

Overall, the report indicates the two properties are complementary and recommends offering them together as one farming licence opportunity.

Stakeholder/Community groups associated with both areas have been involved in the discussions and have been asked to provide feedback on the report.

Both DOC and GWRC will need to further discuss and agree the process moving forward noting the recommendations of the report with regard to infrastructure replacement/maintenance and weed control.

Major road projects

Discussions have concluded with NZTA regarding mitigation and compensation for the effects of Transmission Gully Motorway (TGM). Property agreements have been signed by NZTA and GWRC for both Battle Hill Farm Forest Park and Belmont Regional Park.

The land transfers have been completed with Battle Hill designation passing to Crown ownership on 27 June and Belmont designation on 30 June.

The farm licence holder has been given 3 months' notice to remove stock from the Battle Hill designation while grazing will continue in the Belmont designation until 31 December 2014 or until the new farm hub has been constructed at Hill Road.

The focus at Belmont is now on the detailed development of the new farm hub. NZTA commissioned a farm advisors report to assess the concept that GWRC and Landcorp had developed, which broadly agrees with the level of infrastructure required. However, further work is required to refine the detail of what will be provided by NZTA.

Informal discussions have been held with the Wellington Gateway Partnership (WGP) around access points and logistics during the lead up to construction. In some areas of Belmont RP, access agreements will be required for WGP to reach the designation areas.

The TGM project has been extended northwards and will now include a large roundabout to be built between the current MacKays Crossing overbridge and the railway line outside Queen Elizabeth Park. There is keen interest among local community groups, DOC, KDC and ourselves in achieving the best possible non-vehicle connections between QEP and Whareroa Farm, along with smooth traffic flow.

Rimutaka Summit enhancement

A multi-agency planting day on 13 June, with the Greater Wellington Regional Council, New Zealand Transport Agency and Department of Conservation marked the end of the initial stage of the Rimutaka Summit enhancement on SH2. The site was also blessed by local iwi as part of the planting ceremony.

Greater Wellington Regional Council along with New Zealand Transport Agency (NZTA) have worked together to enhance the visitor experience at the summit. Over recent months pines have been cleared, landscaping finished, a new loop track built, a lookout established and an information kiosk and interpretive signs installed. NZTA plans to reseal the carpark by the end of 2014.

Work will continue over the next year on engaging with iwi to have their stories included also at the summit site.

Parks Assets and Activity Management Plan

The Asset Management document for Parks has been completed as part of the Asset Management Improvement Programme. The plan summarises the key management and activity programmes across the Parks network. Information from the plan has fed directly into the next LTP. The plan documents the current state of the asset portfolio (5,500 assets), its replacement value and projected cost of replacement along with future demands. Long term budget projections show that there is a need increase the level of capex budgets to approximately \$1.6m annually (an increase of approximately \$1m/year) in order to maintain the existing network of facilities.

An alternative electronic visitor counter has been trialled to replace the existing network of devices, which had ceased to function over the last few years. The Porirua City Council Parks team has come on board as well to take advantage of volume discounts offered by the overseas supplier.

Preventative maintenance programmes

The programme of cleaning building exteriors is underway across the entire Parks network. The buildings now look tidy, with the removal of mould and lichen. This programme aims to extend the life of these buildings.

The regular cycle of structure safety inspections is also underway across the network, as is the preventative maintenance programme.

Parks promotion

During the period, Parks helped the Communications department produce videos to promote the Hutt River Trail, East Harbour Regional Park and Whitireia Park. A schedule has been agreed for video production for the last three parks in the network, Akatarawa Forest, Wainuiomata Recreation Area and Wairarapa Moana Wetlands Park.

A post GOSE press release was organised that included details about Pedalling in the park, Paws in the park, Buggy walks and the Parks photo competition.

We have received delivery of 1,000 parks pens that promote the network and restoration opportunities via a pull out flyer. These will be distributed at selected events and occasions.

We have received the results from the 2014 Parks Community Usage & Awareness Survey. In addition to measures shown in the section above, information was also sought in relation to our volunteer programme and how people like to find out about the parks.

Reasons for non-participation in the volunteer programme have uncovered a range of resistance factors, encompassing other priorities/commitments, psychological barriers (lack of enjoyment of outdoor activities and gardening) and physical barriers (health, fitness, old age). Nevertheless, it is interesting to note that there remains approximately one-quarter to one-third of the public who state that they are unaware of the programme or its details, or are *'interested, but currently too busy'*. These people might be reached by increasing the level of publicity, providing specific details about the programme and by emphasising that *'just a small (or occasional) contribution can make a difference'*. Additionally, the research participants offered a variety of suggestions as to how participation in the volunteer programme might be improved.

In 2014, 79% of respondents were able to name a source from which they had obtained information about the regional parks in the past 12 months, which continues to be significantly higher than the 64% who have actually visited a park. This again suggests that information provision is important to a wider audience, beyond immediate park users.

The main sources of information continue to be word-of-mouth, websites (GWRC and others), newspaper articles/advertising, brochures/pamphlets, park signage, as well as information from volunteer groups and clubs. Newspaper articles/advertising, the GWRC website, social networking sites, newsletters and information from volunteer groups and clubs all appear to be increasing in importance. So too is information via Smartphone apps, which 10% of respondents indicated would be their preferred method of receiving information.

The 2014 research also confirms that park users continue to span a broad cross-section of the public by demographic classification.

Community engagement

The first edition of the newly named “Our Parks” electronic newsletter was distributed to 1,368 subscribers on 10 June. We have received good reader comments back about content and a valuable campaign report from the e-newsletter service provider. Improvements have been made to the design and functionality of the newsletter for the next edition based on this feedback. We are currently seeking new stories for the next edition. There will be no publishing schedule, the publishing will be determined by the quantity of stories we have. This will ensure that we are keeping the newsletter brief and readable while also remaining current.

The Volunteers In Parks (VIP) community group forum was held on Tuesday 15 April. Approximately 40 people attended, representing a wide range of groups from across the region. People had an interest in both environmental and recreation projects and some interesting perspectives were shared. The open floor Q&A session was really valuable for all as was the process as a whole. The feedback from GWRC staff showed an appetite for more of this type of informal forum to discuss topical issues and give community groups the opportunity to share ideas. Planning is underway for the next forum where the focus will be on the relationship between recreation, the environment and volunteering.

Restoration Day

The flagship event for community groups to listen, learn and network was held at The Lodge in Pauatahanui on Saturday 17 June. The event was a huge success and some really positive feedback was received from participants and invited guests;

- ▶ 41% of respondents said that it was their first restoration day
- ▶ 6% said it was their fourth
- ▶ Survey results show an 86% rating for effectiveness
- ▶ And 97% of respondents said Restoration Day met its objectives

Staffing

We have received 149 applications for the Community Events and Marketing Assistant role and are proceeding with the selection and recruitment process.

Health and Safety projects

The innovative truck-mounted weed spraying platform design was nominated for Wellington Gold Awards (where it was a finalist) and Safeguard safety in design awards. Staff attended both ceremonies.

The concessions H&S documentation that is completed by people who apply for concessions has been reviewed and updated.

Chainsaw use guidelines

Guidelines have been development and signed off by all staff using chainsaws.

Equipment safety improvements

Radio hardware resilience has been improved, with the installation of back up battery systems for various base radio sets. This will ensure that communications will still operate despite any loss of mains power.

Budget movements

Work status

The percentage of work orders remaining outstanding at the end of the year shows a decrease by 1%, with a marked increase of 13% of work orders being completed on time compared to the previous period. This is a reflection of field staff gaining a better understanding of the importance of closing off work orders once the work is completed.

Work orders generated by preventative maintenance plans accounted for 76.4% of all work orders for the 2013-2014 financial year, while breakdown orders accounted for 7.4% and Capex orders 3.1%. The remaining 13.1% was made up of work orders created as a result of routine maintenance (figure 1).

522 notifications were created during the year (figure 2), with 60.9% of these having a completed status as at 30 June 2014. The trend of notifications by type appears to be consistent, with routine maintenance generating slightly more than breakdowns. 5.7% of notifications for the 2013-2014 were the result of storm damage.

We expect that the introduction of mobility devices and SAP Work Manager sometime over 2014-15 will improve efficiency and accuracy as more notifications are generated on or nearer the work sites.

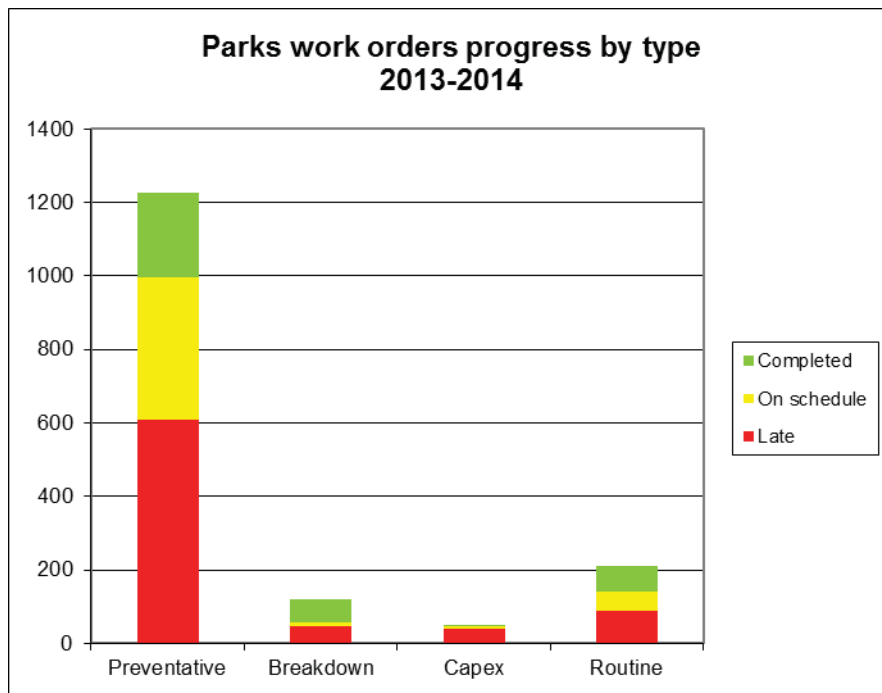


Figure 1: Annual work order progress

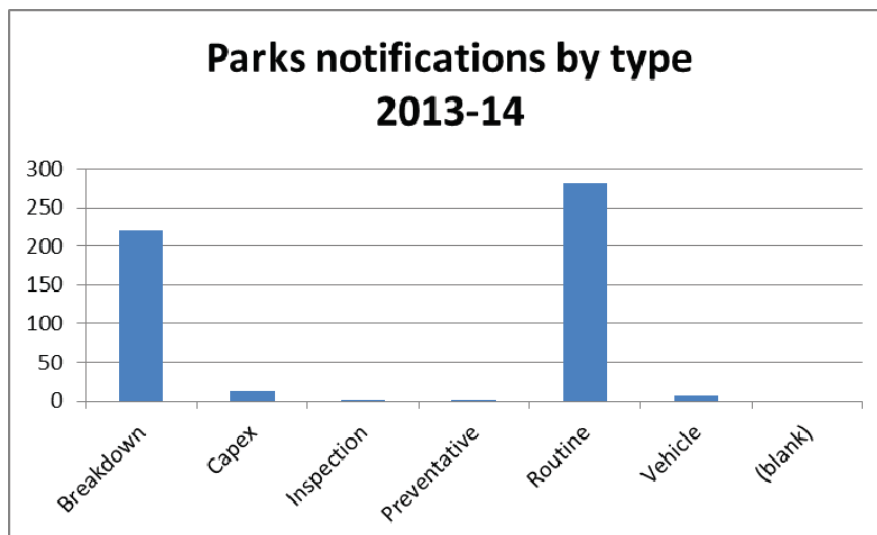


Figure 2: Notifications recorded for the quarter.

Western Sector

Battle Hill

Rip-rap rock has been purchased for armoring a section of the Horokiri stream bank to repair damage from 2013 floods. A resource consent application is being developed with the assistance of the Flood Protection engineers.

Road maintenance works have continued with the metal roads to the campground and around the Dell area being resurfaced and graded. NZTA has completed maintenance to the main farm track as a contribution to the access they have enjoyed in the planning process for the TGM project.

Park Rangers have completed an upgrade of visitor track marking to improve way finding in the park.

Boundary fence replacement and maintenance works have been completed, while condition assessments have highlighted priority work for the upcoming summer.

Aerial gorse spraying has been completed; some additional follow up will be required in the spring to eliminate regrowth. When completed approximately 95% of gorse on the grassed areas will have been eliminated.

Two large Macrocarpa and Poplar trees have been removed. Having suffered damage in the 2013 storms, these were assessed as being at high risk of falling.

Equestrian events have concluded for the season with planning now underway for the upcoming summer. Parks staff have worked closely with Battle Hill Eventing to ensure licence conditions are being met, resulting in a great improvement in the relationship with them.

The colder shorter days have seen a significant drop in park usage, although on sunny days people are still enjoying the park. On the other hand, our teams are busy out in all weather, even in the coldest and wettest part of winter. A purpose built drying room has been set up alongside the workshop. It has been received with open arms by the crew – no longer will they need to put on wet boots and gear on chilly winter mornings.

Local and regional cross country events have been held with up to 400 competitors at some events. While some postponements occurred due to bad weather, staff worked with organisers to reschedule and manage parking off grass areas to allow paddocks to remain unscathed in the lead up to lambing.

Fantastic conditions for the Olympic Harriers Shaw Baton Relay led to some good times in the Olympic Harriers Centenary year event. It was attended by 553 people.

The Mana Lions and local valley residents continue to maintain the bait station and trap network scattered around the park.

The Battle Hill entrance sign at the top of the Puketiro loop was damaged in extremely high winds and has been replaced.

The 2014 Arbor day/Matariki event has been held, a cool clear day was well attended by 120 school children, Councillors Wilson, Grieg and Brash and local iwi. 900 plants were planted on a site adjoining the Horokiri stream. This year we had a lot of difficulty sourcing an appropriate Matariki presenter and the presenter that we eventually had organised pulled out at the last minute. A replacement was organised at very short notice who did a great job considering the circumstances.

We have received a lot of feedback from teachers and parents who attended this or the Queen Elizabeth Matariki/Arbor Day events that they feel combining these events in the current format is not working. The main concerns are that the Matariki component is not targeted appropriately to the students' age, is too long and reduces the potential impact of the Arbor day celebrations. Staff have also raised concerns about potential Health and Safety implications of the current format which has the students sitting outside for extended periods of time listening to a Matariki presentation. This year we were very lucky that both Arbor days were held on exceptionally sunny, no wind winter days. Ideally the Matariki presentation would take place inside but neither Battle Hill or Queen Elizabeth parks have a suitable venue that is close enough to planting sites or can seat enough students.

With this in mind we intend to return to the original Arbor day format next year. Matariki will continue to be included in the Arbor day booklet and is mentioned in the Kaumatua speeches but will not be held as a separate session during the event.

Belmont

Fencing maintenance and replacement has been completed for the financial year. Discussions are on-going with Landcorp around infrastructure maintenance and replacement for the coming summer. Our communication with them has improved greatly leading to work being done much more efficiently.

Discussions with Landcorp are underway for retirement of the Upper Cannons Creek catchment with construction due to begin in November 2014.

Road maintenance work has been completed across the park and a complete reseal of the Dry Creek access road and car parks has been completed. A new automated gate has been commissioned at the Hill Road entry in an effort to address illegal entry by vehicles and motorbikes.

A padlock replacement programme will be undertaken over winter across the park. This will help manage the health and safety requirement in controlling vehicle access where in some cases up to 12 padlocks are found at some entrance gates. By moving to a single padlock system those needing legitimate access will be issued keys.

An upgrade to the Cannons Creek track network is nearly complete. A new section of walking track will improve accessibility to the area by replacing a steep slippery section.

The Belmont Area Mountain Bike Association (BAMBA) has added finishing touches to the "Bull Run" track between Old Coach Road and Hill Road. This track has received considerable use since being opened in December with some very positive feedback from users. A new downhill track named "Borderline" (it runs adjacent to the park boundary) is under construction within the recently logged area. Workdays run by BAMBA continue to be well attended and other biking groups are attending as they see the potential of the area. We are working on a 12 month track reinstatement programme in the former pine block with BAMBA to ensure all planning requirements are met.

Work continues on a MOU with BAMBA which is expected to be finalised during August. A separate Health and Safety plan has been developed.

As part of an ongoing relationship with NZX, 14 people spent a total of 56 hours releasing plants at the Oakleigh Street entrance picnic area on 22 May.

Event four of the Xterra Trail Run/Walk series was held on Sunday 15 June and attended by 353 people.

An MoU between GWRC and Friends of Maara Roa was signed on 26 June following a consultation process with the Friends, Park Ranger and Community Engagement Advisor. Councillor Nigel Wilson attended to sign the agreement on behalf of GWRC. FoMR was very appreciative of GWRC's willingness to engage. The process of drafting and workshopping the agreement was a valuable exercise for both parties.

The Korokoro Forks to Belmont Trig track upgrade and realignment has progressed well. The track sections completed to date have been metalled and opened. Work here involved staff from the entire Assets and Maintenance team. The job included a marathon three day heli-lift to shift metal from a private property on Horokiwi Road to both the completed track and the final section to be constructed in the spring. Machinery has been removed from this site over winter. An ecological assessment has been made of the final alignment.

Other visitor safety improvements in the Korokoro Valley have been completed. This included the installation of a bridge, and construction of new safety barriers at specific sites (including Woollen Mills Dam). These improvements have been met with supportive comments from park users. The costs associated with these projects were able to be minimised because of the improvements that had been made to the track – the crew could safely use power barrows to shift gear and materials to some of these sites, eliminating some of the need for costly helicopter operations.



New barrier and bridge on Korokoro Track

Queen Elizabeth Park

Planning of the new cycleway from Raumati South to Paekakariki continues with a track alignment having been surveyed and mapped. The project agreement with NZTA is nearing completion at which stage public consultation and further design work to be completed.

The QEP Heritage Precinct project is moving ahead. Preliminary redesigns have been supplied by landscape architecture firm Boffa Miskell, along with recommended re-phasing of works for this multiyear project. The project budget will be reviewed, with updated costings. Excerpts of the preliminary work were presented to the collaborative 'Project Whareroa' working group meeting in June.

Road maintenance has been undertaken across the park with the Wellington Road entrance being re-sealed. The repositioning of a gate to restrict access to the "Pickle Pot" drew some concern from Paekakariki residents over a lack of formal parking given the gate's new location. Staff worked through the concerns and a new sealed car park for five vehicles was constructed as part of the re-seal work, an outcome that has satisfied the local residents.

A major water upgrade for the farming operation is now complete, finalising a project that has run over the last three years. A new water tank in the southern end of the park gives some fire fighting capacity as well as supplying water to paddocks in the southern block. Together with new fencing this allows greater flexibility in stock management, which will be of value to the licence holder.

Updated way-finding signage for Ara o Tipapa/Wetland walk has been installed, with the familiar pukeko icon. Along this walk, visitors will come across a newly installed commemorative seat installed above the Bush remnant. Funded by Kapiti residents, this seat recognises the years of contribution to environmental restoration by the late Daphne Steele.

New toilets are almost at the point of being installed at the Esplanade road end. The double unit has been prefabricated, awaiting final building consent, although the wait should be worthwhile. The new unit will have mains water, sewerage and power connections.

Repainting work has been completed across the entire range of existing toilet buildings in the park.

Fencing work has been completed with the focus on Whareroa Stream retirement project and boundary fence replacement and upgrade.

A new cattle crush has been installed in the cattle yards to replace the old rusted crush which had been in service since the yards were built by Lands and Survey. This was funded through higher than expected revenue from the Goodmans cleanfill contract.

An upgrade to a fully automated watering system in the nursery has been completed, allowing for a more managed approach to plant care to be undertaken. The nursery volunteers are producing around 11,000 plants per year now, all grown from seed sourced on the park.

A publicly accessible defibrillator unit has been installed on the outside of the Park Ranger's office.

The park has remained busy during periods of settled weather as people seek to get out and enjoy the fresh air and recreational opportunities in the park.

Eventing Wellington is planning for next spring/summer events with course maintenance and training days being well attended.

The planting programme is now in full swing with planting days having been completed at both the MacKays and Raumati South sites. Attendance at these days by Kapiti residents has been patchy. Numbers at others have been bolstered by corporate and local Scout groups.

103 people from the English teaching college, NZILA, Raumati Scouts and COR associates spent a total of 309 hours planting at Queen Elizabeth Park. Corporate groups are all still from Wellington however, with efforts to attract Kapiti businesses proving fruitless to date.

Community Service workers continue to add a great deal of value to the restoration programme on the park assisting with the weeding of plants in the nursery, laying of plants ahead of planting days and undertaking planting activities.

The 2014 Arbor day/Matariki event has been held, and the event on a fine warm winter's day was well attended by 154 local school children, Councillor Wilson and local iwi. 1,200 plants were planted on a site adjoining the Whareroa stream.

Cross country and orienteering events have been held with good numbers participating; the Varsity Relays in particular was attended by 486 people.

The "Kapiti Festival" music event was held in April with around 4,000 people attending. The weather played its part and many people visited the park for the first time with many commenting they will be back. The Friends of Queen Elizabeth Park assisted event organisers at entry points raising the profile of the Friends and promoting the work underway on the park.

A dog attack on two horses was widely reported in the local and national media. Local dog control officers and police attended with the dog being impounded and later destroyed. Fortunately injuries to the horses and riders were not too severe and all will make a full recovery. The Park Ranger assisted the horse riders and horses in what he described as a frightening experience.

Whitireia Park

New entrance information signs have been produced and installed for the Thornley Street entrance and the old DOC sign removed from the site.

Planning for the Pou car park development continues with an archaeologist required to undertake a heritage assessment of the area before Heritage NZ issues an authority to modify this heritage site. The Park Board funding application lodged with the Mana Community Grants foundation for a substantial contribution to the project has been turned down. Further funding applications may be lodged once the Board is officially re-appointed later in the year.

Fence repairs have been completed where off-road users had damaged them.

Aerial pampas spraying was completed in early June throughout the burn area and the results are just starting to show. The Titahi Golf Club allowed the use of their course car park as a base for the operation which was greatly appreciated. This operation was publicly notified in local newspapers along with a letterbox drop to neighbours. A steady string of people watched the operation and were all very positive about the work being undertaken. Aerial gorse spraying will be undertaken over the spring/summer period.

Fire break planting has commenced in the steep sections and a further planting will be undertaken with the Whitireia Polytechnic in early July in a more accessible area.

We are working with the Rural Fire Authority to install additional fire ban signage around high risk areas of the park.

The Whitireia Restoration Group has undertaken a lizard survey around the bottom of the escarpment and is now focussed on their planting programme. The first two events have been well attended by local community members with the park ranger providing logistical support.

Aotea College is assisting with the construction and placement of some penguin nesting boxes.

Eastern Sector Parks

Akatarawa

We continue to work with ARAC on the designs for the Orange Hut upgrades after securing funding from Transpower. GWRC participated in the Trip Leader assessments undertaken by ARAC. These form the basis for issuing 4WD permits for trips in the Akatarawa Forest for 4WD club groups.

A brand new information kiosk was constructed at the Mangakotukutuku entrance as part of a plan to enhance this major entranceway into the forest and provide users with better information, particularly with regard to safety in the forest. All the new Akatarawa map boards have been installed including new "Private Land" signs on the Cannon Point walkway. Following a request from ARAC, we have almost completed the design for a map to be installed on Orange Hut.

Parks has worked closely with Forestry to assess the forest road network and agree on road classifications and maintenance plans for GWRC and the cutting rights holder.

Birchville Dam track repairs/metalling were completed to address recent storm damage.

Alternative solutions are being assessed for the Bailey bridge at Perhams Road. The steel bridge requires significant maintenance and is particularly prone to the damaging effects of debris build up from the road surface run-off. One alternative that is being examined is its replacement with a ford.

East Harbour

Work was completed on the Martin's property along Gollans Stream to mitigate the bank erosion. These included earthworks to remove material from the channel and batter the stream banks to prevent further erosion. There was also 2.5km of new fencing and repairs undertaken as part of the works to keep stock out of the stream.

Consultation within the Eastbourne community on the Muritai Track continued through this quarter with GWRC working closely with the Eastbourne Community Board to determine the best course of action. Activities included a walkover of the new track alignment with key local groups and two community drop in sessions at the local library for people to discuss the track. At this point we have agreed to keep the current Muritai Track open for the medium term, at its current standard. A new walking track will be proposed as part of the LTP 2015-25 to allow for comment by the regional community.

Parks contributed to the completion of the Lighthouse Complex Conservation Plan, led by Corporate Planning. This provides the overall guidance for the restoration and development of the complex in partnership with the Friends of Baring Head.

The Baring Head vehicle bridge replacement is proposed to be brought forward as part of the next LTP, because of its poor condition. Work is ongoing with a bridge supplier regarding specific designs and costing, alongside further investigation into processes of obtaining financial contributions from

easement holders. Options include all-concrete and steel/concrete construction – ranging in price from \$500-750k.

Parks has been working with iwi to begin the process of connecting Taranaki Whanui with the lakes. On 5 June Parks hosted an Arbor Day planting at Lake Kohangapiripiri with iwi and MIRO, which was very well received by participants and is expected to be the first of many to come.

KNE fencing at Baring Head is also underway with approximately 2km of new fencing being constructed along the escarpment.

Kaitoke Regional Park

A business case was developed for powered camping sites on the Upper Terrace area at the park. This included a survey of campervan visitors to Kaitoke and also an online survey of New Zealand Motorcaravan Association members to provide an indicator of demand for powered sites. The results were encouraging and the project has been put forward for inclusion in the LTP.

A business case was completed and a new ride on mower purchased for Kaitoke as part of a move to enhance the level of service for mowing the campground and amenity areas in a cost effective manner.

Work continues on the Rivendell archway near the Pakuratahi Forks. Parks is working with a local tour operator and designers to complete the plastering of the archway. This will be a fantastic addition to the Lord of the Rings experience at Rivendell and one of only a few New Zealand sites that has a built structure associated with the movies.

The Park Ranger hosted new Councillors Ken Laban and Sue Kedgley for a totara planting at Te Marua on 16 June. They were joined by Councillors Paul Bruce, Sandra Greig and Nigel Wilson and the event also included a short tour of the campground, Rivendell and the rainforest walk.

Staff met with Chair Fran Wilde to outline a concept for a memorial to former Council Chair Stuart Macaskill to be built at the Keith Spry look out over the Te Marua storage lakes. The plans were approved in principle and we are working through the detail with stakeholders and suppliers. The memorial is to be built on NZTA road reserve and we have received agreement in principle for this to happen. Part of this project involves moving the Keith Spry memorial boulder and his family has been notified of this and have agreed subject to final plans.

Pakuratahi Forest

The completion of the initial enhancement work at the Rimutaka Summit was a key project for this quarter. The inter-agency planting day was a great event and a chance for GWRC, NZTA and DOC to engage on site.

Approximately 30 historic rail culverts were discovered below the historic rail formation. Repairs are necessary on most of these. The culverts have been entered into the asset management system, mapped out using GPS, and marked using timber posts. Ongoing maintenance efforts will be undertaken via corrective work and maintenance plans. The largest is 80m in length. The culverts have the potential to excite heritage engineers, as many are in good condition, with brick arches intact. The risks associated with these structures relates primarily to the risk of them blocking up and potentially damming and washing out sections of the rail formation.

Further work has been done on the rail trail with retaining and surface work at the summit tunnel entrance to address erosion issues and the rail trail has been hydro mowed to cut back encroaching vegetation.

The Mangaroa Tunnel portal (on the Maymorn side of the Tunnel Gully formation) has been surveyed for remedial drainage and repair work. A specialist rail tunnel engineer is currently pulling

together an engineering solution to waterproof the portal roof, and repair the damaged internal brick lining. The advice so far has confirmed that repair and prevention works are needed with some urgency. The recommended solution will be discussed with Heritage NZ.

Parks has also coordinated with Water Supply and contractors as work on the GWRC Mt Climie repeater started in June 2014.

A bridge over a stream in Upper Tanes track has been placed on short notice due to foundation scouring. Temporary supports are in place until such time as an alternative track diversion and culvert can be opened.

The April Buggy walk was held in partnership with Sport Wellington Region at the Tunnel Gully Recreation Area. One hundred and ninety people attended. We had a near miss incident that has led to the review of Buggy walk reconnaissance guidelines and all Buggy walk health and safety processes and documentation. As a result of this review, and noting that Buggy Walks are typically attracting 200+ people each month, Sport Wellington has shifted management responsibility from its early childhood staff to its events team.

Wainuiomata/Orongorongo Water Collection & Recreation Area

The hunting ballot was run again this year in the catchment and five deer were shot, which was five more than 2013. Parks continue to manage hunter and community expectations around the number of animals in the catchment, and that we undertake professional hunting to control animal pest numbers.

Developing a Service Level Agreement with Water Supply for Wainuiomata has been a major focus over the last month and this process is ongoing.

The Site office is now a Parks asset. A maintenance plan has been put together to address deferred maintenance issues with this building. This one-off cost is expected to exceed \$10,000.

Parks has strengthened enforcement of the dogs on leash policy in the Wainuiomata Recreation Area following the death of a kiwi (from a dog bite) near the Gums Loop bridge. New 'Kiwi Zone' signage and friendly Park Ranger chats with the public are helping reinforce the message. There have been some compliance challenges around this with a couple of long time dog walking visitors opposed to the rules, which are consistent with Hutt City Council bylaws and the Parks Network Plan.

New Water Supply interpretation has been installed on various structures at the Lower Dam, including the new boat shed

Financial reports

Regional Parks Income Statement Period ending 30 June 2014	30 June 2014			30 June 2013
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	4,936	4,936	-	4,922
Government Grants & Subsidies	-	46	(46)	-
External Revenue	1,212	621	591	618
Investment Revenue	-	-	-	-
Internal Revenue	353	276	77	277
TOTAL INCOME	6,501	5,879	622	5,817
less:				
Personnel Costs	2,276	2,321	45	2,078
Materials, Supplies & Services	1,092	1,445	353	1,030
Travel & Transport Costs	175	132	(43)	183
Contractor & Consultants	1,406	595	(811)	1,192
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	220	200	(20)	214
Total Direct Expenditure	5,169	4,693	(476)	4,697
Financial Costs	253	257	4	264
Bad Debts	37	-	(37)	(14)
Corporate & Department Overheads	548	548	-	493
Depreciation	2,007	664	(1,343)	649
Loss(Gain) on Sale of Assets / Investments	37	-	(37)	31
TOTAL EXPENDITURE	8,051	6,162	(1,889)	6,120
OPERATING SURPLUS/(DEFICIT)	(1,550)	(283)	(1,267)	(303)
Add Back Depreciation	2,007	664	1,343	649
Other Non Cash	37	-	37	31
Net Asset Acquisitions	(213)	(892)	679	(917)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERV	281	(511)	792	(540)
Debt Additions / (decrease)	820	880	(60)	610
Debt Repaid	(392)	(370)	(22)	(304)
Net Reserves (Increase) / decrease	(7)	-	(7)	40
NET FUNDING SURPLUS (DEFICIT)	702	(1)	703	(194)
Regional Parks Capital Expenditure Statement Period ending 30 June 2014		41,820		41,455
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	245	12	(233)	915
Capital Project Expenditure	850	880	30	612
Asset Disposal Cash Proceeds	(882)	-	882	(80)
Net Capital Expenditure	213	892	679	1,447

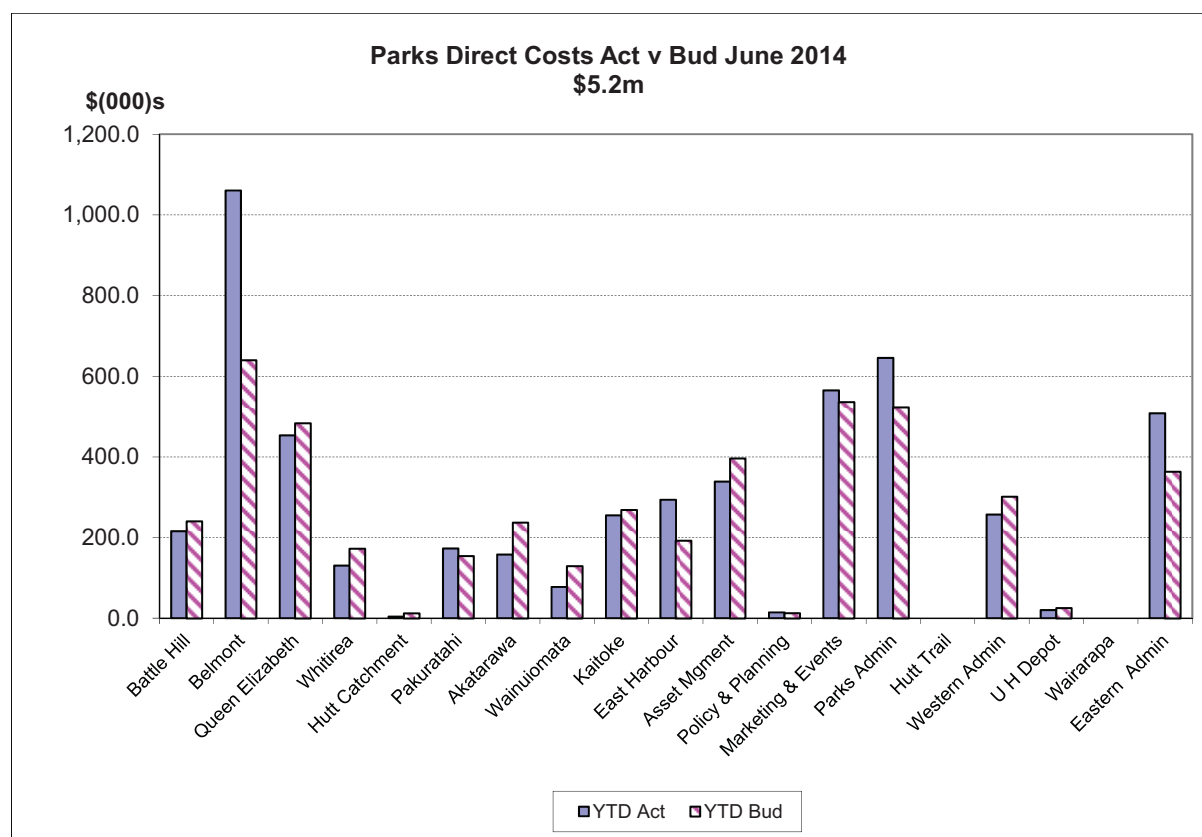
Financial variance analysis

- ▶ Parks has a net deficit of \$1,550k which includes an additional \$1,343k of depreciation resulting from the revaluation of the Parks Infrastructure assets. This depreciation was not in the budget as the revaluation was only calculated in June 2014 but applies for the whole year. Without the revaluation depreciation Parks would have shown a net deficit of \$207k which is \$76k better than budget so overall the result is a good one
- ▶ Total direct costs are \$5,169k which is \$477k more than budget but this includes logging costs and is offset by \$621k more external income
- ▶ External income is \$591k more than budget mainly due to \$651k of logging income in Belmont
- ▶ Personal costs are underspent by \$45k mainly due to \$60k of staff recharges to capital projects and other departments
- ▶ Material costs are \$353k less than budget following a review & reduction in outstanding purchase orders
- ▶ Consultants & contractors is \$811k over budget and includes \$633k for the costs of Belmont logging which is offset by \$651k of logging income

Capital works programme

- ▶ Capital spend – Parks have spent \$850k on capital projects from a full year budget of \$880k. The budget includes \$300k for the QEP heritage project
- ▶ As agreed at the budget review meeting four vehicles were replaced this year instead of next year due to high mileage and high workload. The net impact of this is \$167k after disposals are taken into account. This is the main reason for the funding deficit of \$159k
- ▶ The asset disposal proceeds relate to the transfer of land from Belmont and Battle Hill parks to NZTA for transmission gully. There was no profit or loss on sale as the transfer was done at market rates and the land had recently been revalued

Actual Direct Costs to June of \$5,169k compared with \$4,692k budget for each Park and department are shown in the graph below:



Most Parks and departments are close to budget except for Belmont which includes \$633k of logging costs which is offset by \$651k of external logging income.

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Percentage of the regional population that has visited a regional park in the last 12 months	59% (2010/11)	>60%	64% Source: 2014 Community Usage & Awareness survey (n=500 visited a park in the last 12 months).
Percentage of regional park visitors who are satisfied with park facilities	94% (2010/11)	92%	89% Source: 2014 Community Usage & Awareness survey. This decrease is mainly due to lower levels of satisfaction with the Hutt River Trail, where total satisfaction is 76% compared to 95% in 2012. Rather than being “dissatisfied”, more respondents were neutral. Satisfaction with Wairarapa Moana has also decreased significantly, dropping from 100% to 75%
Number of people attending Greater Wellington events in regional parks	4,730 (2010/11)	3,860	Attendance at events organised solely by GWRC or with partners as part of Great Outdoors Summer Events Programme. This reduction in numbers can mainly be attributed to 313 less people attending the Bike the Trail event.
Number of volunteer hours in regional parks	6,167 (2010/11)	Maintain or increase on previous year	This year we have seen an increase of 3,737 hours. A total 9,984 hours have been spent on the parks in 13/14.

Total number of active environmental restoration sites within regional parks (excluding high value biodiversity areas)	No baseline exists	Assess current sites against objectives and criteria Identify and prioritise new restoration sites Confirm environmental restoration sites	There are currently 11 active environmental restoration sites within the Parks network, with some of these sites overlapping with KNE's. Ten sites will be managed from the next financial year.
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Risk analysis

- ▶ Working with the Wellington Rural Fire Authority on staff training programmes for the 2014/15 summer season
- ▶ Park hazard plans are under review and being updated as required
- ▶ A buggy walk reccie guideline document has been developed. The buggy walk and health and safety template and briefing notes document have been reviewed and updated. The concession health and safety template has been reviewed and updated
- ▶ H & S oriented training continues for all staff. Ride-on mower replacement selected based on Assets Team trial. Staff attended the annual Safeguard conference in Auckland. A Parks department representative is on the Safety Smart system replacement project
- ▶ Facility improvements have been completed to address public safety concerns: Korokoro Valley track – bridge and barriers installation to address fall hazards; track realignment underway at Korokoro Forks to Belmont Trig track. Baring Head bridge: costings obtained for replacing this deteriorating bridge with low maintenance concrete bridge with recommendation of replacement in 2015/16 (revised LTP). Tane's track bridge undermining remedial works

3.3 Wairarapa Water Use Project



Overview

The Wairarapa Water Use Project is four months into the pre-feasibility phase of investigations. The pre-feasibility programme will identify the most viable schemes, if any, to progress to a full-feasibility phase. The second review point in the staged work programme was completed on time in mid-June. This review point assessed geotechnical investigations of the preferred storage sites. The investigations identified increased risk at the White Rock Road and Black Creek sites for which additional investigations are underway to better validate the extent of those risks. All five preferred storage sites have progressed through to workstream 3 for further investigations. Focus continues to ensure the work programmes of WWUP are embedded in the wider Ruamāhanga catchment management activities involving the regional plan, science and Whaitua programmes of work. The agreement with MPI's Irrigation Acceleration Fund has been signed, which will match funding from GWRC through till the end of the pre-feasibility work programme is complete in mid-2015. Funding for the full feasibility phase from GWRC is being considered through the current LTP process.

Key results for the year

Stakeholder engagement

Communications remain a focus for the project team. The indicative pre-feasibility work programme illustrated below has been widely circulated and the project team are committed to meeting the staged timeline of the programme.

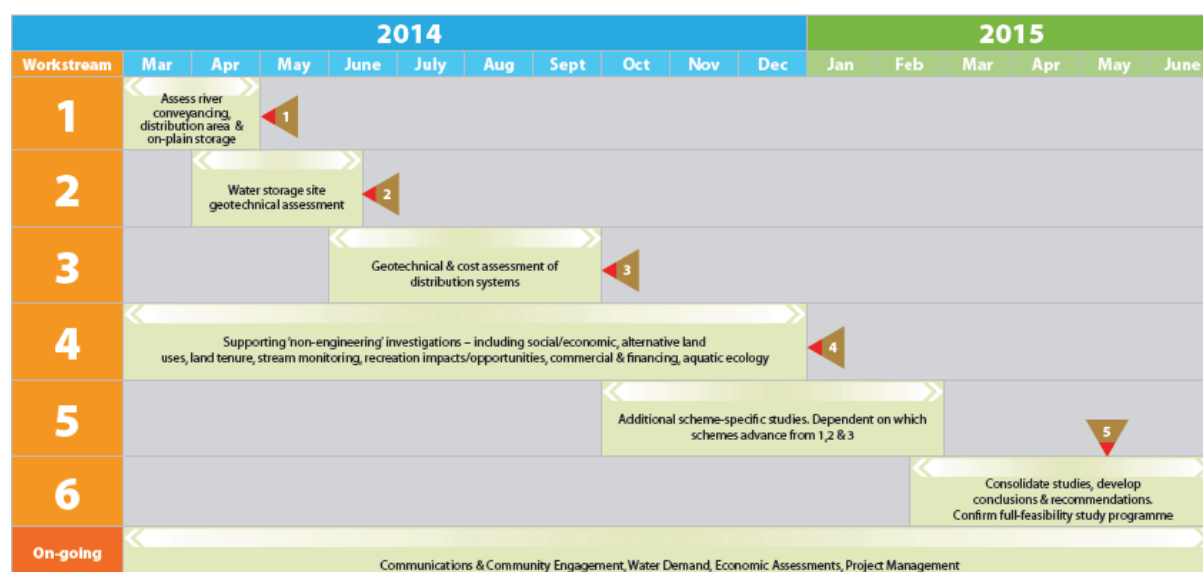
The governance group has settled into its monthly cycle of meetings. The project recently passed review point 2 and is now well into workstream 3 (refer to indicative pre-feasibility timeline below for an illustration of project phasing). This has led to an increased level of project activity and the governance group has accordingly increased its level of strategic oversight for the project as it looks to work through the first of the major decisions about relative scheme viability later in 2014.

The Leadership Group continues its important function assisting to provide oversight and guidance to the project. It met in early May and will meet again in October following review point 3.

The Stakeholder Advisory Group is meeting every six to eight weeks to assist guide the project and discuss the findings of investigations. This group provides very real input to the project from the perspective of the various organisations that members represent.

The outcome of workstream 2/review point 2 was communicated via letters and a summary memo of findings to landowners in the five sites being investigated and the three reserve sites. Interested parties also received the information. The memo of findings and reports were posted on the project website reports page. A media release and newsletter were also widely distributed.

The illustration below shows the phased approach to the indicative pre-feasibility work programme.



Geotechnical investigations

Workstream 2 of the pre-feasibility work programme (refer illustration above) involved geotechnical investigations of the five preferred storage sites. Investigations concluded that there were no geotechnical reasons to stop the five schemes from continuing through pre-feasibility investigations.

However, the investigations found that two sites, White Rock Road and Black Creek, had increased geotechnical risks. Further investigations will be undertaken as part of workstream 5 to validate these risks. It was planned from the outset of the pre-feasibility investigations that workstream 5 was reserved for site specific investigations such those planned for White Rock Road and Black Creek sites.



Geotechnical investigation site

For White Rock Road the investigations will involve water permeability testing in limestone layers near the proposed dam site. For Black Creek there will seismic testing and bore hole drilling to establish the extent of gravels around the proposed dam site.

Workstream 3 is well underway and will investigate the distribution network design and geotechnical assessment of the five preferred schemes.

Review point 3 is timed for October and will allow a comparison of the schemes from a geotechnical and relative estimated cost perspective. Subject to final results, this may allow the Governance Group to dismiss the least viable site(s) from further investigations.

General investigations

In addition to geotechnical related investigations in workstreams 2 and 3, the project team are progressing non-engineering investigations as part of workstream 4. These cover a number of discrete studies, for which there have been a restricted tender process to select the preferred consultant to undertake the work. These studies are outlined below.

At this stage in the project, the studies will generally be undertaken at a high level because it is not yet known which schemes, if any, will progress through to full-feasibility investigations. As such, it is not known the extent of the irrigation or other water use potential and its subsequent economic, social, recreation or other effects. More detailed investigations will be undertaken during the full-feasibility stage once the final extent of the most viable schemes is known.

Scoping alternative land uses

A forum involving Plant & Food, AgResearch, Foundation for Arable Research and HortNZ has assisted develop a scope of work to identify what agricultural land use options could be appropriate for the Wairarapa that are not currently being commercially undertaken.

Recreation implications and opportunities assessment

This will assess how outdoor recreation will be influenced by WWUP at a valley-wide level and for each of the five preferred storage sites. It will include an assessment of potentially affected recreation assets and activities and their comparative local, regional and national significance.

On-plains storage

Following a high level assessment of the concept of on-plains storage, the next phase is being planned to allow a more direct comparison between on-plains and off-plains storage. It will consider the potential for on-plains storage to be used for primary storage or as a secondary or buffer pond storage to support off-plains storage.

Regional economic impact assessment

This investigation will estimate the potential economic impacts of increased irrigation for both the Wairarapa and wider Wellington region.

Farmer information programme – case studies

WWUP plans to work with appropriate farm advisory practises to undertake a number of on-farm case studies. These will build evidence of good practise farming systems in the Wairarapa with the opportunity to run field day related activity.

Social Impact assessment

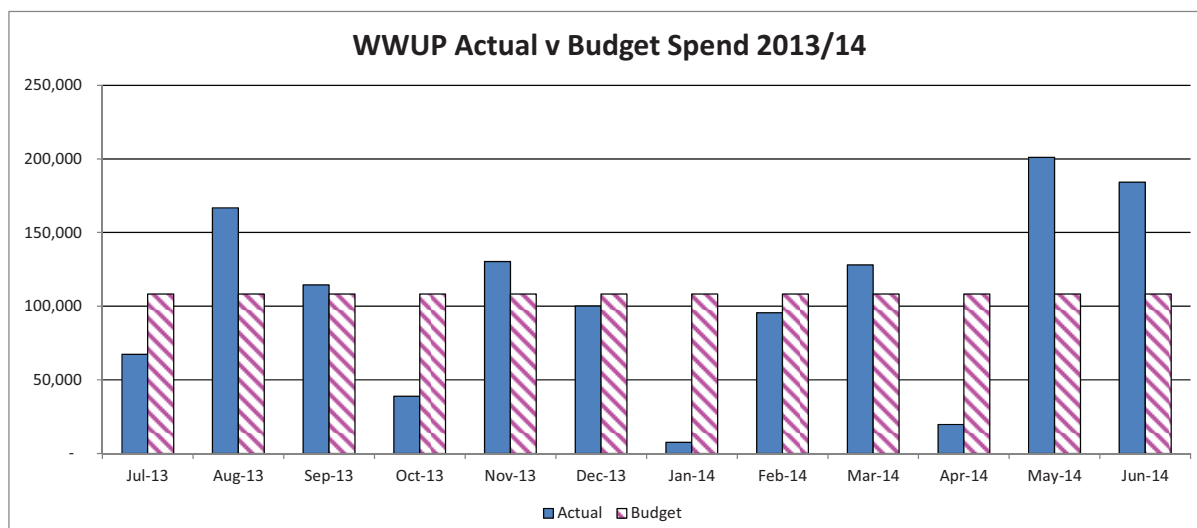
A social impact assessment will outline the high-level social impacts of irrigation development in Wairarapa and the wider Wellington region. It will outline the differences between predications for Wairarapa and those experienced in other parts of New Zealand.

In addition to the discrete studies above, the project team is progressing various initiatives relating to farmer engagement and demand, and commercial structuring and financing of the project should it proceed into subsequent phases.

Financial reports

Wairarapa Water Use Project – Gross Project Expenditure

The table below shows the monthly spend on the project for the year to June 2014



- ▶ The accounting for the WWUP has both capital and operating elements. The finance costs are rates funded and IAF funding is recorded as operating income.
- ▶ The project has spent \$1254k for the year to June 2014 which includes \$717k for consultants; \$426k for staff costs and \$111k for other internal costs
- ▶ The total costs of this project over the three financial years are shown in the table below. Total costs to June 2014 are \$2.9m of which IAF have contributed \$1.4m and GW \$1.5m. This is not exactly a 50:50 split because some costs are not claimed as part of the IAF funding agreement
- ▶ \$200k of budget will be carried over into the 2014/15 year

WWUP Summary PTD	Jun-12	Jun-13	Jun-14	Jun-15	Total
	\$k	\$k	\$k		\$k
Income (IAF funding)	310,117	442,170	631,735		1,384,022
Operating costs (IAF funded)	310,117	427,390	626,530		1,364,037
Capital Costs (Debt funded)	317,864	597,287	627,469		1,542,620
Total Costs	627,981	1,024,677	1,253,999		2,906,658
Full Year Budget	750,000	1,250,000	1,250,000	1,250,000	4,500,000
Underspend	- 122,019	- 250,000	- 250,000		
Rollover			250,000	200,000	

Quarterly Reporting to the Chief Executive						
Project Name	Project Director/ Project Manager	Time – Schedule	\$ – Budget	Quality – Delivery	Risk	Overall
Wairarapa water use Project – to investigate the viability and form of a water infrastructure project for the Ruamāhanga valley.	Michael Bassett-Foss/Bruce Geden	<p>The prefeasibility phase of the project begun in March and has been widely communicated through key stakeholder forums. The second review point in the multi-workstream approach was completed on time in mid- June.</p> <p>The pre-feasibility phase of the project is planned to run through to June 2015 to aligning with committed funding from GWRC and the Irrigation Acceleration Fun (IAF).</p>	<p>The project spend for the year is \$1,254k which is in line with budget so there is \$200k funding from prior years to be rolled over into 2014/15 year.</p> <p>The total spend on this project for the 3 years to 2014 is \$2,906k of which \$1,543k is in AUC on the Balance Sheet.</p> <p>2014/15 is the final year which has a budget of \$1250 + \$200k rollover so a total of \$1450k for next year.</p>	<p>Significant consultation with planning the prefeasibility phase has resulted in good alignment with the key stakeholders.</p> <p>The project has several forums to provide oversight to its progress and delivery, including the governance group and a steering group with IAF.</p> <p>As a priority, the project is being integrated within the wider catchment management function of GWRC.</p>	<p>GWRC and IAF's funding commitment to the project is until June 2015.</p> <p>A programme of ongoing funding and commercial structuring for the project has been initiated.</p> <p>Engagement with affected landowners and wider stakeholders remains a priority for the project team. The team is endeavouring to deliver on the pre-feasibility timelines to give certainty to affected parties.</p>	<p>The coming year is a critical and busy part of the project as it ramps up into investigations for the pre-feasibility phase</p> <p>Ongoing support from GWRC and IAF, and a planned transition from GWRC remain a priority for the project.</p>

Code	Meaning	
	On time, on budget, no quality issues	
	Questionable if dates /time/\$/quality will be met – may need to be changed	
	Probable project will not be completed within time/\$/quality – may need to be re-approved/abandoned	



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Public Transport Group

Performance Report for the year ended 30 June 2014



Trends

Bus		2009/10	2010/11	2011/12	2012/13	2013/14
Passengers carried	# million	23.6	24.0	24.1	23.6	24.0
Passenger growth year on year	%	1.14	1.60	0.41	-2.14	1.58
Peak passengers carried	# million	10.0	11.3	11.0	10.2	10.4
Peak passenger growth year on year	%	3.52	13.42	-2.54	-7.50	1.85
Passenger kilometres	million km	167	166	167	166	169
Customer satisfaction - trip overall	%					92
Customer satisfaction - bus stop / station	%					90
Punctuality	%			99.8	99.9	99.7
Reliability	%			99.8	99.4	99.1
Rail						
Passengers carried	# million	11.1	11.2	11.3	11.4	11.6 *
Passenger growth year on year	%	-6.25	0.98	0.28	0.72	2.54 *
Peak passengers carried	# million	7.3	7.4	7.2	7.3	7.4 *
Peak passenger growth year on year	%	-6.00	1.57	-2.62	1.33	1.58 *
Passenger kilometres	million km	259	262	267	269	274 *
Customer satisfaction - trip overall	%					92
Customer satisfaction - station	%					91
Punctuality	%	88.7	90.0	91.6	93.9	94.3 **
Reliability	%	98.4	98.6	98.8	99.2	99.2 **
Notifiable occurrences	#	3	6	6	7	3
* In 2014 there has been a slight adjustment to the way passenger numbers and passenger kilometres have been calculated. This has had the effect of reducing the 'passengers carried' by 41,000 compared to the previous method.						
** Punctuality was 94.7% & reliability 99.7% when normalised for the effect of the Seddon earthquakes in July & August						
Metlink customer services						
Main website visits	# million		1.8	2.2	2.8	2.9
Mobile website visits	# million		0.1	0.5	1.5	2.7
Service centre calls	# million		0.6	0.5	0.5	0.4
Financial						
Operating revenue	\$ million	83.3	84.5	90.7	96.0	98.4
Operating expenditure	\$ million	82.5	84.5	91.5	94.6	98.3
Improvement projects, capital & investment additions	\$ million	87.3	126.7	129.7	37.8	32.8
Asset book value	\$ million	70.8	198.3	307.6	314.3	322.8
Debt	\$ million	46.7	58.4	62.6	81.6	105.4

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1 PUBLIC TRANSPORT GROUP REPORT

Summary of progress

Public transport performance

Highlights for the 2013/14 year:

- ▶ 1,255,000 public transport services delivered
 - » 1,137,000 bus services
 - » 109,000 rail services
 - » 9,000 ferry services
- ▶ 35.8 million passenger trips
 - » 23,981,000 bus trips
 - » 11,643,000 rail trips
 - » 180,000 ferry trips
- ▶ 99.2% rail services delivered
- ▶ 94.3% of rail services on time
- ▶ 99.1% bus services delivered
- ▶ 99.7% of bus services on time
- ▶ 271,000 total mobility trips
- ▶ 2.9 million visits to the Metlink main website and 2.7 million visits to the mobile website

Public transport network planning

- ▶ Adoption of the Regional Public Transport Plan (PT Plan) in June 2014. This plan is the blueprint for the future of public transport in the region in the medium to long term. The PT plan includes:
 - » improvements identified in the 2013 update to the Regional Rail Plan
 - » improvements identified in the Wellington City bus review
 - » the new network design and new PTOM unit design
 - » the decision on the future bus fleet for Wellington City
- ▶ Progress made in the delivery of the Public Transport Operating Model (PTOM) for contracting public transport services with:
 - » the holding of a market soundings event in March. A significant level of interest was shown from both New Zealand and overseas participants

- » approval by the New Zealand Transport Agency of the Transport Procurement Strategy and Rail Procurement Procedure
- ▶ Decision not to increase fares in 2014 as originally proposed in the 2014 fare review, following favourable financial results in the 2013/14 year (increased rail fare revenue and reduced expenditure)
- ▶ Significant changes to Whitby bus services, and some changes to Wellington school bus services
- ▶ Continued roll-out of bus timetable reliability improvements using real time information data:
 - » Route 4 (Happy Valley)
 - » Routes 22 (Southgate) & 23 (Houghton Bay)
 - » Routes 81 to 85 (Eastbourne)
 - » School bus trips based in Karori
- ▶ Confirmation of 2014/15 Christmas and New Year service levels.

Rail operations and asset management

- ▶ Passenger rail rolling stock improvements
 - » commencement of construction on the second tranche of 35 new Matangi 2 trains
 - » reconfiguration of the seating on the Wairarapa SE rail carriages in response to customer feedback
- ▶ Renewal and upgrade of rail station assets including:
 - » refurbishment of Waterloo Station roof
 - » repairs to railway station buildings at Featherston, Johnsonville, Khandallah, Linden, Masterton, Paremata, Petone, Pomare and Upper Hutt
 - » demolition of the Kaiwharawhara bridge
 - » clearing of asbestos at Melling and Taita stations
 - » completion of a concept design for Upper Hutt station
 - » completion of a seismic review of all railway stations
- ▶ Car park developments:
 - » addition of 239 car parks at Porirua Station, including additional lighting and CCTV security cameras
 - » approval to purchase land for park and ride at Tawa and Petone stations, to provide 290 additional car parks
- ▶ Improvements to rail security including:
 - » installation of a region wide rail fibre optic network
 - » commencement of monitoring at the new CCTV rail monitoring centre

- ▶ Received the Public Transport Innovation Award from the Chartered Institute of Logistics and Transport (CILT) for the Matangi train project, in recognition of the outstanding performance of the new trains, and the smart thinking and planning that went into their design and manufacture
- ▶ Received the Implementation and Practice Award from CILT, together with KiwiRail, in recognition of efforts made to improve customer experience.

Bus and ferry operations and asset management

- ▶ Approval from NZ Transport Agency and Council to contract for the de-registered Valley Flyer routes 110 & 120
- ▶ Transfer of bus stop assets to GWRC from Kapiti Coast District, Porirua City and Upper Hutt City Councils
- ▶ Renewal and upgrade of bus stop assets including:
 - » commencement of the upgrade of the Bunny Street bus interchange in Hutt City
 - » installation of 6 new bus shelters and 15 replacement shelters
 - » roll-out of a new anti-graffiti laminate on bus shelter glass panels
- ▶ Disruptions to bus services following roadside safety compliance checks and severe weather events

Total

- ▶ Established policy on privacy of client information within the Total Mobility Electronic System
- ▶ Completed a wheelchair hoist installation
- ▶ Identified fraudulent use of the scheme by taxi drivers. There have been a total of five suspensions and three drivers permanently denied access to the scheme.

Customer services and information

- ▶ Completion of the real time information project with:
 - » introduction of real time information on rail in October 2013
 - » installation of real time information display signs on Wellington's Golden Mile
 - » handover of operational responsibility by the project team
 - » final quarter tracking of bus services over 90% and rail services over 96%

1.1 Executive Summary

Group Overview

Particular highlights for the Public Transport group for the quarter were:

The Regional Public Transport Plan (PT Plan) was adopted in June. The PT Plan sets the blueprint for continuing to improve public transport in the region in the medium to long term and brings together the Wellington Bus Review, Fare Structure Review, Regional Rail Plan, and PTOM unit design into one document. It includes the decision on the future bus fleet for Wellington city.

The decision not to increase fares, as originally proposed in the 2014 fare review, following favourable financial results in the 2013/14 year (increased rail fare revenue and reduced expenditure).

The significant progress made in the development of the Public Transport Operating Model (PTOM). The New Zealand Transport Agency approved the Transport Procurement Strategy and the Rail Procurement Procedure.

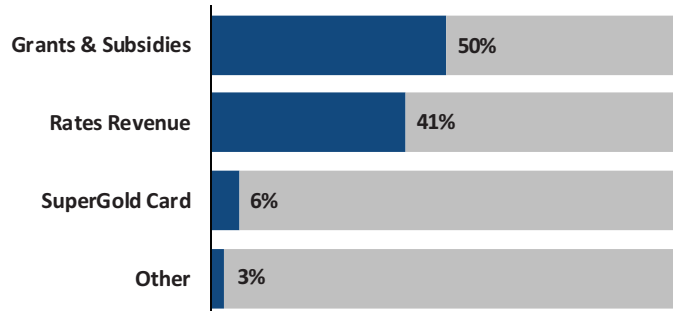
The Real Time Information (RTI) project was completed with the installation of RTI display signs on Wellington's Golden Mile and handover of operational responsibility by the project team.

The infrastructure renewal programme for the year was completed. Rail improvements included the refurbishment of Waterloo Station roof, repairs to a number of station buildings, completion of a concept design for Upper Hutt station, the installation of a region wide rail fibre optic network and commencement of monitoring at the new CCTV rail monitoring centre, and development of additional car parks at Porirua station. Bus improvements included installation of 6 new bus shelters and 15 replacement bus shelters, the roll-out of a new anti-graffiti laminate on bus shelter glass panels, and commencement of the upgrade of the Bunny Street bus interchange in Hutt City.

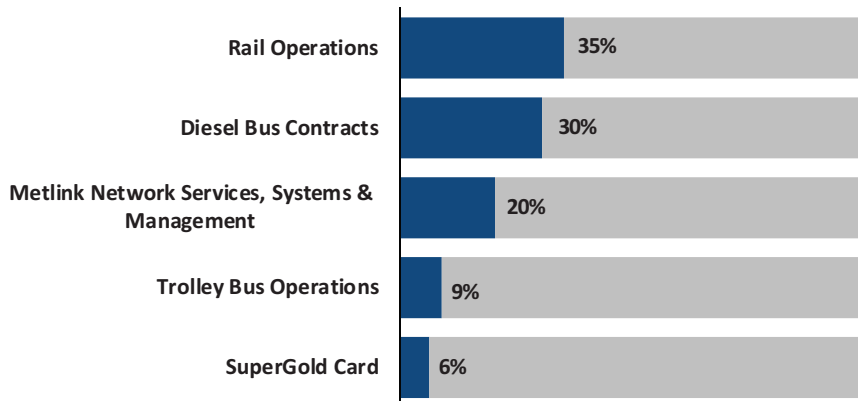
The full year patronage increases of 1.58% in bus and 2.54% in rail. We are hopeful that this trend will continue as the travelling public take advantage of all the improvements made over the last few years.

1.2 Financial management

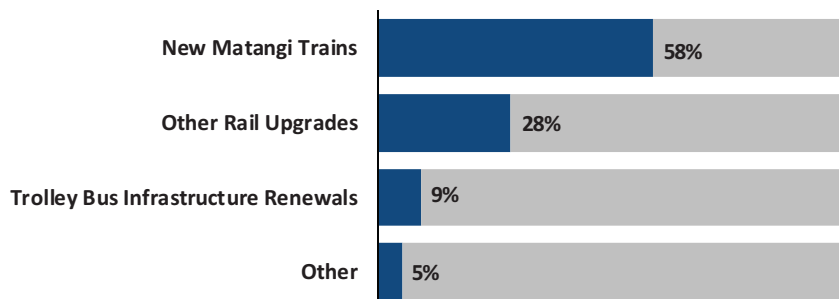
REVENUE FROM OPERATIONS 2013/14 \$98,375,000



EXPENDITURE ON OPERATIONS 2013/14 \$98,270,000



CAPITAL EXPENDITURE & IMPROVEMENT PROJECTS 2013/14 \$32,790,000



1.3 Looking ahead

Public transport network planning

Service reviews

- ▶ Continuing the Hutt Valley Public Transport Review
- ▶ Continuing to work with the Transport Agency and territorial authorities on the One Network Improvement programme, potential roading changes and implications on the public transport network in Johnsonville and the implementation of Bus Rapid Transit
- ▶ Continuing the service reliability improvement programme
- ▶ Refining local services in Churton Park, Khandallah, Broadmeadows, Ngaio and Victoria University in preparation for the new PTOM contracts

Integrated fares and ticketing investigation

- ▶ Continuing to identify business and information requirements needed for the business case, including defining the future business model and processes for the management of fare revenue
- ▶ Undertaking further analysis and revenue modelling of the preferred fare structure agreed by Council in June 2013
- ▶ Working with the Transport Agency and regions to develop the model for use of the national ticketing central system, including definition of the service and support options and costs

PTOM - future contracting of services

- ▶ Continuing to work on the next steps of the public transport operating model leading to selection of a new rail operator to commence in 2016 and new bus operators to commence from 2017
- ▶ Defining draft timetables and fleet requirements for the new PTOM contracts

Rail operations and asset management

Operating rail services

- ▶ Continuing working with KiwiRail to improve on-time performance for the Wairarapa line
- ▶ Developing the use of Real Time Information data to improve on-time performance on all lines
- ▶ Continuing to monitor and adjust noise mitigation measures on the Johnsonville line
- ▶ Negotiating a long term rental agreement for Wellington Station
- ▶ Working with KiwiRail on developing the Network Management Plan as part of the long term access agreement

Rail rolling stock and infrastructure

- ▶ Completing the reconstitution of the Wellington EMU depot
- ▶ Completing Trentham overbridge, Porirua Station roof replacement, Porirua Station car park and CCTV and fibre optic installation for railway stations
- ▶ Reviewing the Asset Management Plan
- ▶ Commencing work on the Upper Hutt Station replacement

Managing land assets

- ▶ Completing the land purchases for Park and Ride at Tawa and Petone and developing the carparks

Bus and ferry operations and asset management

Service refinement and monitoring

- ▶ Planning and implementing service improvements

Infrastructure maintenance and improvements

- ▶ Working with Hutt City Council on their plans for the redevelopment of the Bunny Street interchange as part of their Making Places project
- ▶ Working with Porirua City Council on the renewal of Station Road
- ▶ Continuing to work on the development of Public Transport Infrastructure Guidelines for the Wellington region
- ▶ Implementing infrastructure changes to accommodate the outcomes of the Wellington City Bus Review
- ▶ Completing the Asset Management Plan which will then feed into GWRC's new 30 year Infrastructure Plan and Long Term Plan
- ▶ Continuing to improve bus stop assets through the new maintenance contract and the continued roll out of the new Metlink signage
- ▶ Continuing discussions with Wellington City Council over the future management and maintenance of bus shelters.

Total Mobility

- ▶ Continuing to improve reporting and compliance with the new contracts and client and driver terms and conditions of use of the Total Mobility scheme
- ▶ Continuing to monitor individual driver behaviour and suspend driver access to the scheme where necessary
- ▶ Continuing to work with the Transport Agency and other Regional Councils on nationally consistent policy for Total Mobility
- ▶ Preparing for the upgrade of the Total Mobility electronic management system to Ridewise, expected in August 2014

Customer services and information

Real time information

- ▶ Maintaining and supporting operation of the Real Time Information (RTI) system
- ▶ Developing further processes to monitor and manage RTI system performance
- ▶ Developing reporting and data handling to maximise the utility of RTI and information from other sources (such as ticketing and patronage data), to support operational and planning business uses

Systems improvements

- ▶ Implementing the replacement customer services system and journey planner system, expected within the first half of the 2014/15 financial year
- ▶ Replacing the current customer services feedback system with a fully functional Customer Relationship Management (CRM) solution

Service Centre

- ▶ Continuing to take on additional responsibilities such as Total Mobility calls and social media management (Twitter), in order to improve the level of service to our customers
- ▶ Increasing the level of complaint resolution on initial contact with customers, through improved communication with the transport operators on day to day operational issues

Management

Contingency planning

- ▶ Reviewing and updating the existing contingency plan to incorporate both planned and unplanned service disruptions, considering both minor and major disruptions

1.4 Public transport performance

Services delivered (reported by operator)

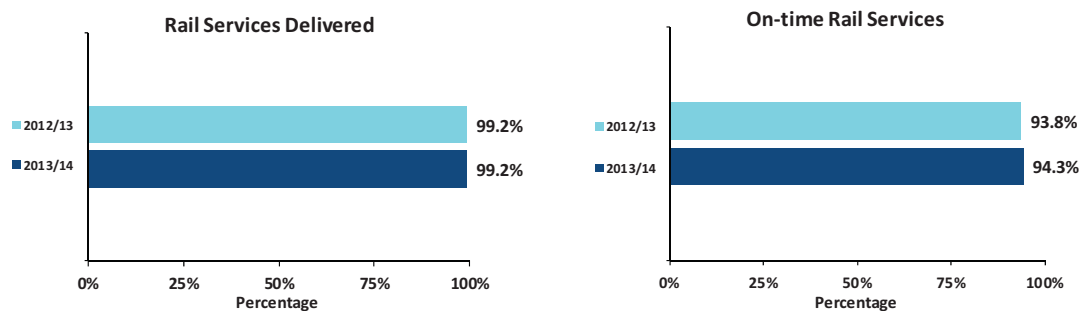
In 2013/14 there were 1,255,000 public transport services delivered (contracted and commercial).

- ▶ 1,137,000 bus services
- ▶ 109,000 rail services
- ▶ 9,000 ferry services

Rail services delivered & punctuality (reported by operator)

Rail services are recorded as 'on-time' when they are within five minutes of the scheduled time at Wellington Station (based on information provided by the operator).

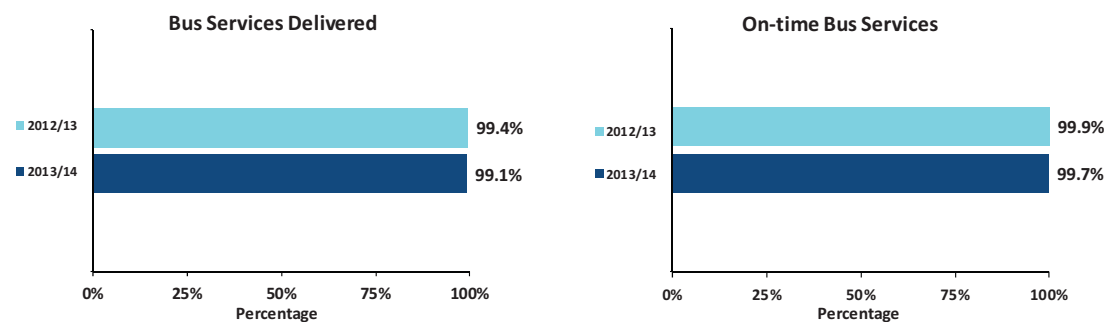
Rail services delivered and on-time rail services were adversely impacted by earthquakes in July and August 2013.



Bus services delivered & punctuality (reported by operator)

Bus services are defined as 'on-time' when they depart the terminus at the scheduled time or up to 10 minutes after (based on information provided by each operator).

On-time bus services were adversely impacted by earthquakes in July and August 2013.



Overall patronage

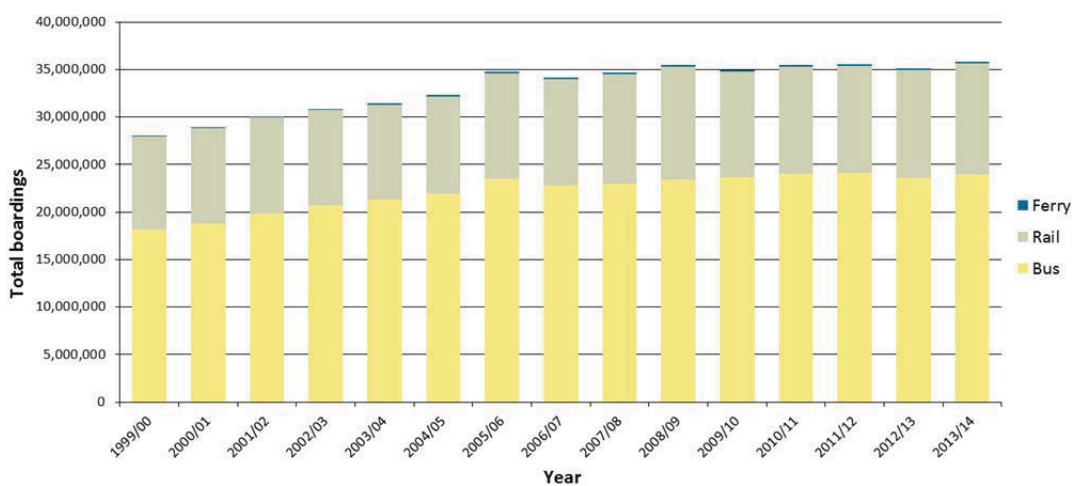
There were a total of 35.8 million passenger trips in 2013/14, a 1.8% increase on 2012/13. Patronage was adversely affected by earthquakes in July and August 2013.

Overall Patronage

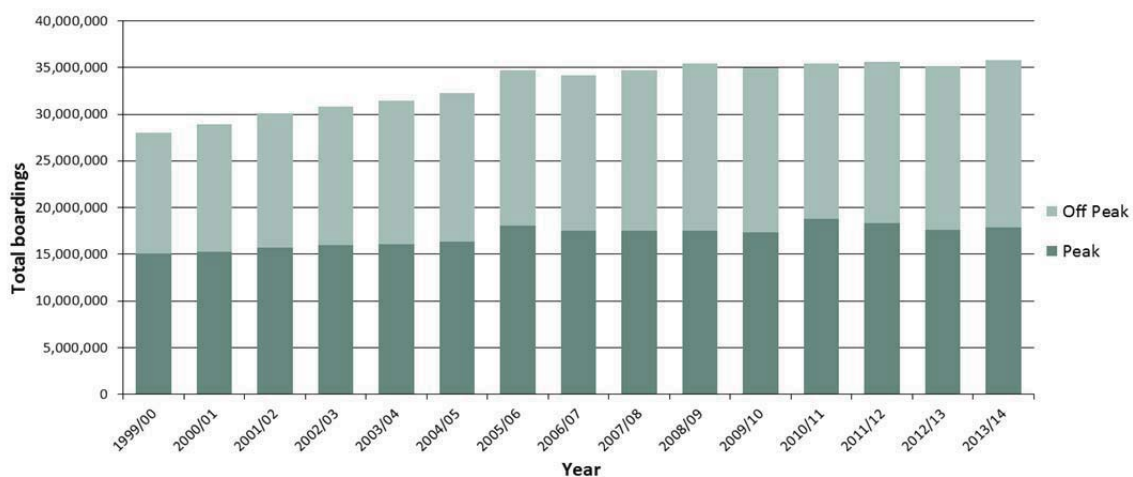
	2012/13	2013/14	Increase / - Decrease	% Change
Bus	23,607,936	23,981,194	373,258	1.6%
Rail	11,355,403	11,643,292	287,889	2.5% *
Ferry	192,549	180,155	-12,394	-6.4%
Total	35,155,888	35,804,641	648,753	1.8%

* In 2014 there has been a slight adjustment to the way rail passenger numbers have been calculated. This has had the effect of reducing rail patronage by 41,000 compared to the previous method.

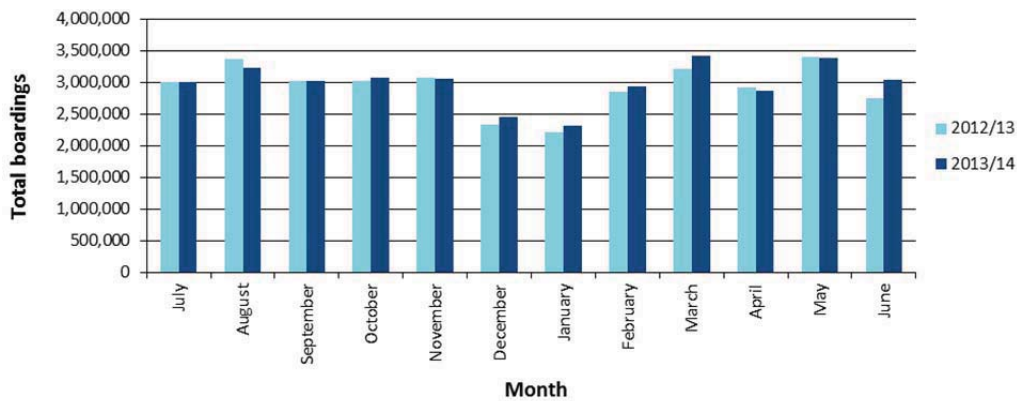
Patronage by year and mode



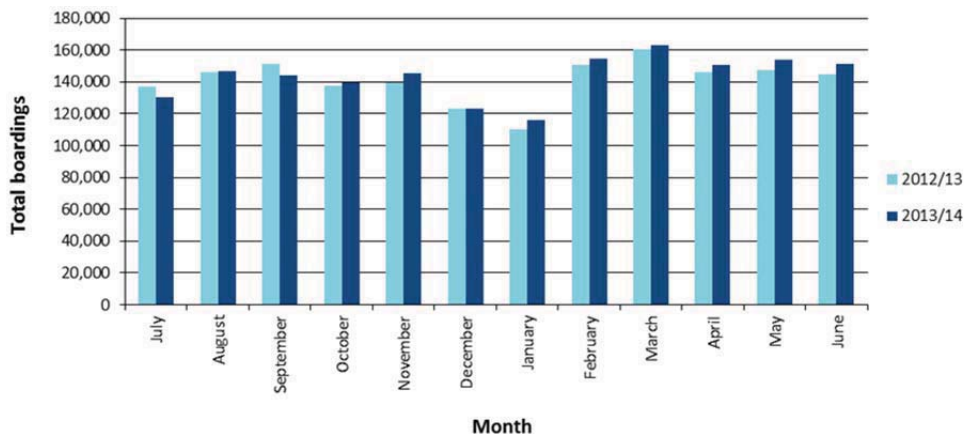
Peak and off-peak patronage



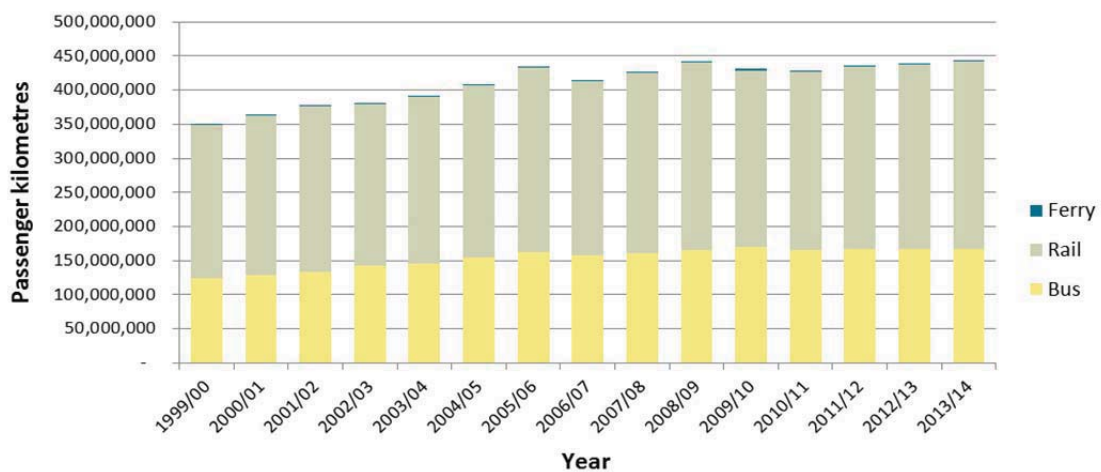
Patronage by month



Patronage per working day



Passenger kilometres by mode

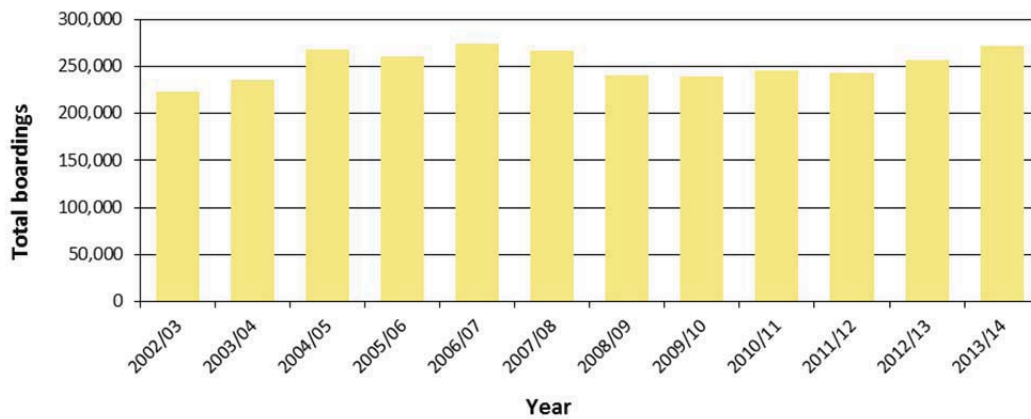


Total Mobility usage

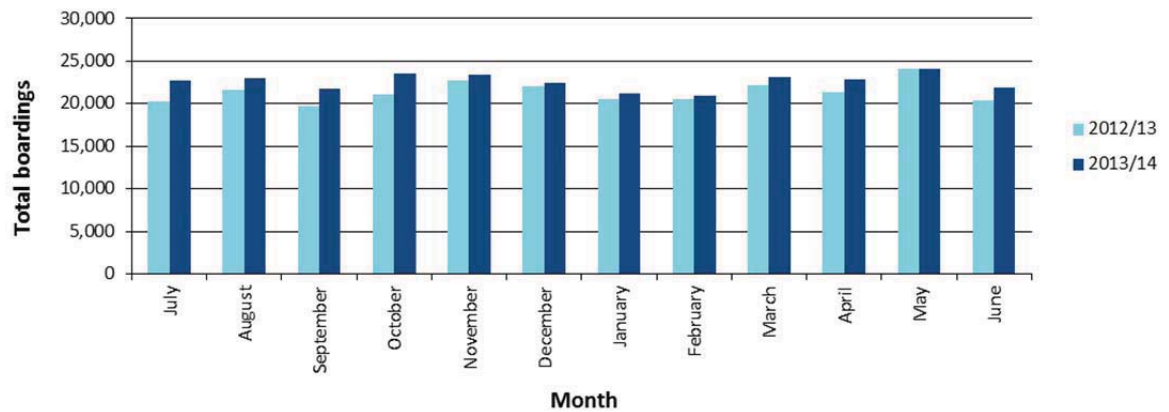
There were 271,016 total mobility trips in 2013/14, an increase of 5.7% on 2012/13.

Total Mobility Patronage		2012/13	2013/14	Increase / -Decrease	% Change
Total Mobility		256,349	271,016	14,667	5.7%

Total Mobility patronage by year



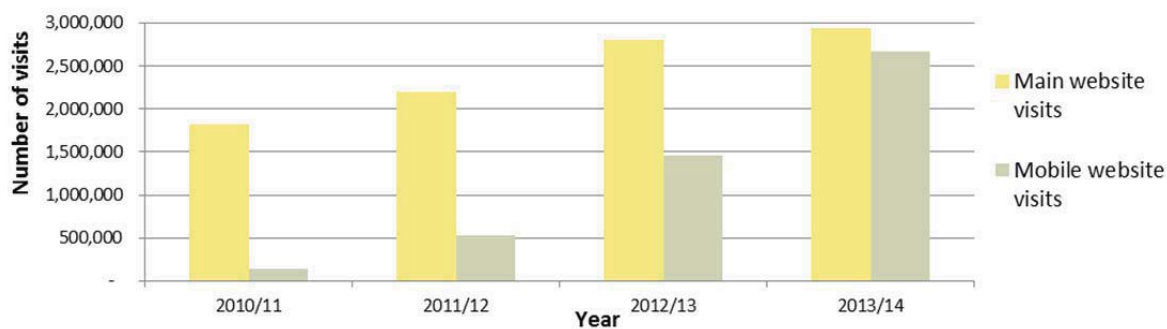
Total Mobility patronage by month



Metlink websites - main and mobile

Visits

Use of the main Metlink website in 2013/14 shows an increase of 5.0% on 2012/13, while use of the mobile website shows a significant increase of 82.9%.

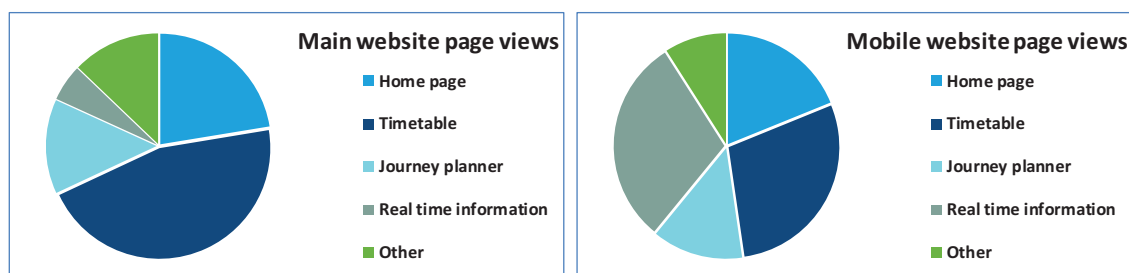


Traffic

	2012/13	2013/14	Increase / -Decrease	% Change
Main website traffic				
Total visits	2,799,591	2,940,886	141,295	5.0%
Page views	8,598,642	9,844,784	1,246,142	14.5%
Mobile website traffic				
Total visits	1,458,327	2,666,938	1,208,611	82.9%
Page views	5,791,380	10,215,012	4,423,632	76.4%

Page views

On the main website 46% of page views were timetables. On the mobile website 30% of page views were real time information and 29% timetables.

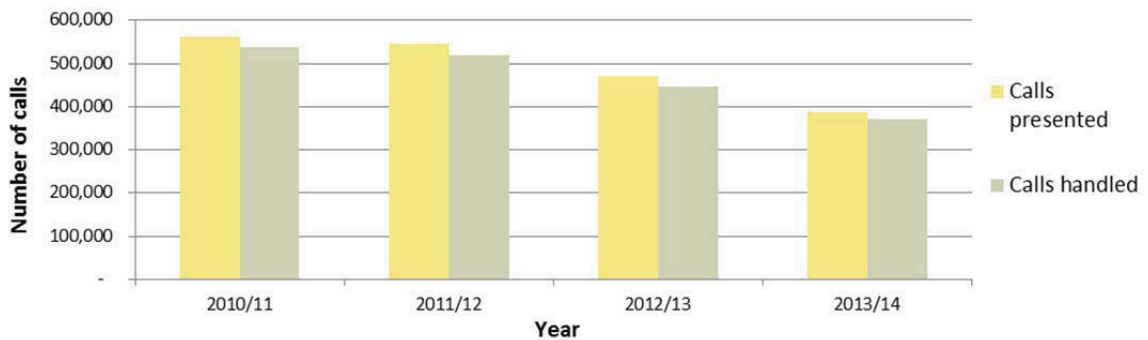


Metlink Service Centre call handling

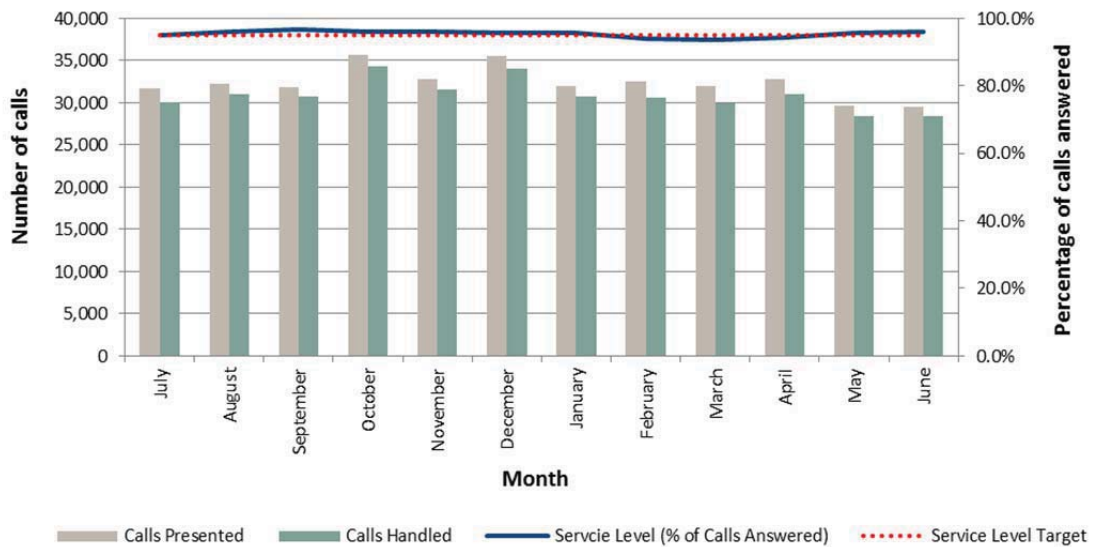
Overall call statistics

	2012/13	2013/14	Increase / -Decrease	% Change
Total calls presented	469,998	388,487	-81,511	-17.3%
Total calls handled	446,988	370,659	-76,329	-17.1%
Service level (% of Calls Answered)	95.1%	95.4%	0.3%	0.3%
Average call duration		55 Seconds		
Average call waiting time		9 Seconds		

Calls by year



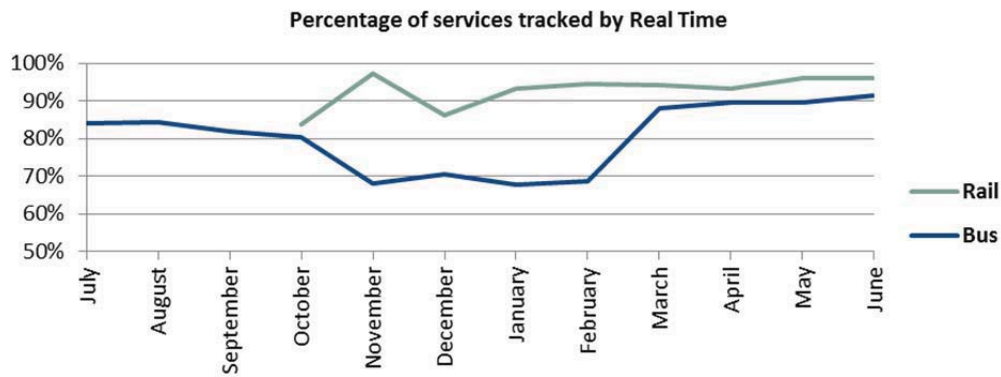
Calls by month



Real Time Information - services tracked

In 2013/14 80% of bus services were tracked by the Real Time Information system. Tracking of bus services from November to February reflected performance problems due to a technical fault, which has now been resolved.

From October onwards, 93% of rail services were tracked by the Real Time Information system. Tracking of rail services is adversely affected when buses replace trains for scheduled line closures.



2 DETAILED REPORT BY ACTIVITY

2.1 Metlink public transport network planning

Service planning and reviews

Hutt Valley Public Transport Review

The Hutt Valley Public Transport Review detailed project planning and data collection commenced in March, with on-board customer surveys occurring in April. An update report on the review was submitted to the June meeting of the Strategy and Policy Committee. A presentation on the review was given to UHCC at the end of June, with one planned for HCC in August.

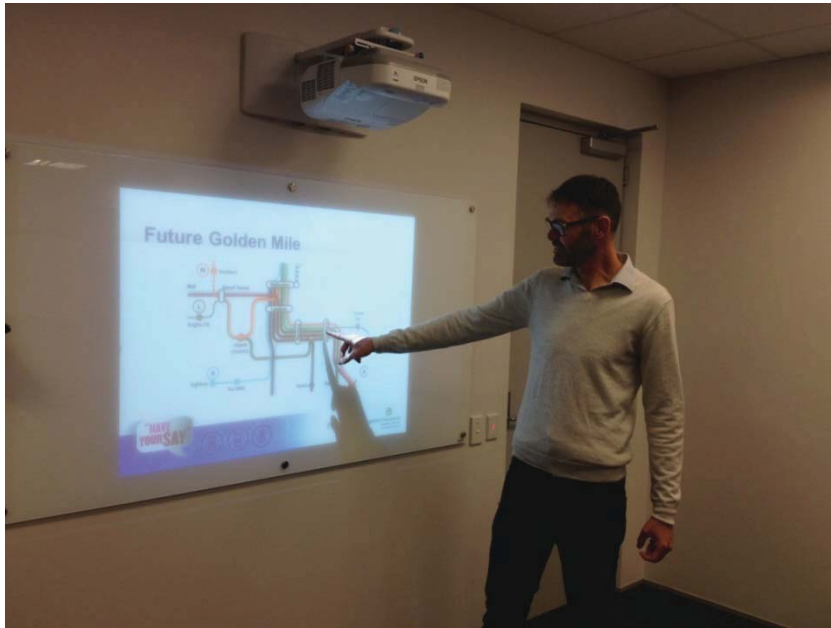
The review is focused on fine-tuning current services at an operational level. It is cost neutral based on current and future budgets, so that any additional investment in new services will be funded by the reduction or termination of poorly used services.

The project is running to timeline and at time of writing this report milestone 3 (data analysis report) has just been completed.

Wellington City bus network

Additional public meetings were held with resident associations and community groups which had been involved in the Wellington City Bus Review process. The purpose of these meetings was to explain the draft PT Plan in greater detail and how the network had evolved from the previous discussions with the groups. Detailed route and frequency information was also provided on GWRC's website to assist in the draft PT Plan consultation.

A public meeting was held in Khandallah at the end of June to discuss the potential for changes to local services in the area, for inclusion in the new PTOM contracts. The meeting was well attended by over 100 residents and further workshops will be held with representatives from the community at the end of July and in early August.



Christmas 2014 services

An improved Christmas and New Year timetable schedule for 2014/15 has been agreed with public transport operators. A Saturday or Sunday schedule will run on the respective days, with additional services to meet demand where required. This will improve legibility for customers and connectivity between services, and creates a more streamlined implementation process.

There is also potential to market these services in a different manner, with more emphasis on web based information rather than costly printing of hard copy timetables.

Regional Public Transport Plan

The PT Plan was adopted on June 26.

- ▶ Public consultation was undertaken, including a public information campaign with media releases, radio and press advertisements, and information published online and on posters on board trains and buses
- ▶ The consultation was also communicated by social media and by hand-outs of the summary document at railway stations and at bus stops on the Golden Mile. Public and stakeholder meetings were held around the region
- ▶ 624 submissions were received, 80 submitters spoke to the Hearing Committee, and a survey of 580 residents was also undertaken.

Investigation of integrated fares and ticketing

The project steering group and working groups involving the Transport Agency continue to meet regularly. The investigation phase plan will define the most effective and efficient way to deliver an integrated fares and ticketing solution for the Wellington region, that meets regional and national public transport objectives. It will also identify critical success factors to enable the project to be delivered successfully, as well as risk considerations.

Specific work packages include financial analysis of the preferred fare structure and pre-market testing with potential users of the proposed off peak fare discount; development of a fare transition plan; analysis of operational service and support options and models; strategies for customer and media engagement; a technology options assessment; and development of a plan for addressing dependencies on other projects (including PTOM contracts and Wellington bus network redesign). Specialist advice is required for several of these areas.

The investigation will also involve working closely with the Transport Agency and regions to develop the model for use of the national ticketing central system procured by the Agency, including definition of the associated service and support options and costs. This is a new area of work being led by the Transport Agency and will also involve refreshing the national ticketing standards defined by the Agency at the time of the Auckland implementation.

Detailed lessons and experience have been provided from the project team that managed implementation of the Auckland 'HOP' ticketing scheme. This and ticketing schemes elsewhere are invaluable information sources and will be utilised extensively.

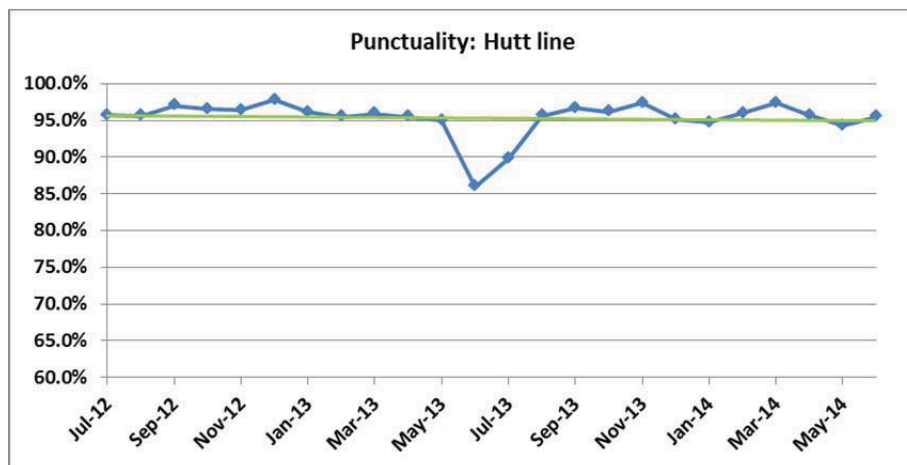
2.2 Rail operations and asset management

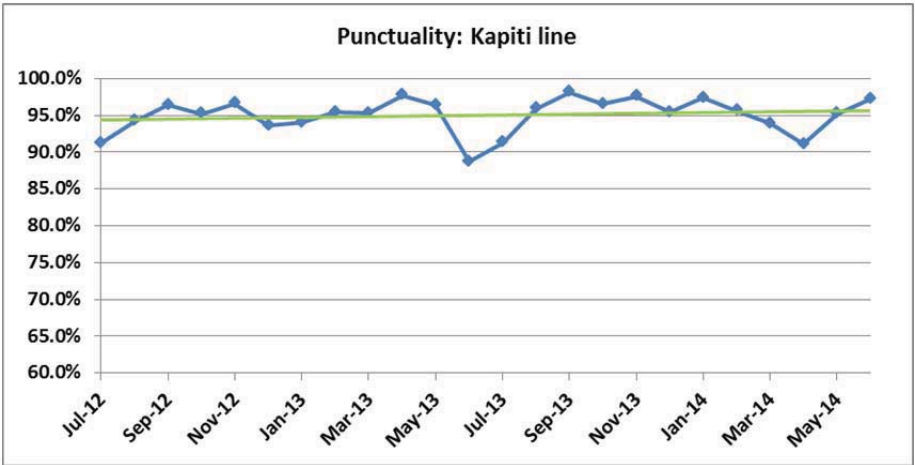
Rail services

Service performance

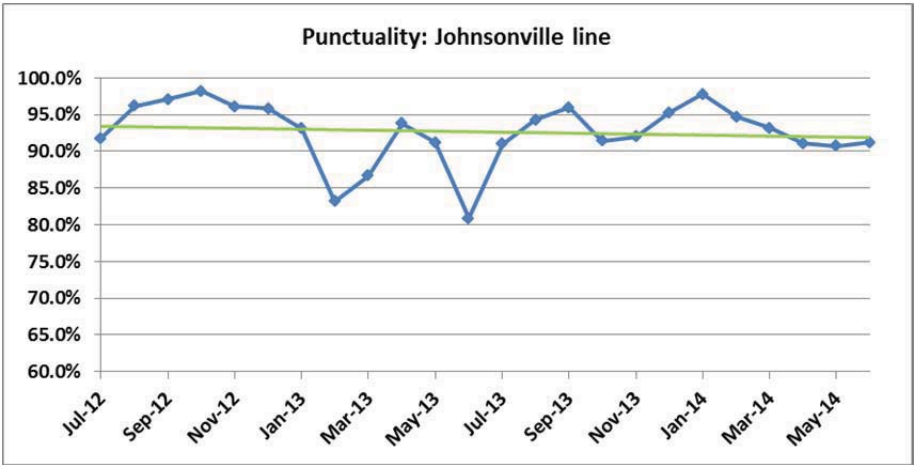
Overall metro service punctuality performance (measured as the percentage of services on-time to 5 minutes) continues to be strong on electrified services, with consistently higher levels of on-time performance especially on the Hutt and Kapiti Lines.

Decreased punctuality in June and July 2013 can be attributed to storm damage between Ngauranga and Petone. The service delays on the Hutt line also had a flow on effect on the other lines.

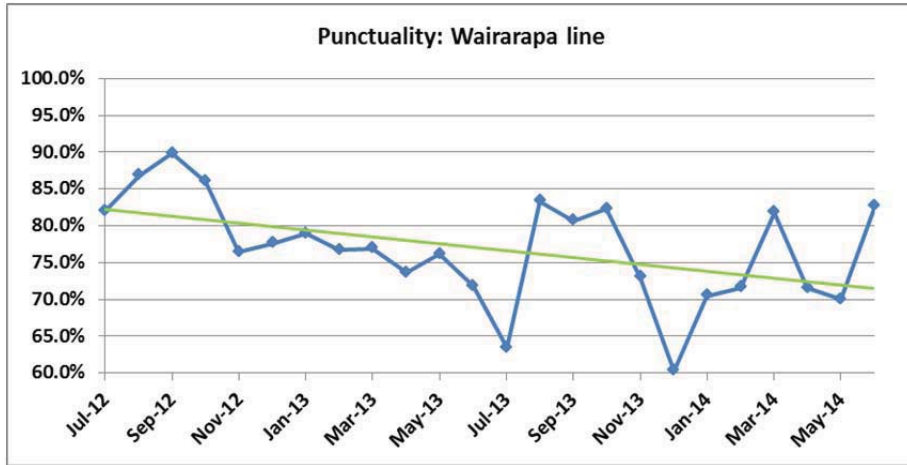




The Johnsonville Line has been affected by slippery track conditions due to rain and the application of friction modifier (discussed below).

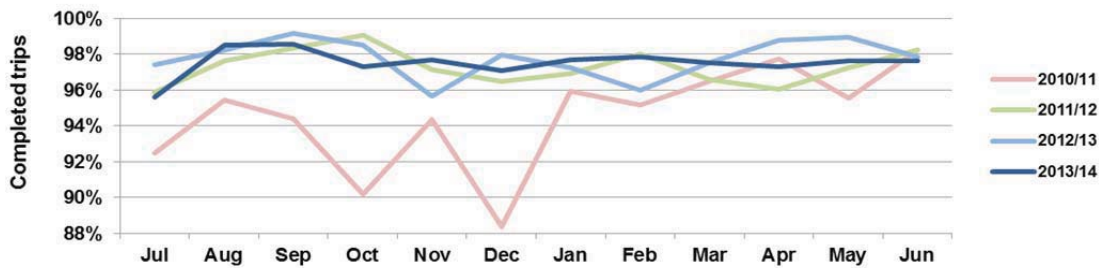


Wairarapa services were affected by maintenance worksites and speed restrictions due to overheating of the rails, with trains required to slow down in sections. Changes have been made on the Wairarapa line to bring about small improvements in on time performance, with June showing a 16% improvement. Work is being done analysing the real time data to see what further changes can be made to continue these improvements. Fixing this is one of the key priorities over the next twelve months.

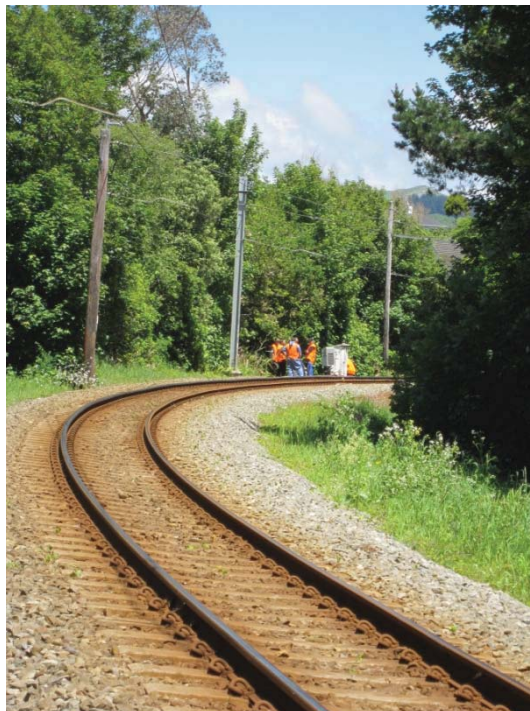


Network performance

Performance of the network is monitored, with a monthly performance incentive calculated based on the completed trips KPI.



Track train interface noise on the Johnsonville Line



Efforts continue to reduce the noise on the Johnsonville line, with improving results. The three friction modification applicators have been concentrated around the Simla Crescent area and the friction modification product is spreading along the line. The result is that noise levels have abated in the dry, but return after rain or heavy dew. Recent Interfleet investigations have confirmed we are heading in the right direction regarding managing the friction levels on the track and installing noise absorbers on the train wheels.

Rail network infrastructure performance and renewal



The 'catch-up' renewals programme continues with the Redwood (Hatricks) – Muri traction renewals. A major milestone was reached in May when 5,511 metres of wire was added around Pukerua Bay, and the major renewal of Petone and Porirua signalling installations. The planned track renewals were completed on the Johnsonville Line.

Blocks of line

All lines have been impacted this quarter with blocks of lines while works are undertaken:

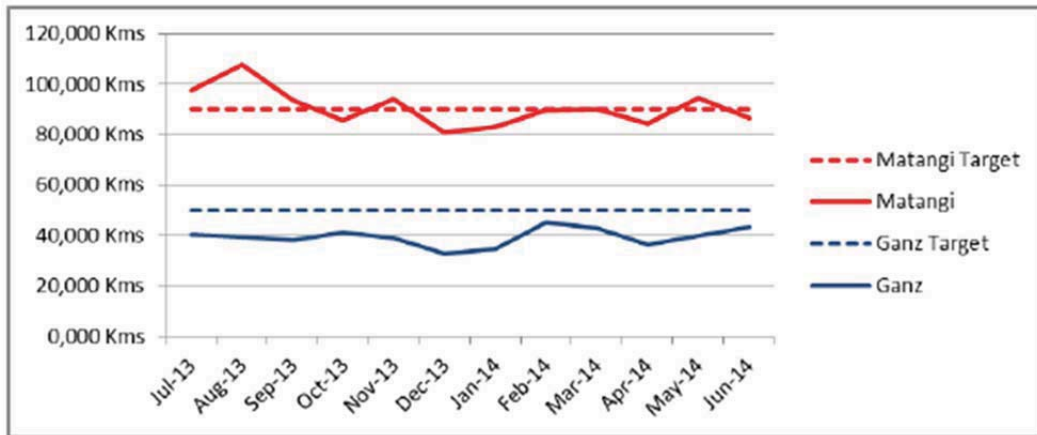
- ▶ Kapiti - the major upgrade of the traction system continued during night works and the upgrade of Porirua signals was completed
- ▶ Hutt Valley and Wairarapa Lines - Petone signalling was completed and commissioned.

EMU fleet utilisation

EMU utilisation over the past 12 month period has tracked fairly closely to the target, indicating that the Matangi and Ganz fleets have been correctly tasked to optimise effectiveness and efficiency of planned maintenance schedules.

The following graph represents the EMU fleet utilisation.

Rolling stock utilisation



Fleet reliability

The Matangi fleet has generally met and exceeded the set reliability targets for the year, with a definite upwards trend over the previous year. The decline in May is mainly due to the current door modification programme; this was expected as door systems worldwide are notorious for requiring a 'bedding in' period. Once this modification programme is complete door reliability should be at the highest level since the introduction of the Matangi fleet.



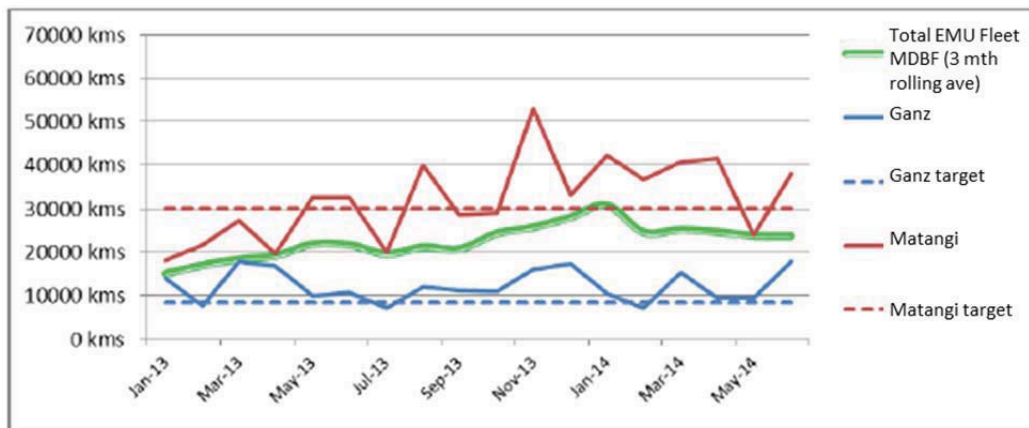
Rotem staff modifying the door system

The Ganz fleet has performed well over the last 12 months, rarely below the set target levels.

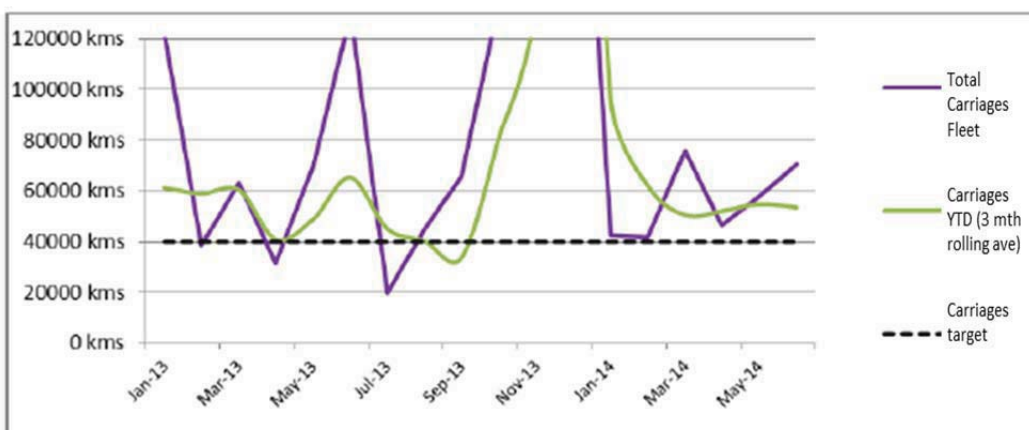
The carriage fleet has continued to meet reliability targets over the last year. Because of the relatively low number of services run to the Wairarapa it takes very few in service delays to have a large effect on the mean distance between failure (MDBF) figures.

The following graphs show mean distance between failure (MDBF) for the EMU and Carriage fleets.

EMU fleet MDBF



Carriage fleet MDBF



Rail rolling stock and infrastructure

Asset management planning

Twenty year maintenance and renewals programmes have been developed and will be refined further, to assist with development of the next Long Term Plan (LTP). Condition assessments have been completed for updating the AMP. The significant update of the 2014/15 AMP is in the final drafting stages.

Matangi 1 retrofit

The upgrades to the Matangi 1 trains are scheduled to be undertaken over 14 months in three phases; software, hardware and auto-coupler. These phases are to be completed in seven stages:

- ▶ Stage 1 - first unit software development, upload, testing and reports – completed in June

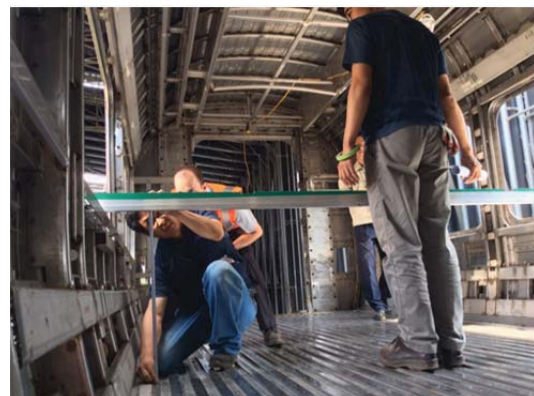
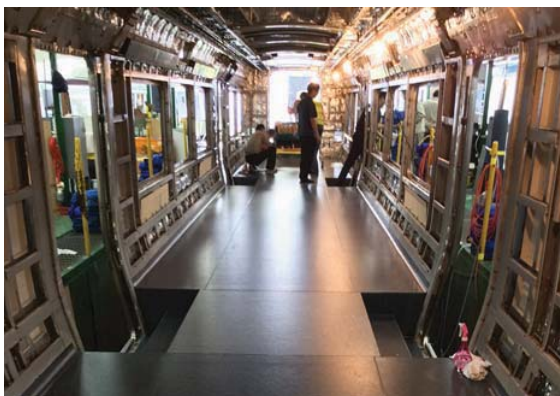
- ▶ Stage 2 - upload of software – commenced July
- ▶ Stage 3 - first unit hardware installation and testing – commenced June 2014, unit now back in service with test documentation to be closed out
- ▶ Stage 4 - first unit hardware materials delivered for installation. Implementation currently planned to commence 18th August
- ▶ Stages 5-7 are yet to commence.

Matangi 2 Manufacturing



Car bodies are currently being manufactured at a rate of about one car per week. Outfitting started in June, including thermal insulation, flooring and air ducting. Auditing of overseas sub-suppliers also commenced in June.

The project remains on track for first car delivery in mid-2015.



Asset investment priority framework

The second year of the five year infrastructure investment plan (minor improvements and like for like replacement renewals) is now complete. The priorities were the Waterloo station roof, Porirua station roof and the expanded park and ride facilities at Porirua.

Waterloo station roof repairs

Work on the Waterloo station roof main structure was completed in June, with the refurbishment of the 21 main support columns and 80% of the inner roof space being treated to repair corroded steel, replace internal gutter systems and exterior light panels. Originally only 60% was to be treated, but an extra 20% was able to be done because of re-budgeting and savings on the entire project. The work completed is now expected to extend the residual life of the roof by a further 15 years.



Porirua station roof replacement

The Porirua station roof has now been fully replaced after continuous leaks over a number of years. Over 390 square metres of roof has been removed, with a new pitched framework and roof cover installed to disperse rain fall to the internal gutters.



Pedestrian bridge repairs

A number of bridges underwent either safety critical work or refurbishment this year:

- ▶ Kaiwharawhara bridge was removed due to safety concerns, resulting in the closure of the station. Two sets of stairs were salvaged, being a later addition (2005), and were reused at Trentham station.



- ▶ Linden bridge underwent a full restoration programme which included structural steel work renewal, total replacement of all balustrades, handrails and footpath surfaces. The bridge remained open for public use throughout the entire upgrade.



- ▶ Trentham bridge underwent a major overhaul which included the use of two sets of stairs recently removed from Kaiwharawhara. Part way through the upgrade it was necessary to remove the bridge span as additional corrosion was discovered. During treatment of the bridge span it was accidentally dropped by the sub-contractor, resulting in the bridge breaking in several parts at one end. In addition to this several stress fractures were discovered on inspection by engineers. The bridge was not able to be completed on its due

date of the 7 July 2014 and is now subject to further design and construction processes.



- ▶ Ava footbridge received local repairs to the stairs and treads.
- ▶ Takapu Road south stairs were repaired by replacing a broken concrete plinth and stair nosings.
- ▶ Naenae subway steps on both north and south sides of the subway have been renewed due to failing concrete and stair treads.

Porirua station car park

Development of the land to the south of the current car park has taken shape over the last 16 weeks, in order to introduce a further 239 parking spaces. The project included new street lighting to the car park and additional lighting to the underside of the Mungavin bridge and CCTV security cameras. Due to the project starting late in the year a small section of ground is unable to be sealed due to weather conditions, however this does not affect the number of parks. The seal will be completed in either September or October this year.



CCTV and fibre installation

Work has now been completed on the installation of fibre optic connection at 22 locations throughout the Wellington Rail Network, to improve the connectivity and speed of the CCTV systems being operated. Each camera system now operates via a fibre optic link on the FX network which allows instant images and faster download capabilities. In addition to linking all of the CCTV sites to the fibre, all cameras are now able to be viewed from the new Rail Monitoring Centre at Johnsonville.

Rail Monitoring Centre

On 3rd June Greater Wellington Regional Council introduced a dedicated CCTV monitoring centre (Rail Monitoring Centre) located at Johnsonville. The RMC is manned between the hours of 8pm and 5am, seven days a week, with the aim of reducing crime and graffiti, and to provide a level of safety for evening travellers on and around the rail network. The RMC is located in a purpose built building formally occupied by NZTA traffic control and now dedicated to rail monitoring by agreement with NZTA.



New CCTV installations

To protect against vandalism and improve passenger safety, four new CCTV sites were introduced this year:

- ▶ Woburn Station - six new cameras
- ▶ Pomare Station - four new cameras
- ▶ Linden Station - six new cameras
- ▶ Porirua Station - 16 new cameras in the new parking area at the south end, and seven cameras at the north end of the car park.

Security for stabling yards has also been increased by the introduction of an intrepid fence alarm. If the fence is disturbed, cut or climbed, then it will activate an alarm in the Rail Monitoring Centre, showing the surveillance operator the zone and camera that is available to monitor. Stabling yards have had a high degree of break-ins and damage to Matangi trains.

Since the introduction of the fence, a group of three individuals were captured and arrested by Police.

Improved platform lighting

Platform lighting has been upgraded on three stations: Linden, Trentham and Kenepuru. Almost all stations on the rail network have had new light fittings to meet current standards and provide sufficient lighting to operate safe platforms.

Improved station signage

The 'new signage' package introduced last year now includes three more stations: Ava, Linden and Silverstream. The package includes totem signs that are aimed at providing directional information, timetable information and a network area map.



Building repairs and painting

Several buildings have been given a face lift this year including Featherston, Petone, Pomare, Linden and Paremata. Each of the buildings required significant repairs before painting and bringing up to an acceptable standard.

Some new artwork has been introduced to both Paremata and Khandallah stations in an attempt to curb the graffiti and vandalism attacks on these stations.



Both Masterton and Upper Hutt required extensive electrical works in order to remain open and compliant with the current electrical code.

Johnsonville station kiosk was given a light facelift to improve the interior environment following the external wall repairs and the seismic assessment being passed. The kiosk could soon provide an outlet as a café for morning peak travellers.

A new secure storage unit for 12 cycles has been introduced at Porirua station. A disused bus shelter in the main Porirua car park has been converted so that cycles can be wall mounted and secured individually, with a purpose built entrance and lockable gate.



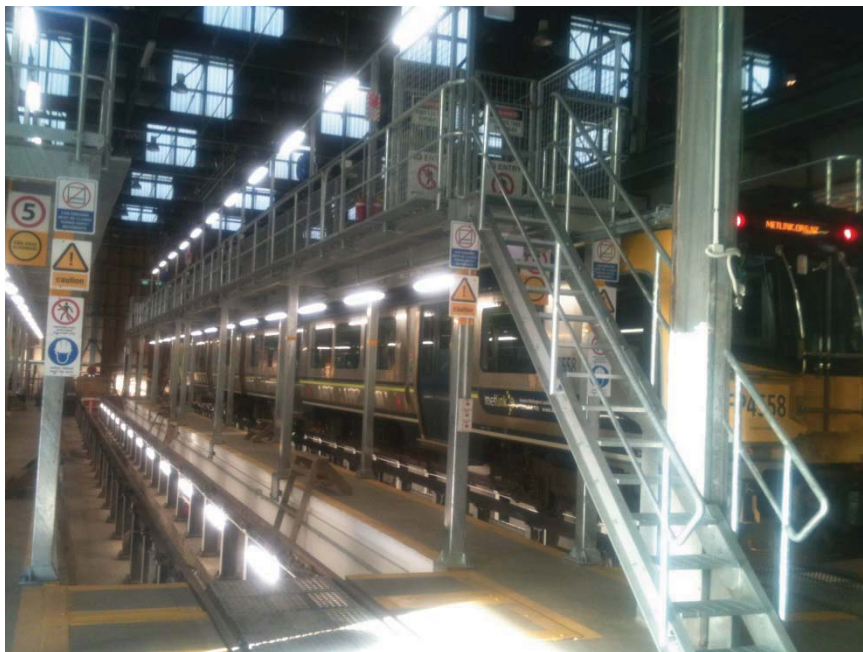
Asbestos and seismic evaluation

A comprehensive study was carried out to identify any station buildings where asbestos was present and in which form, friable or non-friable. In most cases the asbestos identified presented no immediate danger for those sites where the materials were broken or breaking down. Each site was dealt with quickly by qualified asbestos removal agents and to an agreed set of procedures and action plan. An asbestos register is now in place and each location is identified with appropriate signage.

Greater Wellington Regional Council engaged engineers to undertake seismic assessments of 57 station buildings throughout the Wellington rail network. Assessments were completed under the guidelines of the New Zealand Society for Earthquake Engineering. Of the 57 buildings only one, Taita Station, was found to be below the required %NBS (New Build Standard). Further detailed testing was recommended for this station.

EMU depot reconstitution

The EMU depot demolition and reconstitution, which began in late December 2013, is now due for completion in late August 2014. This is later than originally planned because of major complications due to unforeseen issues with the original 1940's building. The depot is now fully operational internally, utilising all maintenance roads on a daily basis and easing space constraints that were imposed during the early stages of the project. In addition to the original scope of works, further upgrades were made to both the 1970's and 2010 depot buildings to improve the working environment and bring them in line with what is required of a modern railway maintenance facility.



Upgraded 1970's section with new high-level train access and improved lighting



New south wall footing preparation



Original 1940's depot area

Pomare bridge



In December the southbound bridge at Pomare was overhauled, with tracks and sleepers being replaced and speed restrictions lifted.

Bridge 65 Wairarapa line



During the train free block of line from 26th to 29th December 2013 the old bridge was demolished and the new span rolled across onto the new piers that had previously been built under the old bridge.

2.3 Bus and ferry operations and asset management

Bus services

Bus service reliability

Trolley bus routes remain affected from time to time by a shortage of trolley buses due to mechanical and electrical issues, meaning that there have been a number of missed trips some mornings which has then had an effect on the capacity of other services.

Officers continued to ensure that customers were provided with as much notice of disruptions as possible, through the Metlink website, Twitter and RTI. Processes introduced last year for direct messaging of information by bus operators to the Metlink Service Centre, as well as showing any cancellations in RTI, continue to be generally successful.

Bus services this year continue to suffer the effects of increased traffic congestion in Wellington City.

Timetable reviews are affected by this, and routes not previously on the radar as problematic are now being highlighted. In particular, northern suburbs routes are the cause of increased complaints. These timetables are in the process of being reviewed using RTI.

Work continues on comparing December 2013 travel time data with current data, so that we can approach Wellington City Council with our findings and seek improvement.

Changes effective 18 May 2014 appear to have improved the reliability of a number of timetables, based on initial RTI analysis. These changes made were to:

- ▶ Routes 4, 22 & 23, which included the establishment of a new bus terminus on Medway Street in Island Bay, including new bus stop signage



- ▶ Island Bay routes 1 and 32, with changes designed to improve the flow of services through Island Bay and to address capacity issues along Adelaide Road
- ▶ Eastbourne routes 81, 83, 84 and 85, with revised running times and increased service between Eastbourne and central Lower Hutt at weekends
- ▶ Improved bus signage and bus operation at the Bunny Street Interchange has been implemented, to improve service legibility for customers.

Initial data analysis of these changes shows improvements to all but one at the final destination bus stops (note that RTI measures on-time arrival as being between 59 seconds early and 5 minutes 59 seconds late). Some of the timetables may need further fine tuning to enable further improved reliability.

Route	% On-time before timetable change	% On-time after timetable change	% Improvement
4 Happy Valley	22	23	1
13 Mairangi	47	61	14
22 Southgate	41	48	7
23 Houghton Bay	38	58	20
32 Houghton Bay Express	63	56	-7
81 Eastbourne	40	44	3
83 Eastbourne via Lower Hutt	42	58	15
84 Gracefield	16	51	35
85 Eastbourne Express	26	52	26

Route 1 has not been included as data available for the final stop is inconsistent because of no suitable stopping place for the bus at the end of this route. The matter of a more appropriate terminus area in Island Bay is currently being discussed with WCC.

Timetable changes were also made in May to improve the reliability of school bus services from Karori to Wellington College, which had been arriving late due to increased traffic congestion.

Hataitai bus tunnel

Wellington City Council (WCC) intends to undertake seismic strengthening works on portals of the Hataitai bus tunnel in September/October 2014. GWRC officers and NZ Bus will be working closely with WCC in planning the project, however any closure of the bus tunnel will have a large impact on services from the southern suburbs, particularly services in Mount Victoria and Hataitai.

Event planning

Major events this quarter included the stop-work meeting and the April 2014 Royal Tour. This event required a number of bus route diversions, and a considerable amount of time was spent in planning and providing information to customers.

Both Victoria University and Massey University held graduation parades in the CBD, meaning that a number of trips were missed in order to avoid a domino effect of scheduled timetabled services, departing immediately after the parades had finished, being late.

Accessibility of bus services

A review of policy continues for carrying prams on buses. As part of the review, officers have sought input from representative groups and customers, who have had cause to complain to Metlink, bus operators, WCC Councillor Iona Pannet and GWRC Councillor Sue Kedgley.

The intention is to have a clear and reasonable policy, with obligations of bus operators and customers clearly explained. Matters being considered include (but are not limited to) the customers' expectation of good customer service, health and safety, storage of prams, and the

size/suitability of some prams for carriage on buses.

Feedback from all interested parties has been sought and considered, and the draft policy has been re-presented to bus operators. It is expected that the completed policy will be reported on in the next quarter.

Bus infrastructure

Asset management plan

Maintenance and renewals programmes are being developed and will be refined further, to assist with development of the next Long Term Plan (LTP). Condition assessments are nearing completion which will be included in the update of the AMP.

Work is also nearing completion on the development of bus stop categories, to help define GWRC's level of service across the region. This will enable GWRC to highlight any gaps and to provide for the development of assets and budget needs for the future.

GWRC officers continue to work with the Transport Agency on the development of national public transport infrastructure guidelines, and a submission on draft Interim Guidelines will be submitted in early July. Complementing this, work is progressing on detailed design guidelines and procedures for the Wellington region's bus stop assets.

Metlink bus shelters

Positive discussions are being held with WCC regarding the transfer of the maintenance and repairs of bus shelters in Wellington City to GWRC. It is hoped that this transfer will occur in September 2014 and will mean all bus stop assets across the region are managed and maintained under one contract, enabling consistent levels of service.

The bus shelter installation programme for this financial year is complete, with 21 new shelters installed across the region, as listed below:

Bus stop renewals - 2013/14		Bus stop developments - 2013/14	
Existing shelter replaced with upgraded shelter		New shelter installed where no shelter had existed	
Location	Number renewed	Location	Number developed
Lower Hutt	2	Kapiti	1
Porirua	3	Lower Hutt	3
Upper Hutt	1	Porirua	1
Wellington	9	Upper Hutt	1
Total	15	Total	6

Three of the bus shelters that were replaced had been destroyed by cars: in Upper Hutt, Porirua and Wainuiomata. We have never had this many destroyed in one year before, and as a result we are looking to increase the number of shelters held in stock from two to five, to enable us to reinstall shelters in a timely manner.

The Raiha Street shelter (pictured below) had only been installed for one week when it was destroyed by a car leaving the road.



Examples of shelters replaced this year:

- Stop 5428 Wellington: Homebush Road, old wooden shelter, full of dry rot.



Before



After

- Stop 9360 Lower Hutt: Stokes Valley entrance, Stop C, old wooden style shelter.



Before



After

- Stop 7070 Wellington: Karaka Bay Road at Pretoria Park, old wooden style shelter.



Before



After

- Stop 4119 Wellington: Grosvenor Terrace at Barnard Street, old wooden style shelter.



Before



After

During the 2013/14 year, 34 concrete standing pads were installed at bus stops in Kapiti, with nine more in progress. Three standing pads were also in progress in Porirua, with nine more yet to be started. Work was been delayed due to the weather, and is now due for completion in the first quarter of 2014/15.

Metlink signage

A significant project, to install 17 new style static information Metlink totems along the Golden Mile, was completed 1 June. This project has improved the information provided at the bus stops and has also made a greater connectivity between the Metlink brand, bus services and real time displays. The totems are the first to include bilingual elements, with the use of Bus Stop/Tūnga Pahi.



With the introduction of the new maintenance contract we have undertaken a significant amount of deferred repair work on shelters. We have also continued to try to reduce the amount of glass scratching and subsequent glass replacement with the development and installation of a new style anti-graffiti plastic film.

The following table lists the number of maintenance activities that have been undertaken by our contractor throughout the year.

Maintenance activity	Number completed
Signage	
Attach RP5 Bus Stop	581
Attach Metlink sign	533
Replace band/bracket	396
Install timetable holder	268
Insert new 60mm pole	162
Shelter maintenance	
Supply of glass panel	141
Supply of solid panels	40
Painting of shelter	1,373
Remove old shelters	19
Shelter cleaning	
Cleaning of stops	1,963
Remove graffiti/stickers	985

Bunny Street upgrade

HCC, GWRC and Westfield shopping mall have worked collaboratively to commence the Bunny Street interim upgrade project. The main aim of the project was to reduce disorderly behaviour in the area and improve safety for bus customers. In order to resolve these issues we have focused on making improvements using the CPTED principals, crime prevention through design. Increased lighting, removal of shelters, improvements to signage and efforts to beautify the area with murals are being undertaken.



Before



After

The removal of the old shelters has improved natural lighting along the bus stop and created more space for waiting passengers, it has also enabled a clear line of site for CCTV cameras that are located at either ends of Bunny Street.



New lighting has made a huge improvement as shown in the above pictures; this is an important aspect of the CPTED principals.

Already improvements have made a positive impact. Additional seating for customers is expected to be installed in July. Work is continuing with HCC on the long term design of the bus interchange facilities, as part of their Making Places project.

Trolley bus overhead network

Work on the trolley bus overhead network was undertaken as a part of Wellington Cable Car Ltd's (WCCL) asset management plan. Work undertaken in 2013/14 included:

- ▶ Karori (stage 3) overhead wire renewal project commenced
- ▶ Elizabeth/Pirie Street overhead wire renewal
- ▶ Hi-Ab truck replaced
- ▶ The prototype TBOP additional safety system was successfully trialed. A business case will be presented to GWRC in 2014/15 for the rollout of the system
- ▶ Ongoing pole replacement and unplanned maintenance

During the year WCCL negotiated an extension of their contract with Transfield Services, for maintenance of the overhead network, until 30 June 2017.



Pole replacement work on a heritage building in Riddiford Street



Special works in Kilbirnie bus barn, with polymer insulators



Special works at the junction of Courtenay Place and Cambridge Terrace

2.4 Metlink customer services and information

Your Transport Today

Metlink's quarterly newsletter 'Your Transport Today' brings the latest information on public transport in the region. It focuses primarily on what is happening with bus, train and harbour ferry services over the next three months. Stories featured in the June 2014 edition included:

- ▶ Wellington's public transport blueprint - the next steps
- ▶ Hutt Valley public transport - tell us what you think
- ▶ Sharing a ride to the station

Six thousand copies of the newsletter were distributed at Wellington Station, bus stops along the Golden Mile and sent to our transport operators on 18 June 2014.



Printed timetables and publications

A total of 448,700 timetables and 40,875 copies of the 'Fares and Tickets' and 'Your Guide to Metlink' leaflets have been printed and distributed during the year.

Media releases

There were 32 media releases issued during the year. Media analysis shows that these generated 94 positive, 69 neutral and 20 negative news stories. Some of the main topics included:

- ▶ Wairarapa SE carriage seating changes
- ▶ Closure of Kaiwharawhara station
- ▶ Temporary closure of the Melling station building due to asbestos
- ▶ Public transport spine study
- ▶ Regional Public Transport Plan adopted
- ▶ No fare increase this year
- ▶ Hybrid buses recommended as transition to fully electric bus fleet

Twitter

Metlink now has 4,653 followers on Twitter, up 42.5% on the same period last year. A number of our followers re-tweet Metlink messages, extending our reach to public transport users by enabling others (who may not follow us directly) to also see the messages.

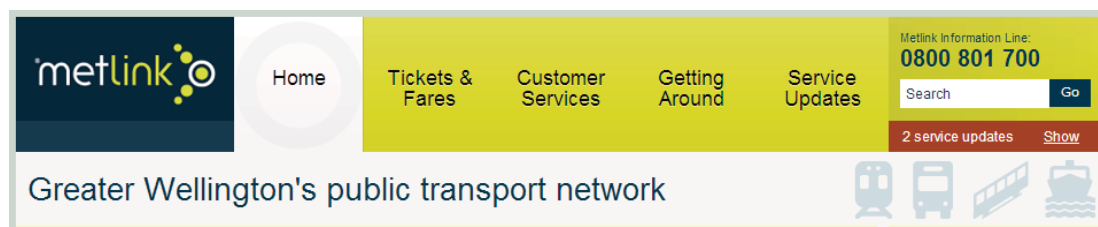
Metlink website

The Metlink website received 2.9 million visits in the 2013/14 year, compared with 2.8 million in the same period in 2012/13, an increase of 5.0%.

The number of unique visitors increased to 936,672 in the 2013/14 year, up 11.3% from the same period in 2012/13.

Direct traffic accounts for approximately 22.0% of the visits, while traffic from search engines and referrals from other sites accounts for 51.3% of the hits.

An internal content review has improved the way that customers are able to access Metlink information via the main navigation bar:



Mobile website

The number of visits to the mobile website continues to grow dramatically and now accounts for half of total Metlink web traffic (50.9% based on total page views). There were 2.7 million visits in the year, an 82.9% increase on the same period in 2012/13.

It is expected that visitor numbers will continue to experience growth as awareness of real time information continues to increase.

Systems upgrade

The procurement of a replacement Data Management System and Journey Planner Engine was completed this year, and both are expected to be fully operational in the first half of 2014/15.

Work continues on the replacement of a Customer Feedback System. In the interim, a temporary cloud-based arrangement has been established with NZ Bus, for reporting complaint resolutions back to GWRC.

Metlink Service Centre

Opportunities have arisen within the Metlink Service Centre to make improvements to the service that we offer our customers. These improvements are being undertaken with additional training and support for the team in the Metlink Service Centre.



The team in the Service Centre have made considerable strides in improving the level of service offered to our customers. Here are some of the achievements:

- ▶ VIX/Horizon – now available on all operators' computers so the team can access real time information. This means queries can be resolved at the time of the customer's call, instead of being forwarded to the operator
- ▶ Twitter – all the team now reply to tweets during the operating hours of the Service Centre
- ▶ Total Mobility – additional training has taken place on how to process Total Mobility calls and some additional administrative support of the scheme is now being provided by the Service Centre operators
- ▶ Metlink update calendar – an electronic events calendar has been created so important events can be notified to the Service Centre by other teams in the PT Group. This is shared between teams so everyone has visibility of upcoming events that may affect our service
- ▶ Aesthetics – improved surroundings and facilities in the Service Centre, including two wall board screens, lowering of dividers and new headsets
- ▶ RTI Signs – members of the team trained in use of RTI signs for urgent messages, so the team can update the RTI signs if something urgent occurs out of normal business hours.

Real Time Information System (RTI)

Wellington CBD display signs

The remaining seven 18-line RTI display signs on Wellington's Golden Mile were installed and commissioned in the quarter, completing the delayed programme of CBD display signs and effectively completing the capital project for RTI.



RTI display signs in Wellington and on the Johnsonville Line

RTI performance

RTI performance (measured as the proportion of scheduled services 'tracked' by the system) has been maintained at specified levels since resolution of an underlying technical problem affecting some bus services during the last quarter.

A revised preventive maintenance programme has been implemented which will ensure this problem does not recur.

Project status

With completion of the display sign programme, the RTI project has now been handed over to operational teams for its operation and support. A review of the project implementation is in progress, which will capture lessons learned for future reference.

The RTI Maintenance and Support contract continues to 30 June 2017, when it may be extended for a further two years by agreement.

Although the relevant contract deliverables are complete, the deployment of the system's bus priority functionality has not yet taken place. This is a joint project with Wellington City Council and further progress is dependent on a scheduled upgrade to RTI applications, which will take place in the coming quarter.

2.5 Total Mobility

The Total Mobility Electronic System (TMES)

GWRC has agreed with Snapper to upgrade the current TMES to a new product called Ridewise, which is essentially the same product rebranded but with some additional functionality requested by GWRC, including:

- ▶ the ability to record multiple passengers per taxi trip
- ▶ an additional information field which improves reporting from the system
- ▶ Privacy Act requirements.

The Ridewise product is also being taken up by Environment Canterbury and officers from both organisations are working together towards a consistent approach for use of the system. The roll-out of Ridewise is now expected to occur in August 2014.

Total Mobility Scheme (TM)

Officers continue to work with taxi companies over compliance with terms and conditions of access to TM by their drivers, and continue to focus attention on individual driver behaviour to ensure that any fraudulent activity is discovered. This includes direct intervention at an earlier stage, where drivers can be suspended from access to the scheme pending investigation, which can mean disruption for some clients where a driver is no longer able to accept a TM discounted fare. Fortunately there are many other drivers available to those clients.

Officers will continue to work hard to ensure that fraudulent activity is reduced as much as possible, and continue to investigate a number of drivers. (It should be noted that not all investigations result in the finding of fraud).

Policy

A policy has been developed in respect of the privacy of customer information held in TMES, which is subject to the Health Information Privacy Code. The update from TMES to Ridewise will include additional controls requiring users to acknowledge terms and conditions on each access, passwords will be reset more often, and user access will expire after a period of inactivity. These changes are consistent with legal advice received on improvements required.

The fraud detection policy has also been reviewed in light of the system upgrade described above.

3 GROUP FINANCIAL SUMMARY

3.1 Full year operating result overview

Full year operating result

The net operating surplus from operations for the Public Transport Group for the year ended 30 June 2014 was \$0.1 million compared to the budgeted deficit of \$2.6 million.



Total expenditure on operations was \$98.3 million, or \$5.5 million below budget. The most significant variances are:

- ▶ Rail operations expenditure was \$3.1 million below budget
- ▶ Diesel bus operating contracts were \$0.7 million below budget
- ▶ Trolley bus operations expenditure was \$0.4 million below budget
- ▶ Bus shelters and signage maintenance was \$0.3 million above budget
- ▶ Projects and Planning projects were \$0.8 million below budget
- ▶ Public Transport Operating Model (PTOM) expenditure was \$0.9 million below budget

Total revenue from operations was \$98.4 million, or \$2.8 million below budget, because of the reduction in expenditure.

If operating costs and revenues associated with capex are also included, then the overall operating surplus is \$6.3 million compared to the budgeted surplus of \$2.5 million.

Improvement projects, capital expenditure and investment additions

Improvement project expenditure, capital expenditure and investment additions were \$32.8 million compared to the budget of \$38.2 million. This reduction in expenditure primarily relates to changes to the timing of project expenditure. The most significant variances were:

- ▶ Trolley bus infrastructure renewals (underspend of \$3.3 million)
- ▶ New Matangi trains (underspend of \$2.1 million)

Funding overview

The full year increase in reserves (represented by an increased transfer to reserves) is \$3.7 million. This surplus has been transferred to the Transport rate reserve.

3.2 Group financial statements

The financial performance of the group for the year ended 30 June 2014 is shown on the following table.

This table shows the type of revenue received and expenditure incurred as well as other funding movements for the Public Transport Group. The next section (over the page) shows the expenditure by activity or project and shows a clearer picture of what we do, what it costs and how it is funded.

Public Transport Group Income Statement For the year ended 30 June 2014	30 June 2014			Last Year
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	48,736	48,736	-	47,512
Government Grants & Subsidies	62,025	66,989	(4,964)	70,169
External Revenue	2,495	2,218	277	2,454
Investment Revenue	187	262	(75)	119
TOTAL INCOME	113,443	118,205	(4,762)	120,254
Personnel Costs	5,139	5,376	237	4,510
Materials, Supplies & Services	3,213	2,758	(455)	2,227
Travel & Transport Costs	45	50	5	50
Contractor & Consultants	2,179	3,729	1,550	2,076
Grants and Subsidies Expenditure	86,426	93,945	7,519	116,893
Internal Charges	693	643	50	498
Total Direct Expenditure	97,695	106,501	8,806	126,254
Financial Costs	4,422	4,698	276	4,019
Bad Debts	(1)	-	1	1
Corporate & Department Overheads	3,457	3,457	-	3,335
Depreciation	1,243	1,047	(196)	259
Loss(Gain) on Sale of Assets / Investments	371	(4)	(375)	(150)
TOTAL EXPENDITURE	107,187	115,699	8,512	133,718
OPERATING SURPLUS/(DEFICIT)	6,256	2,506	3,750	(13,464)
Add Back Depreciation	1,243	1,047	196	259
Add Back Gifted Assets	(1,384)	-	(1,384)	(1,283)
Other Non Cash	1,931	(4)	1,935	1,294
Net Asset Acquisitions	(1,091)	(1,946)	855	(2,295)
Net External Investment Movements	(28,041)	(30,060)	2,019	-
NET FUNDING BEFORE DEBT & RESERVES	(21,086)	(28,457)	8,755	(15,489)
Debt Additions / (decrease)	26,953	30,864	(3,911)	21,596
Debt Repaid	(4,759)	(5,027)	268	(4,072)
Net Reserves (Increase) / decrease	(1,108)	2,620	3,728	(2,035)
NET FUNDING SURPLUS (DEFICIT)	-	-	-	-

Public Transport Group Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			Last Year
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	38	32	(6)	7,747
Capital Project Expenditure	1,829	1,924	95	2,695
Asset Disposal Cash Proceeds	(776)	(10)	766	-
NET CAPITAL EXPENDITURE	1,091	1,946	855	10,442

3.3 Detailed operating result

Public Transport Group

Financial Performance by Programme for the Year Ended 30 June 2014

	Year To Date			
	Actual \$000	Budget \$000	Var \$000	Var %
Revenue from Operations				
Rates Revenue	40,675	40,675	0 F	0%
Grants & Subsidies	48,762	52,018	3,256 U	-6%
Grants & Subsidies - SuperGold Card	6,080	5,969	111 F	2%
External Revenue	2,495	2,218	277 F	12%
Investment & Other Revenue	363	262	101 F	39%
Total Revenue from Operations	98,375	101,142	2,767 U	-3%
Expenditure on Operations				
Rail Operations	34,061	37,207	3,146 F	8%
Diesel Bus Operating Contracts	29,828	30,489	661 F	2%
Trolley Bus Operations	8,692	9,077	385 F	4%
Ferry Operating Contract	301	315	14 F	4%
SuperGold Card	6,080	5,969	111 U	-2%
Bus Shelters & Signage Maintenance	1,694	1,391	303 U	-22%
Total Mobility Scheme	2,458	2,638	180 F	7%
Projects and Planning Projects	179	960	781 F	81%
Marketing & Communications	531	420	111 U	-26%
Systems & Information	1,217	1,171	46 U	-4%
PTOM	857	1,714	857 F	50%
Rail Studies	685	485	200 U	-41%
Bus Studies	295	400	105 F	26%
Admin	11,392	11,503	111 F	1%
Total Expenditure on Operations	98,270	103,739	5,469 F	5%
Net Operating Surplus/(Deficit) from Operations	105	-2,597	2,702 F	
Revenue associated with Capex				
Rates Revenue	8,061	8,061	0 F	0%
Grants & Subsidies	7,184	9,002	1,818 U	-20%
Other Revenue (Gifted Assets)	1,384	0	1,384 F	0%
Total Revenue associated with Capex	16,629	17,063	434 U	-3%
Expenditure associated with Capex				
Improvement Project Expenditure	2,882	6,218	3,336 F	54%
Depreciation	1,243	1,047	196 U	-19%
Loss / (Gain) on Sale	371	-3	374 U	12467%
Revaluation of Crown Loan	1,560	0	1,560 U	0%
Financial Costs	4,422	4,698	276 F	6%
Total Expenditure associated with Capex	10,478	11,960	1,482 F	12%
Net Revenue & Expenditure Associated with Capex	6,151	5,103	1,048 F	-21%
Net Operating Surplus/(Deficit)	6,256	2,506	3,750 F	

Revenue

Total revenue from operations was \$98.4 million compared to the budget of \$101.1 million. The most significant variances are:

- ▶ Grants and subsidies revenue was \$3.3 million below budget which reflects the reduction in operational expenditure for the year.
- ▶ External revenue was \$0.3 million above budget because of increased spending on rail investigations which are reimbursed by GWRL Limited.

Expenditure

Rail operations

Public Transport Group

Rail Operations for the Year Ended 30 June 2014

	Year To Date			
	Actual \$000	Budget \$000	Var \$000	Var %
Rail Contract Expenditure	44,055	46,304	2,249 F	5%
Less: Rail Contract Fare Revenue	43,261	41,885	1,376 F	3%
Rail Contract	794	4,419	3,625 F	82%
Network Operations & Maintenance	10,278	11,003	725 F	7%
Network Incident Costs	1,009	220	789 U	-359%
Network Renewals	5,946	5,847	99 U	-2%
Leases and Rates	800	825	25 F	3%
Train Maintenance	10,195	10,591	396 F	4%
Rail Insurance	1,459	1,607	148 F	9%
Station Expenditure	1,869	1,673	196 U	-12%
Carpark & Station Security	1,711	1,022	689 U	-67%
Rail Operations Expenditure	34,061	37,207	3,146 F	8%

Expenditure on rail operations was \$34.1 million, which is \$3.1 million below budget. The most significant variances are:

- ▶ Rail contract costs were \$3.6 million below budget. The results reported by TranzMetro show that fare revenue was above budget by \$1.4 million and expenditure was below budget by \$2.1 million for the year. The fare revenue of \$43.3 million is almost sufficient to pay the train running costs of \$44.1 million - a net subsidy of just \$0.8 million is required for the year.
- ▶ Network operations and maintenance costs were \$0.7 million below budget because of reduced platform, traction and signals maintenance, partly offset by increased track maintenance costs.
- ▶ Network incident costs were \$0.8 million above budget. \$1.0 million of work was completed to reinstate the Ngauranga to Petone seawall.
- ▶ Train maintenance expenditure was \$0.4 million below budget, primarily because there was less unplanned maintenance. A robust planned maintenance programme has meant lower unplanned maintenance costs on the Ganz Mavag trains.

- ▶ Rail insurance costs were \$1.5 million, which is \$0.1 million below budget. The insurance premium for rail assets was lower than budget.
- ▶ Station expenditure was \$1.9 million, which is \$0.2 million above budget. Station cleaning and minor maintenance costs, costs associated with the EMU depot and carpark cleaning and maintenance costs were higher than planned.
- ▶ Carpark and station security expenditure was \$1.7 million, which is \$0.7 million above budget. The new security contract was \$0.2 million above budget. In addition, \$0.5 million of expenditure on the insurance related rail improvements capital project was reclassified as operating expenditure because we do not own the resulting asset.

Diesel bus operating contracts

Diesel bus operations expenditure was \$29.8 million which is \$0.7 million below budget primarily because bus inflation payments for the year were lower than budgeted.

Trolley bus operations

Trolley bus operations expenditure was \$8.7 million which is \$0.4 million below budget. The cost of maintaining the overhead wire network was less than planned.

SuperGold card

Expenditure on SuperGold card was \$6.1 million, which is \$0.1 million above budget because of increased use of SuperGold card.

Bus shelters & signage maintenance

Bus shelters & signage maintenance expenditure was \$0.3 million above budget because of additional work to remove shelters, assist with graffiti removal and improve lighting.

Total mobility scheme

Total Mobility scheme expenditure was \$2.5 million, which is \$0.2 million below budget because growth in the scheme had not been as high as expected.

Projects and planning projects

Projects and planning expenditure was \$0.8 million below budget. The Integrated Ticketing Investigation was late commencing and expenditure has been minimal. This project has been re-budgeted to 2014/15.

Marketing and communications

Marketing and communications expenditure was \$0.5 million, which is \$0.1 million above budget. Additional expenditure on the Wayfinder signage strategy project was funded from savings in other budget lines.

PTOM

Public Transport Operating Model (PTOM) expenditure was \$0.9 million which is \$0.9 million below budget. A detailed expenditure projection has been completed which gives a better indication of when expenditure is likely to occur. The 2014/15 budget has been adjusted to reflect this.

Rail studies

Expenditure on rail studies was \$0.2 million above budget because of increased studies and investigation expenditure including the additional work to investigate options for Kaiwharawhara station.

Bus studies

Bus studies expenditure was \$0.3 million, which is \$0.1 million below budget. Internal resources were used to reduce the external spend required.

Administration

Administration expenditure was \$11.4 million which is \$0.1 million below budget.

Revenue and expenditure associated with capex

Grant & subsidies (for capex)

The Grant & Subsidies revenue was \$7.2 million, or \$1.8 million below budget, because of reductions in expenditure on improvement projects, capital expenditure and investments (see section 3.4 for more detail).

Other revenue (gifted assets)

The revenue of \$1.4 million is non-cash revenue. It comprises bus stop assets that had originally been funded by GWRC, which have now been gifted back to us by Upper Hutt City Council, Kapiti Coast District Council and Porirua City Council.

Loss / (gain) on assets

The loss on asset disposal was \$0.4 million. There was a gain on asset disposal for the sale of land at Lindale of \$0.2 million. However there were losses on disposal of \$0.6 million resulting from the RCC building fit-out which has been written off (\$0.2million) and from the 30 June 2014 asset revaluation exercise (\$0.4 million).

Depreciation

Depreciation was \$1.2 million, which is \$0.2 million above budget. Bus stop assets were gifted by other territorial authorities during the year.

Revaluation of Crown loan

The expenditure of \$1.6 million reflects the revaluation of the Crown loan at 30 June 2014. This loan is re-valued each year as the loan gets closer to its contractual repayment date in 2016.

Financial costs

The financial costs were \$4.4 million, or \$0.3 million below budget, because of reductions in expenditure on improvement projects, capital expenditure and investments.

3.4 Detailed improvement projects, capital expenditure and investment additions

Actual improvement project expenditure, capital expenditure and investment additions are included in the following table and explanations.

- ▶ Improvement projects include capital improvements where the underlying asset is not owned by GWRC (Trolley bus infrastructure renewals)
- ▶ Capital projects are projects that improve (or create) assets owned by GWRC
- ▶ Investment additions relate to capital works where the underlying asset will be owned by our subsidiary Greater Wellington Rail Limited (GWRL)

Public Transport Group

Improvement Projects, Capital & Investment Additions for the Year Ended 30 June 2014

	Year To Date			
	Actual \$000	Budget \$000	Var \$000	Var %
Improvement Projects (Opex)				
Trolley Bus Infrastructure Renewals	2,882	6,218	3,336 F	54%
Improvement Project Expenditure	2,882	6,218	3,336 F	54%
Capital Projects				
Real Time Information	1,324	852	472 U	-55%
Park n Ride Land	0	0	0 F	0%
Bus Shelter and Signage Upgrades	423	350	73 U	-21%
Customer Information Systems	51	450	399 F	89%
Wellington Review Interchanges	0	200	200 F	100%
Total Mobility Systems	31	72	41 F	57%
Capital Expenditure	1,829	1,924	95 F	5%
Total Asset Acquisition	38	32	6 U	-19%
Asset Additions	38	32	6 U	-19%
Investment Additions				
New Trains Matangi 1	1,417	2,322	905 F	39%
New Trains Matangi 1 Retrofit	1,029	1,730	701 F	41%
New Trains Matangi 2	16,537	17,095	558 F	3%
Station Renewals & Upgrades	3,814	3,500	314 U	-9%
Insurance Related Rail Improvements	1,079	1,500	421 F	28%
Wellington Depot & Stabling	3,635	3,450	185 U	-5%
Train Heavy Maint & Minor Improvements	530	463	67 U	-14%
Investment Additions	28,041	30,060	2,019 F	7%
Improvement Projects, Capital & Investment Additions	32,790	38,234	5,444 F	14%

Trolley bus infrastructure renewals

Trolley bus infrastructure renewals are the replacement of poles and overhead wires for the trolley buses. These assets are owned and managed by Wellington Cable Car Ltd (WCCL), a subsidiary of Wellington City Council.

Full year expenditure was \$2.9 million which was \$3.3 million below budget. Necessary expenditure has been incurred on the wire renewal programme. However, the network wide fault protection safety expenditure is now mainly expected to occur in 2014/15.

Real time information

The full year expenditure was \$1.3 million or \$0.5 million above budget. There were increased costs for the Wellington CBD real time information display signs and CBD static signs. This increase was approved by Council in February 2014.

Customer information systems

The full year expenditure was \$0.1 million or \$0.4 million below budget. It took more time to evaluate the tender bids and negotiate the contract than allowed in the original project plan. The project is now underway and is expected to be completed within the first half of the 2014/15 financial year.

Wellington review interchanges

This project will not commence this year and has been re-budgeted to 2014/15.

New Matangi trains

Projects to deliver the new Matangi trains are all running to schedule. The first tranche of 48 Matangi trains are all in service and the second tranche of 35 Matangi trains are expected to start entering service in the 2015/16 financial year.

Matangi 1

This project is for the purchase of 48 new two-car Matangi trains for the passenger rail network. All these trains are now in service but some residual project costs remain.

Actual expenditure was \$1.4 million, which is \$0.9 million below budget and reflects some changes to the timing of payments.

Matangi 1 retrofit

This project is to retrofit the existing Matangi trains to give one homogenous fleet, providing significant operational and maintenance benefits.

The full year expenditure was \$1.0 million or \$0.7 million below budget, and reflects some changes to the timing of payments. The total project budget remains at \$11.2 million.

Matangi 2

This project is for the purchase of a further 35 new two-car Matangi trains that will replace the aging Ganz Mavag units.

Actual expenditure was \$16.5 million which is \$0.6 million below budget. This is just a change to the timing of payments. The total project budget remains at \$159.0 million.

Station renewals and upgrades (opex)

This programme includes improvements to stations, pedestrian overbridges and underpasses, carpark renewals, and improvements to security and lighting. A prioritised improvement programme has commenced to improve the condition of these assets. Also included in this programme are additional minor improvements to the Wellington EMU depot.

Actual expenditure is \$3.8 million, which is \$0.3 million above budget. A small amount of additional work was able to be brought forward because of savings in other budgets.

Insurance related rail improvements

This programme covers rail related improvements to passenger safety and protection against vandalism. This includes setting up a rail monitoring centre for CCTV monitoring, new CCTVs, public address system and alarm fencing.

Actual expenditure is \$1.1 million, which is \$0.4 million below budget. All the intended work was completed. However at year end this expenditure was reviewed and \$0.4 million was reclassified as operating expenditure because we will not own the resulting asset, e.g. the fibre optic connections to stations.

Wellington depot and stabling

This project is to demolish the 1940s section of the Wellington EMU depot and to build a wall at the southern end of the 1970s section of building.

Actual expenditure is \$3.6 million, which is \$0.2 million above budget and reflects some changes to the timing of payments.

Train heavy maintenance and minor improvements

This programme is for the on-going heavy maintenance, renewals and minor improvements of the train fleet.

The full year expenditure was \$0.5 million, which is close to budget. Minor improvements to the Matangi fleet were completed to reduce future maintenance expenditure.

3.5 Funding position

The full year increase in reserves (represented by an increased transfer to reserves) is \$3.7 million. This surplus has been transferred to the Transport rate reserve.

Funding for the Year Ended 30 June 2014

	Year To Date			
	Actual \$000	Budget \$000	Var \$000	Var %
Net Operating Surplus/(Deficit)	6,256	2,506	3,750 F	
Add back				
Gifted Assets	-1,384	0	1,384 U	
Non-Cash items	3,174	1,044	2,130 F	
Funds from Operations	8,046	3,550	4,496 F	
Less				
Capital Expenditure	1,829	1,924	95 F	
Asset Additions	38	32	6 U	
Asset Disposal Cash Proceeds	-775	-9	766 F	
Investment Additions	28,041	30,060	2,019 F	
Surplus/(Deficit) before Debt & Reserve Movements	-21,087	-28,457	7,370 F	
Internal Debt Additions	26,953	30,864	3,911 U	
Internal Debt Repayments	-4,759	-5,027	268 F	
Decrease / -Increase in Reserves	-1,107	2,620	3,727 U	
Net Funding Surplus/(Deficit)	0	0	0 F	

3.6 Business plan performance indicators

Metlink public transport network planning

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2012/13	Target 2013/14	Actual 2013/14
Prepare and review the Regional Public Transport Plan	Public Transport Plan reviewed and adopted in accordance with the Public Transport Management Act 2008	Regional Public Transport Plan adopted November 2011	Changes to the legislation governing finalised late in 2012/13, and therefore the amendments to the Plan were delayed until 2013/14	Regional Public Transport Plan remains operative	The Regional Public Transport Plan 2014 was adopted in June 2014

Rail service delivery and asset management

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2012/13	Target 2013/14	Actual 2013/14
Deliver rail services in accordance with the published timetable	Percentage of scheduled services delivered	99.1% (September 2011)	99.2%	99.4%	99.2% Results for 2013/14 were impacted by earthquakes in July and August when services were cancelled while track inspections were carried out
	Percentage of scheduled services on-time to 5 minutes by line	Kapiti Line 90%	94.8%	Increase on previous year	95.4%
		Hutt Line 90%	96.2%	Increase on previous year	95.3% The Hutt line performance was adversely affected by the earthquakes in July and August and an issue with signals following upgrade work
		Johnsonville Line 95%	92.2%	Increase on previous year	93.3%
	Wairarapa Line 80% (November 2011)	77.9%	Increase on previous year	74.5% Wairarapa services were affected by maintenance worksites and speed restrictions due to overheating of the rails. Some improvements have been made, and real time information data is being analysed to see what further improvements can be made.	

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2012/13	Target 2013/14	Actual 2013/14
Maintain and improve rail rolling stock, stations, overbridges, subways and carparks in accordance with rail asset management plans	The percentage of the required fleet that is available to operate scheduled services	99.0% (2011/12)	99.2%	Improve on the baseline by 0.1% per year	100.0% (rounded)
	Average condition rating for buildings and structures (1 = very good and 5 = very poor)	3.0	2.9	2.7	2.9 Better information on the condition of these assets meant that there was an overall decline in condition of buildings and structures. Asbestos was discovered (and contained) while works were being carried out at a number of sites. A seismic report revealed strengthening work needed on a number of assets.
	Average condition rating for carparks (1 = very good and 5 = very poor)	2.9	2.7	2.6	2.6

Bus and ferry operations and asset management

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2012/13	Target 2013/14	Actual 2013/14
Deliver bus and ferry services in accordance with the published timetable	Percentage of scheduled services delivered	99% (September 2011)	99.4%	> 99%	99.1%
	Percentage of scheduled services on-time to 10 minutes	99.8% (September 2011)	99.9%	> 98%	99.7%
Maintain and improve bus stop facilities and interchanges	The average condition score of all bus shelters where GWRC is responsible for funding the maintenance (1 = very good and 5 = very poor)	2.8.	2.8	Improve the average condition rating score	2.6

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2012/13	Target 2013/14	Actual 2013/14
Improve the quality and accessibility of the bus fleet	Compliance with Transport Agency requirements for urban buses	All buses entering service in the region meet Transport Agency requirements (November 2011)	The variation process and negotiations with bus operators commenced May 2013 and is expected to be completed by the end of September 2013.	All bus operating contracts varied to comply with the Transport Agency requirements for urban buses	Two variations were signed December 2013, and negotiations continue over two more

Metlink customer services and information

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2012/13	Target 2013/14	Actual 2013/14
Provide information to the public from a call centre	Percentage of Metlink users who rate the service they receive from the Metlink call centre as excellent or very good (the original measure was described as 'percentage of residents' however the target and actual results were always based on the number of Metlink users)	78% (2011)	81%	90%	61% There was a change in survey methodology in 2013/14. In previous surveys 'very satisfied' was used as a proxy for 'excellent'.
	Number of visits to the Metlink website	1.8 million (2010/11)	2.8 million	2.05 million	2.9 million
	Number of visits to the Metlink mobile site	143,000 (2010/11)	1.5 million	325,000	2.7 million

Provide a real-time information system	Percentage of bus and train services tracked by real time information where the system has been deployed	85% (2011)	74%	90%	<p>Bus: 80%</p> <p>This result reflects Real Time Information performance problems due to a technical fault which was resolved in the third quarter. The performance in the final quarter was 90%</p> <p>Rail: 93%</p> <p>Rail results are since real time information was introduced on rail in October 2013</p>
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Total Mobility

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2012/13	Target 2013/14	Actual 2013/14
Provide a subsidised taxi service for those members of the public unable to use buses or trains	Percentage of scheme users who rate the overall service of the scheme as good or better	97% (2011)	99%	> 97%	96% A known issue has been the reduced availability of wheelchair accessible vehicles in the Porirua area. Since the survey was undertaken another two vehicles have entered service.
	Average time to process an application to join the scheme	15 working days (2010/11)	Data not available	15 working days	7 working days

3.7 Specific areas of work

Metlink public transport network planning

Start to implement the Wellington City bus review	Work completed as part of the Wellington City bus review has been included within the new PT Plan adopted in June 2014. Detailed implementation planning will occur now that the PT Plan has been adopted.
Undertake the area wide review of Metlink services in Eastbourne, Wainuiomata, Lower Hutt and Upper Hutt, including east-west connections to Porirua	The Hutt Valley Public Transport Review project commenced and the data gathering and data analysis completed. Recommendations are due to be presented to the Strategy and Policy Committee in November 2014, with implementation expected in 2017.
Undertake two minor service reviews. A minor service review analyses services at a targeted level, and can be initiated by public or operator feedback, low patronage, or high costs	A number of minor service reviews were completed. Route 23 in Island Bay was reviewed for timetable integrity and operational changes were implemented in May 2014. Routes 1, 4 and 32 have been reviewed and operational changes were implemented in May 2014.
Undertake a post implementation review of the Metlink bus services in the Wairarapa	The data analysis phase of this post implementation review is complete. No service changes are recommended at this time.
Complete the review of the Metlink fares structure that commenced in 2012	The fare structure was adopted through the PT Plan, and will be implemented through the integrated fares and ticketing project.
Undertake a review of the Regional Public Transport Plan	A new PT Plan was adopted in June 2014.
Undertake the annual fare review	The annual fare review was completed. Ultimately a decision was made not to increase fares following favourable financial results in the 2014 year (increased rail fare revenue and reduced expenditure).
Continue the investigation of integrated fares and ticketing	The investigation of electronic integrated ticketing is continuing but progress has been limited because of the need to commit resources to complete the PT Plan.

Rail operations and asset management

Continue to fund rail services	There was expenditure of \$34.1 million on passenger rail services in 2013/14.
Ensure quality standards are maintained by monitoring service levels	In 2014 there was ongoing monitoring of rail services through use of the Real Time Information system, customer complaints, physical observation and operational audits. The roll out of Real Time Information on rail services in October 2013 has provided a high level of visibility on service performance and delivery.
Ensure that rolling stock is maintained in accordance with the Public Transport Asset Management Plan	All rolling stock is maintained in accordance with service levels in the Asset Management Plan, and availability and reliability levels are tracking to target.
Ensure that rail station buildings, park and ride car parks and other fixed assets are maintained in accordance with the Public Transport Asset Management Plan	All rail infrastructure is maintained in accordance with the levels of service in the Asset Management Plan and condition grading across all lines is tracking to target.
Continue the procurement of the Matangi 2 train fleet	Procurement of the second tranche of Matangi trains continued to plan. The Systems Design Review is complete, 90% of the Critical Design Review has been completed, and construction has started on 12 car bodies.

Bus and ferry operations and asset management

Continue to fund bus and harbour ferry services	There was expenditure of \$38.8 million on passenger bus and harbour ferry services in 2013/14.
Continue to implement the new Public Transport Operating Model for the procurement of bus services	Significant progress has been made on the implementation of the Public Transport Operating Model for bus services. The new PT Plan includes the new units (groups of routes to be contracted) and decisions on the future fleet for Wellington City.
Ensure quality standards are maintained by monitoring service levels	In 2014 there was ongoing monitoring of bus and ferry services through use of the Real Time Information systems, customer complaints, physical observation and operational audits.
Ensure that bus shelters and signage and other fixed assets are maintained in accordance with the Public Transport Asset Management Plan	A maintenance contract is in place and monitoring and auditing of contractors work is ongoing.

Metlink customer services and information

Continue to provide information on Metlink's public transport services through real time information, a call centre, timetable production, website and Twitter	Service information was provided to the public via the Metlink website and mobile website, the service centre, the Real Time Information system, twitter and paper timetables.
Conduct the public transport customer satisfaction monitor	The new on-board survey now required by the New Zealand Transport Agency was conducted in May 2014. Although there is no past trend data after the shift in methodology, the new survey will provide data that is comparable throughout New Zealand.

Total Mobility

Continue to fund and administer the Total Mobility Scheme	There were 271,000 Total Mobility scheme trips, a 5.7% increase over 2012/13. GWRC's focus has been on improvements to administrative processes and systems
Conduct the annual customer satisfaction monitor	The 2013/14 survey was undertaken in September 2013. 96% of those surveyed rated the service as good, very good or excellent



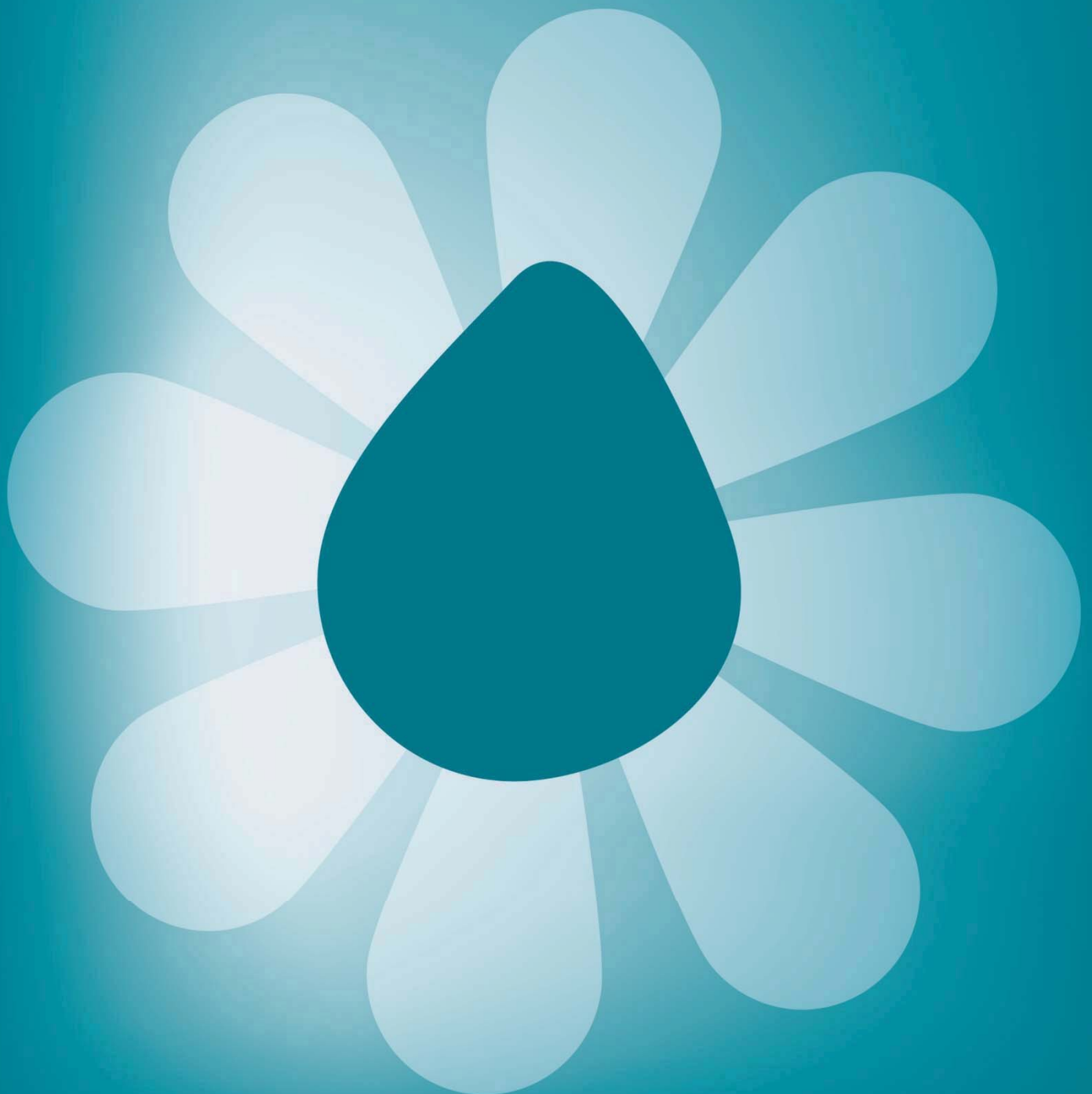
greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Water Supply Group

Performance Report for the year ended 30 June 2014



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1 EXECUTIVE SUMMARY FOR THE POLICY, FINANCE AND STRATEGY COMMITTEE

1.1 Group overview

The past year has been one of challenge but also one of considerable success for the Water Supply Group. The delivery of high-quality water continues in conjunction with the completion of a number of improvement projects, initiation of a significant collaborative project plus the unique challenges that preparing for integration has brought.

The last quarter has been focused on a number of compliance aspects. Particular emphasis has been on the work required to update the Asset Management Plan. This has now been completed and we are pleased to have met the target of having an updated Asset Management Plan by 30 June 2014.

The Water Supply Plans (formerly known as Public Health Risk Management Plans) have been completed and submitted to the Drinking Water Assessor for approval. Positive feedback has been received on the simplicity and usability of the new plans.

Operationally this quarter has been a challenge with the continuation of the high Geosmin levels in the Te Marua Lakes, specifically Lake 2. The decision was made to drain Lake 2 which occurred in May. The Geosmin levels are now insignificant in Lake 1.

Lake 2 will remain empty until around October this year. There is some investigation work being carried out on the liner, this could potentially lead to a review of the professional design. Legal advice is currently being sought.

The current Lakes Draining Procedure is under review following a close environmental impact occurrence. The heavy rainfall in late June stirred up sediment at the bottom of the lake. Under normal conditions there would be no risk of discolouring the river, but in this instance the scour valve was open for another operational purpose. Work was carried out to understand the impact which fortunately was not significant. We were able to provide sufficient evidence to the Environment Protection Team that the incident was managed and investigated thoroughly.

Workloads have been intense, with a number of the Management Team staff being involved in merger discussions covering various topics.

Quarter 4 - Points of Interest over 2013/14

- ▶ Successfully negotiated the purchase of land near Kaitoke to house new large-scale water storage. This provides the region with flexibility in the location, scale and cost of new supply capacity when expansion is eventually needed
- ▶ Completed a three-year improvement project to enlarge and strengthen the Stuart Macaskill water storage lakes, with both lakes full and back in service by November 2013
- ▶ Achieved full compliance with the drinking water standards and maintained the highest possible grading for each of our four water treatment plants
- ▶ Delivered a new water-wise promotion, with nearly half of all respondents saying they're making an effort to save water, compared to 33% in 2012
- ▶ Delivered cost savings of approximately \$150,000 through the hydro-electricity generated from water supply operations
- ▶ A Water Supply Operations Technician won the National "Mentor of the Year Award" from the Water Industry Operators Group (NZ)
- ▶ Council approved in principle a proposal to integrate its water collection, treatment and bulk supply services with the retail supply, wastewater and storm-water services provided by Hutt, Porirua, Upper Hutt and Wellington city councils.
- ▶ New Water Safety Plans (formerly known as Public Health Risk Management Plans) submitted to Drinking Water Assessor
- ▶ A significant increase in the number of pipeline assets validated and entered into GIS



A new line valve at Mangaroa

Water Supply Volume

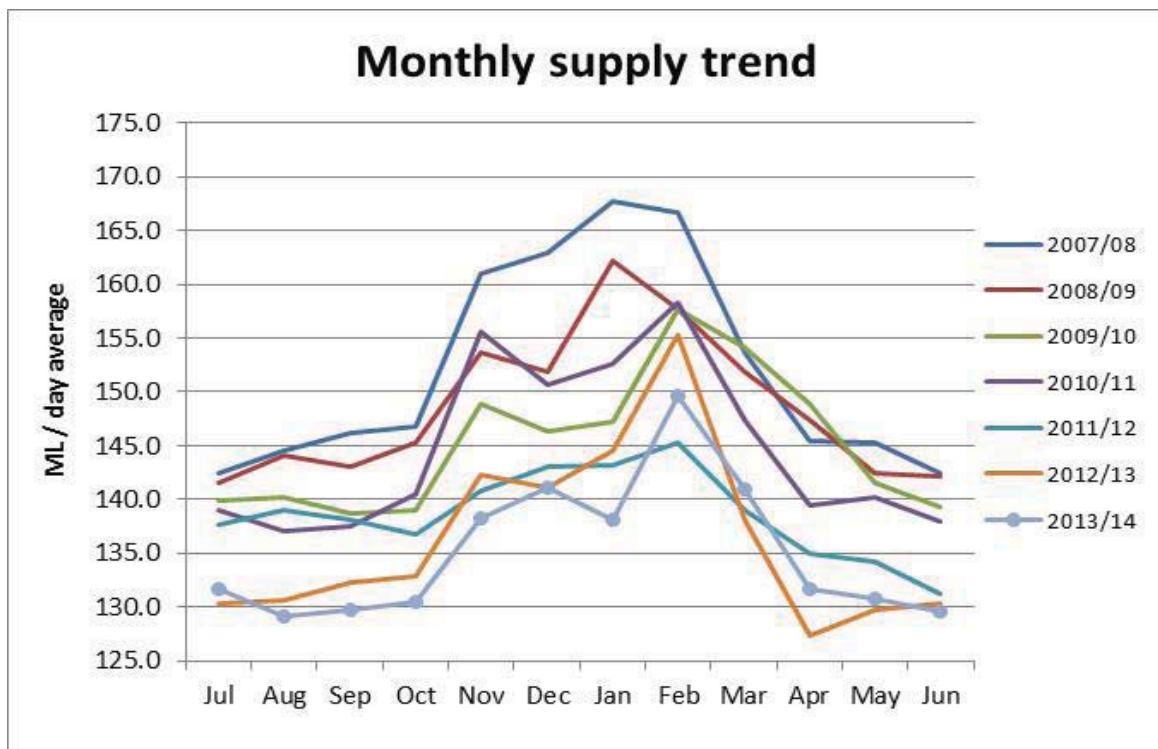
Water Supply from 1/4/2014 to 30/6/2014 = 11,891 million litres (ML), or 130.7ML/day on average.

- ▶ **Use for 4th quarter** showed a 7.4% decrease over the 3rd quarter
- ▶ **June-quarter** supply has increased 1.2% compared with same quarter of 2012/13
- ▶ **2013/14 annual water supply** averaged 135 ML/day, 0.8% less than the total for 2012/13 and a new lowest total in records back to 1986/87

Within the annual decrease in usage (0.8%), Hutt and Wellington cities used less water year on year (2.9% and 1.0% less respectively), Upper Hutt and Porirua used more (2.5% and 2.1% respectively).

The following graph shows that month by month, 2013/14 has seen some of the lowest demand over recent years. Likely reasons for declining demand are city leak reduction, improving efficiency of water-using fixtures and appliances, housing and development trends and communications.

Summer weather conditions can also affect demand from one year to the next. This is expanded on in the following “Water Conservation” section.



Water conservation – Summer 2014

- ▶ A new water-wise promotion rated highly with the community for relevance and ease of understanding. Nearly half of all respondents say they're making an effort to save water – compared to 33% in 2012
- ▶ Summer demand for water was relatively low. Trends indicate an improvement specific to the extra usage that occurs in summer, which is a key focus of our conservation promotions

The Marketing team delivered a summer water conservation promotion between early January and mid-March, via a mix of print, radio, online and poster advertising, with supporting publicity. The aim of this activity is to reduce the level of peak system demand, to delay investment in extra capacity.

Following completion of the Stuart Macaskill Lakes upgrade and analysis of water supply trends and research insights, new advertising was developed to address avoiding wasteful water use (a positive motivator) in a positive and light-handed way. A range of easy water-saving tips from a personal perspective was used. This approach was discussed with, and endorsed by, Capacity. (Details about campaign delivery were reported at the March quarter-end, so are not repeated here.)

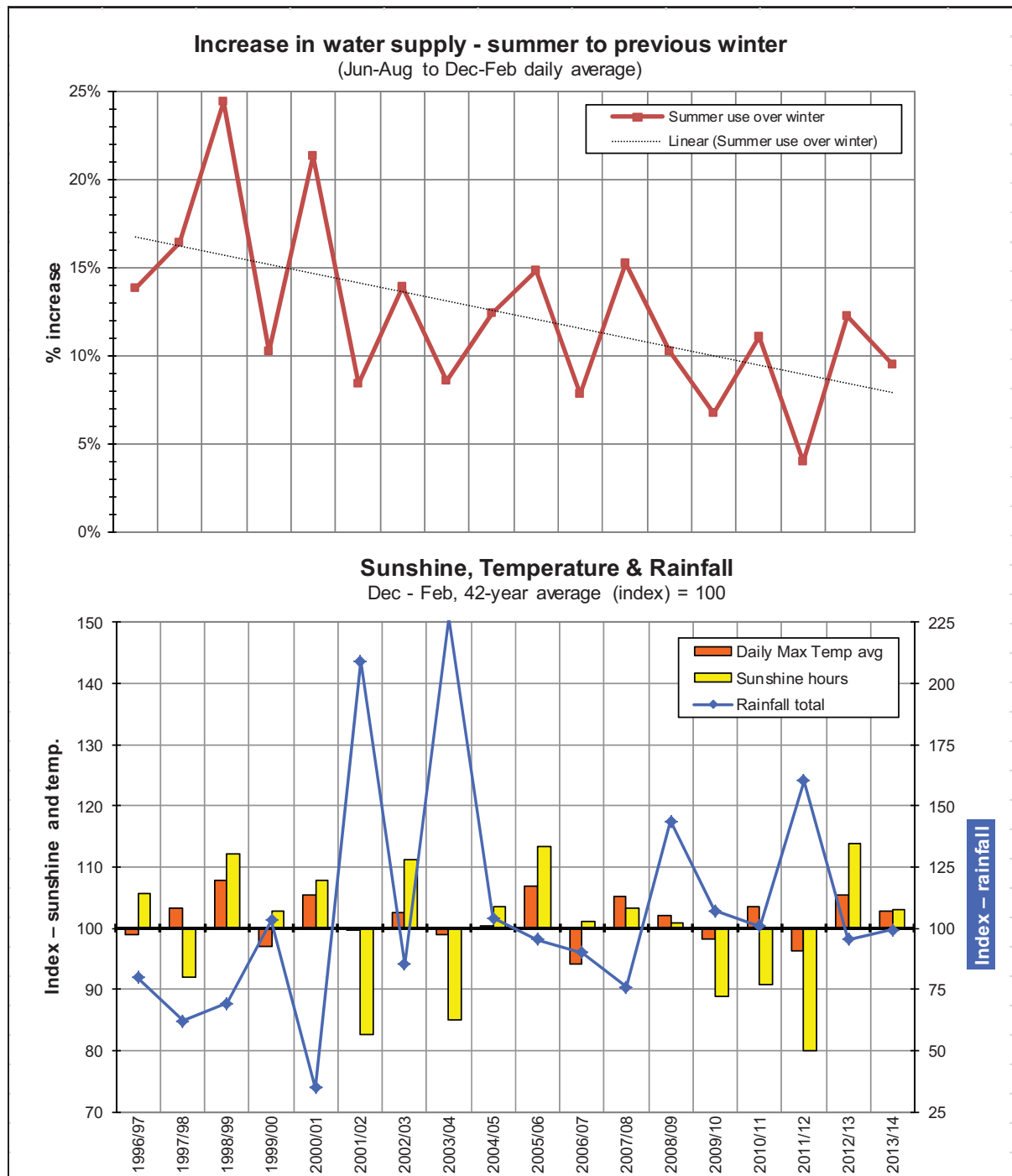
Water Supply commissioned research in April 2014 to identify levels of public recognition for the summer water conservation campaign and what response our communications may have generated. The last time we carried out research of this type was in 2012.

- 43% of all respondents could remember some part of the summer water conservation campaign (2012 = 57%, but the campaign period and number of advertising placements were significantly greater in 2012, due to the Stuart Macaskill Lakes upgrade project)
- Our promotion material was rated very favourably by respondents: 81% said that the points made were relevant, 99% that it was easy to understand, 98% that points made were believable and 62% said that the campaign told them some new information. These results were comfortably above advertising norms for campaigns reviewed by our research agency
- 9% of the population either did at least one new water-saving action, or increased their effort/did more of an existing action as a result of seeing or hearing the campaign
- Nearly half of all respondents (48%) say they are now making an effort to save water – compared to 33% in the 2012 survey

Supply by GWRC to the region's four cities averaged 143 million litres per day (ML/day) between December 2013 and February 2014. Our maximum day supply was 167ML. This is the second-lowest maximum day in records to hand going back 19 years (2012 = 162ML). The maximum week supply total was 1,089 ML, again the second-lowest in records to hand back to 1986/87 (2012 = 1,061 ML).

Weather variability is a significant factor changing levels of summer and peak water usage from one year to the next. The comparison between winter and summer demands in years with similar summer climate attempts to identify whether part of the trend of reducing water use can be ascribed to behaviour-change in weather-related water use (rather than factors with gradual longer-term impacts on usage, such as leakage reduction or increasing use of water-efficient appliances and plumbing). The graphs below show a smaller winter-summer demand increase in each of the last three years in

comparison to earlier years with similar summer climate (2011/12 vs. 2001/02 or 2003/04; 2012/13 vs. 2005/06 and 2013/14 vs. 2010/11), indicating a short-term behaviour-related effect.



The graphs show a smaller winter-to-summer demand increase in each of the last three years in comparison to earlier years with similar summer climate (2011/12 vs. 2001/02 or 2003/04; 2012/13 vs. 2005/06 and 2013/14 vs. 2010/11), indicating a short-term behaviour-related effect in addition to longer-term impacts such as leakage reduction and more efficient appliances, which also act on base demand.

Communications

Three media releases were initiated and drafted with Communications during the quarter: “Cross-harbour water pipeline investigated” (11 April); “See where Wellington’s water comes from” (30 April re Te Marua WTP open day); and “Water storage lake to be drained” (9 May).

We briefed the Kapi-Mana News in April about Geosmin, the cause of Porirua water users’ complaints of earthy smelling/tasting water posted on the paper’s Facebook page. We also initiated and contributed to a letter of clarification in response to the Dominion Post article – “Rising sea threatens city’s tap water” (22 April), which described GWRC’s ongoing work to manage the potential salt-water intrusion into the Waiwhetu aquifer.



The Wainuiomata hydro-generator building and its Georges Creek outlet

Water treatment plant visits

Marketing arranged a Public Open Day at the Te Marua water treatment plant on Saturday 17 May. Some 200 visitors attended. Feedback to the staff who led the tours was very positive.

In addition, we hosted six water treatment plant tours for schools, community groups and training institutions in the June quarter. The annual total for tours was 23, 10 of which were from schools.

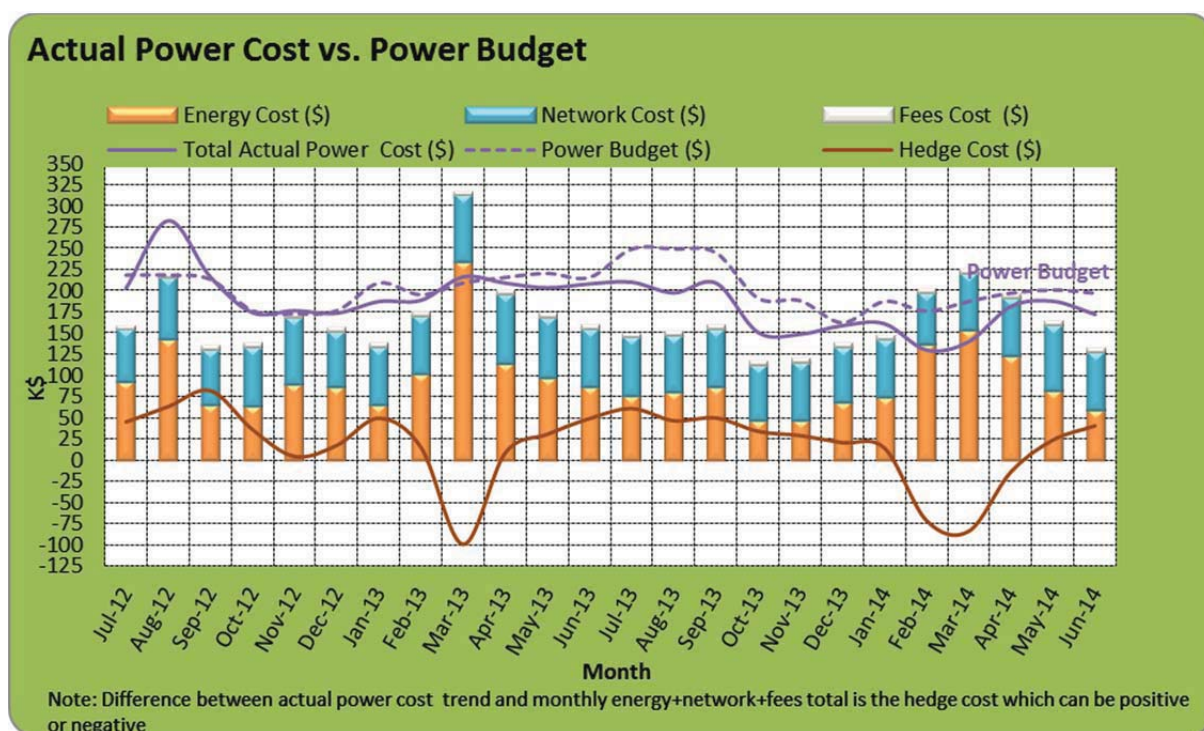
The number of school tours has declined markedly in comparison to the 2012/13 year (55). Visits this year have typically been from single classes, where last year we had several schools bring several hundred children each, spread over several days. The reason for the lower level of schools activity isn’t clear, as the level of promotion for the tours has remained constant between years and the feedback received from visiting teachers remains strongly positive.

1.2 Key results for the quarter

Power and chemicals

Power

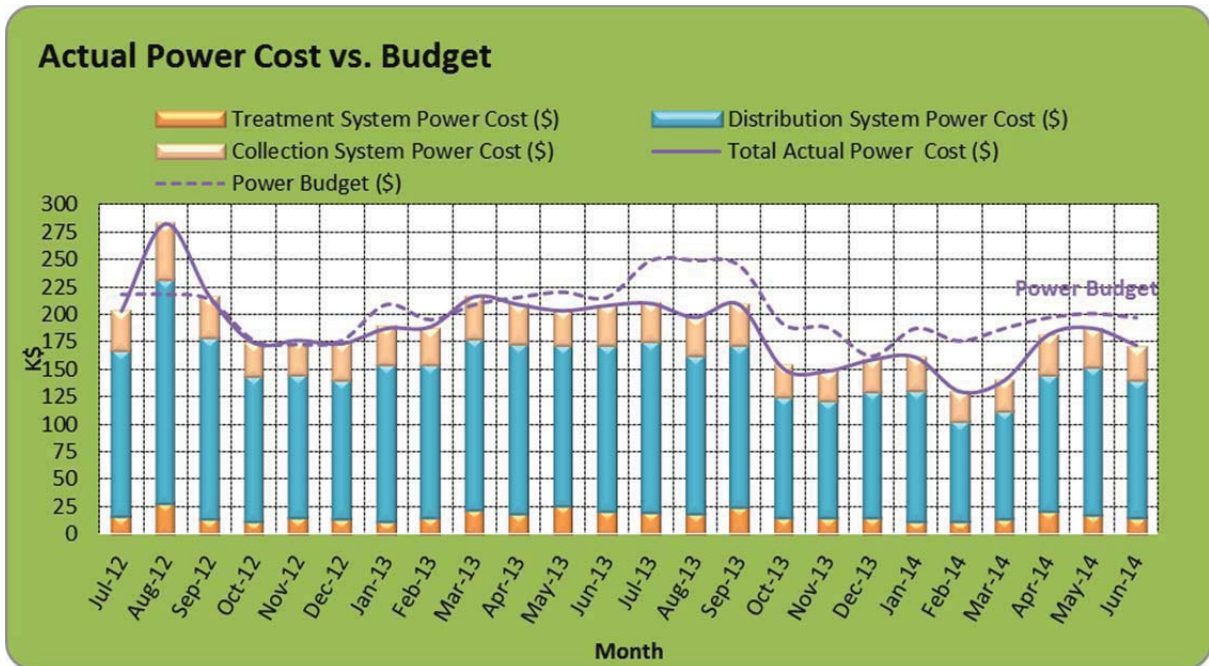
Power costs were under budget by \$253k at the end of the year, the main reason for this was the unexpected continual low water use following on from last year. The 3rd quarter saw a rise in electrical prices due to the low levels of the southern lakes. The lake levels have recovered to above average conditions this last quarter resulting in slightly lower than average power costs. These savings have been offset by the 10% increase in network charges which came in to affect in the 4th quarter.



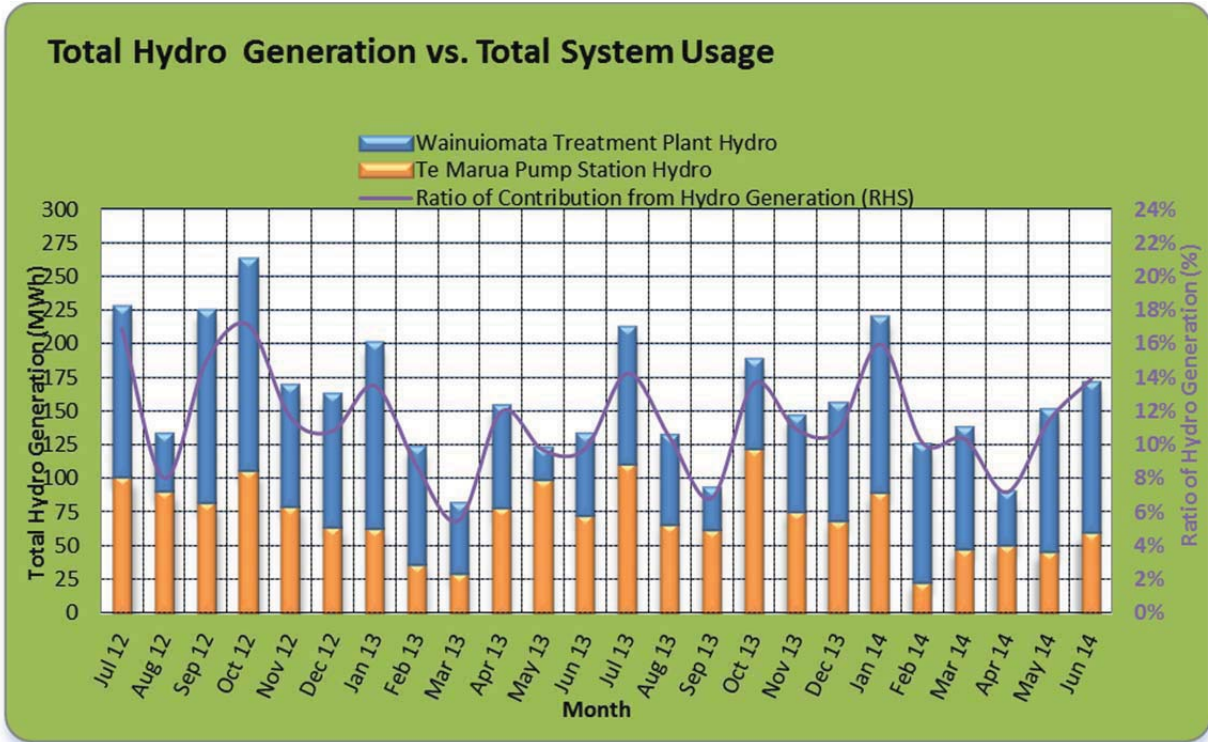
Notes to power graphs:

- ▶ August 2012 - The high power costs were due to Wainuiomata WTP being off line during the 1080 drop
- ▶ March 2013 - The high power costs as shown in the top graph were due to very high prices on the electricity spot market. This was offset by a return on the hedge contract with the net result meeting budget expectations
- ▶ October 2013 was a low demand month, with the intakes remaining in service more than typical for winter; this means less back pumping from Waterloo, less pumping out of the lakes at Te Marua and greater hydro power generation

- ▶ The network charges are increasing by 10% from 1 April. New power contract prices expected end of February
- ▶ With the preferred, higher Te Marua Lake One out of service last year, the collection costs for Te Marua were marginally higher
- ▶ As a general rule, higher demand equates to higher pump use. However, the relationship is not always linear. When Wainuiomata or Te Marua river intakes are off due to heavy rain or 1080 drops, additional pumping is required at Waterloo to supplement supply, or by the use of lake pumps at Te Marua



The cost of distributing water after treatment continues to be the largest part of our power costs, and is the biggest contributor to the monthly variation in total power cost. This is hard to predict as it varies significantly day by day depending on network configuration.



- ▶ February 14 - Low river levels at Kaitoke resulted in less water available for Hydrogenation

The Wainuiomata Hydro has had a good 4th quarter with favourable river conditions. The dip in April was due to planned maintenance and inspections being carried out. The Te Marua hydro generation hasn't performed as well due to lake draining and uncharacteristic river conditions (mentioned below). Not shown on the graph (expected to be included next quarter) is the newly commissioned Porirua hydro generator. This unit only produces approximately a 12th of the other two hydro's but typically runs 18 hours a day, every day, as it is not dependant on river conditions as the other two are.

The Porirua Hydro has been running reliably throughout this quarter producing approximately 10.5 MW hours each month, offsetting our energy use by 1%.

Chemicals

Chemical costs at the end of financial year came in at \$155k under budget. The lower than expected water demand is the primary reason.

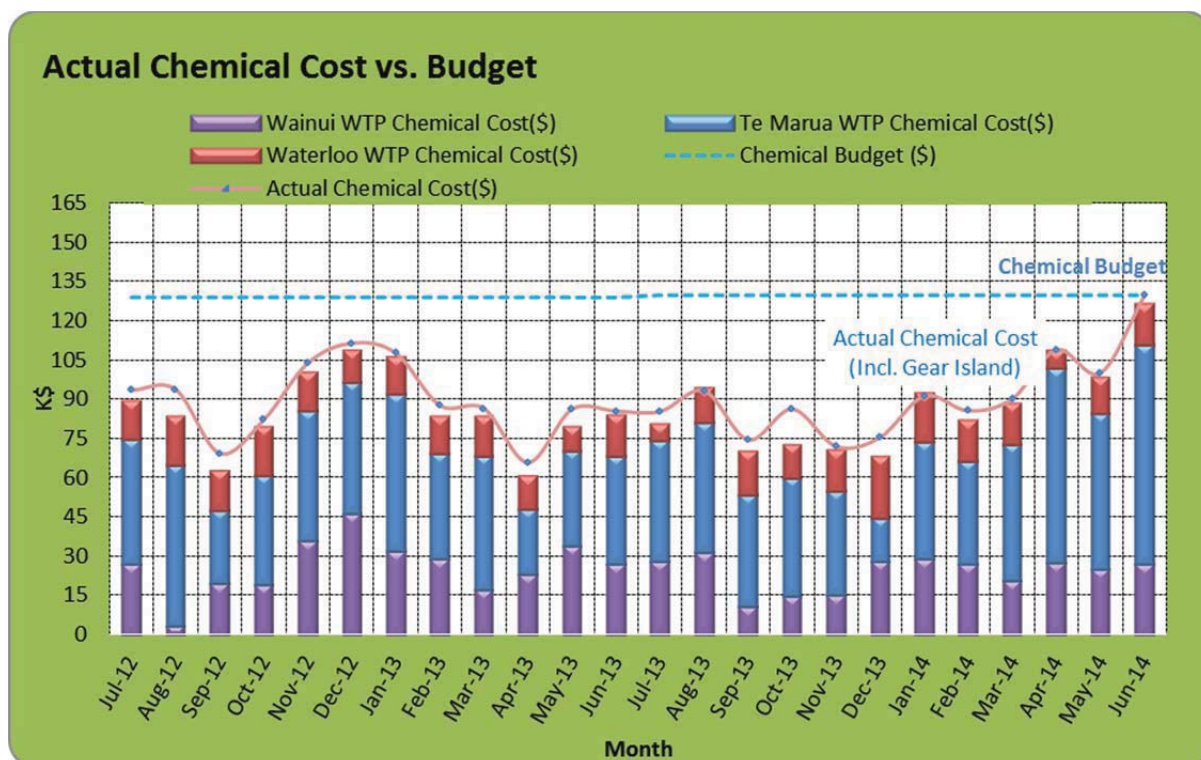
This last quarter has been a very unusual quarter for Te Marua. Both lakes experienced blooms in Geosmin, an organic compound that causes taste and odour issues. Geosmin blooms have appeared in the past, typically on a 4 year cycle. We dose Powder Activated Carbon (PAC) to mitigate the taste and odour. The Geosmin levels were so high in Lake 2 that we were unable to treat this water. The decision was made to drain Lake 2 in May and refill with fresh river water.

The Geosmin levels in Lake 1 were treatable provided we reduced the treatment plant flow to its minimum flow rate and dose the PAC at the maximum the process could cope with. We operated

under this regime for the majority of last quarter when we had to use the Lake 1 as a source. The Geosmin level in Lake 1 dropped below the requirement to dose PAC at the end of June. We were incurring an additional \$1300 a day in chemical costs when we were dosing PAC.

We are currently investigating the source of the Geosmin. We have also procured a few tons of a different and higher grade of PAC in order to treat the Geosmin levels that we saw in Lake 1, should they occur again.

Compounding the Geosmin issue at Te Marua, we also saw unusual river conditions after a significant rain event occurred on the 24th May which caused a slip in the catchment. This resulted in an increase in the chemicals required and was outside the quality parameters for putting water into the lakes. This event lasted 5 – 6 weeks before the slip was cleared by another rain event. We haven't seen river quality conditions like this since the plant was commissioned (in 1989).



- ▶ June 2014 – Slip in Hutt catchment as well as Geosmin in lakes created high demand on chemicals. Te Marua running on lowest flows as possible with supplementary water sourced from Waterloo and Wainuiomata
- ▶ November and December 2012 – Higher than average chemical costs at Wainuiomata were due to the bias to use Wainuiomata over Waterloo in order to ensure the water level in the Waiwhetu Aquifer was as high as possible prior to the summer demand

1.3 Quality performance

- ▶ Ministry of Health Microbiological compliance – 100%
- ▶ Ministry of Health Chemical compliance (fluoride) – 100%
- ▶ Ministry of Health Aesthetic compliance – 100%

1.4 Environmental performance

Consents

Consent New / Changes / Renewal

- ▶ New consent granted for the cleaning of the Wellfields (Waterloo and Gear Island). WGN140140 (32709)
- ▶ Wainuiomata WTP - Supernatant discharge consent (WGN000071 (21685)) up for renewal. Application will be lodged by due date of 10 October 2014
- ▶ Wainuiomata WTP - Partially treated activity complies with the permitted activity status of the Fresh Water Plan, and a cross check with the proposed new regional plan will confirm if this consent can be surrendered (WGN980153 (21686))
- ▶ Kaitoke (Te Marua) – Abstraction consent (WGN000199 (30733)), review of requirements for the communication plan and the ecological monitoring in-progress (Hutt River Flow Plan)

Reporting

- ▶ All consent reporting has been completed for the 2013/14 year

Compliance

- ▶ Awaiting compliance reports from Environmental Regulation. We are confident that full compliance has been achieved with each consent and condition

Improvements

- ▶ Review of status and relevance of all 93 consents has been completed. Some areas for optimisation of consents identified, the majority of the consents remain relevant and are to be retained
- ▶ Consent condition management processes to be documented (blueprinted) with tasks, actors and fail points identified
- ▶ Consent management registers being updated

Ecological monitoring of the Hutt River

- ▶ Greater Wellington's Environmental Management Group and NIWA are working on improving the reliability and accuracy of river gauging. The Environmental Management Group have recognised that the provision of accurate, real time flow data for consent management is a wide spread problem, and are now publishing daily "Current flow for water take compliance purposes" at all river recorders. These flows will remain unchanged even if the recorder rating and the flow record archive changes
- ▶ Monitoring for the 2013/14 summer has been completed and the reports on the implementation, which are due on 15th August, are being prepared

Discussions regarding Regional Plan Review

- ▶ Discussions with Greater Wellington's Environmental Management Group staff on water allocation and other aspects of the Regional Plan Review based on the August 2013 "Working Document for Discussion" have taken place over several months. A number of stakeholder meetings were attended during the year, mostly to discuss aspects of water allocation and water quality with representatives from other stakeholder groups. To date there are no changes proposed to the current plan that would significantly affect WSG's consents to take water. However policies relating to water bodies with significant values may restrict our ability to develop some areas flagged as future water supply catchments
- ▶ The plan also has very restrictive policies and rules for Outstanding Water Bodies. In the current draft the river reaches immediately upstream of the Kaitoke Weir and the Wainuiomata Intake are classified as Outstanding Water. This is not a problem. However, the extent of Outstanding Water Bodies has not yet been finalised and will depend on an assessment of recreational, landscape and Tangata Whenua values. The water group believes there is a significant risk of some Outstanding Water Bodies extending further downstream, with the potential to significantly curtail our current abstraction rights
- ▶ A preliminary discussion has been held with customer representatives about how best to achieve effective water supply consumer representation on the Wellington/Hutt Valley Whaitua Committee to be set up during 2014



The recently commissioned Khandallah Emergency Water Pumping Station

Resilience Planning

The WS Group is revising the overall Resilience Strategy including both resilience measures and new sources in consultation with our customers. A draft strategy will be included in the draft 2015/25 LTP for consultation with the public. Work is underway to prepare for the Council workshop in September.

Takapu emergency storage

CH2M Beca completed the feasibility study report in February for emergency storage reservoirs located on Landcorp land near the Takapu Road electricity sub-station. The report concludes that construction of one or two reservoirs on the site is feasible. The report provides cost estimates for the construction of 200 ML and 680 ML reservoirs. This information will be contained in the draft 2015-25 LTP.

Wellington Harbour Pipeline – emergency supply

The report of the Wellington harbour pipeline feasibility study was received in June and the detailed report on the sea floor survey carried out by Marine Geo Solutions from Perth was received in late July. The latter document reported the presence of 76 freshwater springs along the pipe route. The significance of these springs is not fully understood, and a diver inspection and some water quality testing is proposed to be carried out in 2014/15 to provide further information. The favoured option of running a 600 mm (ID) pipe from Point Howard to Evans Bay with a smaller branch to Miramar is estimated to cost \$92M. This cost includes the new pipelines required at Point Howard and Evans Bay, but not the cost of improving the resilience of existing pipes supplying water to the cross harbour pipeline or for distributing water in Wellington City.



The Guru carrying out the sea floor survey for the proposed cross-harbour pipeline

Risk Profile

The Water Supply Group continues to improve asset knowledge and understanding of the current level of risk exposure. A number of specific pieces of work have been carried out over recent years. The GNS report of October 2013 was commissioned to review the performance of water supply assets during a Wellington fault movement. This work has provided new information and identifies potentially serious damage to the Waterloo wellfield infrastructure in some scenarios.

Our Risk Review Project (assessing risk scores of Critical Assets) is almost complete. The results of this work, the GNS report, and other historical findings will be work shopped after the integration. The objective is to have this work completed in time to feature in the 2015-25 LTP and to use this as the start of developing a Water Supply Risk Reduction Strategy.

The process of engaging a Risk Expert to assist with the review of our existing processes, the application of these processes and the collection and analysis of risk information commenced in the last quarter. However, engagement has not been undertaken as a result of the integration. This project has been temporarily placed on hold but will be a scheduled piece of work required by the new entity.

The work will include a gap analysis and an improvement plan on the most appropriate framework suitable for Water Supply.

Emerging Risks

Iron bacteria in the aquifer

The iron bacteria challenge reported on in the last quarter continues to be an issue. It has been detected in two of the eight bores at Waterloo but may be present in others. Laboratory testing is underway to determine the source of the bacteria and how far it has spread.

The iron bacteria is a naturally occurring organism and is not harmful to humans, however it has caused high enough turbidity in the Willoughby variable wellpump that its water is unable to meet the New Zealand Drinking Water Standards. As a result, this pump is out of operation. The Waterloo WTP usually operates with six wells (out of 8) so having one out-of action has not proven to be an issue operationally.

Iron bacteria can form naturally within an aquifer, or it can be introduced during maintenance activities. The sludge formed can block pumps and coat the internal surface of pipe work. The sludge forming bacteria is persistent and although there are no health concerns, it can cause aesthetic and operational issues.

A cleaning regime with chlorine will keep the bacteria in check. A Resource Consent has been obtained to discharge and then recover the chlorine solution from each well. The consent conditions are extensive and cover a suite of frequent sampling and monitoring tasks. Planning is underway for the first round of cleaning as there is a considerable amount of work to be undertaken before the cleaning can commence. The costs associated with this activity are yet to be determined.

Regional Public Health is aware of the issue as are Capacity. The optimistic outlook is that we can control it and keep it clean with a six monthly chlorine maintenance activity. The worst case scenario may be that we have to continually dose chlorine at Waterloo incurring additional operational costs. The replacement costs of the bores will feature in the 2015/25 LTP as they are nearing the end of their life. The work may need to be escalated depending on the extent of the iron issue.

Aquifer security

GNS has been engaged to age-date the aquifer water at Waterloo. This is a requirement to be carried out every five years in order to retain the secure bore status. The testing process has commenced and must cover a 12 month period.

Stuart Macaskill Lake linings

When draining Lake 2 in May it became evident that the water behind the lining was not draining as fast as the lake level was dropping. This causes a potential risk in that the water pressure builds up behind the liner to an extent where it could cause critical damage to the liner itself.

The lake designer has come up with design modifications to the liner to reduce this issue. This work is in progress and being closely reported on by the Operations Manager. The lake is expected to be full in November.



Karori water pipe tunnel

Insurance

Infrastructure risk management experts Marsh & McLennan Ltd have been commissioned to map our current and emerging risks against our asset insurance arrangements and to identify any gaps in cover for a range of risk/cost “appetites”. The objective of this work is to determine a comprehensive, up-to-date picture of bulk water supply asset-risk picture, and to determine an appropriate risk profile for the Water Supply Group as well as the investment required in achieving that profile.

This work has been placed on hold until the integration and is closely linked to the Risk Review Project.

A decision is yet to be made on the most appropriate way to manage the variance between the current cover and the MPL for our underground assets.

New Sources

Need for new water source

In 2013, a revised model of the Lower Hutt Groundwater system was developed by a specialist consultant, who worked NIWA to incorporate a simplified version into the SYM model (the SYM is too large and complex to allow the full groundwater model to be incorporated). This new model better reflects the behaviour of the aquifer, and indicates that more water than previously thought can be safely extracted within the constraints of the current consent conditions.

The SYM demand side model has also been updated to reflect the continuing decline in per capita water use.

These two changes have increased the predicted sustainable population, i.e. the population that can be supplied by the existing infrastructure from 414,000 to 437,000. That is, a new source is not now expected to be required until 2035, whereas the previous expectation was that a new source would be required about 2019.

Pakuratahi Storage Lakes

MWH has completed a feasibility report on a proposal to construct one or more storage lakes on River Terraces at the eastern end of the AgResearch farm near the Pakuratahi River. The proposed lakes would be a similar size to the Stuart Macaskill Lakes and would operate in a similar manner. The study has shown that constructing two lakes at this location is feasible. One could store 1,800 ML and the second 1,200 ML, at a total cost of \$83M. However fully utilising this stored water would require an increase in the capacity of the Kaitoke-to-Karori pipeline by way of booster pumping stations, and an increase in the capacity of the Te Marua Water Treatment Plant.

Purchase of land for Pakuratahi Storage Lakes

The 202 ha AgResearch farm at Kaitoke was purchased for \$4.425M in June. While the latest Sustainable Yield modelling results show that a new source will not be required until about 2035, potential sites for future off-river storage are very limited, and the decision to purchase this land has been taken as a future proofing measure. The site could accommodate up to three off-river storage lakes but it will continue to be farmed by AgResearch for at least the next three years.

Demand Forecasting Pilot Study

MWH have completed a pilot study that looks at water use in relation to land use, in an attempt to identify water use trends by sector. Porirua City Council data has been used in the pilot study, as their data enables land use and water use to be correlated.

While good correlation was found between reductions in water use and pressure reduction and asset renewal programmes, the lack of residential metering makes accurate sector based forecasting problematic, as it is difficult to distinguish between unmetered authorised consumption and non-revenue water.



Karori Pumping Station

1.5 Departmental business plan performance indicators

Level of Service	Performance Measure	Performance Target 2013/14	On track /concern / alarm	Progress Comment 4th Quarter (End of Year)
1. Provide water that is safe and pleasant to drink	Provision of water that is safe and pleasant to drink	No water-borne disease outbreaks	Achieved	Achieved. No water borne disease outbreaks.
	Provision of water that is safe and pleasant to drink	No taste complaints related to the bulk supply	Alarm	One event relating to the bulk water supply caused concern about the taste/odour of drinking water for our customers. This arose due to high levels of the naturally-occurring compound Geosmin in the Stuart Macaskill Lakes during April. Geosmin can cause water to taste and smell 'earthy', but poses no health risk and the water remains safe to drink.
	Comply with the requirements of the DWSNZ 2005. Aesthetic and microbiological for treatment and distribution 100% of the time, and chemical requirements 100% of the time.	100% compliance with the Drinking Water Standards of New Zealand - P1 Microbiological	Achieved	100% compliance with the Drinking Water Standards of New Zealand - (One e.coli transgression recorded by Regional Public Health, no further action required)
2 - Provide a continuous and secure water supply	Treatment plant and distribution system gradings will be maintained or improved	100% compliance with the Drinking Water Standards of New Zealand - P2 chemical (excl Fluoride)	Achieved	100% compliance with the Drinking Water Standards of New Zealand - (One fluoride transgression recorded by Regional Public Health, no further action required)
		100% compliance with the Drinking Water Standards of New Zealand - Aesthetic	Achieved	Verbal confirmation of 100% compliance received from Drinking Water Assessor. Formal annual survey report due from Regional Public Health forthwith.
		Te Marua, Wainuiomata and Gear Island plants - A1. Waterloo treatment plant - B. Distribuion sysetm - a1	Achieved	Verbal confirmation of compliance received from Drinking Water Assessor. Formal annual survey report due from Regional Public Health forthwith.
3 - The water supply infrastructure is adequate to meet future needs while minimising environmental impacts		No shutoffs to bulk water supply network resulting in loss of water or pressure to consumers	Achieved	Achieved. No shutoffs to bulk water supply network resulting in loss of water or pressure to consumers
	Maintain water supply to consumers	Improve the resilience of the bulk water supply to catastrophic events such as earthquakes by implementing the methodology for assessing improvements to the resilience	Achieved	Achieved due to John Duggan and Terry Pinfold's report "Risk Evaluation Template For All Assets" #1251219 Info from Geoff Williams
	Sufficient water is available to meet the unrestricted (other than by routine hosing restrictions) demand in all but a drought situation that has a severity equal to or greater than a 1 in 50 year drought.	Modelled probability of annual water supply shortfall is no greater than 2% (calculated annually)	Achieved	Achieved Currently under review, the overall outcome will be lower than stated in the Asset Management Plan (ASP)
	Achieve full compliance with all resource consents & environmental regulations	Full compliance with resource consents Annual review of relevant environmental legislation HSNO location and stationary container test certificates are current	On track	Active consents have been reported on time, awaiting compliance reports from Environment.
			Achieved	Monthly review and update of relevant legislation
			Achieved	Inspections completed, TM was done on June 6, WI, WL and GI were done on June 11.

The Business Plan Performance Indicators reflect a high level of achievement expected at year end

2 GROUP FINANCIAL SUMMARY FOR THE POLICY, FINANCE AND STRATEGY COMMITTEE

2.1 Financial summary

Operating Statement

Water Supply Group Income Statement For the 12 months ended 30 June 2014	YTD as at 30 June			Last Year	notes
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000	
Rates & Levies	25,635	25,635	-	24,890	
Government Grants & Subsidies	-	-	-	-	
External Revenue	593	288	305	559	1
Investment Revenue	926	642	284	705	2
Internal Revenue	-	7	(7)	565	
TOTAL INCOME	27,154	26,572	582	26,719	
less:					
Total personnel costs	5,399	5,340	(59)	5,423	
Less resource costing	(1,048)	(1,655)	(607)	(1,693)	
Net payroll costs	4,351	3,685	(666)	3,730	3
Chemicals	1,402	1,557	155	1,462	4
Power used in production	2,103	2,356	253	2,498	5
Other	4,816	4,922	106	4,917	6
Total Materials,Supplies & Services	8,321	8,835	514	8,877	
Travel & Transport Costs	231	299	68	287	
Contractor & Consultants	3,187	2,979	(208)	2,213	7
Grants and Subsidies Expenditure	-	-	-	-	
Internal Charges	695	712	17	1,243	
Total Direct Expenditure	16,785	16,510	- 275	16,350	
Financial Costs	3,342	3,601	259	3,586	8
Bad Debts	-	-	-	-	
Corporate & Department Overheads	1,445	1,445	-	1,378	
Depreciation	11,453	8,289	(3,164)	8,257	9
Loss(Gain) on Sale of Assets / Investments	227	(52)	(279)	4,373	10
TOTAL EXPENDITURE	33,252	29,793	(3,459)	33,944	
OPERATING SURPLUS/(DEFICIT)	(6,098)	(3,221)	(2,877)	(7,225)	
Add Back Depreciation	11,453	8,289	3,164	8,257	
Other Non Cash	95	(52)	147	4,373	
Net Asset Acquisitions	(10,069)	(9,982)	(87)	(9,848)	
Net External Investment Movements	(1,681)	(1,342)	(339)	(1,107)	
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(6,300)	(6,308)	8	(5,550)	
Debt Additions / (decrease)	9,764	8,535	1,229	9,528	
Debt Repaid	(3,461)	(2,378)	(1,083)	(4,043)	
Net Reserves (Increase) / decrease	(3)	151	(154)	65	
NET FUNDING SURPLUS (DEFICIT)	-	-	-	-	

Water Supply ended the year with an accounting deficit of \$6.1m versus a budgeted deficit of \$3.2m. A higher than budgeted deficit by \$2.9m. The result needs to be adjusted for the non-operational expenditure spent on the integration project. This amounted to \$182k reducing the deficit to \$5.9m.

The most significant factor in this result is the higher than budgeted level of depreciation as a result of last year's revaluation. Since the last quarterly report, further adjustments have been made to the revaluation as a result of discovering previously unidentified issues with the data supplied to the valuer. These adjustments have resulted in annual depreciation decreasing from an estimated \$13.2m to \$11.4m per year.

On a cash basis, Water Supply produced an additional cash surplus over and above operating costs and scheduled debt repayments of \$1.1m. This was used to retire debt ahead of schedule. The key features of that result are as follows:

1. **External Revenue: \$305k better than budget.** All property and duct lease revenue was on budget. The extra revenue was unbudgeted cost recoveries from other councils for work undertaken on their behalf. There are corresponding equal costs coded against appropriate cost lines so this extra revenue does not represent a surplus
2. **Investment revenue: \$284k better than budget.** We continue to earn better than budget interest rates on our Asset Rehabilitation Fund. The annual capital contribution to the fund is also higher than originally budgeted, which generates additional above budget income
3. **Net payroll costs: \$666k worse than budget.** Staff pay and benefits is slightly over budget due to FBT on vehicles offset by savings against budgeted superannuation. Resource costing recoveries for the full year were \$607k below budget due to the deferral of 2013/14 projects and additional planning required before projects are approved. This pragmatic approach to capital projects has caused a below budget recovery which has been financed from savings in other areas as noted below
4. **Chemicals: \$155k better than budget.** See section 1.2 for a detailed analysis of chemical use
5. **Power used in production: \$253k better than budget.** See section 1.2 for a detailed analysis of electricity use
6. **Other: \$106k better than budget.** A variety of budget over/under variances, none of which individually are of significance
7. **Contractors and consultants: \$208k worse than budget.** \$115k of this variance was unbudgeted expenditure on advice on integration issues
8. **Finance costs: \$259k under budget.** These savings have occurred due to the timing of the adjusted capex programme, in particular the purchase of the Kaitoke land was settled in June instead of the budgeted time of August. This has resulted in the bulk of the interest savings
9. **Depreciation: \$4.2m over budget.** See comments in second opening paragraph
10. **Loss on disposal of assets: \$279k worse than budget.** We budgeted for a gain of \$52k on disposal of vehicles. The losses are the remaining asset values of replaced assets. We are improving our project planning procedures to try and identify these assets in advance and budget for any book value disposal losses in advance

Balance Sheet

Greater Wellington Water Statement of financial position	YTD as at 30 June			notes
	June 2014	June 2013	Movement \$000	
Bank Accounts and Call Deposits	-	-	-	
Receivables	2,967	2,828	139	1
Accrued Revenue and Prepayments	55	81	(26)	
Stocks	2,492	2,367	125	2
Total Current Assets	5,514	5,276	238	
Total Investments	20,925	19,241	1,684	3
Net Fixed Assets	429,257	430,451	(1,194)	4
Capital Works In Progress	12,191	8,801	3,390	5
Total Non Current Assets	462,373	458,493	3,880	
Total Assets	467,887	463,769	4,118	
Payables and Accrued Expenses	1,714	1,714	-	
Employee Provisions and Accruals	533	553	(20)	
Current Liabilities	2,247	2,267	(20)	
Internal Debt	60,578	54,275	6,303	6
Total Liabilities	62,825	56,542	6,283	
Total Retained Earnings	187,306	193,408	(6,102)	
Asset Revaluation Reserves	217,617	213,690	3,927	7
Departmental Reserves	153	151	2	
Total Ratepayer Funds	405,076	407,249	(2,173)	
Movement in Equity	(14)	(22)	8	
Total Ratepayer Funds and Liability	467,887	463,769	4,118	

- 1. Receivables:** Higher than previous year end due to the billing out of some large cost recoveries in June 2014 for projects being undertaken for Capacity
- 2. Stocks:** This balance will fluctuate depending on the quantity of chemicals held at year end. It also includes our pipe stock (both working and emergency)
- 3. Total Investments:**

Greater Wellington Water Movement in Investments - current year 000's	Balances as at 30 June			notes
	2014 Actual	2014 Budget		
Reinstatement fund opening balance	19,091	19,091		
Investment additions	900	700	200	a
Interest on investments	781	642	139	b
Reinstatement fund closing balance	20,772	20,433	339	
Other reserve investments	153	151	2	c
			-	
Closing balance total investments	20,925	20,584	341	

- Ahead of budget as we are adding \$900k to the fund each year instead of the budgeted \$700k, the extra funding came from the cancellation of top-up insurance for the difference between our underground asset MPL and the value in the fund
- Better than budget by \$139k due to higher than budgeted interest rates on our investments
- Addition to reserves is operating project budgets carried forward to 2014/15

4. **Net fixed assets:** Further adjustments were required to our revaluation figures in light of the issue around the integrity of the data used by the valuer used to determine asset lives in the original valuation

5. **Capital works in process:** Higher than last year due to the \$4.25m land purchase occurring on the last day of the financial year. Work has to be done to identify the assets on the land that was purchased before it can be capitalised

6. **Internal debt**

Greater Wellington Water Movement in debt - current year 000's	Balances as at 30 June			notes
	2014 Actual	2014 Budget		
Internal debt opening balance	54,275	54,275		
Debt additions	9,764	8,535	1,229	a
Debt repayments	(3,461)	(2,378)	(1,083)	b
Net debt movement	6,303	6,157	146	
Internal debt closing balance	60,578	60,432	146	

a) Debt additions: Slightly ahead of budget due to the capex programme coming in for the year at more than was originally budgeted

b) Debt repayments: Better than budgeted surpluses have been used to repay debt early



Our water education resource, *Turning on the tap*

Capital Expenditure Programme

The table below shows the Capex expenditure split by Profit Centre for year ended 30 June 2014 for the 2013/2014 financial year.

The year-end overspend is 1.9% (\$182,000). Re-budgets from the 13/14 financial year to following years totalled \$1,088,000.

Capex Funded Projects/Improvements

Profit Centre	Budget	YTD 30 June 2014	Variance \$	Variance %
Sources	\$30,000	\$0	\$30,000	100%
Treatment Plants	\$1,295,000	\$1,105,666	\$189,334	15%
Pipelines	\$475,000	\$448,097	\$26,903	6%
Pump Stations	\$60,000	\$61,245	-\$1,245	-2%
Monitoring & Control	\$490,000	\$426,194	\$63,805	13%
Miscellaneous	\$2,000,000	\$1,767,548	\$232,452	12%
New Sources	\$5,400,000	\$6,123,263	-\$723,263	-13%
TOTAL - Assets & Compliance	\$4,350,000	\$3,808,750	\$541,248	12.44%
TOTAL - Development & Strategy	\$5,400,000	\$6,123,263	-\$723,263	-13%
TOTAL - PROGRAMME	\$9,750,000	\$9,932,014	-\$182,015	-1.9%
Total Re-budget	\$1,088,000			

There have been cost increases for a number of projects within Development and Strategy; the most significant being the increased forecast cost of the land procurement at Kaitoke (increase of approximately \$400k). Additionally, an opportunity was taken to survey the harbour for the cross-harbour pipeline project while the specialty ship and staff were in the region. The cost increases within Development and Strategy have been offset by reduced spend and project deferrals within the capex programme.

Capex programme highlights in Q4:

- ▶ The WTP Building Seismic Strengthening project kicked off. Work will span the 13/14 and 14/15 years. This important work will increase the seismic resilience for the most strategically important WTP buildings
- ▶ A further professional services contract was awarded to SKM to undertake seismic assessments of a number of important water supply network buildings, including strategically important pump stations. The assessments will allow us to better plan for future network resilience improvements

- ▶ An opportunity was taken to attain the services of an overseas-based specialist contractor (who was in New Zealand to undertake investigations for the oil and gas industry), to undertake bathymetric investigations of the proposed cross-harbour pipeline route. The investigations will reduce project risks and improve cost estimate accuracy



Part of a clarifier at the Te Marua Water Treatment Plant



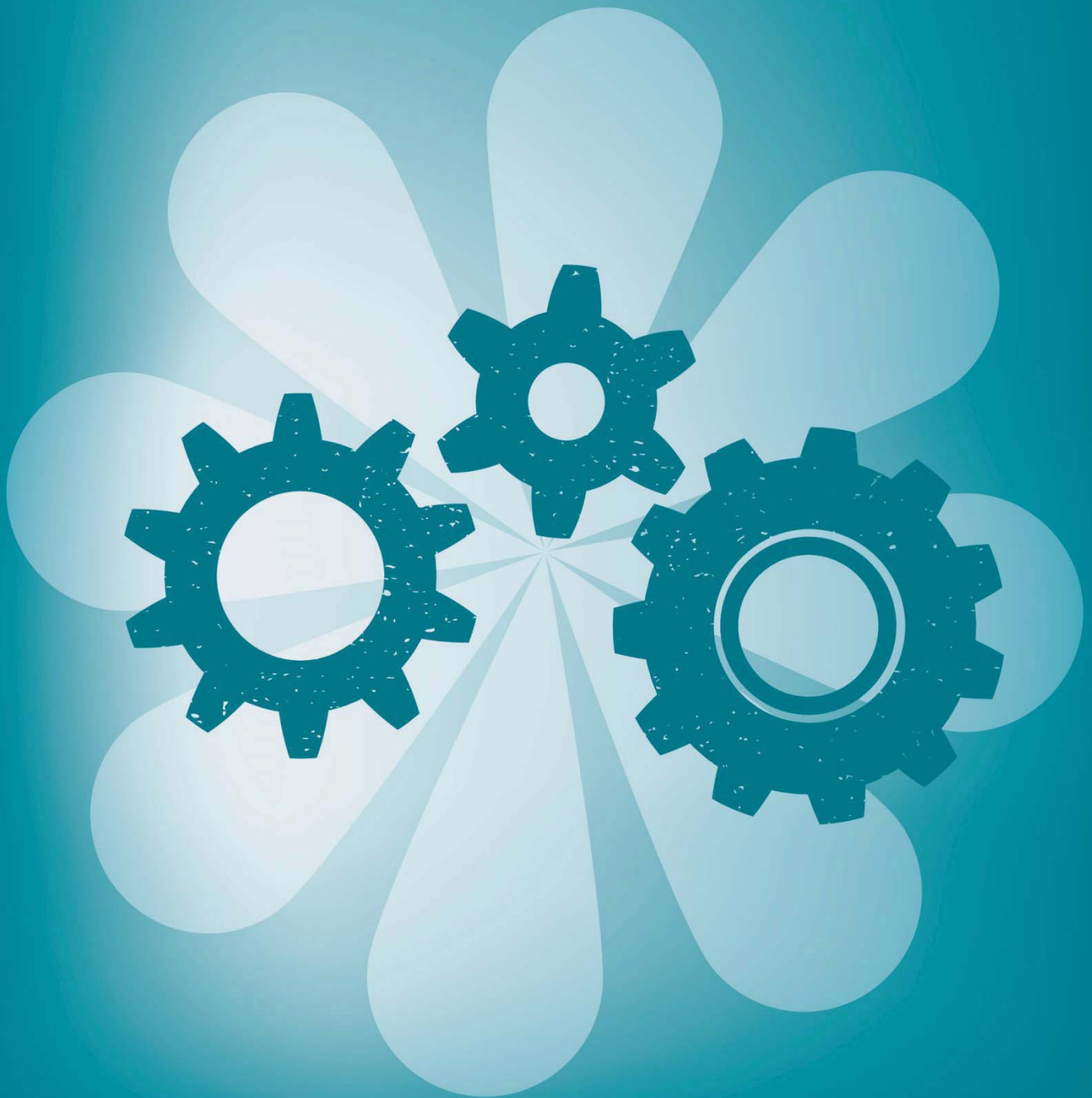
greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Strategy & Community Engagement Group

Performance Report for the year ended 30 June 2014



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1 STRATEGY AND COMMUNITY ENGAGEMENT GROUP REPORT

1.1 Executive summary for Strategy and Community Engagement Group

Group Overview

S&P Committee

The Strategy and Community Engagement Group has completed or progressed some significant projects over the 2013/14 year. The most significant milestone was the completion of the Public Transport Spine Study and the adoption by the Regional Transport Committee of bus rapid transit as the future public transport mode for the spine through Wellington City.

The progression of the Parangarahu Lakes Management Plan was also a significant project. This is the first co-governance plan prepared in partnership with a post-settlement Iwi. Te Roopu Tiaki will consider feedback on the plan ahead of final adoption by the Port Nicholson Block Settlement Trust and the Council.

The Sustainable Transport team ran a number of successful active transport promotions during the year. It also continued road skills training for adults (bikes and motorbikes) and through the schools programmes. Two of the members of that team were also appointed to the Government's Cycling Safety Panel. The expert panel was set up in response to the findings of a coronial review of cycling safety in New Zealand, released in November last year by Coroner Gordon Matenga. Our Let's Carpool programme was extended to more regions.

The Te Hunga Whiriwhiri team continued the rollout of Maori language and other Maori training to GWRC. Team members also continued supporting GWRC projects such as the whaitua and catchment management activities.

The Strategic Planning (Data and Analysis) team have been very busy providing transport modelling support to various transport projects, including Roads of National Significance projects and public transport planning projects (including the Regional Public Transport Plan). Members of the team also gave expert evidence at the Basin Bridge Board of Inquiry hearing.

The Transport Planning team also gave expert evidence to the Board of Inquiry. As well as assisting the Hearing Committee and Regional Transport Committee on their decisions on the PT Spine Study process, the team also progressed the development of the Regional Land Transport Plan, which now incorporates the regional land transport programme.

The Strategic Planning team continued collaborative work with other councils and agencies, including the Wellington Regional Strategy work, the climate change work and the scoping of a regional spatial plan for the Mayoral Forum.

Risk & Assurance Committee

The Communications team continued developing the Council's communications tools, particularly the electronic tools. Videos were made for the regional parks and promoted through Youtube, Facebook and Twitter. A video was also produced to support the Whaitua programme, with additional footage obtained that will be used for other GWRC promotions.

The GWRC webpage was improved and was used to host an online version of Our Region. In addition, media monitoring and management continued. The team logged and managed 584 media calls and distributed 124 media releases; 103 (83%) of these were picked up by the media. They monitored and analysed 1,151 articles

As part of information management (PIM) role for Civil defence, the team developed emergency pages for new WREMO website which can be activated by any PIM in the region, in the event of an emergency.

1.2 Group financial summary

Net operating surplus for the Strategy and Community Engagement Group for the year ended 30 June was \$403,000 compared to the budgeted operating deficit of \$301,000.

The main reasons for the favourable variances relate to:

- ▶ Reduced expenditure on consultants, materials and supplies due mainly to timing of projects and payments to external parties.
- ▶ Reduced personnel costs due to vacancies in the Group during the year.

Further details are signalled in the department summaries.

Capital expenditure to date is \$41,000 less than budget due to the timing of payments in the transport model programme.

2 GROUP CONSOLIDATED FINANCIAL STATEMENTS

Strategy & Community Engagement Group Income Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	6,413	6,413	-	6,293
Government Grants & Subsidies	1,215	1,389	(174)	1,281
External Revenue	214	16	198	73
Investment Revenue	73	67	6	104
Internal Revenue	1,414	1,414	-	1,582
TOTAL INCOME	9,329	9,299	30	9,333
less:				
Personnel Costs	3,495	3,671	176	3,403
Materials, Supplies & Services	747	765	18	624
Travel & Transport Costs	52	33	(19)	35
Contractor & Consultants	1,103	1,678	575	1,586
Grants and Subsidies Expenditure	4,145	4,042	(103)	3,615
Internal Charges	1,061	1,037	(24)	1,218
Total Direct Expenditure	10,603	11,226	623	10,481
Financial Costs	24	20	(4)	20
Bad Debts	-	-	-	-
Corporate & Department Overheads	(1,956)	(1,956)	-	(2,052)
Depreciation	266	314	48	269
Loss(Gain) on Sale of Assets / Investments	(11)	(4)	7	(5)
TOTAL EXPENDITURE	8,926	9,600	674	8,713
OPERATING SURPLUS/(DEFICIT)	403	(301)	704	620
Add Back Depreciation	266	314	(48)	269
Other Non Cash	(11)	(4)	(7)	(5)
Net Asset Acquisitions	(228)	(269)	41	(94)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	430	(260)	690	790
Debt Additions / (decrease)	205	108	97	92
Debt Repaid	(99)	(103)	4	(75)
Net Reserves (Increase) / decrease	(189)	253	(442)	(528)
NET FUNDING SURPLUS (DEFICIT)	347	(2)	349	279

Strategy & Community Engagement Group Capital Expenditure Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Total Asset Acquisitions	34	29	(5)	2
Capital Project Expenditure	205	250	45	91
Asset Disposal Cash Proceeds	(11)	(10)	1	(9)
Net Capital Expenditure	228	269	41	84
Investments Additions	-	-	-	-
Net Capital and Investment Expenditure	228	269	41	84

3 STRATEGY AND POLICY COMMITTEE

3.1 Parks Planning

Key results for the year

- ▶ The draft Parangarahu Lakes Management Plan and amendments to the Parks Network Plan were developed and approved by the Roopu Tiaki, Council and the Port Nicolson Block Settlement Trust. This is the first co-governance plan of this type developed by GWRC. Public consultation and a hearing were concluded and a recommendation made by the hearing subcommittee.
- ▶ A comprehensive Heritage Plan for the Baring Head lighthouse compound was developed, consulted on and accepted by Council.
- ▶ The process and scope of a management plan for Whitireia Park was discussed and agreed by the independent Park Board.
- ▶ Negotiations continued with the NZ Transport Agency on compensation for land acquisition in Belmont Regional Park and Battle Hill Forest Park associated with Transmission Gully motorway. Negotiations also continued on the implementation of the proposed cycleway in Queen Elizabeth Park associated with the Mackays to Peka Peka Expressway.
- ▶ A number of proposals for leases and licences within the regional parks network were processed and decided.
- ▶ A draft Track Protocol for motorised recreation in Akatarawa Forest was prepared by ARAC and GWRC officers. A review of the approved motorised track network within the forest was started.
- ▶ An amendment to the Parks Network Plan to reflect changes in the management of GWRC Forestry assets will be prepared and presented to Council for consideration.

Looking ahead

- ▶ A decision on the draft Parangarahu Lakes Management Plan and amendments to the Parks Network Plan will be made by the Council and PNBST.
- ▶ The concept plan and design for the future use of the Baring Head lighthouse compound will be completed.
- ▶ A detailed project plan will be prepared for the Whitireia Park management plan for consideration of the Park Board.

Departmental Summary

The net operating surplus for Parks Planning for the year ended 30 June is \$31,000 compared to a budgeted operating deficit of \$40,000.

Financial reports

Parks Planning Income Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	277	277	-	248
Internal Revenue	-	-	-	-
TOTAL INCOME	277	277	-	248
less:				
Personnel Costs	-	-	-	-
Materials,Supplies & Services	4	28	24	3
Contractor & Consultants	46	93	47	41
Internal Charges	98	98	-	92
Total Direct Expenditure	148	219	71	137
Corporate & Department Overheads	98	98	-	75
TOTAL EXPENDITURE	246	317	71	212
OPERATING SURPLUS/(DEFICIT)	31	(40)	71	36
Add Back Depreciation	-	-	-	-
Other Non Cash	-	-	-	-
Net Asset Acquisitions	-	-	-	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	31	(40)	71	36
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	40	40	-	(40)
NET FUNDING SURPLUS (DEFICIT)	71	-	71	(4)

Departmental financial summary and variance analysis

The favourable variance in materials and consultants is due to delays with finalising the Parangarahu Lakes Management Plan. Additional time has been required to undertake scientific research, resolve reserve vesting issues with PNBST, and to ensure an agreed joint plan.

Long Term Plan performance measures

Performance Measure		Performance Target	Comment
	Baseline	2013/14	
That the Parks Network Plan is maintained and updated	Parks Network Plan adopted December 2010	Adopt amendments to the Parks Network Plan on: Whitireia Park	This amendment will be completed after the settlement of the Ngati Toa Rangatira Treaty of Waitangi claims. The inclusion of Whitireia Park within the GWRC Parks Network is to be considered by the Park Board.

Specific areas of work 2013/14	Comment
Amendment to Parks Network Plan to include Whitireia Park	As above

Departmental risk analysis

Risks have been reviewed and no new risks have been identified

3.2 Te Hunga Whiriwhiri

Key results for the year

- ▶ The Māori language module for staff (Pakiaka) continued. A refresher course for Pakiaka graduates called Hei Mahi began.
- ▶ A draft tangata whenua funding policy was completed and was provided to tangata whenua for comment.
- ▶ The koha policy was updated..
- ▶ Papers outlining Treaty of Waitangi Settlement obligations by GWRC to Ngati Toa and PNBST were produced and will form the basis of ongoing reporting.
- ▶ Active participation in the WEST (Whaitua Establishment Steering Team) continued.
- ▶ A strategy day was conducted with Ara Tahi members to redefine the role of Ara Tahi, facilitated by Sir Wira Gardiner.
- ▶ Arbour Day and Matariki were celebrated at Queen Elizabeth Park and Battle Hill.
- ▶ An inaugural iwi "walkover" of the Waikanae and Otaki rivers was conducted.
- ▶ Sites of significance tours of the Raukawa and Te Atiawa ki Whakarongotai areas were held.
- ▶ Arranged for officials from the Ministry of Primary Industries to conduct a consultation session on the draft Food Safety Bill for TAs. This followed a presentation to Ara Tahi on the draft Food Bill and its implications for marae.
- ▶ Councillors were hosted by the Waiorongomai marae at Raukawa as a part of the councillor induction.
- ▶ Assisted with the Whaitua video by coordinating tangata whenua.
- ▶ Conducted Ruamahanga Whaitua launch at Te Oreore marae.
- ▶ Conducted first kaumatua visit to Parangarahu Lakes.
- ▶ Maori language training was started for Councillors.
- ▶ A programme on Maori issues for Managers - Pihī, was conducted.
- ▶ A two day course on the Treaty of Waitangi was conducted by Mr Consedine for ELT.
- ▶ Our Treaty obligations towards Taranaki Whanui continue to be addressed as follows:
 - Having regard for statutory acknowledgements
 - Summaries of resource consent applications provided
 - Copy of any notice of application provided
 - Statutory acknowledgements recorded on statutory plans
 - Memorandum of Understanding in respect of Parangarahu Lakes completed and reviewed
 - Place name changes implemented
- ▶ Ngati Toa has recently completed their Treaty Settlement process and we are now addressing our obligations as a result of that settlement.

Looking ahead

- ▶ The introduction of a GIS shared portal for tangata whenua will continue to be investigated.
- ▶ A decision by tangata whenua on the establishment of Maori constituencies to GWRC will be made, for consideration by the Council.
- ▶ Leadership meetings between GWRC and tangata whenua will be conducted.
- ▶ The Pakiaka course to be reviewed.
- ▶ Support for the Whaitua Committees will be provided.
- ▶ Ongoing support to Taranaki Whanui and Ngati Toa Rangatira regarding Treaty obligations

Departmental Summary

The net operating surplus for Te Hunga Whiriwhiri for the year ended 30 June was \$160,000 compared with the budgeted operating deficit of \$7,000.

Financial reports

Te Hunga Whiriwhiri Income Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	-	-	-	-
Internal Revenue	862	862	-	895
TOTAL INCOME	863	862	1	895
less:				
Personnel Costs	258	329	71	231
Materials,Supplies & Services	27	26	(1)	31
Travel & Transport Costs	13	10	(3)	10
Contractor & Consultants	303	404	101	419
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	42	41	(1)	44
Total Direct Expenditure	643	810	167	735
Corporate & Department Overheads	52	52	-	50
Depreciation	7	7	-	7
Loss(Gain) on Sale of Assets / Investments	-	-	-	(5)
TOTAL EXPENDITURE	702	869	167	787
OPERATING SURPLUS/(DEFICIT)	161	(7)	168	108
Add Back Depreciation	7	7	-	7
(Loss)/Gain on Assets	-	-	-	(5)
Net Asset Acquisitions	-	-	-	(2)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	168	-	168	108
Net Reserves (Increase) / decrease	(25)	-	(25)	-
NET FUNDING SURPLUS (DEFICIT)	143	-	143	108

Departmental financial summary and variance analysis

- ▶ The favourable variance in personnel costs of \$71,000 is related to a vacancy in the department. This will be a saving at the end of the financial year with forecast adjusted accordingly.
- ▶ Expenditure on contractors and consultants was \$101,000 below budget. This was due to lower expenditure on Iwi projects (\$100,000).

Of this \$100,000 saving, \$25,000 has been put into reserve for 2014/15.

Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Percentage of tangata whenua committee members satisfied that tangata whenua are recognised and involved in the decision making process	90%	90%	A survey is currently being undertaken

Specific areas of work 2013/14	Comment
Deliver Maori capacity training to Councillors and staff	A training programme is in place and is being rolled out

Departmental risk analysis

Risks have been reviewed and no new risks have been identified.

3.3 Strategic Planning – Data and Analysis

Key results for the year

- ▶ Work to update WTSM to a 2013 Census year has continued, a new observed freight matrix has been produced. While this project is on track, project pace was slowed to allow other work to take precedence.
- ▶ All TAs in the region have signed up to using the ID Community Profile Tool, which has now been deployed. The tool is web-based providing Census 2013 demographic information and at a district level that can be used for planning and analysis.
- ▶ We have completed analysis of 2013 Census Journey to Work information and written a report. We have also provided greater in-depth commentary on the Wellington CBD cordon surveys.
- ▶ In support of corporate planning we provided continuing assistance for the PTSS. This included analytics to support the Basin Board of Inquiry (BOI) hearing process. We continued to help develop the BRT option for Ruahine Street with our project partners NZTA and WCC. This work will identify a preferred implementation form for this corridor and support BOI processes next year.
- ▶ We have provided significant assistance for the Regional Land Transport Plan development processes. This has included reviewing the RLTP indicators, developing and implementing scenarios for strategy model analysis, reporting on this analysis and developing recommendations for future target settings. This has included presentations to Council and Regional Transport Committee.
- ▶ Through the year a range of analysis and reports were completed for the Sustainable Transport team, this included School Travel Plans, Active a2b and Spring to the Street. We have also completed a range of regional road safety reports to fill gaps in reporting by NZTA. We developed a State of Walking report for Wellington Region.
- ▶ For the Wellington Region Strategy office we updated all indicators and produced a draft report for the Genuine Progress Index. We have reviewed and provided detail comment on an economic forecasts report by BERL.
- ▶ The Public Transport Group was assisted by pulling together information and providing analysis for the Regional Passenger Transport Plan (RPTP). Other minor analysis was also completed.
- ▶ With NZTA we worked to provide information to inform the Petone to Grenada scoping study and help define further analysis for the next study phases. Investigations to determine how Bus Rapid Transit can be accommodated into the Ruahine Street proposals have also been led by our staff.
- ▶ Expert witness transportation modelling evidence was prepared and presented to the Basin Bridge Board of Inquiry. Staff also supported our lawyers by providing information for examining other witnesses.

Looking ahead

- ▶ We will complete a series of working papers in support of the Regional Land Transport Plan development process.
- ▶ We will complete the update of WTSM to 2013 by June 2015

- ▶ We will complete development of a preferred proposal for BRT in Ruahine Street by October 2014.
- ▶ Protocols for working with NZTA and their consultants will be developed for State Highway projects
- ▶ We will develop strategies for the integration of the Sustainable Pathways (SP2) research project into council policy development processes.

Departmental Summary

The net operating surplus for the Data and Analysis department for the year ended 30 June was \$36,000 compared to a budgeted deficit of \$50,000.

Financial reports

Data and Analysis Income Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	775	775	-	718
Government Grants & Subsidies	301	330	(29)	238
External Revenue	-	-	-	-
Investment Revenue	6	6	-	7
Internal Revenue	116	116	-	122
TOTAL INCOME	1,198	1,227	(29)	1,085
less:				
Personnel Costs	434	467	33	375
Materials,Supplies & Services	120	33	(87)	16
Travel & Transport Costs	2	-	(2)	-
Contractor & Consultants	15	136	121	122
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	57	61	4	48
Total Direct Expenditure	628	697	69	561
Financial Costs	24	20	(4)	20
Bad Debts	-	-	-	-
Corporate & Department Overheads	264	264	-	261
Depreciation	246	296	50	246
TOTAL EXPENDITURE	1,162	1,277	115	1,088
OPERATING SURPLUS/(DEFICIT)	36	(50)	86	(3)
Add Back Depreciation	246	296	(50)	246
Net Asset Acquisitions	(205)	(250)	45	(92)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	77	(4)	81	151
Debt Additions / (decrease)	205	108	97	92
Debt Repaid	(99)	(103)	4	(75)
Net Reserves (Increase) / decrease	(182)	(1)	(181)	(13)
NET FUNDING SURPLUS (DEFICIT)	1	-	1	155

Data and Analysis Capital Expenditure Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Capital Project Expenditure	205	250	45	91
Net Capital Expenditure	205	250	45	91
Investments Additions	-	-	-	-
Net Capital and Investment Expenditure	205	250	45	91

Departmental financial summary and variance analysis

- ▶ Total expenditure is \$115,000 favourable year to date mainly due to reduced depreciation charges. This is a result of the transport model costs coming in less than budget last year.
- ▶ There is also \$25,000 consultant expenditure relating to the monitoring of RLTS which should have been re-budgeted to 2014/15 but was missed due to an administration error. We now plan to fund this from reserve in 2014/15.
- ▶ Personnel costs are also less than budget at year end as a result of a vacancy.

Capital expenditure is \$45,000 below budget as a result of timing of payments. This amount has been re-budgeted to 2014/15 due to delays in the project.

Departmental risk analysis

Risks have been reviewed and no new risks have been identified.

3.4 Sustainable Transport

Key results for the year

- ▶ Spring to the Street took place during September 2013. There was a 30% increase in numbers from 2012, with 2039 registrants, 234 teams and 52 workplaces.
- ▶ The first national and Wellington region Open Street Sunday was held on September 22, which was also World Car Free Day. Dixon and Lower Cuba Streets in Wellington City were closed to traffic for four hours. Approximately 1500 people attended the event, which was well supported by local residents and businesses.
- ▶ Over 170 motorcyclists from six clubs were part of the Safe Trips Rimutaka motorcycle safety awareness project, working in partnership with NZTA, ACC and local councils to identify ways to improve safety on the Rimutaka Hill Road.
- ▶ The Safer Speeds video campaign filming was completed.
- ▶ A 'Vision Zero' road safety video was filmed and will be presented to the Regional Transport Committee as part of its development of the Regional Land Transport Plan.
- ▶ Movin' March had a record participation of 42 schools with nearly 10,000 children involved.
- ▶ Active a2b was run over three months (mid Jan - mid April) with 1,132 people participating. A range of activities were held including bike maintenance workshops, fix-a-flattie workshops, the a2bGO challenge and other promotions. A2b GO is a team workplace challenge which ran from 12 February to 12 March. Nearly 320 people participated.
- ▶ Two staff members were appointed to the Government's Cycle Safety Expert Review Panel.
- ▶ Four bus driver/cyclist workshops were held throughout the year. The last in June was significant because drivers from Mana Bus Company attended for the first time and Pedal Ready instructors were present to help novice cyclists ride bikes.
- ▶ The 2014 'Be Safe Be Seen' campaign (including lights voucher and Easter night ride) was completed. The 2014 bike lights test results were published on the GWRC website (attracting 2,600 views over the last year). As a result of advertising on the website and in Our Region, over 70 discount vouchers and kits of reflective materials were mailed to readers and approximately 100 additional people collected packs from GWRC reception. Materials and lights vouchers were also supplied to road safety coordinators throughout the region.
- ▶ In alignment with NZTA's campaign, partnered with territorial authorities to install, "See the person, share the road" billboards on SH2, and banners on local roads across region.
- ▶ Worked with the Public Transport Group to install, promote and monitor a three month trial of priority carpool parking at Park n' Rides in Petone and Waikanae railway stations.
- ▶ Pedal Ready trained 2,627 children in Grade 1 and 2 cycle skills, and 319 adults were also trained in Grade 1 and 2 cycle skills.
- ▶ Pedal Ready provided instructor training to 44 people for cycle skills training.
- ▶ Scooter safety skills were delivered to approximately 2,100 students at 16 schools
- ▶ A successful Kiwi Carpool Week campaign in June resulted in an additional 126 registrations on the Let's Carpool website which now makes a total of 3,200 people registered.

Looking ahead

The department will:

- ▶ Develop and run 'Spring to the Street', from 8-26 September.
- ▶ Continue on-going delivery of cycle training through Pedal Ready to schools, workplaces and community groups, as well as training for Pedal Ready instructors.
- ▶ Launch the 'Safe Speeds' video campaign.
- ▶ Continue to participate in the Government's Cycling Safety Expert Panel.
- ▶ Contribute to the design of the QE Park Commuter Path
- ▶ Plan the 2015-18 application for NZTA funding.

Departmental Summary

The net operating deficit for the Sustainable Transport department for the year ended 30 June was \$183,000 compared to the budgeted operating deficit of \$199,000.

Financial reports

Sustainable Transport Income Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	267	267	-	266
Government Grants & Subsidies	567	577	(10)	541
External Revenue	131	-	131	61
Investment Revenue	66	58	8	93
Internal Revenue	-	-	-	-
TOTAL INCOME	1,031	902	129	961
less:				
Personnel Costs	492	497	5	462
Materials,Supplies & Services	252	275	23	204
Travel & Transport Costs	13	-	(13)	5
Contractor & Consultants	140	11	(129)	86
Grants and Subsidies Expenditure	45	42	(3)	15
Internal Charges	104	108	4	94
Total Direct Expenditure	1,046	933	(113)	866
Corporate & Department Overheads	168	168	-	185
Depreciation	-	-	-	-
TOTAL EXPENDITURE	1,214	1,101	(113)	1,051
OPERATING SURPLUS/(DEFICIT)	(183)	(199)	16	(90)
Net Asset Acquisitions	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(183)	(199)	16	(90)
Net Reserves (Increase) / decrease	184	199	(15)	89
NET FUNDING SURPLUS (DEFICIT)	1	-	1	(1)

Departmental financial summary and variance analysis

The year to date favourable variance is due to:

- ▶ Marginal savings in materials and personnel costs.
- ▶ External revenue (\$131,000) relating to:
 - » Software licensing costs (Let's Carpool) on-charged to eight other Councils around the country, offset by the additional costs of this being hosted by a third party;
 - » The Active A2B programme and Cycle skills revenue which is offset by the additional costs of this sitting within consultants.

Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Percentage of stakeholders and partners who rate coordination services and resources satisfactory or higher	New measure	90%	87%
Number of total annual visitors to selected Greater Wellington sustainable transport web pages	New measure	13,532 visitors	There has been a three-fold increase in visitors to web pages
Mode shift in workplace and school travel plan programmes	New measure	Programme participants increase their use of sustainable transport modes	<p>There has been an increase in active travel trips to school from 32% to 40%. There has been a decrease in travel to school by car from 62% to 56%.</p> <p>Cycling trips for the Active a2b Plus group (who drove to work 3 or more times a week) increased from 2% to 9%. Car trips for the Active a2b Plus group reduced from 91% to 69%.</p>

Specific areas of work 2013/14	Comment
Continue to roll out sustainable transport programmes.	Programmes progressed as planned through the year. Active a2b attracted 1,132 participants from 52 workplaces
Walking and cycling initiatives will be facilitated.	A number of initiatives were facilitated through the year, including with schools and the community.
At least one community travel behaviour change project will be supported	A cyclist skills training programme was run. Active a2b, aimed at getting people out of their single occupancy cars, attracted 1,132 participants.
The regional road safety campaign will be supported and reported to the Regional Transport Committee	Road safety campaign initiatives included participation in the "Be safe be seem" campaign.
Public awareness campaigns will be carried out to promote walking, cycling and public transport, and to discourage unnecessary car trips	There was a 30% increase in numbers participating in Spring to the Street compared with 2012, with 2,039 registrants, 234 teams and 52 workplaces.

Departmental risk analysis

Risks have been reviewed and new risks have been placed in Quantate.

3.5 Transport Planning

Key results for the year

- ▶ The formal public consultation process on the PT Spine Hearing Subcommittee involved processing almost 300 detailed submissions and a hearing over several days, as well as substantial additional expert analysis of key issues. The hearing subcommittee agreed its recommendations to the Regional Transport Committee. A joint WCC/GWRC councillor workshop was held, and the RTC confirmed the recommendations and the recommended option, which was subsequently adopted in the Regional Public Transport Plan.
- ▶ An Implementation Pathway has been discussed with Wellington City Council and the NZ Transport Agency for the next stages of the PT Spine (BRT) project and progress made on finalising a Programme Business Case to make the case for the next stages of the project. The team participated in the Mt. Victoria Tunnel duplication scheme assessment and provided a lead role in the consideration of BRT options for this project.
- ▶ The development of the Regional Land Transport Plan was progressed, with consideration by the RTC of papers on: overall process and timeframes; a review of the outcomes, objectives, policies and measures; and a review of targets. Further papers on the significance policy, prioritisation methodology, modelling of future scenarios, and reviews of various existing action and implementation plans were prepared for consideration by the Technical Advisory Group.
- ▶ Various briefings on the process for the Regional Land Transport Plan were given to external organisations.
- ▶ Preparatory work to develop the 2015-21 Programme (which forms part of the Regional Land Transport Plan) was progressed with NZTA and the territorial authorities, including initial consideration of likely significant projects, and development of a strategic case for regional resilience.
- ▶ Council approved a submission on the final stage of the FAR review and this was submitted to NZTA.
- ▶ Expert witness evidence on regional transport planning and the Public Transport Spine project was presented to the Basin Bridge Board of Inquiry.
- ▶ A submission was approved by the Council on the proposed Petone to Grenada link road.
- ▶ Involvement continued in investigations and steering groups for various Wellington RoNS and highway projects, including Petone to Grenada link road, Terrace Tunnel duplication, and Mt. Victoria Tunnel duplication.

Looking ahead

- ▶ Coordination with Wellington City Council and NZTA on the next steps for the Bus Rapid Transit system will continue.
- ▶ Development of the Regional Land Transport Plan will continue, with the RTC adopting a draft policy framework for targeted stakeholder consultation in August. A prioritisation approach for ranking significant activities in the next programme will be agreed by the RTC and applied through the Technical Advisory Group.
- ▶ Continued involvement in the Basin Bridge Board of Inquiry may be required.

- Involvement in investigations will continue for various Wellington RoNS and highway projects.

Departmental Summary

The net operating surplus for the Transport Planning department for the year ended 30 June was \$196,000 compared with the budgeted surplus of \$3,000.

Financial reports

Transport Planning Income Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	464	464	-	392
Government Grants & Subsidies	346	482	(136)	502
External Revenue	61	-	61	-
Investment Revenue	1	3	(2)	4
Internal Revenue	-	-	-	-
TOTAL INCOME	872	949	(77)	898
less:				
Personnel Costs	170	177	7	166
Materials,Supplies & Services	12	1	(11)	3
Travel & Transport Costs	3	-	(3)	1
Contractor & Consultants	172	453	281	502
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	136	132	(4)	127
Total Direct Expenditure	493	763	270	799
Corporate & Department Overheads	183	183	-	174
Depreciation	-	-	-	-
Loss(Gain) on Sale of Assets / Investments	-	-	-	-
TOTAL EXPENDITURE	676	946	270	973
OPERATING SURPLUS/(DEFICIT)	196	3	193	(75)
Add Back Depreciation	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEM	196	3	193	(75)
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	(197)	(3)	(194)	74
NET FUNDING SURPLUS (DEFICIT)	(1)	-	(1)	(1)

Departmental financial summary and variance analysis

The year to date favourable variance in operating deficit is due to:

- The budgeted expenditure was for the next phase of the Spine project which will now start within the 2014/15 year. The revenue and expenditure for this phase of the project will now sit in the Public Transport Group budget from 2014/15. Overall the PT Spine Study and Assessment resulted in a saving of \$83,000 of which \$50,000 has been re-budgeted to 2014/15.
- Unbudgeted external revenue of \$61,000 was WCC's contribution to the Spine Feasibility Study. This was not budgeted because at the time of setting the budgets WCC's contribution had not been confirmed.

- ▶ Delays to the review of the Regional Land Transport Plan (previously called the Regional Land Transport Strategy) due to resources being diverted to the PT Spine Study project resulted in saving of \$90,000. \$50,000 savings for consultation has been re-budgeted to 2014/15.
- ▶ The Regional Freight Plan review being stalled, with NZTA at this time declining to fund the project. This, along with the Hutt Climate Change Study have resulted in savings of \$95,000.

Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
That the Regional Land Transport Strategy is reviewed, adopted and monitored	Regional Land Transport Strategy adopted 2010	Consult on the Regional Networks Plan	Development of a Regional Land Transport Plan (new legislative requirement) is underway

Specific areas of work 2013/14	Comment
Complete the Wellington Public Transport Spine Feasibility Study	The PT Spine Study feasibility study has been completed. A decision on the option was made by the RTC in March.
Review the existing transport plans through the development of a regional transport network plan	Development of the new integrated Regional Land Transport Plan is underway. This will incorporate all existing corridor plans, implementation plans, and action plans.

Departmental risk analysis

Risks were reviewed and no new risks have been identified

3.6 Strategic Planning – Wellington Regional Strategy

Key results for the year

- ▶ A business survey to determine the level of digital maturity (as determined by the application of digital technologies) was undertaken and the findings reported. Findings are comparable with Australian data.
- ▶ A methodology to quantify the benefits of ultrafast broadband uptake and the application of digital technology by individual businesses was developed. A series of business case studies was subsequently commissioned. These will be used as promotional material and as a benchmark to monitor business growth through the application of digital technologies.
- ▶ The 2013 Regional Economic Profile was produced and published on the WRS website. This report was supplemented with more detailed economic analysis using the Infometrics tool that the Council now has access to. Such detailed analysis included a review of sector definitions and how these were applied by Grow Wellington and MBIE for reporting purposes.
- ▶ Agreement was reached with councils on harmonising economic data for planning and reporting requirements. The WRS Office also commissioned Berl to undertake economic forecasts out to 2041 at a territorial authority level, based on four scenarios. This report included a situational analysis using 2013 Census and economic data.
- ▶ It was agreed that the WRS Committee be the signatory to a migrant attraction and settlement Partnership Agreement with Government. The WRS Office is facilitating the content of this agreement in partnership with the relevant agencies.
- ▶ Berl was commissioned to undertake detailed analysis on immigration policy and migrant "underemployment" factors in Wellington. This included the development of a tool using 2013 Census data as a basis for determining evidence-based interventions as part of a work programme under the Partnership Agreement above.
- ▶ A review of internship programmes and activities in the region was completed. This demonstrated a lack of co-ordination in Wellington which Grow Wellington has subsequently responded to.
- ▶ Grow Wellington's 2012/2013 Annual Report, 2014/15 Statement of Intent and six monthly updates were presented and accepted by the WRS Committee.
- ▶ A stocktake of economic resiliency (infrastructure) activities was undertaken. This subject was workshopped with Centre of Advanced Engineering (CEANZ) members.
- ▶ An evaluation framework to measure progress on specific WRS objectives was completed following a series of stakeholder workshops. The evaluation exercise was begun and scheduled for completion in September 2014.
- ▶ A joint project with Victoria University resulted in a face-to-face survey of 113 regional knowledge-based businesses by students from the School of Business. A report was provided that covered factors such as skill shortages, impediments to growth and reasons for doing business in the region. Plans were completed for a similar survey of technology businesses in the first quarter of the 2014/15 year.
- ▶ The Genuine Progress Index (GPI) has been updated with Census 2013 data required and other new material.

- ▶ An analysis of how the region measures up against the LGNZ Business Friendly Guidelines was provided to the WRS Committee.
- ▶ Work in support of the economic development shared service project has been ongoing. This project proposes that the various entities involved with economic development be combined into a single entity. The new entity would be called Wellington Regional Economic Development Agency (WREDA) which GWRC and WCC would co-own and co-fund. Each Council in the region has considered the proposal in principle, and the proposal has been released for public consultation. A final decision on whether the current entities are merged to create WREDA is expected to be made in the first half of the 14/15 financial year.

Looking ahead

- ▶ A workshop and promotions exercise on the application of digital technologies will be conducted in partnership with the Chambers of Commerce.
- ▶ The application of the 2014 GPI for council planning and reporting processes will be shared with Councils and other agencies.
- ▶ A Partnership Agreement on migrant attraction and settlement activities with Government will be signed and joint activities actioned.
- ▶ Business survey information from the Victoria University project on skills needs and HR practices will inform actions by Grow Wellington and the WRS Office.
- ▶ The WRS Evaluation of progress on specific objectives will be completed.
- ▶ Economic forecasts material will be used as a basis for analysis of what an aspirational growth scenario would entail in terms of the types of interventions and investment by councils.
- ▶ Detailed analysis on sector strengths and opportunities will be conducted.
- ▶ Further harmonising of economic assumptions, data and methodologies will progress through a shared services programme.
- ▶ A final decision will be made on the WREDA proposal.

Departmental Summary

The net operating deficit for the Wellington Regional Strategy for the year ended 30 June was \$40,000 compared to the budgeted operating position of nil.

Financial Reports

Wellington Regional Strategy Income Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	4,631	4,631	-	4,668
Government Grants & Subsidies	-	-	-	-
External Revenue	-	-	-	-
Internal Revenue	-	-	-	-
TOTAL INCOME	4,631	4,631	-	4,668
less:				
Personnel Costs	192	212	20	209
Materials,Supplies & Services	53	61	8	46
Travel & Transport Costs	1	2	1	-
Contractor & Consultants	294	334	40	173
Grants and Subsidies Expenditure	4,100	4,000	(100)	3,600
Internal Charges	31	22	(9)	19
Total Direct Expenditure	4,671	4,631	(40)	4,047
Financial Costs	-	-	-	-
Depreciation	-	-	-	-
TOTAL EXPENDITURE	4,671	4,631	(40)	4,047
OPERATING SURPLUS/(DEFICIT)	(40)	-	(40)	621
Add Back Depreciation	-	-	-	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	(40)	-	(40)	621
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	39	-	39	(620)
NET FUNDING SURPLUS (DEFICIT)	(1)	-	(1)	1

Departmental financial summary and variance analysis

Total direct expenditure was \$40,000 above budget. This was due to:

- ▶ Reduced expenditure on contractors and consultants (\$40,000) due to timing of payments.
- ▶ Increased grant expenditure paid to Grow Wellington which is \$100,000 above budget. This has been drawn from their reserve. Under the agreement to establish the WRC activity GWRC is required to reserve any savings.
- ▶ Small savings in personnel costs.

Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Percentage of GDP spent on research and development	1.50% (Average 2005-2010)	1.65%	Data currently being collected
Percentage of workforce employed in highly skilled occupations	21.8% (2010)	22.9%	Data currently being collected
GDP per capita	\$55,000 (2010)	\$56,900	Data currently being collected
Specific areas of work 2013/14		Comment	
Continue to support Grow Wellington, the WRS Office and the Grow Wellington Committee to promote economic growth in the region.		Ongoing work programme.	
Manage and lead key projects relating to the Open for Business and Building World Class Economic Infrastructure focus areas.		Ongoing work programme	
Monitor Grow Wellington, in conjunction with the WRS Committee, to ensure it continues to deliver on its Statement of Intent.		Ongoing work programme	

Departmental risk analysis

Risks have been reviewed and no new risks have been identified.

3.7 Strategic Planning

Key results for the quarter

- ▶ The regional officer working group looking at climate change continues to meet. Along with all the territorial authorities in the western part of the region a greenhouse gas inventory and projections report was commissioned. The final inventory and projections report has been completed and the report released.
- ▶ Work has started on a Climate Change Strategy for Greater Wellington Regional Council, including councillor workshops. Community engagement into the Greater Wellington Climate Change Strategy is being sought via the 'Bang the Table' website.
- ▶ Work continued on a Greater Wellington Research Strategy in conjunction with the Environmental Science team. Two workshops of staff from across the organisation have been held.
- ▶ Ongoing attendance and input into the Regional Waste Forum and the Waste Management and Minimisation Plan (WMMP) Steering Group.
- ▶ A paper on the regional spatial planning shared service project was prepared and presented to the Mayoral Forum. A paper was also developed and presented to the Chief Executives' Group on the issues that would likely be included in a regional spatial plan. The Mayoral Forum was comfortable with the approach and work on a project plan is now being undertaken.
- ▶ Further information has been provided in response to requests from the Local Government Commission as it considers the local government reorganisation applications.
- ▶ Regular meetings were held with Wellington City Council as part of work on affordable housing for the region. Discussions also took place with several property developers and the Ministry of Business, Innovation and Employment. Work is ongoing as we are involved an officers group looking at implementation of the Wellington City Housing Accord.
- ▶ Work started on a significance and engagement policy, which will form part of the Long Term Plan.
- ▶ Territorial authority draft annual plans were assessed and comments on the draft Plans were coordinated and submitted.
- ▶ Meetings were held with Sport Wellington and the territorial authorities of the region to discuss the development of a regional sports and recreation strategy.
- ▶ Speech notes and information have been provided to the Chair for a range of conferences and presentations.

Looking ahead

- ▶ Work on the Greater Wellington Research Strategy will continue.
- ▶ A spatial planning project plan will be completed and presented to the Mayoral Forum.
- ▶ The significance and engagement policy for the Long Term Plan will be drafted for consideration by the Council
- ▶ Work with Sport Wellington and the territorial authorities on a regional sport and recreation strategy will continue.

Departmental Summary

The net operating surplus for the year ended 30 June was \$116,000 compared to the budgeted operating deficit of \$3,000.

Financial reports

Strategic Planning Other Income Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	-	-	-	-
Government Grants & Subsidies	-	-	-	-
External Revenue	20	16	4	12
Investment Revenue	-	-	-	-
Internal Revenue	207	207	-	223
TOTAL INCOME	227	223	4	235
less:				
Personnel Costs	332	359	27	351
Materials,Supplies & Services	8	8	-	8
Travel & Transport Costs	8	4	(4)	6
Contractor & Consultants	(14)	72	86	59
Grants and Subsidies Expenditure	-	1	1	-
Internal Charges	257	255	(2)	257
Total Direct Expenditure	591	699	108	681
Corporate & Department Overheads	(475)	(475)	-	(492)
Depreciation	6	6	-	6
Loss(Gain) on Sale of Assets / Investments	(11)	(4)	7	-
TOTAL EXPENDITURE	111	226	115	195
OPERATING SURPLUS/(DEFICIT)	116	(3)	119	40
Add Back Depreciation	6	6	-	6
Net Asset Acquisitions	(23)	(19)	4	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	88	(20)	116	46
Net Reserves (Increase) / decrease	(50)	19	(69)	(19)
NET FUNDING SURPLUS (DEFICIT)	38	(1)	47	27

Strategic Planning Other Capital Expenditure Statement 12 months ended 30 June 2014	YTD			Last Year
	Actual \$000	Budget \$000	Variance \$000	YTD Actual \$000
Total Asset Acquisitions	34	29	(5)	-
Asset Disposal Cash Proceeds	(11)	(10)	1	-
Net Capital Expenditure	23	19	(4)	-
Investments Additions	-	-	-	-
Net Capital and Investment Expenditure	23	19	(4)	-

Departmental financial summary and variance analysis

Year to date direct expenditure is lower than budget by \$108,000 due to:

- ▶ Timing of expenditure on consultants related to the climate change and spatial planning project. These amounting to \$69,000 have been re-budgeted to 2014/15.
- ▶ Reduced personnel expenditure to date as a result of vacancies.

Departmental business plan performance indicators

Specific areas of work 2013/14	Comment
Complete and implement a regional climate change strategy	Community views on a Greater Wellington Climate Change Strategy are currently being sought via the Bang the Table website.
Undertake investigations and scope the benefits of a regionally integrated planning framework	Regional spatial planning on the Mayoral Forum's work programme, with GWRC as lead Council.



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

People and Capability Group

Performance Report for the year ended 30 June 2014



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1 EXECUTIVE SUMMARY FOR RISK AND ASSURANCE COMMITTEE

1.1 The year in review

The key highlights for the 2013/14 year were:

Democratic Services

- ▶ Completion of the Council's 2013 triennial elections, the first New Zealand regional council elections conducted under the Single Transferable Vote electoral system
- ▶ Managing Council transition, including induction and administrative arrangements for new Councillors
- ▶ Proving advice to the Council regarding its governance (committee, subcommittee and advisory group) arrangements for the 2013-16 triennium
- ▶ Implementing the Remuneration Authority's new arrangements for Councillor remuneration
- ▶ Managing governance arrangements in the post-earthquake period and prior to the availability of facilities at Shed 39
- ▶ Coordinating the fit-out of the Shed 39 Council Chamber and committee room
- ▶ Providing input into significant Council decision-making processes, e.g. the sale of forestry cutting rights, the water integration proposal, and the finalisation of the Regional Public Transport Plan

Human Resources

- ▶ Developing and running an organisational engagement survey to compliment the Gallup engagement survey
- ▶ Managing the Gallup engagement survey
- ▶ Running interactive workshops focusing on building personal resilience
- ▶ Conducting the 2012/13 salary review process
- ▶ Managing the project to integrate GWRC's bulk water supply group to Capacity

Health and Safety

- ▶ Undertaking the GWRC Health and Safety Gap Analysis Project to review the organisation's health and safety policies, practices and culture
- ▶ Reviewing and updating health and safety policies and procedures
- ▶ Undertaking the bi-annual ACC Work Safety Management Practices (WSMP) audit, achieved tertiary status
- ▶ Undertaking an organisational review of quad bikes
- ▶ Running health and safety workshops for the Executive Leadership Team and councillors

- ▶ Managing the project to implement a new health and safety information management system
- ▶ Providing advice to the organisation and Council on the Health and Safety Reform Bill
- ▶ Running 27 workshops briefing staff on health and safety and the Health and Safety Reform Bill
- ▶ Reaching the finals of the 2014 Gold Awards, Workplace Health and Safety Category

Property

- ▶ Managing the strengthening and refurbishment of Shed 39
- ▶ Managing the relocation of staff immediately after the July earthquakes to various locations around the region
- ▶ Relocating staff to Shed 39 over many months
- ▶ Clearing all furniture and contents from the Regional Council Centre

WREMO

- ▶ Guiding the region through its most significant series of earthquakes since 1942
- ▶ Developing the new WREMO website
- ▶ Developing and distributing the "It's Easy" guides designed to promote household preparedness, connected neighbours and continuity planning for businesses
- ▶ Implementing the Blue Lines (tsunami planning) project in Kilbirnie, Rongotai and Lyall Bay
- ▶ Conducting EOC training across the region
- ▶ WREMO's facebook page has the largest following in the world for an Emergency management Office by capita
- ▶ Recipient of the Energy Globe Foundation award for sustainability for the CDEM Group's 200 litre water tank initiative
- ▶ Recipient of the International Association of Emergency Managers (IAEM) Oceania award for the CDEM Group Volunteer programme

1.2 Group overview

The main activities and functions carried out by the People and Capability Group over the last quarter were:

- ▶ Running 27 workshops across the organisation to inform staff about the updated policies and the Health and Safety Reform Bill
- ▶ Implementing the project plan to develop a new Health and Safety Information Management System
- ▶ Developing training programmes on incident management investigation training, risk identification and hazard management training
- ▶ Implementing an Alcohol and Other Drug Use Policy for the BioWorks team
- ▶ Managing the Gallup engagement survey
- ▶ Working on the project to integrate GWRC's bulk water supply function with Capacity
- ▶ Providing administrative support and services for Council meetings, Committee meetings and Advisory Group meetings
- ▶ Running official information training for staff

- ▶ Providing advisory input into significant Council decision-making processes, e.g. the sale of forestry cutting rights, water integration proposal, and the finalisation of the Regional Public Transport Plan.
- ▶ Providing information to Ara Tahi to enable it to consider the matter of Māori Constituencies for the regional council's elections
- ▶ Conducting EOC training across the region
- ▶ Continuing to roll-out the CDEM Volunteers programme
- ▶ Running workshops on the distant tsunami response plan
- ▶ Participating in a three day Betterbydesign master class, focusing on Pre-disaster Recovery Planning
- ▶ Working with The Tank Guy, WREMO have put together a very competitive water tank package for schools to help them get better prepared

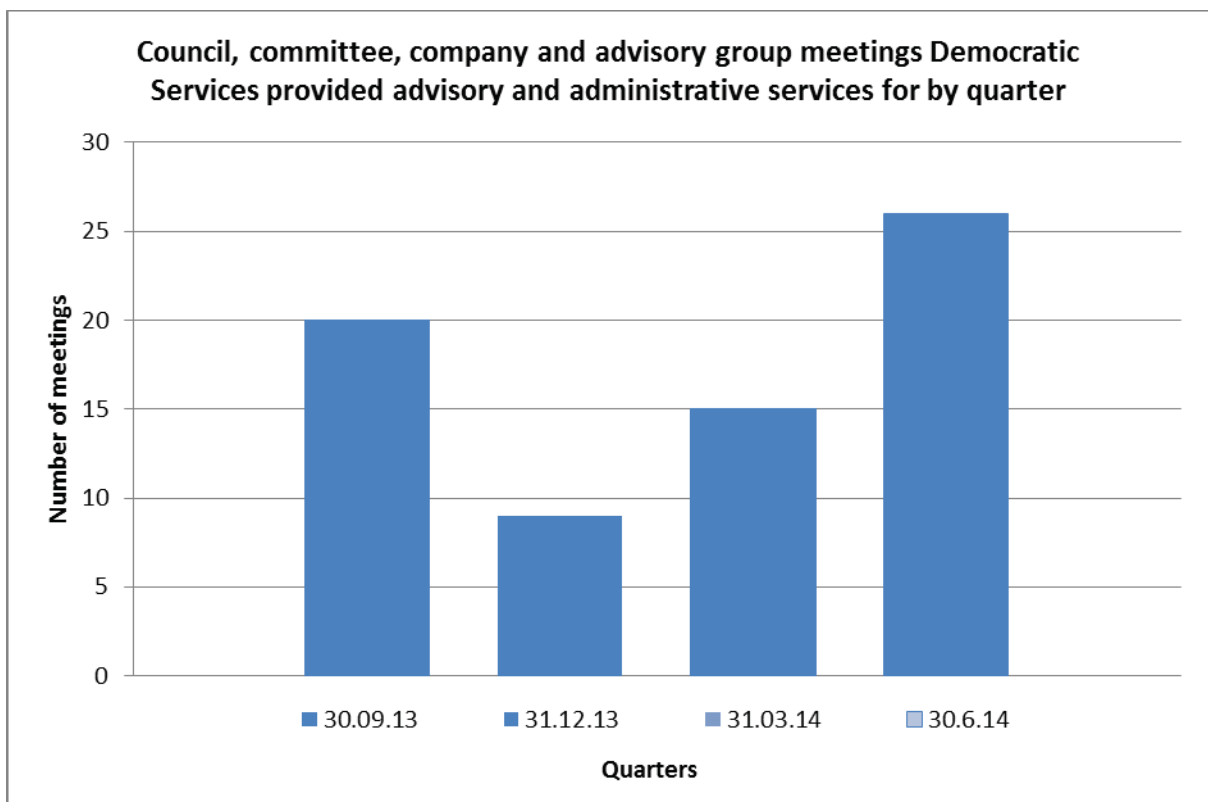
Annual Plan performance measures

		Performance Targets		
Level of Service	Performance Measure	Baseline	2013/14 Planned	2013/14 Actual
Provide information to enable the public to be informed of, and participate in, Council and committee meetings	Percentage of time meeting agenda is available to the public at least two working days prior to each meeting	100%	100%	100%
	Percentage of residents satisfied that they have had an opportunity to participate in decision making	In 2012/13 eighteen per cent of surveyed residents agreed that they are afforded opportunity to participate, rating their satisfaction 8-10 out of 10 (18%), with a further 45% rating this aspect 5-7 out of 10. A third of residents disagreed that they are provided with sufficient opportunity to participate in Regional Council's decision making (33%), with four per cent of residents unsure how to rate (4% don't know).	Achieve an increase from 18% to 20%.	In 2013/14 nineteen per cent of surveyed residents agreed that they are afforded opportunity to participate, rating their satisfaction 8-10 out of 10 (19%), with a further 47% rating this aspect 5-7 out of 10. 32% of residents disagreed that they are provided with sufficient opportunity to participate in Regional Council's decision making, with two per cent of residents unsure how to rate (2% don't know).

1.3 Quarterly Report on Democratic Services

Servicing of meetings

During this quarter Democratic Services provided advisory and administrative services to 26 Council, committee, company and advisory group meetings. The following graph shows the number of meetings serviced by the Democratic Services Department over the past 12 months.



Councillor remuneration

On 30 April 2014 the remuneration Authority advised its remuneration setting arrangements for 2014/15. Positions, other than the Chairperson, will receive a salary increase of 2.78% for 2014/15 while the Chairperson's increase is 0.79% before adjustment for vehicle provision. The salary increase will be paid and backdated to 1 July 2014 when the Remuneration Authority issues its formal determination, which is expected in July 2014.

Official information training

Democratic Services conducted official information training for staff in June 2014. Forty-two staff attended the LGOIMA 101 training and 24 the more in-depth Extra for Experts training. 93% of

surveyed attendees rated the training as "Excellent" or "Very Good". Democratic Services is looking to conduct a further round of training for staff in the Masterton office.

Councillor professional development

The following approvals were made:

- ▶ Cr Bruce to participate in the LGNZ Business Presentation Skills workshop (May 2014).
- ▶ Crs Brash, Donaldson and Wilde to attend the LGNZ National Conference and AGM 2014 (July 2014).
- ▶ Cr Laidlaw to attend the EDS Conference 2014 - "Navigating our future" (August 2014).

Arrangements were made for Councillors to access the LGNZ webinar "Tax - An elected member's responsibility" being held on 7 August.

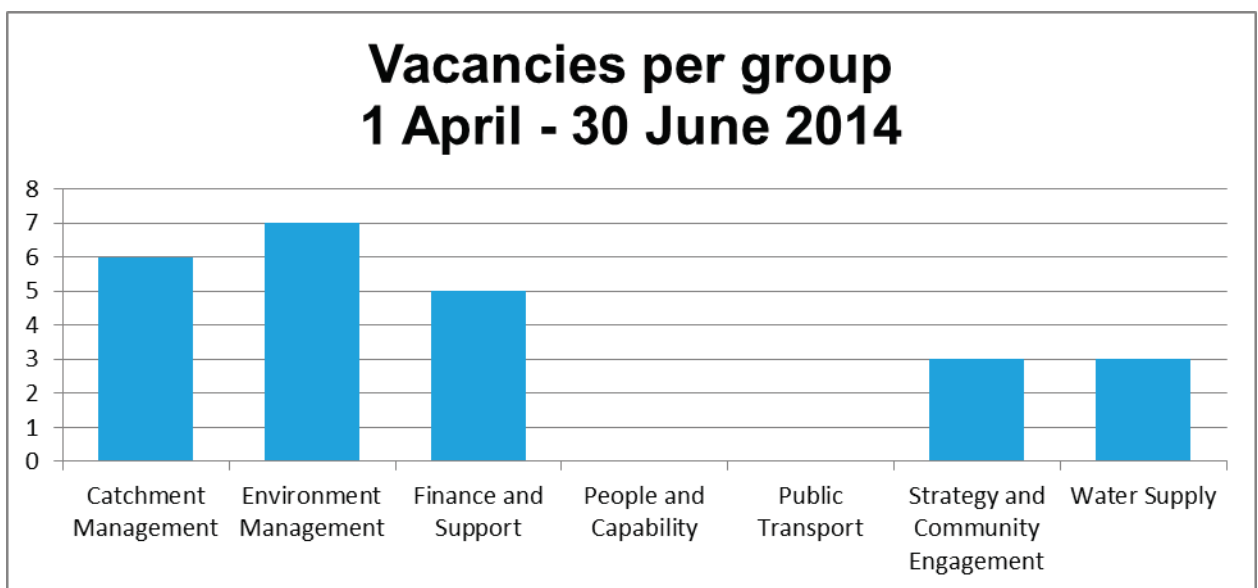
1.4 Quarterly Report on Human Resources

Recruitment

Vacancies

The number of vacancies per group is outlined in the following graph.

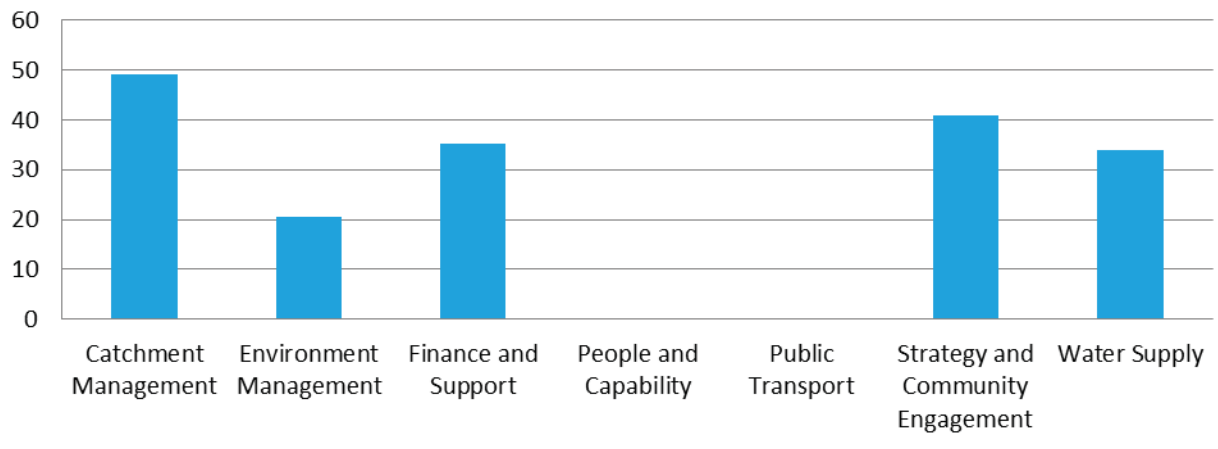
Four vacancies within the Catchment Management Group were new positions created as part of the Biodiversity Department review.



Average days taken to recruit

The “Average days to recruit per Group” graph (below) provides an overview of how long it has taken to recruit vacancies within each Group. The Catchment Management Group average days to recruit reflects the fact that they were recruiting for multiple roles at the same time.

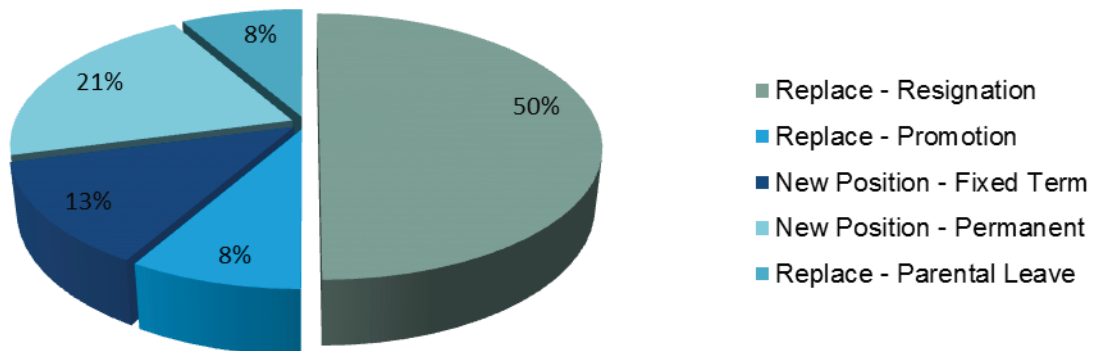
Average number of days to recruit 1 April - 30 June 2014



Reason for recruitment

The following chart identifies the reasons for recruitment during the last quarter:

Reasons for Recruitment 1 April - 30 June 2014

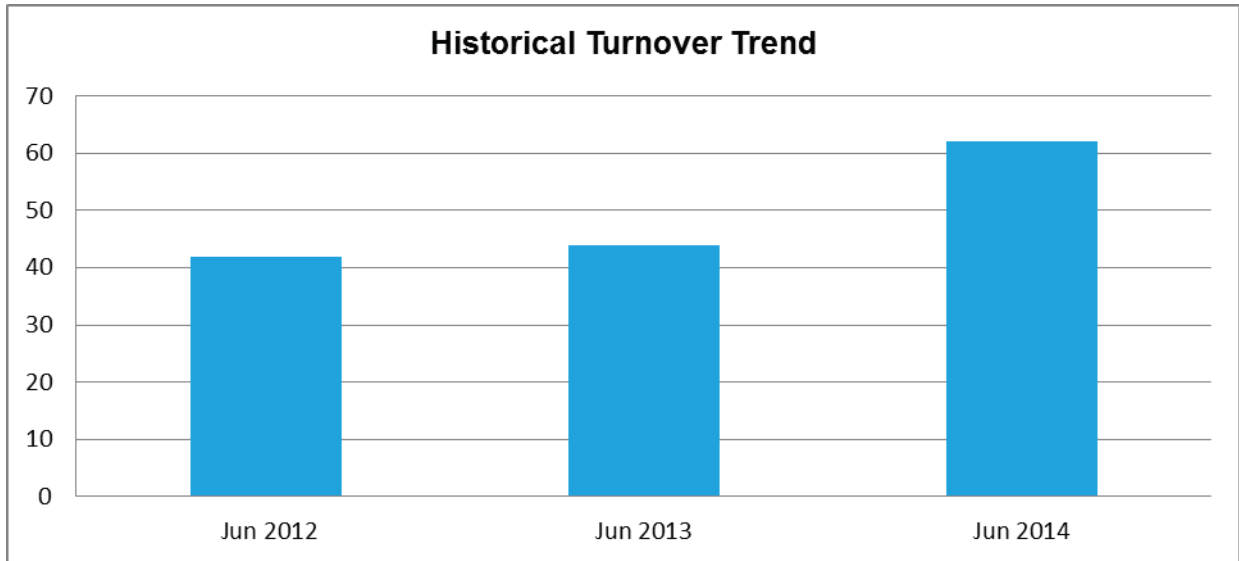


Staff turnover

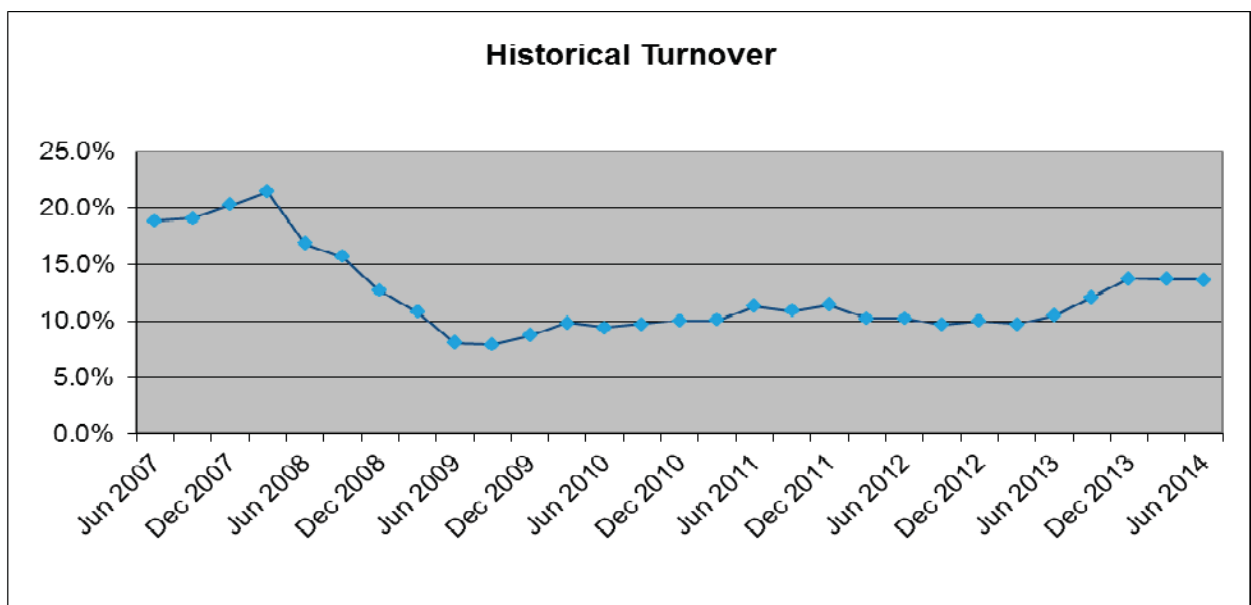
The annual turnover statistic for the last quarter was 13.6%. This has decreased slightly from December 2013 and March 2014, which had a turnover of 13.7%. This turnover figure represents both desirable and undesirable turnover. The annual turnover statistic represents the departure of 62 staff from Greater Wellington Regional Council's employment during the previous 12 months.

The historical turnover rate for Greater Wellington Regional Council is identified in the following two graphs.

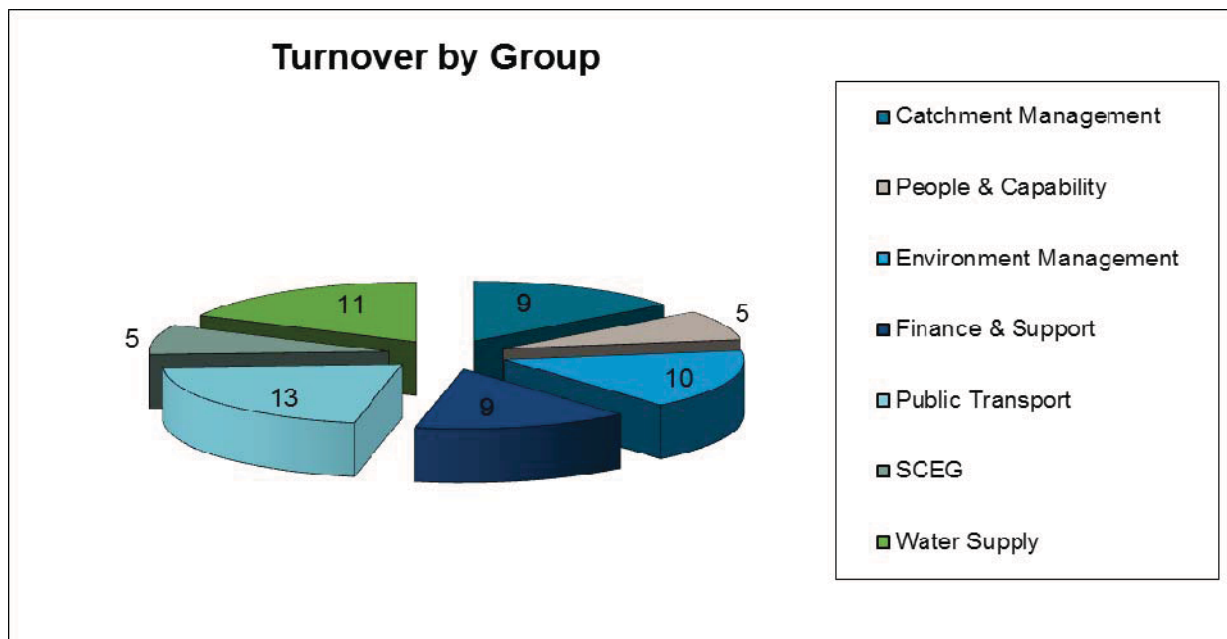
The first graph identifies the turnover trend during the last three years.



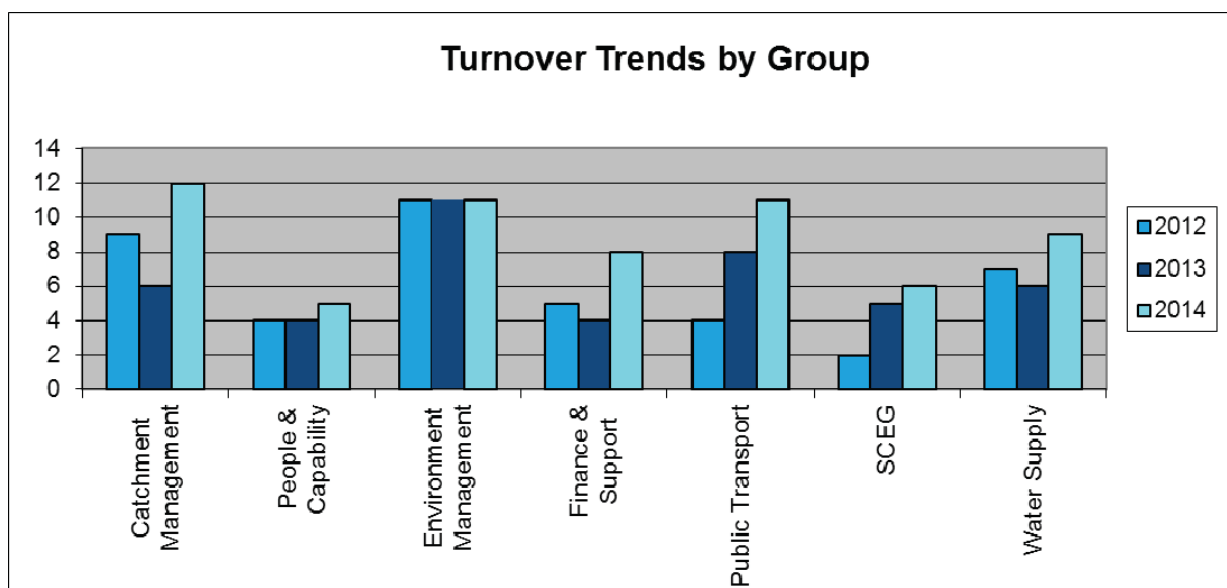
The second graph identifies the historical trend since June 2007. The average turnover rate during this period has been 13.8%, with a high in March 2008 of 21.4% and a low in September 2009 of 7.9%.



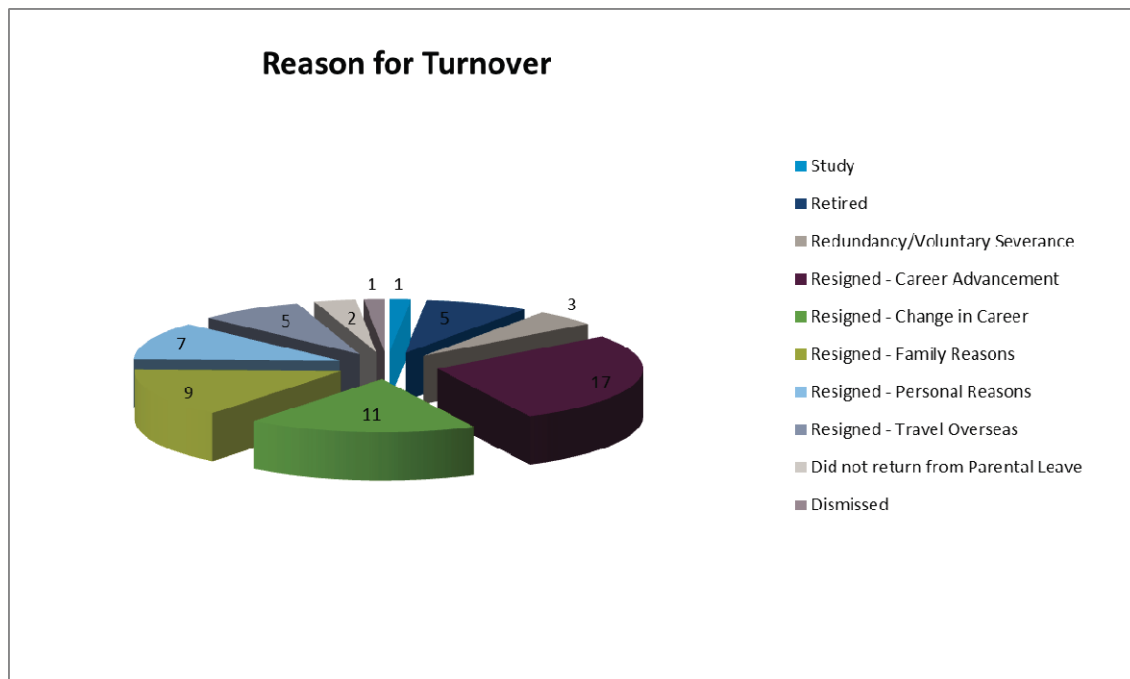
The turnover by Group during the last 12 months is outlined in the following chart:



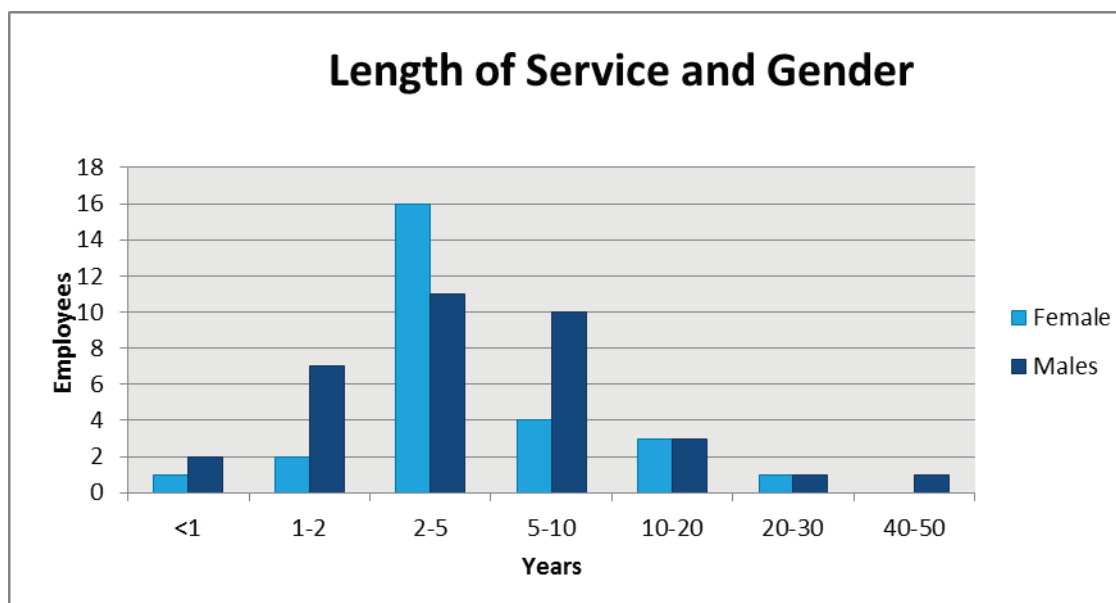
The following graph shows the historical turnover by Group during the last three years.



Reasons for Turnover



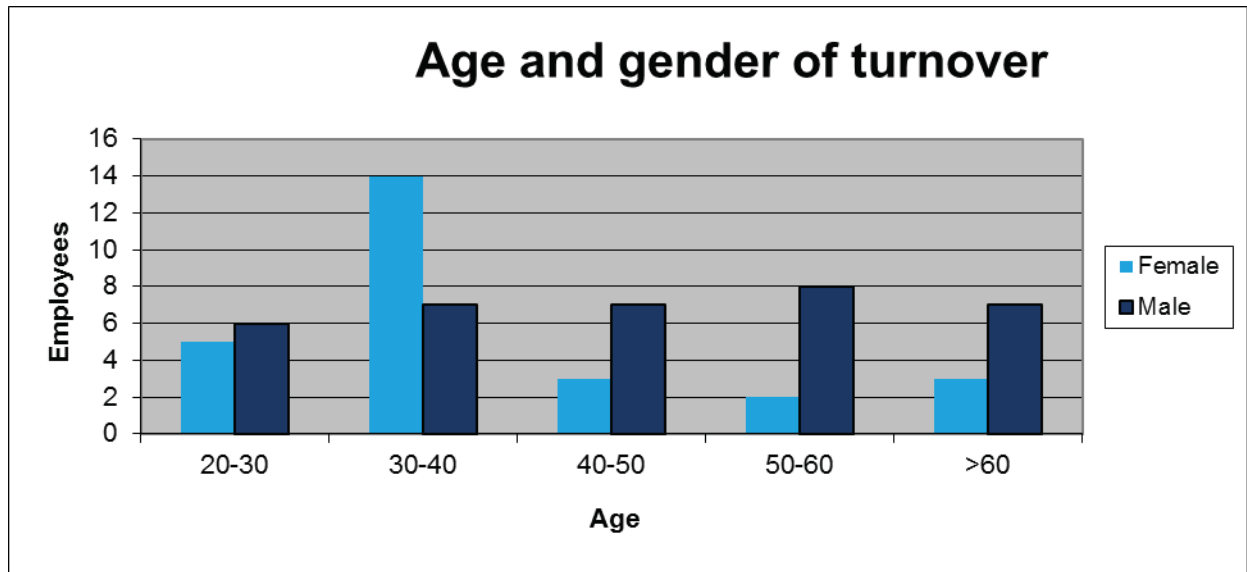
Length of Service and Gender of Staff Leaving



The 62 employees that left in the last 12 months had collectively served 378 years. This represents 10% of the total tenure at the Council.

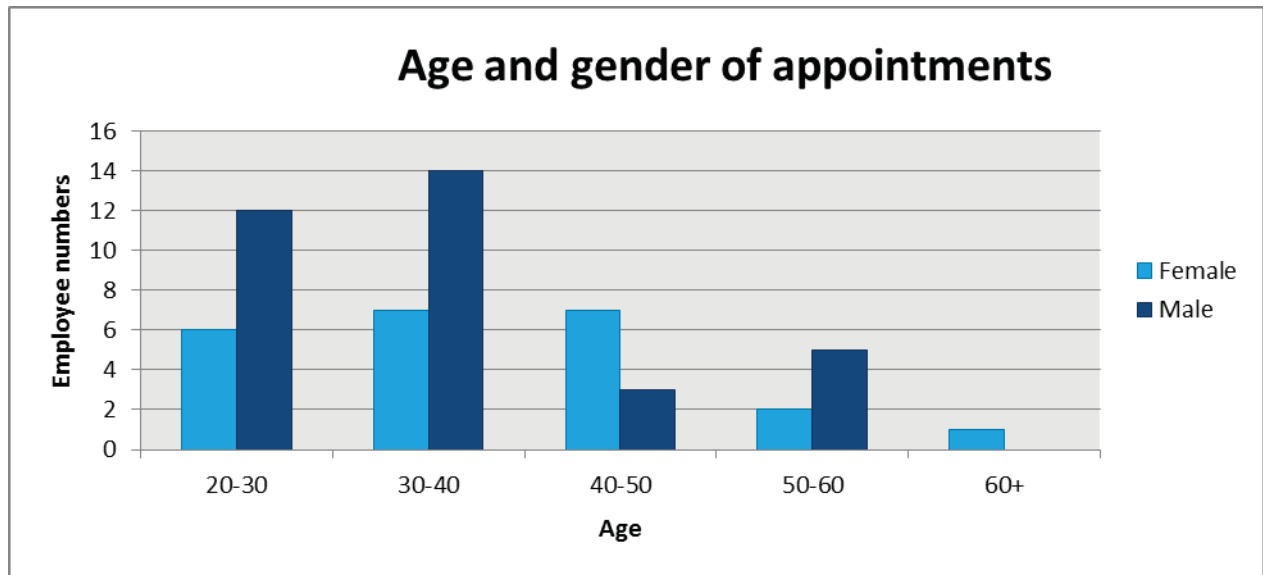
The average length of service of employees leaving was 5.6 years. The average for women was 5.3 years and for men was 6.7 years.

Age and gender of turnover



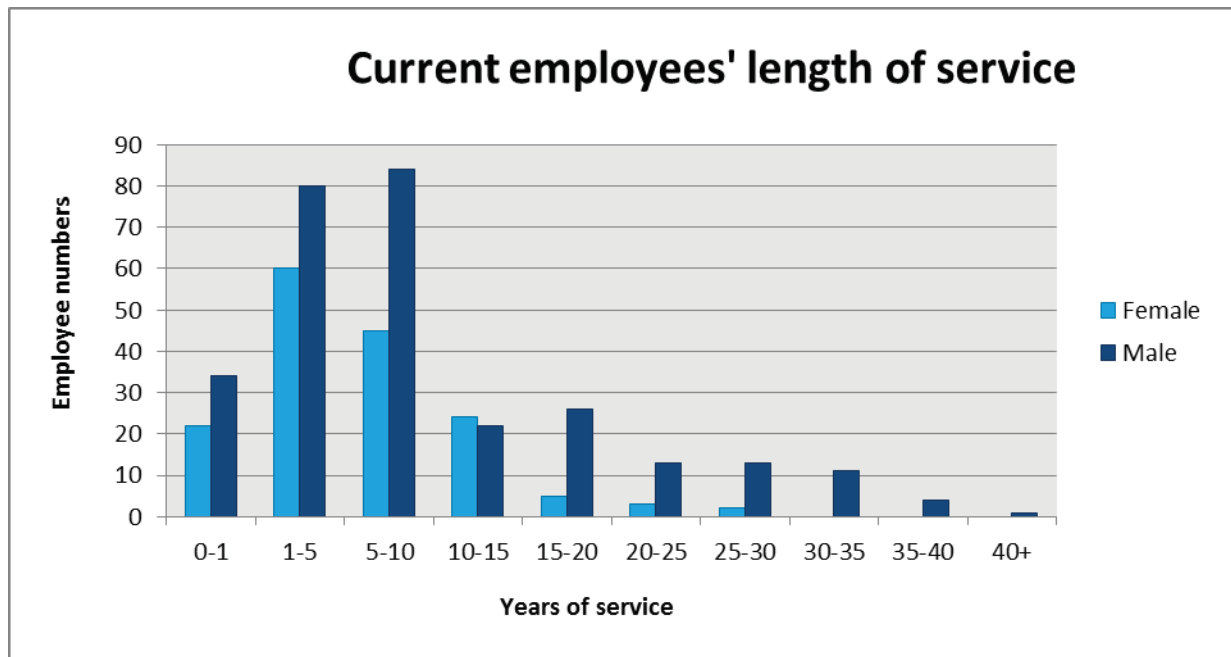
- ▶ The average age of employees leaving was 43 years.
- ▶ The average age of women leaving was 38 years.
- ▶ The average age of men leaving was 46 years.

Annual appointments statistics



There were 59 permanent appointments in the year ending 30 June 2014. Twenty three of these appointments were women

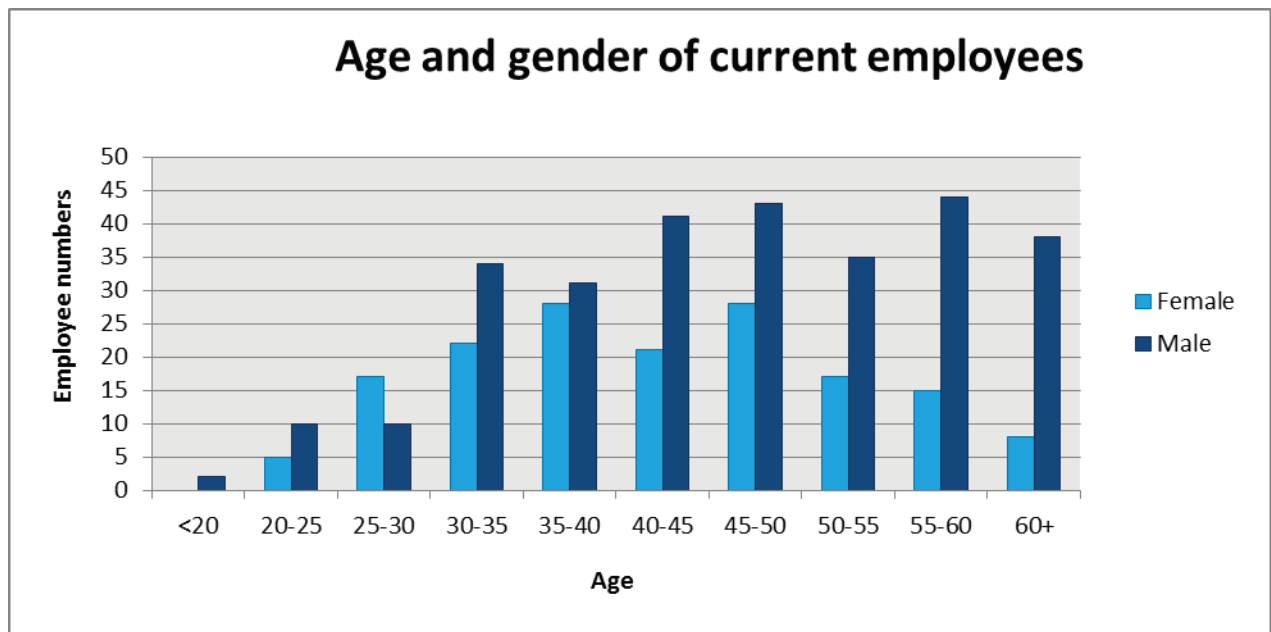
Current permanent employees



There are 56 employees (12.5%) with less than one year's service

36% of employees are women

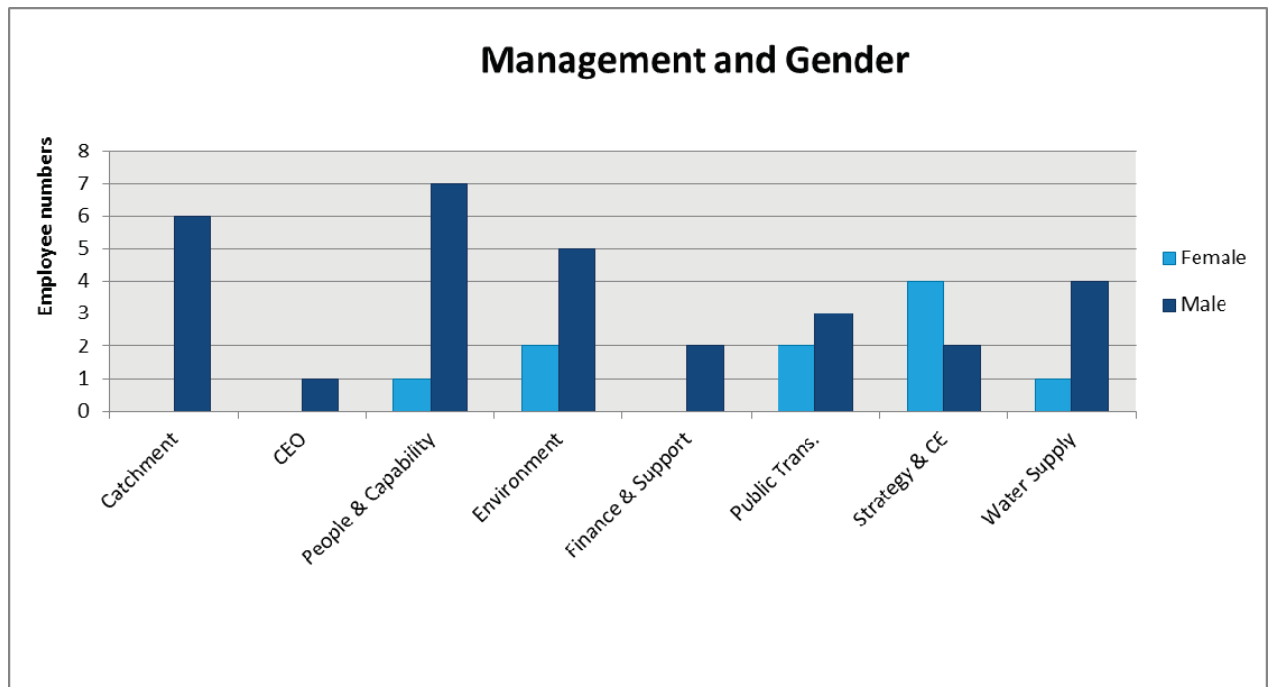
Age and gender of current employees



▶ The average age for women is 42 years

▶ The average age for men is 46 years

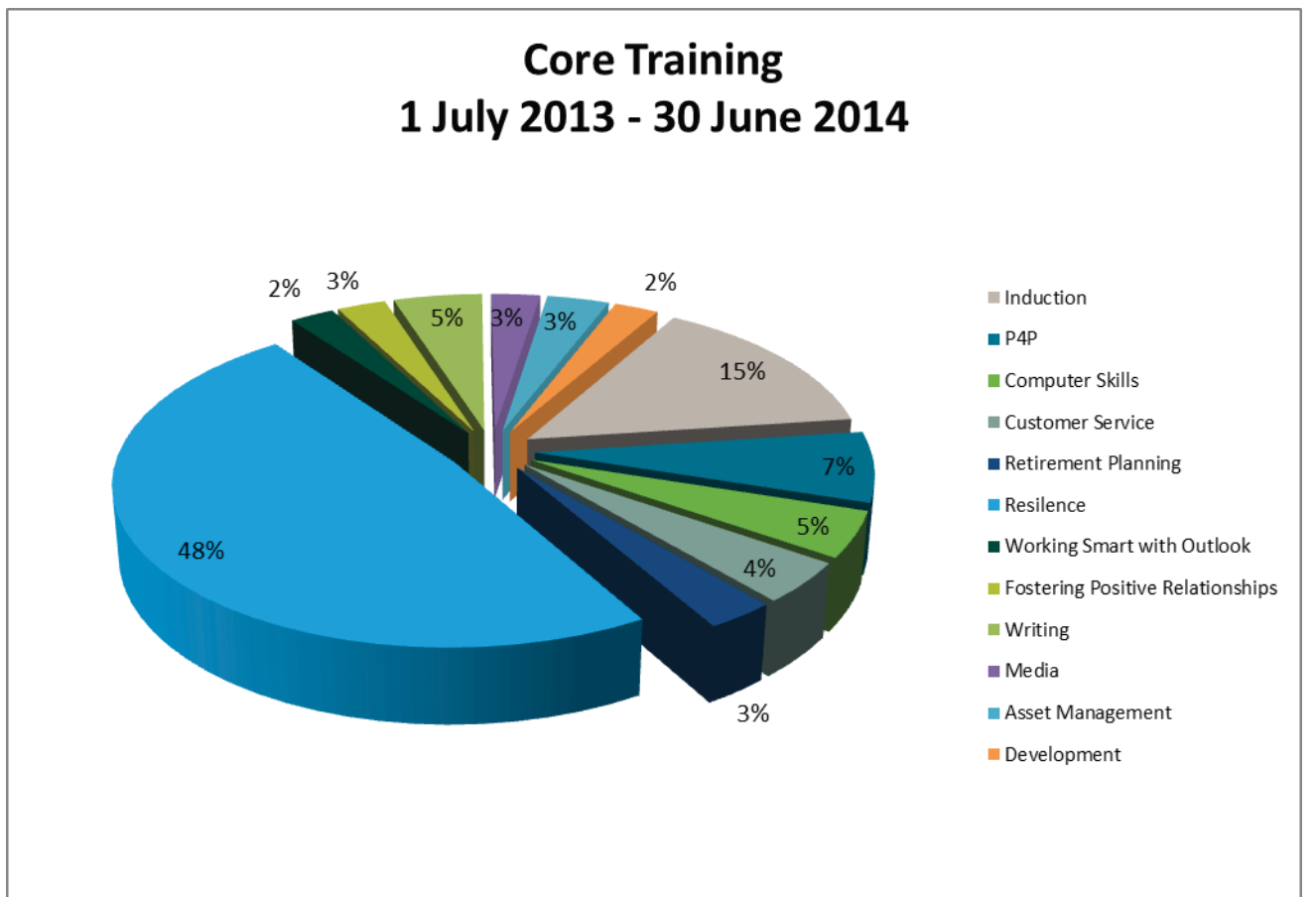
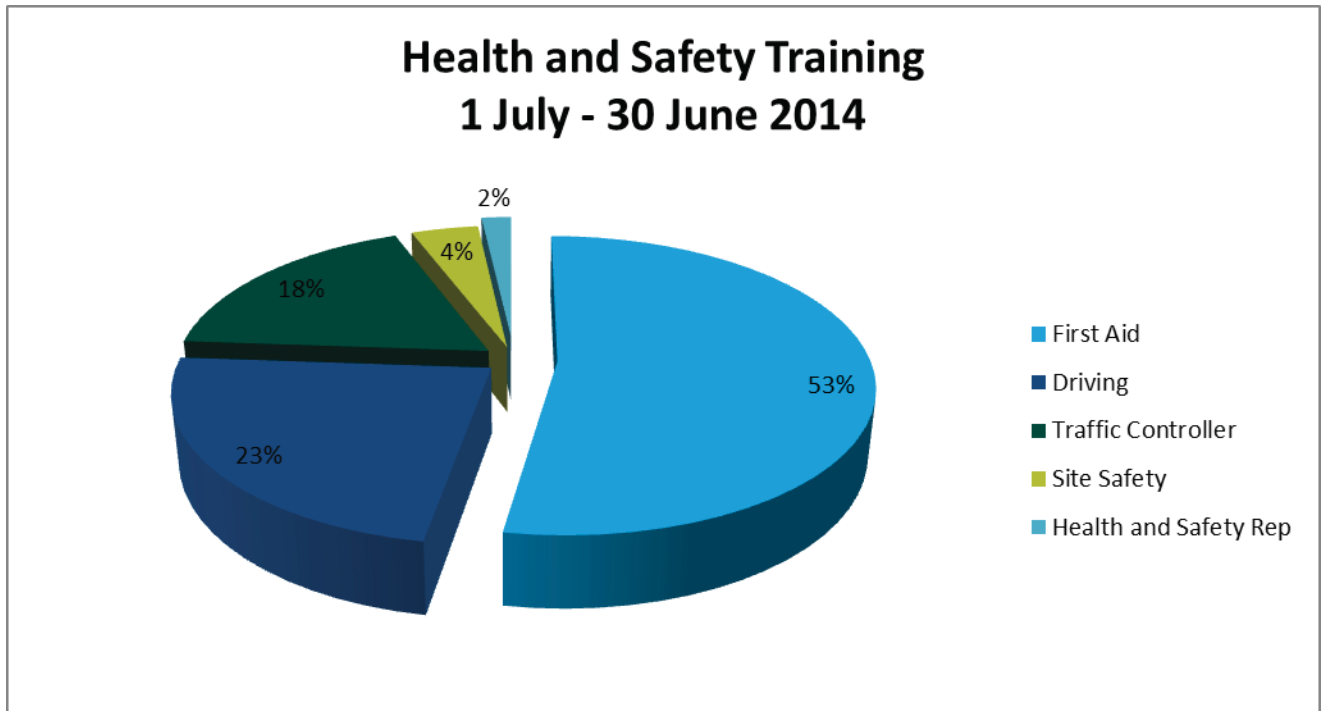
Management and gender



- ▶ 36% of all employees are women
- ▶ 25% of managers are women

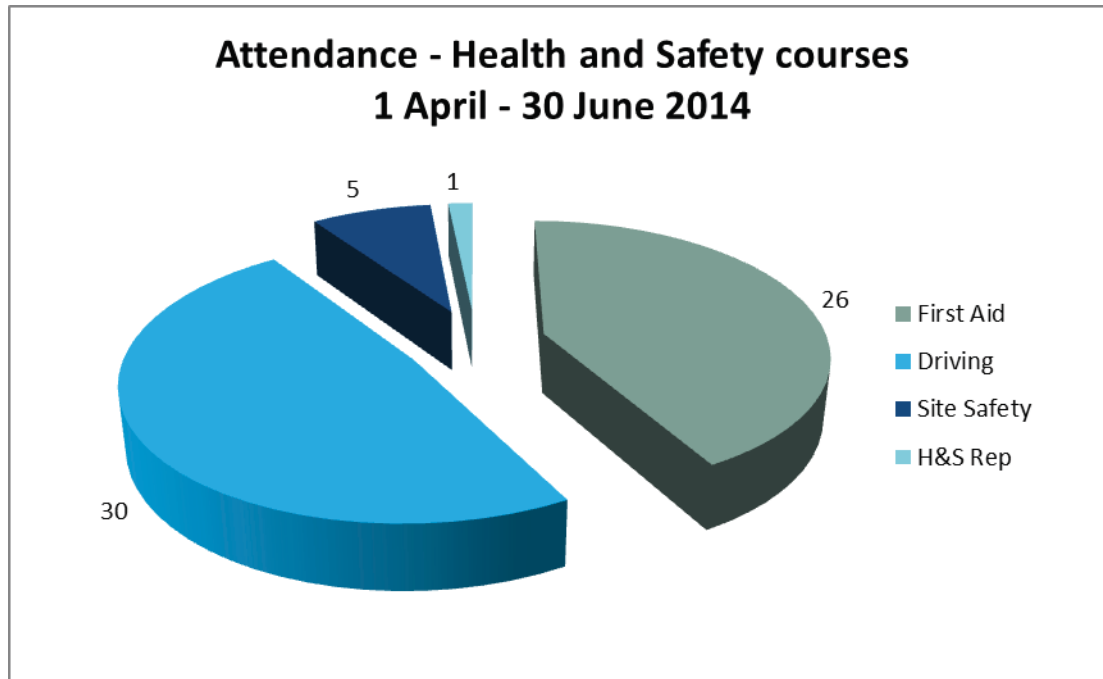
Training and Development

Course attendance

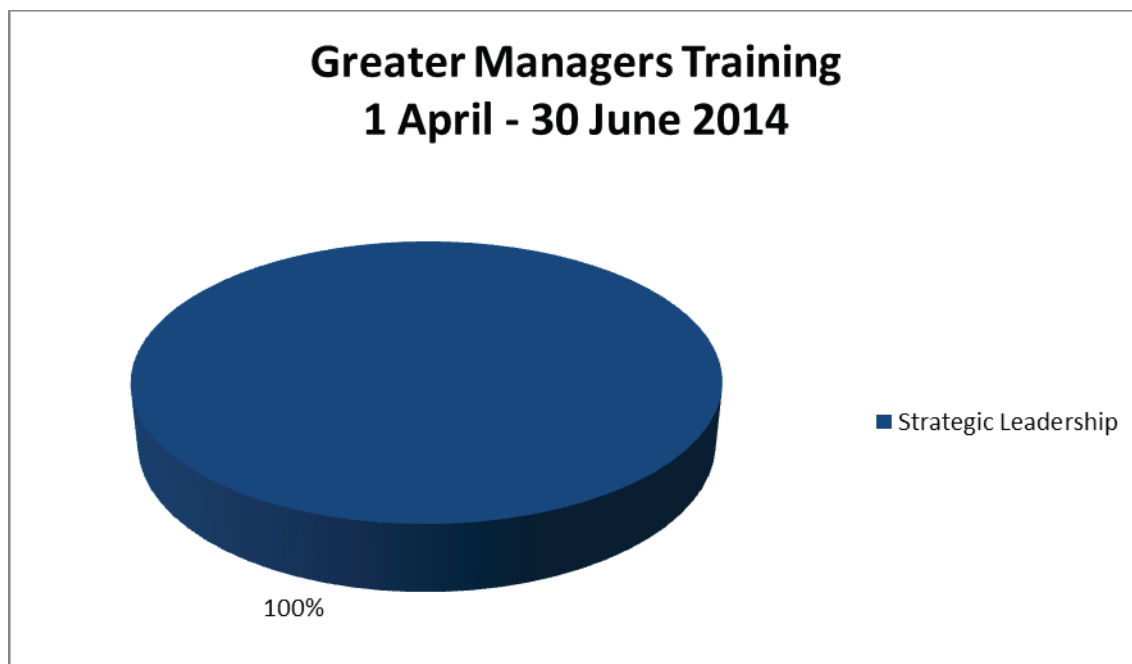


The Human Resources Department has continued to run our existing suite of core training, with resilience training being integrated into our core training programme.

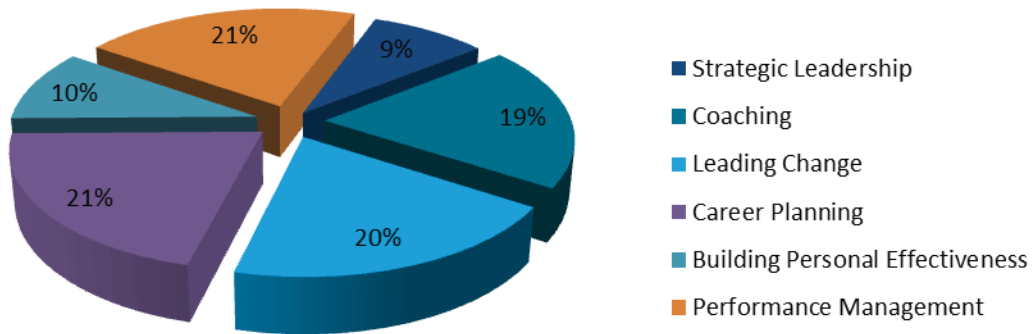
Health and Safety training courses



“Greater Managers” Management Development programme



Greater Managers Training 1 July - 30 June 2014



The Human Resources Department has continued to run the core six modules of Greater Managers for new Team Leaders and Manager, and for other staff who have been identified as having the potential to develop into managers.

Engagement survey

The Gallup engagement survey overall response rate was 86.5%. The grand mean results show a gradual decline in engagement from 3.99 in 2012 to 3.95 in 2014.

Managers have been provided with a variety of tools to assist them in having conversations with staff about the engagement results and identifying what teams can do to increase their engagement. This includes a discussion at the Leaders Forum about what we can do to increase engagement across the organisation.

Integration of water services project

This project is on track for staff to transfer from GWRC to Capacity Infrastructure Services on 19 September. The arrangement for transfer is that staff will end their employment with GWRC and be offered employment with Capacity Infrastructure Services on the same terms and conditions of employment, including continuous service. Capacity has agreed to allow staff to transfer their accumulated sick leave balance with them. Staff will be paid out any annual leave or long service leave accrued not yet taken, on the 18 September.

Capacity Infrastructure Services have agreed, as part of the transfer process, to the transfer of the GWRC Collective Employment Agreement to their organisation. The parties have met to develop a memorandum of agreement between GWRC, Capacity Infrastructure Services, the EPMU and the PSA to amend the Collective Employment Agreement upon transfer to delete any reference to GWRC and any provisions which are not applicable to the Water Supply staff. As the current

Capacity Infrastructure Services Collective Employment Agreement and GWRC Collective Employment Agreement expire on the same date, the new organisation will have an opportunity to negotiate a single Collective Employment Agreement covering all staff.

1.5 Year End and Quarterly Report on WREMO

Overview

This report marks the second anniversary of the creation of WREMO. While the first year was spent developing the structure and strategies necessary for a fresh approach to emergency management in the region, the second year of operation was spent in implementation mode, interrupted by the aftermath of the June 2013 one in a hundred year storm and the two major series of earthquakes which had a considerable impact on the region.

Wins and Developments

Marketing and messaging

WREMO's electronic profile has been enhanced considerably during the year:

Facebook

Commencing the year with a little over 11,000 followers on Facebook, our following has now grown to 39,000. While there is nothing like a disaster to stimulate interest, WREMO has worked hard to generate and maintain a successful social media brand – WREMOnz, the credible source of information on Facebook before, during and after a large scale emergency in the Wellington Region. WREMOnz provided a constant stream of safety, comfort, and confidence building messages during the July/August earthquakes. During the Eketahuna earthquake, agencies along with members of the public posted useful intelligence related not only to our region but also the Manawatu and southern Hawkes Bay. Facebook/WREMOnz ranks the highest of all NZ Governmental Facebook pages monitored by Socialbakers, including Fire Service, NZ Police recruitment and NZ Army (www.socialbakers.com/facebook-pages/society/country/new-zealand/tag/governmental)

Website

The new WREMO website, www.getprepared.org.nz was launched in November 2013 to provide a flexible, very accessible, consolidated location for CDEM messaging in the region, pre and post disaster. The site has an automatic link from council websites and is currently in the process of being linked to the Ministry's website so emergency alerts are visible should people access information from the Ministry's site, www.getready.govt.nz.

New Zealand Trade and Enterprise

In April 2014, our brand awareness and the good work in the community brought us to the attention of NZ Trade and Enterprise who invited WREMO to participate in a three day Betterbydesign master class. This programme had a value of \$40,000, offered to us for free as a worthy not-for-profit

organisation with the intention of driving innovation in a chosen project; in our case, Pre-disaster Recovery Planning. The five person team that attended was therefore a composite group comprising WREMO, the Joint Centre for Disaster Research, and Christchurch City Council staff. Expect to see more on this topic over the coming year.

Operations

Earthquakes

During July and August 2013, the region suffered its most significant series of earthquakes since 1942. While we now sit back and wonder what the fuss was about, the events did highlight anomalies in the design and fit-out of some of our buildings in the Wellington CBD, procedural deficiencies related to building and CBD evacuation, along with a general lack of preparedness by many organisations that found their BCPs and associated contact lists inadequate. Lessons learned from these events have received considerable attention by individuals, communities, businesses, councils, as well as WREMO. The Eketahuna earthquake on Anniversary Day resulted in some structural damage to buildings in Masterton and proved a timely reminder against complacency.

Other events

In addition to the above events, there were numerous other occasions where either an EOC activated in a limited capacity or WREMO staff along with Local Controllers closely monitored potential events which largely flew under the public radar. These included major slips, floods, numerous storms (with up to 150kph winds), plus (potential) distant source tsunami.

Emergency Response

During the year, considerable attention was given to defining the operational requirement and then how to build appropriate capacity to match. Following approval of the Operational Readiness Strategy by CEG last year, a plan to implement the strategy was completed. Initial focus was on a full stocktake of response management equipment, communications systems, personnel, plans and procedures. This stocktake then informed the future capability upgrade programme by establishing a very clear baseline and helping articulate current gaps in capability. This has highlighted some risks for the region particularly in operational connectivity and Group organisational sustainability. The Response Structure Review which commences July 2014 has been established to address this.

Tsunami Planning

WREMO has been working with partners and key stakeholders from September 2013 to update the Group distant tsunami response plan. This update will ensure that the Group and local-level plans align. It takes advantage of a recent update of scientific information on tsunami from GNS Science. The resulting plan will focus not just on evacuation, but covers the period until 72 hours after any tsunami has subsided, as this informs welfare planning and other key response aspects. After an initial round of workshops held in late 2013, a second set of workshops were run in June / July 2014. It is intended that the plan will be forwarded to the CEG subcommittee on 26th September 2014.

Preparedness Enablers

200 litre water tanks

During a significant disaster, water will be our biggest challenge. As of the end of June 2014 (12 months sales), approx. 4100 water tanks had been sold in the Wellington Region. In addition to these household tanks WREMO and partner, The Tank Guy, have put together a very competitive water tank package for schools to help them get better prepared. Schools in the Wellington Region have been offered a 5,700 litre, food grade water tank with leaf strainer and security tap for \$990 delivered anywhere in the region.

Grab and Go Bags

This concept was developed in conjunction with a local businessman to meet a gap in the market (caused by price and availability). The items continue to be popular and are on sale at Mitre 10, Moore Wilson and New World outlets. Grab and Go advise that since May 2012, approximately 23,000 bags have been sold, roughly 60% of these in the Wellington Region.

“It’s Easy” Guides

WREMO designed and introduced a suite of guide books to promote greater resilience within various sectors of the community as follows (these are now in the process of being translated into Maori, Tamil, Spanish, Samoan, Somali, Russian, Arabic, Burmese, and simplified Chinese):

Prepared Households

This 12 step guide (adapted from an earlier award winning document) is designed to help people understand some of our main hazards and to assist households prepare for an emergency.

Prepared Neighbours

This 10 step guide is designed to assist neighbourhoods and apartment buildings become better connected and prepared for an emergency.

Prepared Businesses

This 12 step guide is designed to ensure businesses and organisations are prepared to get through a disruption. It comes complete with an on-line planning tool.

These documents are in demand by several EM teams across NZ and have been modified to meet their regional requirements.

Community Response Plans

These plans are developed by communities throughout the region with facilitation from WREMO staff. They are designed to empower communities to self-activate and respond as appropriate during the first 72 hours of a large scale emergency with limited or no outside assistance from emergency services. During the past year, CRPs in Eastern Ward (Hutt City), Otaki, Te Horo, Paekakariki, Waikanae, Mangaroa/Whiteman’s Valley, Northland/Wilton/Wadestown were completed; while

plans were progressed in Thorndon, Plimmerton, Titahi Bay, Southern Upper Hutt and Crofton Downs/Ngaio/Khandallah. The recent addition of Community Resilience staff for Porirua and the Wairarapa will enable WREMO to accelerate this programme in those areas.

Blue Lines

The Blue Line initiative was rolled out across Kilbrinie Rongotai, and Lyall Bay though difficulties have been experienced gaining approval for marking the state highway (being worked through). The next phase, which has commenced, is the Miramar Peninsular. From there it is intended that the project continue to encompass the inner harbour suburbs.

Volunteers

Thirteen CD Volunteer courses were held during the year involving 254 new volunteers, in addition to the 26 participants of the course in progress at year end. This brought the total of people undertaking the programme to 638, spread across Kapiti, Porirua, Wellington, and the Hutt Valley. Next year it is intended that the programme be rolled out in the Wairarapa.

In June WREMO ran its first Marae based CDEM Volunteer course in Wainuiomata, with plans for further courses on Maraes around the region in the coming months. Marae based training courses are an industry first, and have been specifically done to help strengthen the relationship with local Maori, gain a better understanding of available resources and promote a 2-way learning system for ongoing engagement.

1.6 Year End and Quarterly Report on Health and Safety

Report on 2013 – 2014 Health and Safety Performance Targets

The following table includes the 2013 – 2014 Health and Safety performance targets agreed to by the Executive Leadership Team and our progress towards achieving them. The final results for the year are colour coded as follows:

Green – achieved or exceeded the target

Orange – did not achieve but made positive progress towards achieving

Red – did not achieve and actually went backwards.

Performance Measure	Performance Target	Year-end result	Percentage Improvement from June 2013	Comment
Lost time injury frequency rate (LTI/100,000 hours worked)	1.25	1.18	40%	All three performance measures made significant improvements from where they were at June 2013. Only the LTIFR decreased to a level below the performance target.
Medical treatment frequency rate (MTI/100,000 hours worked)	1.25	1.54	21%	
Total Recordable Rates (TRR) (MTI + LTI/100,000 hours worked)	2.50	2.73	31%	
Severity Rate (SR) (days lost due LTI's/100,000 hours worked)	7.5	11.67	40%	
				The Severity Rate has also made a significant improvement from where it was at June 2013, although the performance target was not achieved. Systems and practices improvement around proactive rehabilitation, along with the support of the dedicated ACC Case manager for GWRC have resulted in an improvement in the experience, and the quality of recovery, for staff who have had to make use of the ACC

Proactive vs. Reactive Ratio	2.00	1.52	1%	injury management service. The Proactive vs. Reactive Ratio has remained at the same level as it was at in June 2013 with only reaching a marginally higher level over the period of the year. The recorded occurrence still remained more proactive than reactive.
Corrective Action Ratio	0.40	0.05	-77%	There has been a dramatic drop in this performance measure. From observations while out in the organisation it is not that corrective actions associated with recorded occurrences aren't being developed and implemented; rather that SafeTsmart does not easily support their central capturing, management and oversight.
Incident Reporting & Recording	95% of all incidents reported and recorded in the GWRC incident data base within 2 working days	Average 4.2 days between occurrence and recording		This is now sitting at a rolling 12 month average of 4.2. Over the last three months on average 62% of occurrences were successfully recorded into SafeTsmart within two days of being reported.
Incident Initial Investigation Completion	95% of all reported incident's initial investigation completed within 5 working days			Unfortunately a current mechanism to capture information to monitor against this performance target is not easily available at a central point. The HaSMIS project will work to have this as a standard performance measure.

2013 – 2014 Health and Safety Objectives

Below are the GWRC Health and Safety objectives for the 2013 -2014 year agreed to by the Executive Leadership Team and a summary on the progress made and their current status.

OBJECTIVE	ACCOUNTABLE ROLES	STATUS	COMMENT
Organisational H&S SOP's and guidelines consolidated or developed dependant on related risk and available resources	Senior H&S Advisers and GM P&C	On-going, as required	GWRC SOP for Quad Bikes developed and implemented. Ongoing progress on a variety of other GWRC SOP's and Guidelines, including: Working alone and/or, remotely and personal locator beacon use Trailer SOP Working with GWRC Volunteers
Run a workshop with all GWRC Elected H&S Reps related to their current role and also with pending legislative changes	Senior H&S Advisers and GM P&C	Completed	Workshop held with all GWRC Elected H&S Reps April 2014
Identify a suitable IT solution that supports GWRC H&S information needs.	Senior H&S advisers & GM P&C	In progress	Project on track with agreed project plan and dedicated resources, to have a solution identified and in place December 2014
Maintain Secondary Status in the ACC WSMP external audit	Senior H&S Advisers, GM P&C, GM WSG, GM CM & GM EM	Completed	Completed with Tertiary recognition awarded December 2013
Completion of the GWRC H&S Gap Analysis project including an overall report including recommendations and action plan	Senior H&S Advisers and GM P&C	In progress	Final senior leadership review component still to be completed.
Having a full contingent of Elected Employee Health and Safety Representative, including the 2 additional new H&S Reps	Senior H&S Advisers, Convenor Elected Employee Rep Forum	Completed	All new additional employee H&S reps elected and either trained or scheduled to attend up-coming courses

Review H&S reporting to ELT and Council	Senior H&S Advisers, GM P&C and HSAG	Deferred	Deferred pending progress of HaSMIS project and understanding new system's capabilities
Develop and deliver employee education programme to accompany release of new and revised GWRC H&S framework documents	Senior H&S Advisers, GM P&C	Completed	27 staff H&S workshops delivered with over 430 staff attending
Develop and deliver H&S Investigation training to: All senior manager Identified lead investigators	Senior H&S Advisers & GM P&C	In progress	Piloting a two day ICAM Investigation skills training scheduled for 28-29 July A four hour workshop is under development and scheduled for piloting shortly after the above course has been run.
Approved Contractor database developed	Senior H&S Advisers, All GM's and Department Managers	In progress	A model database has been developed as part of the broader HaSMIS project. Will be working with key organisational contacts to cleanse and complete capturing of data relating to GWRC qualified contractors.
H&S Induction resource and programme revised to ensure adequacy and consistency across the organisation	Senior H&S Advisers & GM P&C	In progress	The potential resource identified, working with HR to begin developing resource scope and content.
Complete the development of the GWRC's volunteer H&S guidelines and associated resources	Senior H&S Advisers, Catchment Management and Environment Management GM's and Department Managers	In progress	Re-establishing key contact in GWRC that work with volunteers and ensuring there is a full appreciation of the nature of volunteer work occurring. Will then revise previously drafted resources in line with this new context.

Work with all departments to ensure hazard registers are reviewed and up-to-date – identify hazards which require a common documented GWRC management approach

Senior H&S Advisers & All Department Managers

In progress

New GWRC Hazard Management Policy developed and approved.

Under way in several departments with assistance from external consultants.

Will be rolled out across the organisation in the near future.

Greater Wellington Regional Council health and safety activity

In addition to business as usual, key health and safety activity that occurred during the last quarter included:

- ▶ A second run of the tailored Survival Skill/Workplace First Aid Refresher reality based training course for field based staff was held at Battle Hill Regional Park on 5 May
- ▶ A pilot two day ICAM (Incident Cause Analysis Method) investigations skills workshop is running on 28-29 July 2014 with a full contingent of 16 staff
- ▶ A pilot presentation on work related impairment was provided by Dr Simon-Ryder Lewis to the Biosecurity Department. Simon is the Occupational Health physician that GWRC consults for specialist advice. The presentation covered how impairment impacts on the ability to carry out tasks in the workplace and focused on fatigue, hydration/nutrition, prescription medicines, undiagnosed medical conditions, alcohol and drugs
- ▶ Continued implementation of the Health and Safety Information Management System project

Review of Health and Safety Policies

There were 27 workshop briefings held across the organisation to inform staff about the updates to the GWRC Health and Safety Management System documentation, as well as highlighting some of the expected changes with the Health and Safety Reform Bill.

An Alcohol and Other Drug Use Policy was developed and implemented for the BioWorks team as it is a contractual requirement to tender for OSPRI's possum control work. Matt Beattie from Instep Limited (our EAP provider) ran a training session with BioWorks staff to inform them about drug and alcohol testing and the procedures required to undertake testing. BioWorks staff are receiving training from OK Health on using the breathalyzer to undertake alcohol testing.

Health and Safety Database Project

HASMIS Project – Progress has been made on the requirements and RFP documentation. The project team has met with two of the leading HASMIS providers in New Zealand (Vault and Risk Manager) to understand the capability and have access to their demo systems. The project team will be reviewing how the HASMIS systems can align with current and future Health and Safety legislation, GWRC's policies and identify if there are gaps which can be managed outside of the system. The RFP documentation is expected to be completed during August and the tender and selection of the preferred HASMIS finalised by October.

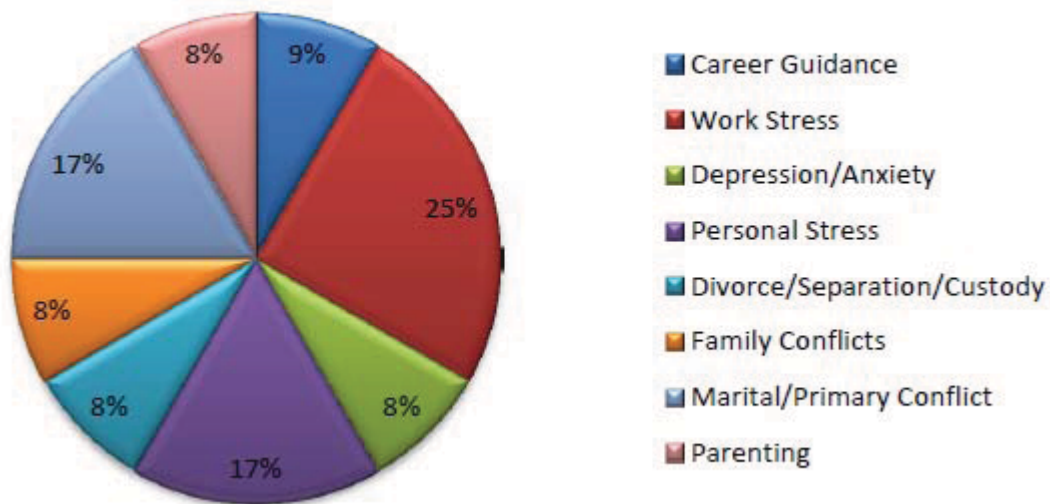
Employee Assistance Programme

During the period from 1 February to 30 April 2014, there were 12 reported cases. This figure is made up of seven new cases and five pre-existing cases. Compared to the last period when there were a total of eight active cases, activity increased 50% from the previous period.

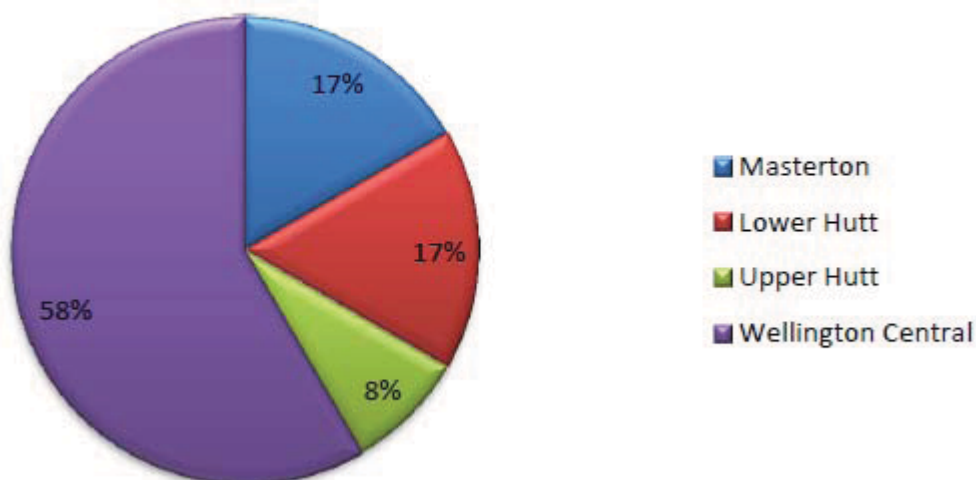
The majority of those in the programme are employees who self-referred into EAP. A self-referral figure above 80% indicates a self-aware organisation whereby individuals take responsibility for matters affecting their personal and professional lives. Only two cases involved the partners of GWRC employees.

The figure below identifies the primary presenting issue of each case. The 'primary' presenting issue is the one viewed most salient by the EAP professional handling the case.

Primary Presenting Issues



Location of Cases with Activity



Business group health and safety performance summary

The following graphs summarise GWRC's health and safety performance over the last 12 months.

Figure 1: Lost Time, Medical Treatment & Total Recordable Injury Frequency Rates

(12 Month rolling average as of June 2014)

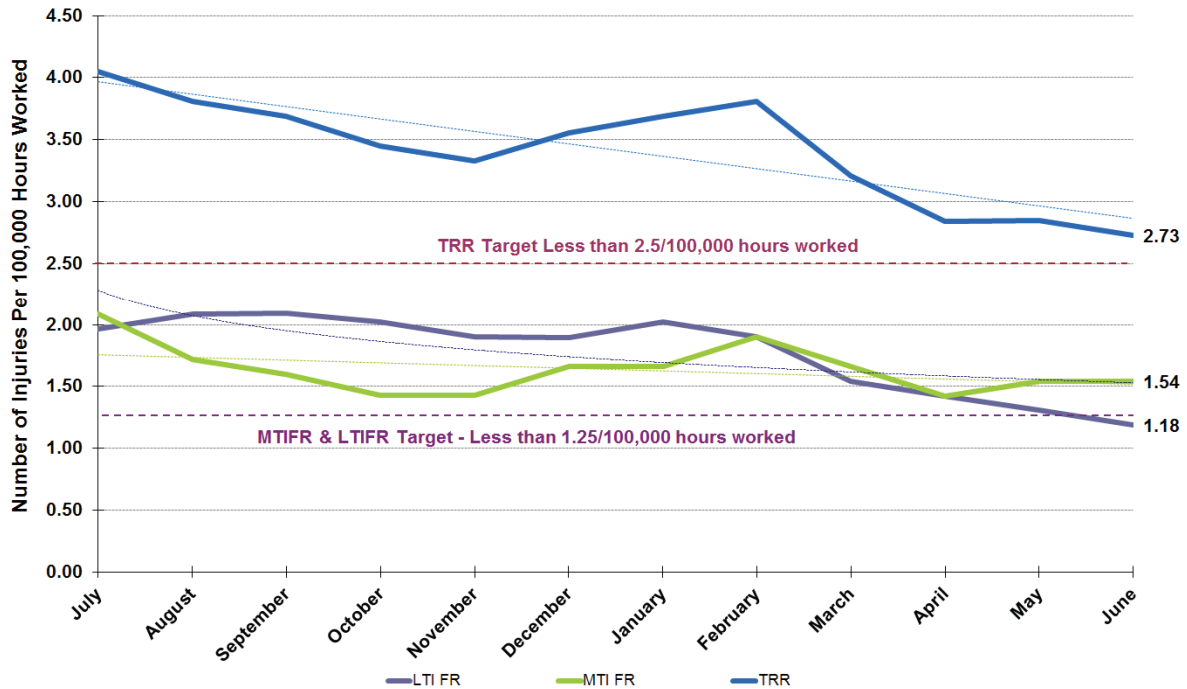


Figure 1 shows the relationship between frequency of Lost Time Injuries which result in time off work (LTIFR) and Medical Treatment Injuries which require treatment by a registered medical practitioner (MTIFR). The Total Recordable Rate (TRR) is the combination of the LTIFR and MTIFR.

The graph shows that our TRR has decreased over this quarter with no LTI's and two MTI's. The performance target for TRR is 2.5 TRR occurrences/100,000 hours worked. The TRR has ended the quarter and the year at 2.73/100,000 hours worked.

The LTIFR target is 1.25/100,000 hours worked. With no lost time injuries in this quarter the LTIFR has decreased from to 1.54 to 1.18 LTIs/100,000 hours worked over the quarter.

The MTIFR target is 1.25/100,000 hours worked. There were two MTI's to staff this quarter the MTIFR decreased from 1.66 to 1.54 MTIs/100,000 hours worked this quarter.

Figure 2: Severity Rate
 (12 month rolling average as of June 2014)



Figure 2 shows the days lost per 100,000 hours worked due to work related injuries. The Severity Rate performance target is currently 7.5 days lost/100,000 hours worked.

This graph shows that our Severity Rate decreased from 13.72 to 11.67 days lost due to injury/100,000 hours worked over the quarter. During the last quarter there were only 6 recorded days lost across the business due to LTIs.

2 GROUP FINANCIAL SUMMARY

2.1 Financial summary

The Group results exclude the autonomous Wellington Regional Emergency Management Office (WREMO) which is reported separately in this section.

The group has a budget of \$5.4 million of direct operational costs for the first quarter. Expenditure for the year was \$245,000 less than expected.

Contractors and consultants are \$105k less than budgeted. This is spread across all the departments and includes an allowance for costs arising out of the Local Government Elections.

All other operational budgets are running within expectations.

Depreciation for the quarter is higher than expected. This is due to the refurbishment of the Council Chambers. With the shift in premises from Wakefield Street to Shed 39 the depreciation has been accelerated.

2.2 Group consolidated financial statements

People & Capability Group (ex WREMO) Financial Performance Statement Year ended 30 June 2014	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	3,144	3,144	-	3,418
External Revenue	32	18	14	18
Investment Revenue	8	5	3	10
Internal Revenue	252	252	-	252
TOTAL INCOME	3,436	3,419	17	3,698
less:				
Personnel Costs	1,784	1,793	9	1,699
Materials, Supplies & Services	1,391	1,464	73	1,391
Travel & Transport Costs	63	122	59	84
Contractor & Consultants	418	523	105	90
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	1,464	1,463	(1)	1,949
Total Direct Expenditure	5,120	5,365	245	5,213
Financial Costs	-	-	-	1
Bad Debts	-	-	-	-
Corporate & Department Overheads	(1,764)	(1,764)	-	(1,599)
Depreciation	97	50	(47)	89
Loss / (Gain) on Sale of Assets / Investments	(2)	3	5	-
Total Indirect Expenditure	(1,669)	(1,711)	(42)	(1,509)
TOTAL EXPENDITURE	3,451	3,654	203	3,704
OPERATING SURPLUS / (DEFICIT)	(15)	(235)	220	(6)
Add Back Depreciation	97	50	47	89
Other Non Cash	(2)	3	(5)	-
Net Asset Acquisitions	(31)	(46)	15	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	49	(228)	277	83
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	56	228	(172)	(90)
NET FUNDING SURPLUS (DEFICIT)	105	-	105	(7)

Year ended 30 June 2014 Capital Expenditure Statement People & Capability Group (ex WREMO)	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	51	62	11	93
Capital Project Expenditure	-	-	-	(93)
Asset Disposal Cash Proceeds	(20)	(16)	4	(11)
Net Capital Expenditure	31	46	15	(11)
Investments Additions	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	31	46	15	(11)

2.3 Group financial summary

Human Resources department financial report

Human Resources Financial Performance Statement Year ended 30 June 2014	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
External Revenue	-	-	-	-
Investment Revenue	-	-	-	-
Internal Revenue	-	-	-	-
TOTAL INCOME	-	-	-	-
less:				
Personnel Costs	1,298	1,275	(23)	1,280
Materials, Supplies & Services	47	61	14	34
Travel & Transport Costs	11	6	(5)	12
Contractor & Consultants	145	188	43	80
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	128	126	(2)	224
Total Direct Expenditure	1,629	1,656	27	1,630
Financial Costs	-	-	-	1
Bad Debts	-	-	-	-
Corporate & Department Overheads	(1,656)	(1,656)	-	(1,633)
Depreciation	7	7	-	7
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-
Total Indirect Expenditure	(1,649)	(1,649)	-	(1,625)
TOTAL EXPENDITURE	(20)	7	27	5
OPERATING SURPLUS / (DEFICIT)	20	(7)	27	347
Add Back Depreciation	7	7	-	7
Other Non Cash	-	-	-	-
Net Asset Acquisitions	-	-	-	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	27	-	27	354
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	27	-	27	354

Human Resources department financial summary

The department has spent \$1.6 million in direct operational expenditure.

The department has engaged additional resource for Health and Safety, adding to the unfavourable variance. Work in this area is essential to the HASMIS and HSE general work programme.

Democratic Services department financial report

Democratic Services Financial Performance Statement Year ended 30 June 2014	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
External Revenue	14	15	(1)	15
Investment Revenue	-	-	-	-
Internal Revenue	252	252	-	252
TOTAL INCOME	266	267	(1)	267
less:				
Personnel Costs	459	474	15	395
Materials, Supplies & Services	23	30	7	15
Travel & Transport Costs	9	7	(2)	8
Contractor & Consultants	7	40	33	-
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	65	70	5	212
Total Direct Expenditure	563	621	58	630
Financial Costs	-	-	-	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	(354)	(354)	-	(353)
Depreciation	13	(5)	(18)	9
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-
Total Indirect Expenditure	(341)	(359)	(18)	(344)
TOTAL EXPENDITURE	222	262	40	286
OPERATING SURPLUS / (DEFICIT)	44	5	39	(19)
Add Back Depreciation	13	(5)	18	9
Other Non Cash	-	-	-	-
Net Asset (Acquisitions)/disposals	-	-	-	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	57	-	57	(10)
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	57	-	57	(10)

Democratic Services department financial summary

The department recorded a net funding surplus of \$57,000. Expenditure is on budget, with the exception of consultants and contractors. There were no matters relating to the Election resulting in savings of \$33,000.

Elected members financial report

Elected Members Financial Performance Statement Year ended 30 June 2014	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
External Revenue	18	3	15	3
Investment Revenue	8	5	3	10
Internal Revenue	-	-	-	-
TOTAL INCOME	3,170	3,152	18	3,431
less:				
Councillor costs	27	44	17	25
Materials,Supplies & Services	1,322	1,374	52	1,341
Travel & Transport Costs	44	109	65	63
Contractor & Consultants	266	295	29	9
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	1,271	1,266	(5)	1,513
Total Direct Expenditure	2,941	3,111	170	2,956
Financial Costs	-	-	-	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	246	246	-	387
Depreciation	77	47	(30)	73
Loss / (Gain) on Sale of Assets / Investments	(2)	3	5	-
Total Indirect Expenditure	321	296	(25)	460
TOTAL EXPENDITURE	3,262	3,407	145	3,416
OPERATING SURPLUS / (DEFICIT)	(92)	(255)	163	15
Add Back Depreciation	77	47	30	73
Other Non Cash	(2)	3	(5)	-
Net Asset Acquisitions	(31)	(46)	15	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	(48)	(251)	203	88
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	56	228	(172)	(90)
NET FUNDING SURPLUS (DEFICIT)	8	(23)	31	(2)

Elected Members Capital Expenditure Statement Year ended 30 June 2014	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Total Asset Acquisitions	51	62	11	93
Capital Project Expenditure	-	-	-	93
Asset Disposal Cash Proceeds	(20)	(16)	4	-
Net Capital Expenditure	31	46	15	186
Investments Additions	-	-	-	-
Net Capital and Investment Expenditure	31	46	15	186

Elected members financial summary

The Elected Members budget has spent \$2.9 million of total direct operating expenditure. All costs are in line with expectations. A large portion of the costs relate to the elections. The cost of the elections was in-line with expectations. The most significant contributor to savings in materials, supplies and services is order paper management. Improvements in the past year have resulted in savings of \$50,000. This has effectively halved the cost in 2 years. Mileage claims and carpark costs (due to relocation to Shed 39) have all contributed to a favourable outcome.

The department has benefited from unexpected contributions by Territorial Authorities relating to shared election advertising costs.

Savings in the current year have been reserved for future elections.

Election Reserves as at 30 June 2014

	30 June 2013			Full Year		
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000
Opening balance	251	251	0 F	251	251	0 F
Transfers to reserves	0	0	0 F	0	0	0 F
Transfers to reserves - interest	9	5	4 F	5	5	0 F
Transfers from reserves	-64	-233	169 F	-233	-233	0 F
Closing Balance	196	23	173 F	23	23	0 F

Represented by:

	Actual \$000	Forecast \$000
ICT reserve	196	23
Closing Balance	196	23

Notes

Variances are stated favourable or unfavourable depending on their effect on the reserve balance

WREMO Financial Report

WREMO Income Statement For the 12 months ended 30 June 2014	YTD as at 30 June		
	Actual \$000	Budget \$000	Variance \$000
Rates & Levies	768	768	-
Government Grants & Subsidies	-	-	-
2013 Carry forward	200	200	-
External Revenue	1,811	1,797	14
Investment Revenue	-	-	-
Internal Revenue	-	-	-
TOTAL INCOME	2,779	2,765	14
less:			
Personnel Costs	1,911	1,887	(24)
Materials,Supplies & Services	339	432	93
Travel & Transport Costs	91	109	18
Contractor & Consultants	55	210	155
Grants and Subsidies Expenditure	-	5	5
Internal Charges	145	116	(29)
Total Direct Expenditure	2,541	2,759	218
Financial Costs	-	-	-
Bad Debts	-	-	-
Transition Costs - operational	-	-	-
Depreciation	66	32	(34)
Loss(Gain) on Sale of Assets / Investments	(14)	-	14
TOTAL EXPENDITURE	2,593	2,791	198
OPERATING SURPLUS/(DEFICIT)	186	(26)	212
Add Back Depreciation	66	32	34
Other Non Cash	(14)	-	(14)
Vehicles and other plant purchases	14	-	14
Net External Investment Movements	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	252	6	246
Debt Additions / (decrease)	-	-	-
Debt Repaid	-	-	-
Net Reserves (Increase) / decrease	-	-	-
NET FUNDING SURPLUS (DEFICIT)	252	6	246



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Finance and Support Group

Performance Report for the year ended 30 June 2014



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1 RISK AND ASSURANCE COMMITTEE

1.1 Executive Summary

Group Overview

The year has seen a number of significant challenges especially with the string of earthquakes resulting in both an initial and then final move out of the RCC. Whilst this was extremely disruptive, the ICT infrastructure remained operational and core services remained in place.

Risk Management is now regularly discussed and considered an essential component of reviewing work programmes and activities. The council have positively commented on and approved the last iteration of the risk register and framework. Work continues on enhancing our process to meet best practice.

Despite the interruptions major and on-going ICT projects have continued, including the High Availability Wide Area Network (HAWAN) and the data manipulation to complete the region wide Light Detection and Ranging (LiDAR) GIS refresh. The final removal of servers to the Trentham data centre occurred and the communication networks transferred out of RCC to Shed 39. The rail fibre project continues to make good progress.

The roll out of GPS units to all vehicles progressed with software rollout occurring in the first quarter of the next financial year. The pooling of Shed 39 pool vehicles has been agreed to enable better utilisation of the fleet.

The Support team manage the Warm Greater Wellington programme which is progressing at a slower pace since the EECA grants were removed, but it still enables many to get insulation in a cost effective manner. Since Greater Wellington's programme started 9,404 applications have been approved at a total cost of \$18.8 million (including GST), with 8,616 of these completed at \$17.1 million (including GST) of funds paid to local suppliers.

For the year ended 30 June, we have completed 1,396 installations at a cost of \$2.8 million.



Looking ahead

- ▶ Progressing all of council asset management strategy and plans.
- ▶ Progressing of off-line mobile devices for field teams to improve speed and accuracy of key maintenance and information needs.
- ▶ Progressing regional ICT shared services strategy
- ▶ Completing the 2015-25 long term plan
- ▶ Review shed 39 pool vehicles to optimised fleet
- ▶ Reviewing processes to enable electronic review and approval of phone and vehicle fleet card statements.

1.2 Group financial summary

Financial summary

Total direct expenditure of \$11.2 million is \$121k more than budget. Personnel costs are under budget and will remain so until the department is fully staffed. Progress is being made in filling roles. The early and hurried shift to Harbour Quays due to the earthquakes have resulted in an additional \$204k of property related expenditure including travel, storage, equipment hire and property services costs.

Rent costs were also ahead of budget as rent is being incurred on both RCC and more recently Shed 39. The rent has been reviewed for RCC and the Pringle House Board have agreed to a rent that covers on-going costs to hold the building at council request.

External revenue is largely in line with expectations.

Capital expenditure is below budget by year end. The hummingbird document management system replacement or upgrade is underway, but shared service delays have meant that the majority of the project to be delivered in 2015. Further details are provided in the ICT departmental review.

1.3 Group consolidated financial statements

Finance and Support group Income Statement For the year ended 30 June 2014	30 June 2014			30 June 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
Rates & Levies	1,153	-	1,153	559
External Revenue	885	968	(83)	1,163
Investment Revenue	144	156	(12)	244
Internal Revenue	4,745	4,661	84	5,026
TOTAL INCOME	6,927	5,785	1,142	6,992
less:				
Personnel Costs	3,253	3,585	332	3,021
Materials, Supplies & Services	3,569	3,286	(283)	3,805
Travel & Transport Costs	12	30	18	24
Contractor & Consultants	3,465	3,305	(160)	3,214
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	937	909	(28)	564
Total Direct Expenditure	11,236	11,115	(121)	10,628
Financial Costs	120	218	98	58
Bad Debts	363	-	(363)	-
Corporate & Department Overheads	(4,863)	(4,863)	-	(4,467)
Depreciation	1,090	1,045	(45)	1,191
Loss / (Gain) on Sale of Assets / Investments	2	-	(2)	-
TOTAL EXPENDITURE	7,948	7,515	(433)	7,410
OPERATING SURPLUS / (DEFICIT)	(1,021)	(1,730)	709	(418)
Add Back Depreciation	1,090	1,045	45	1,191
Other Non Cash	2	-	2	-
Net Asset Acquisitions	(2,420)	(3,180)	760	(2,010)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(2,349)	(3,865)	1,516	(1,237)
Debt Additions / (decrease)	2,134	3,180	(1,046)	1,047
Debt Repaid	(549)	(779)	230	(18)
Net Reserves (Increase) / decrease	1,476	1,464	12	674
NET FUNDING SURPLUS (DEFICIT)	712	-	712	466

Finance and Support group Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	1,574	-	(1,574)	948
Total Capex (AUC movement)	864	3,180	2,316	-
Asset Disposal Cash Proceeds	(19)	-	19	-
Net Capital Expenditure	2,419	3,180	761	948
Investments Additions	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	2,419	3,180	761	948

1.4 Department overviews

1.41 ICT Summary



It has continued to be a challenging year for the department. The helpdesk stats are stabilising at the new highs which are expected to become the new norm. Project activity is also high and we have engaged the services of contractors to assist in their delivery. Overall, the projects are within their current defined timelines and budgets

The project to upgrade the business desktops to later versions of OS and MS Office has been largely completed, except for several outstanding legacy business applications' requiring older versions of software and databases (including Access 95). Once these have been upgraded or retired, then it will free up issues and resources to start planning for a MS Office 2013 upgrade.

The relocation of our communications equipment/systems was successfully relocated from RCC to shed 39 and the outsourced Revera Data centre in Trentham, Upper Hutt.

The High Availability Wide Area Network (HAWAN) project is progressing within the revised schedule and budget is scheduled for completion and integration in the first quarter of 2014/15.

The project for supply and configuration of the data fibre running along the rail corridor plus associated spurs (Rail Fibre Network Project) is well under way and within budget with completion scheduled for the first quarter of 2014/15.

The Business Continuity Plan (which includes the HAWAN & Rail Fibre projects) is currently being reviewed by the BCP committee. This review/plan will include such things as:-

- ▶ The new Datacentres (at Upper Hutt & Masterton) and their synchronisation
- ▶ Meshing of our four data networks
- ▶ Metlink call centre redundancy
- ▶ Ability to deploy up to 400 virtual desktops (i.e. can operate from any PC, anywhere)
- ▶ Standby office accommodation
- ▶ Expanding the regions councils network interconnectivity

The region wide Light Detection and Ranging (LiDAR) and orthographic upgrade project in conjunction with all the regions TLAs and some central government departments to refresh the GIS maps and provide the depth detail was completed. 3D rendering in collaboration with Landcare is on going .

Looking ahead

WiFi has been rolled out to Shed 39 with other GW sites being scheduled. Selected railway stations are being scoped for the free Welly WiFi service which has been rolled out at other public sites, such as libraries, the Zoo, plazas, etc.

Once the configuration of the fibre running along the rail corridor plus associated spurs (Rail Fibre Network Project) is completed. This will then allow for the connection of the CCTV cameras, connection of WiFi at the railway stations, synchronisation of the datacentres, etc. As well as allowing for new initiatives such as integrated ticketing, RTI, etc.

New Video Conferencing/Audio Visual (VC/AV) solution has progressed in Shed 39, and is scheduled for the larger offices across the region. Allowing for:-

- ▶ Reduced travel costs
- ▶ Effective Communication
- ▶ Increased productivity across dispersed workforces and teams
- ▶ Support for environmental initiatives

The ICT Shared services initiatives currently being undertaken by the regions councils will hopefully build on the existing and extensive work and charter that has been undertaken over the last few years including:

- ▶ A Regional ICT strategy
- ▶ merging to common platforms over time
- ▶ A new EDRMS system
- ▶ Expanding the regions councils network interconnectivity

The GW workload from participating in the shared Services Initiative is expected to be extremely heavy and will need to be managed carefully to ensure it does not impact on GW ICT BAU services.

The recent release of the new improved hardware specifications from the windows tablet manufacturers will allow us to complete a proof of concept (PoC) and evaluate them. If proven we will be looking to offer them to selected business users as a replacement for the standard windows desktop PC. Whilst the current spec of tablets is less than the spec of the current 5+ year laptops on most people's desktops, they are expected to improve over time.

The windows tablet will also be utilised to provide offline access and updating capability of key work for field based staff.

A project in partnership with the BOP Regional Council (EBOP) is underway for a new Biodiversity management system. A business requirements document has been produced jointly with EBOP. The next steps are to get indicative pricing in preparation for the final Business case.

Upgrade of the current (Hummingbird) Electronic Documents & Records Management System (EDRMS) will be progressed.

Renewal of the Mobile Telephone contract, which is anticipated, will lead to reduced pricing, more data for less (data usage continues to trend up), without the associated bill shock.

ICT financial reports

ICT Department Financial Performance Statement Year ended 30 June 2014	30 June 2014			30 June 13 YTD Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
External Revenue	-	198	(198)	244
Investment Revenue	144	156	(12)	244
Internal Revenue	2,211	2,100	111	2,578
TOTAL INCOME	2,355	2,454	(99)	3,066
less:				
Personnel Costs	1,625	1,970	345	1,390
Materials,Supplies & Services	1,639	1,567	(72)	1,609
Travel & Transport Costs	6	8	2	6
Contractor & Consultants	423	428	5	191
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	225	202	(23)	265
Total Direct Expenditure	3,918	4,175	257	3,461
Financial Costs	118	218	100	58
Bad Debts	-	-	-	-
Corporate & Department Overheads	(1,252)	(1,252)	-	(957)
Depreciation	916	983	67	1,115
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-
TOTAL EXPENDITURE	3,700	4,124	424	3,677
OPERATING SURPLUS / (DEFICIT)	(1,345)	(1,670)	325	(611)
Add Back Depreciation	916	983	(67)	1,115
Other Non Cash	-	-	-	-
Net Asset Acquisitions	(2,300)	(3,180)	880	(2,010)
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(2,729)	(3,867)	1,138	(1,506)
Debt Additions / (decrease)	2,134	3,180	(1,046)	1,047
Debt Repaid	(549)	(779)	230	(18)
Net Reserves (Increase) / decrease	1,476	1,464	12	474
NET FUNDING SURPLUS (DEFICIT)	332	(2)	334	(3)

ICT Department Capital Expenditure Statement Year ended 30 June 2014	30 June 2014			30 June 13 YTD Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	1,549	-	(1,549)	949
Capital Project Expenditure	751	3,180	2,429	1,975
Asset Disposal Cash Proceeds	-	-	-	-
Net Capital Expenditure	2,300	3,180	880	2,924
Investments Additions	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	2,300	3,180	880	2,924

ICT financial summary and variance analysis

Total Direct Expenditure for the ICT department is \$3.9million, which is slightly below budget. Records management and Network Support both show savings in personnel costs due to staff vacancies throughout the year.

External revenue has been budgeted in place of internal revenue where desktop recharges are traditionally more than the business budgets for. The result is that the variance in external revenue offsets the positive variance in internal revenue.

Capital projects include:

- ▶ The refresh of the GIS and LiDAR Aerial Photography and imaging was completed
- ▶ HAWAN project was mostly completed with final integration to occur
- ▶ The Portal upgrade project is postponed until further decisions about future delivery of services are made.
- ▶ EDRMS (document management) is delayed due to the WCC ICT review and will mostly occur in 2014/15 (800k) and is the major component of the Capital expenditure variance.

ICT risk analysis

We have reviewed the risks relating to the ICT and after the final move of servers, file walls and internet connectivity to Rivera in Trentham, the risk of continuity of service will be lessened but remains a low residual risk in the register.

1.42 Finance and Support

Finance and Support summary

Refreshing the Warm Wellington programme, finalising the annual report, Go Smart vehicle Policy, GPS units for vehicles and dealing with the continuing interruptions from the moves have been the key issues during the year, the current attention and effort is on finalising the 2013/14 annual report and progressing the 2015-25 LTP.

The Go Smart Vehicle purchasing policy was reviewed and updated with ELT agreeing to a simplified fuel use target, an increase in petrol efficiency (less average litres of fuel per 100km of travel)

The review of GPS systems was undertaken and Eroad was chosen and has been installed in the majority of the vehicles. The software allows us to get a good view of our vehicles and when they are utilised. The GPS software will also allow us to immediately locate all vehicles when in coverage and provide for an enhanced lone-worker buddy system. The roll out of the software to the groups is scheduled for the first quarter of 2014/15.

The suite of vehicle policies have been updated and are waiting for the Health and Safety review to be completed before finalising them.

The Finance team manages the Warm Greater Wellington programme with all costs recovered from it. For the full report please see the see the full Warm Greater Wellington Report in the Policy and Strategy Committee paper

Looking ahead

- ▶ Completing the 2014/15 Annual Report and progressing the 2015/25 LTP
- ▶ Assisting the Water integration and Grow Wellington proposals
- ▶ Finalising the roll out of the ERoad GPS units and fleet administration software.
- ▶ Reviewing pool vehicles based at Shed 39
- ▶ Reviewing options to get the electronic approval processes for telephone and fleet card data and other manual approval processes.

Finance and Support financial reports

Finance Income Statement For the year ended 30 June 2014	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
External Revenue	110	120	(10)	121
Investment Revenue	-	-	-	-
Internal Revenue	163	190	(27)	79
TOTAL INCOME	273	310	(37)	200
less:				
Personnel Costs	1,011	976	(35)	965
Materials,Supplies & Services	131	128	(3)	96
Travel & Transport Costs	1	6	5	2
Contractor & Consultants	297	240	(57)	259
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	171	162	(9)	207
Total Direct Expenditure	1,611	1,512	(99)	1,529
Financial Costs	2	-	(2)	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	(1,202)	(1,202)	-	(1,331)
Depreciation	21	14	(7)	28
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-
TOTAL EXPENDITURE	432	324	(108)	226
OPERATING SURPLUS / (DEFICIT)	(159)	(14)	(145)	(26)
Add Back Depreciation	21	14	7	28
Other Non Cash	-	-	-	-
Net Asset Acquisitions	-	-	-	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(138)	-	(138)	2
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(138)	-	(138)	2

Finance and Support financial summary and variance analysis

Total Direct Expenditure of \$1.6m compares unfavourably with a budget of \$1.5 million. The rollout of GPS units to vehicles, some assistance with new reporting software and a review of how we account for some taxable activities resulted in this over run.

Finance and Support risk analysis

As part of our regular reviews of our processes and systems we highlighted the on-going need to ensure all staff remain up to date and appropriately trained in all aspects of our business. With Staff turnover it is essential that key systems knowledge can be captured and transferred. A review of our processes around asset and insurance valuations will be undertaken in the second quarter of 2014/15.

As part of the council wide review of the risk register it was agreed that the only underlying risk on the high level council register would be for financial fraud, as despite many mitigating actions the outcome of any actual fraud is highly damaging to the organisation.

1.43 Treasury

Treasury Summary

This department includes the staff and administration costs of running the Investment Management department. The full report on the Investment Management business area is reported separately.

Treasury financial reports

Treasury & Investments. Income Statement For the year ended 30 June 2014	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
External Revenue	69	75	(6)	75
Investment Revenue	-	-	-	-
Internal Revenue	257	257	-	253
TOTAL INCOME	326	332	(6)	328
less:				
Personnel Costs	286	299	13	293
Materials,Supplies & Services	4	3	(1)	3
Travel & Transport Costs	4	7	3	5
Contractor & Consultants	-	-	-	-
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	24	24	-	24
Total Direct Expenditure	318	333	15	325
Financial Costs	-	-	-	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	-	-	-	-
Depreciation	7	7	-	7
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-
TOTAL EXPENDITURE	325	340	15	332
OPERATING SURPLUS / (DEFICIT)	1	(8)	9	(4)
Add Back Depreciation	7	7	-	7
Other Non Cash	-	-	-	-
Net Asset Acquisitions	-	-	-	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	8	(1)	9	3
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	8	(1)	9	3

Treasury financial summary and variance analysis

The Treasury department has \$318k of total direct expenditure, which is in line with budget.

Treasury risk analysis

The treasury risks are reviewed as part of the investment management report.

1.44 Rates

Rates department financial reports

Rates Dept Income Statement For the year ended 30 June 2014	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	1,153	-	1,153	559
External Revenue	623	500	123	550
Investment Revenue	-	-	-	-
Internal Revenue	54	54	-	54
TOTAL INCOME	1,830	554	1,276	1,163
less:				
Personnel Costs	-	-	-	-
Materials,Supplies & Services	7	-	(7)	2
Travel & Transport Costs	-	-	-	-
Contractor & Consultants	2,381	2,290	(91)	2,289
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	80	80	-	-
Total Direct Expenditure	2,468	2,370	(98)	2,291
Financial Costs	-	-	-	-
Bad Debts	363	-	(363)	-
Corporate & Department Overheads	(1,816)	(1,816)	-	(1,850)
Depreciation	-	-	-	-
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-
TOTAL EXPENDITURE	1,015	554	(461)	441
OPERATING SURPLUS / (DEFICIT)	815	-	815	722
Add Back Depreciation	-	-	-	-
Other Non Cash	-	-	-	-
Net Asset Acquisitions	-	-	-	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	815	-	815	722
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	815	-	815	722

Rates department financial summary and variance analysis

Total Income of \$1.8m is \$1.3k more than expected. This relates to penalties on rates and rates remissions. The timing of this revenue is variable year to year. While we expect to hit budget, the result is ultimately out of the Council's control.

Rates collection costs were \$91,000 more than budgeted, which related to some late invoicing from the previous year.

The provision for doubtful debts moves in line with the TAs collection. It represents rates that are 1 year old and in most circumstances this will be collected in the coming year.

Rates department risk analysis

Risks have been reviewed, and with nationwide attention on rates resolutions we engaged a consultant to review our rates resolutions, funding impact statements and revenue and financing policy. The feedback is that we could tidy a few areas up, but low risk of an issue.

As part of shared services no doubt rates collection may be looked at again, in the meantime our rates collection agreements have been reviewed.

1.45 Chief Financial Officer (CFO)

CFO financial reports

CFO Support Income Statement For the year ended 30 June 2014	30 June 2014			30 June 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
External Revenue	83	75	8	173
Investment Revenue	-	-	-	-
Internal Revenue	45	45	-	45
TOTAL INCOME	128	120	8	218
less:				
Personnel Costs	331	341	10	373
Materials,Supplies & Services	28	24	(4)	174
Travel & Transport Costs	1	10	9	11
Contractor & Consultants	320	310	(10)	291
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	24	28	4	48
Total Direct Expenditure	704	713	9	897
Financial Costs	-	-	-	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	(592)	(592)	-	(330)
Depreciation	4	10	6	11
Loss / (Gain) on Sale of Assets / Investments	2	-	(2)	-
TOTAL EXPENDITURE	118	131	13	578
OPERATING SURPLUS / (DEFICIT)	10	(11)	21	(360)
Add Back Depreciation	4	10	(6)	11
Other Non Cash	2	-	2	-
Net Asset Acquisitions	19	-	19	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	35	(1)	36	(349)
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	200
NET FUNDING SURPLUS (DEFICIT)	35	(1)	36	(149)

CFO Support Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	-	-	-	-
Capital Project Expenditure	-	-	-	-
Asset Disposal Cash Proceeds	(19)	-	19	-
Net Capital Expenditure	(19)	-	19	-
Investments Additions	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	(19)	-	19	-

CFO financial summary and variance analysis

The CFO department total direct expenditure of \$704k is in-line with budget.

The previous CFO vehicle was sold and in-line with policy not replaced.

1.46 Property services

Property Services Summary

The Property services department covers Shed 39 costs and reallocation to groups. The outsourced property team assists with building advice across the council.

Property Services financial reports

Property Services Income Statement For the year ended 30 June 2014	30 June 2014			30 June 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
External Revenue	-	-	-	-
Investment Revenue	-	-	-	-
Internal Revenue	2,015	2,015	-	2,017
TOTAL INCOME	2,015	2,015	-	2,017
less:				
Personnel Costs	-	-	-	-
Materials,Supplies & Services	1,760	1,564	(196)	1,921
Travel & Transport Costs	-	-	-	-
Contractor & Consultants	45	37	(8)	184
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	414	414	-	20
Total Direct Expenditure	2,219	2,015	(204)	2,125
Financial Costs	1	-	(1)	-
Bad Debts	-	-	-	-
Corporate & Department Overheads	-	-	-	-
Depreciation	141	31	(110)	31
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-
Total Indirect Expenditure	142	31	(111)	31
TOTAL EXPENDITURE	2,361	2,046	(315)	2,156
OPERATING SURPLUS / (DEFICIT)	(346)	(31)	(315)	(139)
Add Back Depreciation	141	31	110	31
Other Non Cash	-	-	-	-
Net Asset Acquisitions	(139)	-	(139)	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(344)	-	(344)	(108)
Debt Additions / (decrease)	-	-	-	-
Debt Repaid	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(344)	-	(344)	(108)

Property Services Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			30 June 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	25	-	(25)	-
Capital Project Expenditure	114	-	(114)	-
Asset Disposal Cash Proceeds	-	-	-	-
Net Capital Expenditure	139	-	(139)	-
Investments Additions	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	139	-	(139)	-

Property Services financial summary and variance analysis

Direct Expenditure of \$2.2m is \$204k more than budgeted. \$196k relates to payment of rent for both the Regional Council Centre (RCC) and Shed 39. PHL resolved to reduce the rent from 1 December 2013 to \$20k per month to cover PHL holding costs at the request of council. The RCC is now empty.

The department incurred an additional \$110k of depreciation due to the write off of leasehold improvements in the RCC building. This has no funding impact.

The shift to Shed 39 also resulted in \$139k of chattels and fixtures.

Property Services risk analysis

Review and remedy of earthquake resilience of all buildings is occurring.



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Investment Management

Performance Report for the year ended 30 June 2014



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1 EXECUTIVE SUMMARY FOR RISK AND ASSURANCE COMMITTEE

1.1 Group overview

Business as usual activities and functions carried out by the Investment Management Group included:

- ▶ Investing surplus funds and contingency funds
- ▶ Managing GWRC's debt portfolio and interest rate risk, ensuring adequate cash is available, relationships with bankers and rating agencies
- ▶ Monitoring CentrePort and the Stadium Trust and completing the WRC Holdings Group Statement of Intent and reporting to its Board
- ▶ Managing the Council's Treasury function, interest rate risk and FX risk
- ▶ Co-ordinating the Council's risk management, and management of the policy on project management
- ▶ Managing and coordinating the Council's Insurance programme.



1.2 Executive Summary

Investment Management has seen interest rates raise to a higher than budgeted level. This has impacted on our investments which show higher than budgeted returns. The impact on our borrowings was limited, as most of our debt is fixed via swaps.

Debt has increased by \$24.9 million since the beginning of the year, of which \$22.6 million have been spent for the Matangi 2, Matangi retrofit and other Matangi projects. The future Matangi debt interest rate risk has been covered via swaps (converted to fixed rate) with 78% of the peak borrowings covered for an average term of about 5.3 years.

1.3 Key results for year and the quarter

Achievements during the year

Risk management

Development of 11 new risk categories has enhanced the risk management process both by providing risk categories for reporting but also providing a thought provoking framework for staff when considering and identifying risks.

Risk Management has had a boost from the recent high profile incidents of Pyke River, Cave Creek, CentrePort and Mike Webby (slipped and died on a WCC track) and more recently with the impending Health & Safety legislation.

The Council is becoming more aware of managing risk and reporting and using it during the likes of project management and when strategically planning in the LTP.

Project management

The groups are now reporting projects with their quarterly reporting through to the Chief Executive. Project reporting and the new policy has enhanced how staff deal with projects and implement them.

Insurance

A property contingency fund was established to provide funding to cover the increased excess on the Material Damage & Business Interruption (MDBI) Insurance. The fund has a balance of \$326,000 at the end of June, which represents the insurance saving from moving from a \$10 million excess to a \$20 million excess.

Later in the year when it became apparent there would be a surplus from the Forestry cutting rights sale a further sum was added to this fund, which has the impact of significantly reducing the time to accumulate to the \$20 million insurance excess. This is now 10 years with no contribution other than compounding the interest.

The Treasurer/Acting CFO joined the Insurance Market Working Group which was established in the wake of the Stobo Report on Insurance in the Local Government Sector. This working Group is looking at three main themes. The potential need to up skill risk management, possible bulk buying leveraging economies of sector scale, review of the Government's 60% contribution to infrastructure loss and how this might work better given governments opened ended liability which they appear unhappy about.

The Councils Insurance was renewed on similar terms but with an increase in cover for the MDBI cover which was increased to \$325 million from \$270 million. Savings of \$473,000 were achieved of \$256,000 for MDBI and \$150,000 on the rail rolling stock cover and \$43,000 on overseas (London) brokerage.

Our Public liability Policy after much work with our brokers and insurer now covers contractual liability where we have contractually limited our ability and our insurers to sue/claim for damages from the contracting third party.

Treasury activities

During the year we entered into \$110 million of borrower of swaps with an average rate of around 5.0%. The average term of these swaps was 7.6 years from 30 June with the great majority of the hedging relating to the new Matangi 2 trains.

Our Treasury policy was updated with the major change being the way we monitor and measure our debt interest rate risk exposure. The existing policy did not cope with our sharply rising debt profile, and consequently, we had to seek Council approval early in the year to hedge the interest rate risk on the new Matangi units.

The second change was to enable longer and more flexible arrangement for fixing our electricity costs using hedging instruments and the third change is to enable higher counter party limits for investing surplus funds stemming from the sale of the forestry cutting rights.

Council raised two tranches of \$25 million debt each from the LGFA debt maturing December 2017 (4 years) and May 2021 (8 years)

Our Standard & poor's credit rating was reaffirmed stable at AA long term and an A1 +short term and we received very positive comments from them on our presentation and on Management.

Subs and CCO's

An SOI was completed for WRC Holdings Limited and a series of meetings with the Stadium Trust were initiated and have become part of the Holding Group monitoring process.

CentrePort relatively good trading activities were dashed by the impacts from the Seddon earthquakes which saw CentrePort having to write down its assets and suffer cash impacts due to port repairs and vacancy of the BNZ building. The port has signaled a plan for greater separation of their property and port operations.

1.4 Achievement/s during the quarter

Market rates and hedging – Changes during the quarter

The Official Cash Rate (OCR) moved by 0.25% twice during the quarter (24th April and 12th June) to rest at 3.25%, up from 2.75% at the end of last quarter. This continues the series of rate increases forecast by the Reserve bank of New Zealand for the coming year. The 90 day rate ranged from 3.40% to 3.70%, currently it is at 3.70%.

The 5 year interest rate swap ranged from 4.25% to 4.65% and is currently at 4.50%.

The 10 year swap ranged from 4.65% to 5.10% and is currently at 4.77%.

The price of Singapore Gas oil (Diesel) in NZ Dollars per barrels was:

31 December 12	\$151
31 March 13	\$142

30 June 13	\$155
30 September 13	\$144
31 December 13	\$154
31 March 14	\$140
30 June 14	\$139

The price of Diesel in New Zealand dollars remained static over the quarter at around \$140 per barrel and is trading presently around \$136 per Barrel as we write this report.

The proportion of Diesel in the index, under which we pay the service providers, is approximately 15%, which leaves us with a relatively small risk exposure.

The valuation of swaps was \$137,000 negative (June 2013: \$3.81m negative) in the Council and about \$73,000 positive (June 2013: \$260,000 negative) in WRC Holdings (WRCH).

The negative valuation is due to our contract swap rates being slightly higher than the equivalent actual market rates. Our average borrowing swap rate per end of June is 4.87%. The big movement in the valuation reflects the general upward movement in term interest rates, particularly in the last quarter.

During the quarter we entered in the following borrower swaps:

\$20 million @ 4.9950% from 15.06.16 to 15.06.22 (6.0 years) with CBA

\$10 million @ 4.9975% from 15.09.16 to 15.09.22 (6.0 years) with Westpac

\$10 million @ 4.9500% from 15.09.16 to 15.03.24 (7.5 years) with ANZ

\$15 million @ 5.1725% from 15.09.16 to 15.06.26 (10.0 years) with ANZ

We continue to look for opportunities to add some additional cover in line with our advisor's recommendations and are in compliance with our new recently approved debt interest rate policy targets.

We have now covered \$125 million (78%) of the peak \$160 million debt requirement. This provides an average hedge rate for the new Matangi trains of 4.91% for a weighted average period of 5.34 years.

We had previously reported this separately as it was specifically approved by Council. This hedging will now form part of our overall portfolio within our newly approved debt interest rate policy limits.

We continue to face a number of challenges; firstly, cash flows are uncertain; secondly, there is a large premium to hedge forward and thirdly, the forecasted peak for the 90 day rate is below the current rates we can hedge at.

We were fully compliant with our Treasury Management Policy in June 2014. The breach in year five of the Debt Interest Rate Policy is approved by Council, as we have a six month phasing in period for compliance with the new treasury policy. Full compliance is required from January 2015.

Investments

The \$33 million liquid deposits were invested during the quarter on average at about 4.66%.

The contingency funds for the water group, the flood group and the newly established property fund collectively amounting to \$25.8 million were invested on average of 4.66%, comparing favourably to the 90 day bill rate of around 3.63% as at the end of June.

Debt

The Gross Debt Level of GWRC (incl. WRCH) per 30 June was \$245.0 million (June 2013: \$220.7 million). After deducting money market and short term investments, as well as \$33 million Liquid Financial Deposits, but not the contingency investments and LGFA borrower notes, the Net Debt is \$212.6 million (June 2013: \$187.7 million). This is an increase of \$23.9 million when compared to 30 June 2013. The increase is mainly due to the expenditure for the Matangi 2, Matangi 1 retrofit and other Matangi projects.

During the quarter we repaid a \$25 million maturing FRN via issuing a Commercial Paper. At the end of June we had \$48.2 million of Commercial Paper issued of which \$8.2 million related to the June 2014 share investment into Greater Wellington Rail Limited (GWRL) for the new Matangi trains.

The \$44 million of WRCH debt was rolled over at a margin of 10 points (0.10%). WRCH received \$79.5 million (March 14: \$65 million) in bids and settled with a weighted average interest cost of 3.64%, which is \$220,000 per annum cheaper than direct bank borrowing.

Local Government Funding Agency (LGFA)

The LGFA has just completed its twenty first debt issuances since its inaugural issuance in February 2012.

The LGFA recently issued a new bond maturing in April 2023; this brings the total bond tranches on issue to five. The LGFA has its first bond maturity in April 2015, and is presently devising a strategy to deal with this maturity.

The first chart below show how margins had decreased but appear to be on the increase again.

Overseas investors have been specifically targeted and they are beginning to have a greater share of the LGFA bonds.

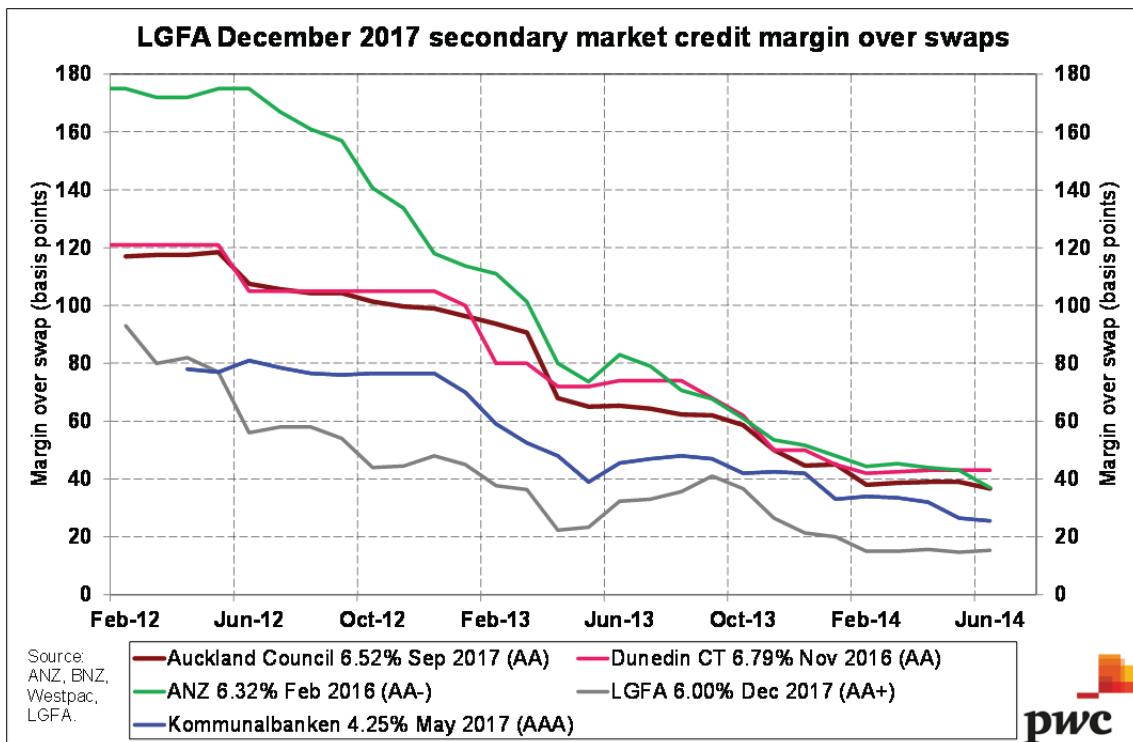
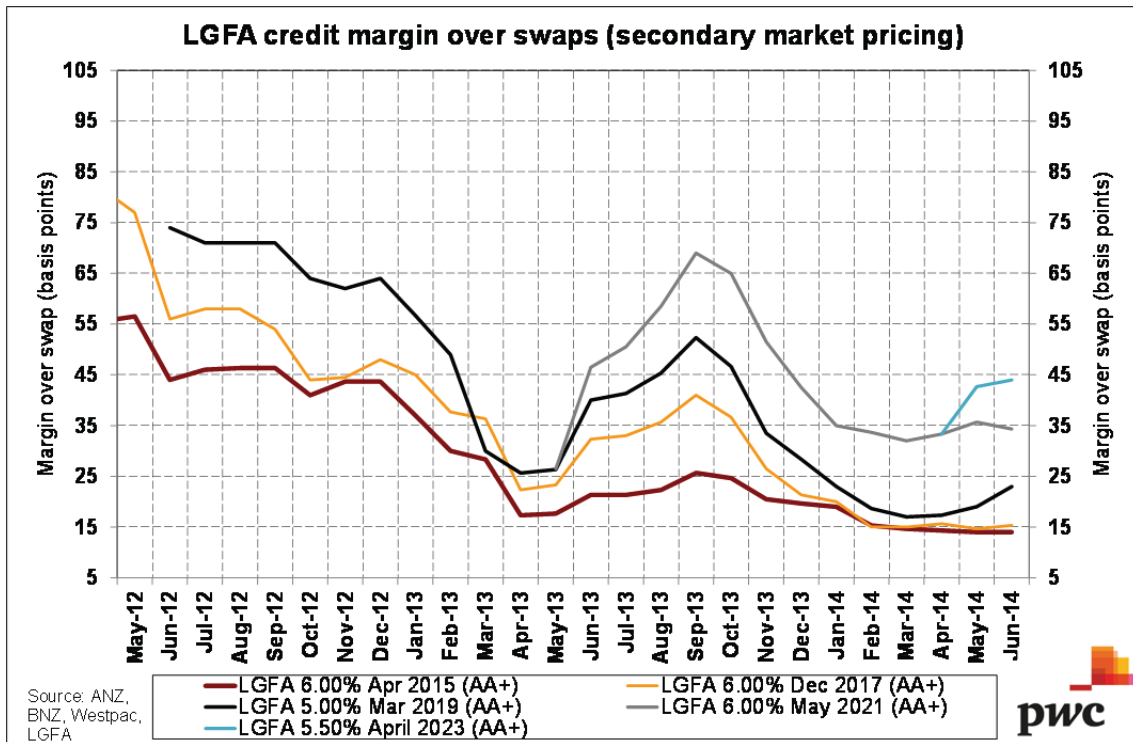
The greater the volume of bonds on issues the more attractive the LGFA becomes to these investors. Overseas investors will assist with reducing the LGFA margin as it is seen as very close to Government risk, with quite a large premium.

The second chart shows a narrowing of the credit margins between bank lending (green) and the LGFA (grey). This makes the bank more competitive.

The paper we completed for the Shareholders Council about the LGFA becoming more borrower focused was well received by them and the LGFA.

We have already seen some traction on these issues with the LGFA recently sending out a customer survey.

The topics raised in our paper covered the Number of maturities offered by the LGFA, Refinancing of the sectors debt, the LGFA offering Promissory notes (Commercial Paper) and Tenders.



Insurance

Local Government New Zealand is progressing work with a sector approach to potentially buy insurance collectively and dealing with related issues such as Government support, and risk management strategies around a seismic response.

The Treasurer and Acting CFO is providing input into the Insurance Market Working Group which has met twice since its establishment. It has heard from a number of presenters including Transpower, BOP Insurance Collective, Waimakariri DC, General Manager LAPP, and Risk Pool Chair. At this stage the committee is still in working mode pending making recommendations to LGNZ.

Our Insurances were renewed on a timely basis for the coming year. We increased our cover on our Material Damage policy coverage to \$325 million from \$270 million previously. We did this to give us head room above our Maximum Probable Loss estimate as the market had softened plus we also enjoyed saving in premium of \$256,000. We achieved the extra cover at no additional cost by changing the mix of Insurers from 50/50 London/Local cover to 30/70%.

Savings of \$150,000 were made on the rail rolling stock cover as well as \$43,000 on overseas (London) brokerage.

Our Public Liability Policy after much work with our brokers and insurer now covers contractual liability where we have contractually limited our ability and our insurers to sue/claim for damages from the contracting third party. This is common place especially with engineering contracts where liability is limited to say five times the contract fee. Consequently we were exposed where the contactor causes damage or fails to provide proper service, where a claim is made against us by another party that is greater than the contractual amount.

Risk Management

The 11 new risk categories were presented to the risk and assurance committee in May in a summary form along with a presentation from the Environmental Management Group. Work continues with risk management to enhance the definitions and integrate it into the Health and Safety area of the business.

Project Management

The groups are now reporting projects with their quarterly reporting through to the Chief Executive. Work is being progressed towards receiving the post project reviews at the next quarterly round of reporting.

Subsidiary companies

We received a final SOI from CentrePort and have completed a final SOI for the WRC Holdings Group of companies.

The next quarters will continue to focus on raising further debt and managing our interest rate risk and completing annual reports and attending to CFO duties.

2 GROUP FINANCIAL SUMMARY

2.1 Financial summary to date

Investment Management is showing a \$16.4 million surplus, which is \$3.6 million favourable to budget.

Total income is \$1.05 million favourable to budget, mainly due \$1.68 million higher interest revenue from investments which is offset by \$629,000 lower interest revenue from internal loans.

Total direct expenditure is \$151,000 below budget which is mainly due to recovering \$323,000 higher insurance expenditure than charged to the business. This is offset by \$218,000 higher costs for contractors and consultants.

Total indirect expenditure was \$732,000 above budget with finance costs being \$669,000 higher than budget due to the prefunding of debt.

Non-operating revenue is \$3.13 million favourable to budget, which is mainly due to a \$3.67 million upward fair value movement in the swaps portfolio due to higher interest rates compared to June 2013.



2.2 Group consolidated financial statements

Investment Management Income Statement For the year ended 30 June 2014	30 June 2014			30 June 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
Rates & Levies	2,676	2,676	-	2,676
Investment Revenue	6,059	4,378	1,681	5,106
Internal Debt Interest Recovery	14,141	14,770	(629)	14,532
Internal Revenue	607	607	(0)	206
TOTAL INCOME	23,483	22,430	1,053	22,520
Materials,Supplies & Services	(231)	137	368	88
Travel & Transport Costs	0	0	-	0
Contractor & Consultants	401	183	(218)	212
Internal Charges	406	406	-	402
Total Direct Expenditure	576	726	151	703
External Finance Costs	9,419	8,750	(669)	7,921
Bad Debts	0	0	-	0
Internal Reserve Investment Cost	943	831	(112)	1,044
Depreciation	21	69	48	24
Loss(Gain) on Assets / Investments	0	0	-	(29)
Total Indirect Expenditure	10,382	9,650	(732)	8,960
TOTAL OPERATING EXPENDITURE	10,958	10,377	(582)	9,663
OPERATING SURPLUS/(DEFICIT)	12,524	12,053	471	12,857
Unrealised Revaluation Gains / (Loss)	3,868	735	3,133	4,712
Grants and Subsidies - Revenue	0	0	-	8,531
Surplus / (Deficit) after non operating items	16,392	12,788	3,604	26,100

Investment Management Capital Expenditure Statement For the year ended 30 June 2014	30 June 2014			FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	-	-	-	-
Capital Project Expenditure	2,328	2,500	172	309
Asset Disposal Cash Proceeds	-	-	-	-
Net Capital Expenditure	2,328	2,500	172	309

2.3 Departmental financial summary and variance analysis

Total income is \$1.05 million favourable to budget, which is mainly due to \$1.68 million higher interest revenue from investments. This is offset by \$629,000 lower interest revenue from internal loans, due to a large portion of the Capex spending taking place in the later months of the year. From a consolidated Council perspective this variance eliminates as it is offset by an equal and opposite variance in the Groups.

Investment Revenue is \$1.68 million favourable to budget. This is mainly due to \$1.36 million higher interest on money market investments as we received more interest due to the prefunded debt and also investing excess liquidity for short periods. The Revenue from the guarantee fee for CentrePort's debt is \$90,000 higher than budget as the facility limit, on which the guarantee is calculated, has increased by \$25 million since the budget was set. An unbudgeted subvention payment of \$266,000 was received from Pringle House which relates to the last financial year. Interest revenue from the \$33 million Liquid Financial Deposits was slightly below budget. Investment revenue (in budget and actual) includes a dividend of \$2.3 million from WRC Holdings Ltd which was declared post June 2013.

Total direct expenditure is \$151,000 favourable to budget, mainly due to recovering \$323,000 higher insurance expenditure than charged to the business. The recovered amount was invested as MDBI property contingency fund. This is offset by \$218,000 higher expenditure for contractors and consultants, mainly emanating from moving costs relating to shed 39, offset by \$48,000 of lower other costs.

Total indirect expenditure is \$732,000 unfavourable to budget. External finance costs are the main contributor at \$666,000 unfavourable to budget. This is made up of interest expenditure on external debt being \$623,000 above budget, mainly as a result of prefunding of debt. The costs for our swaps are \$55,000 above budget due to on average slightly lower floating rates than budgeted.

Internal Reserve Investment costs where Treasury pays the business interest on its reserve funds were \$112,000 unfavourable to budget due to the reserve opening balance and transfers to reserves being higher than budgeted.

As a result of the above variances the operating surplus before non-operating items is \$471,000 above the budgeted amount of \$12.05 million.

Non-operating revenue is \$3.13 million favourable to budget, which is mainly due to a \$3.67 million upward fair value movement in the swaps portfolio due to higher interest rates compared to June 2013.

Capital expenditure is \$2.33 million for the year of which \$2.26 million relate to shed 39. Total Capex is \$172,000 below budget and is mainly due to an overall lower Capex spent for shed 39.

3 KEY PERFORMANCE INDICATORS

3.1 Key performance indicators as at 30 June 2014



The financial covenants of the LGFA and those in our Treasury Management Policy are as follows:

- ▶ Net Interest Expense / Total Revenue < 20%
- ▶ Net Debt / Total Revenue < 250%
- ▶ Net interest / Annual Rates and Levies < 30%

As per 30 June we were fully compliant in all three ratios, with ample head room.

See attachment 1.

Debt Interest Rate Policy Parameters

At the Council Meeting in June an updated Treasury Risk Management Policy was approved. Due to our rapidly increasing debt profile an amendment of the policy was necessary. The main change is that the fixed rate debt maturity profile was replaced by Debt Interest Policy Parameters. These require the Council to have fixed rate debt in place which is between a minimum and a maximum of the forecasted debt of any future year. The council is now also able to enter into swaps of up to fifteen years from deal date.

The new parameters and the council's compliance per 30 June are as follows.

Debt Interest Rate Policy Parameters

	Debt Period Ending	Forecasted Debt Amount	Minimum fixed Debt	Maximum fixed Debt	Actual	Compliant (Y/N)
30/06/14	Current	213	50%	95%	85.3%	Yes
30/06/15	Year 1	248	45%	95%	69.1%	Yes
30/06/16	Year 2	367	40%	90%	54.4%	Yes
30/06/17	Year 3	411	35%	85%	48.7%	Yes
30/06/18	Year 4	454	30%	80%	35.3%	Yes
30/06/19	Year 5	475	25%	75%	24.2%	No
30/06/20	Year 6	477	15%	70%	17.8%	Yes
30/06/21	Year 7	472	5%	65%	11.7%	Yes
30/06/22	Year 8	465	0%	60%	7.5%	Yes
30/06/23	Year 9	465	0%	55%	3.2%	Yes
30/06/24	Year 10	465	0%	50%	3.2%	Yes
30/06/25	Year 11	465	0%	25%	0.0%	Yes
30/06/26	Year 12	465	0%	25%	0.0%	Yes
30/06/27	Year 13	465	0%	25%	0.0%	Yes
30/06/28	Year 14	465	0%	25%	0.0%	Yes

We are not compliant in year five, as the hedges in place are slightly below the minimum required. However this is not considered a breach, as we have a phasing in period until the end of December. In July we completed a further swap which has brought us within policy.

Note the Debt Interest Rate Policy Parameters now replaces the fixed rate debt in 12 months time, i.e. first line item on attachment 1.

Net External debt per Capita and Net External Debt / Rates & Levies

Although not required under the Treasury Management Policy, we continued to calculate these ratios. The net external debt per capita is \$284, which is \$41 higher than in June 13. The "Net External Debt / Rates & Levies" ratio is slightly up at 118% when compared 104% at the end of June 2013.

Historical benchmark rate by APRM – no margin

The APRM benchmark rate stayed unchanged during the quarter at 4.06%. During the same period the Council's cost of funds increased by 0.23% from 4.13% to 4.36%, mainly due to the OCR having been increased by 0.50% and by having \$14 million lower floating debt.

We are working with our Advisors to review the benchmark as it is not reflective of our new Debt Interest Rate Policy Parameters. This is because the benchmark is based heavily on the 5 year swap rate which is no longer relevant given our longer fixed rate maturity profile with our new policy.

3.2 Historic key performance indicators

See attachment 2.

3.3 Project Report

There are no projects to report in Treasury.



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Warm Wellington

Performance Report for the year ended 30 June 2014



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1 EXECUTIVE SUMMARY FOR STRATEGY AND POLICY COMMITTEE

1.1 Programme overview

In August 2013, Council agreed to extend the Warm Wellington insulation programme through to 30 June 2016. The Energy Efficiency Conservation Authority (EECA) which manages the existing Heat Smart scheme with grants has been winding down with very little allocation of funding remaining. The new council programme has been running since mid-September when the Memorandum of Understanding with EECA was signed, and new contracts with service providers have been put in place. The new EECA programme is aimed at identified high health need community service users. There is no requirement for Council to support this programme as it is 100% funded.



For the year the uptake of the new programme (with no EECA funding to ratepayer) has progressed well, with a high level of interest has being shown by suppliers. Applications under the new scheme started to come in during early October. New approvals for the year ended 30 June were down on last year as suppliers ran out of EECA grant quota. Our target this year was for 2,300 new properties and we managed a total of 1,396 for the year. Whilst below the target, the target was set when EECA funding was still in place.

Since Greater Wellington's programme started 9,404 applications have been approved at a total cost of \$18.8 million (including GST), with 8,616 of these completed at \$17.1 million (including GST) of funds paid to local suppliers.

For the year ended 30 June, we have completed 1,396 installations at a cost of \$2.8 million.

As the programme has progressed we are now seeing more house sales where, with agreement between seller and purchaser, it is more likely than not that the advance against the rates is cleared rather than remaining with the property. To date this equates to 1,509 properties at \$2.9 million of repayments which lowers the net debt of the scheme.

The table below shows the programme to date numbers by local TA area. Overall this is a widely utilised programme that has provided great benefits across the region.

Council area	No of Apps		No of Apps		GW No not yet completed	GW\$ Quotes *
	Approved	GW \$	Installed	GW\$		
Carterton District Council	170	\$318,273	157	\$289,298	13	\$28,975
Hutt City Council	3,048	\$6,237,047	2,784	\$5,660,582	264	\$576,465
Kapiti Coast District Council	824	\$1,495,194	754	\$1,358,324	70	\$136,870
Masterton District Council	552	\$1,064,095	516	\$984,155	36	\$79,940
Porirua City Council	936	\$1,926,511	854	\$1,754,349	82	\$172,162
South Wairarapa District Council	190	\$364,964	175	\$333,179	15	\$31,785
Upper Hutt City Council	1,413	\$2,884,929	1,325	\$2,711,787	88	\$173,142
Wellington City Council	2,271	\$4,511,534	2,051	\$4,052,464	220	\$459,071
Totals for Year to 30 June 2014 (including GST)	9,404	18,802,548	8,616	17,144,137	788	1,658,411
Totals at 30 June 2011 inc GST	2,205		1,297	\$3,083,863		
Totals at 30 June 2012 inc GST	3,959		3,457	\$6,497,429		
Totals at 30 June 2013 inc GST	2,167		2,486	\$4,734,553		
Totals for Year to 30 June 2014 (including GST)	1,073		1,376	\$2,828,292		
Properties that have been fully repaid by 30 June 2013			846	1,655,225		
Properties that have been fully repaid in 2013/14			663	1,267,598		
Total properties that have been fully repaid			1509	2,922,823		
* Note, not all not yet installed approvals will go ahead with a rates component.						30 June 2014

Not all of the 788 approved (but not yet installed) quotes will go ahead with a rates component.

1.2 Looking ahead

The scheme remains popular with the suppliers who continue to promote the rates as a viable option for ratepayers to fund their installation. We have had 2 new suppliers join the scheme recently which should assist in picking the numbers up.

The number of properties in the scheme will ensure that the programme requirement to be fully funded from participants is met.

1.3 Financial reports

Warm Greater Wellington Income Statement For the year ended 30 June 2014	30 June 2014			30 June 13
	Actual \$000	Budget \$000	Variance \$000	FY Actual \$000
Rates & Levies	1,713	1,297	416	1,095
External Revenue	1,019	-	1,019	5
Investment Revenue	-	-	-	-
Internal Revenue	-	-	-	-
TOTAL INCOME	2,732	1,297	1,435	1,100
less:				
Personnel Costs	-	-	-	-
Materials,Supplies & Services	1,974	1,974	-	358
Travel & Transport Costs	-	-	-	-
Contractor & Consultants	17	-	(17)	13
Grants and Subsidies Expenditure	-	-	-	-
Internal Charges	10	40	30	-
Total Direct Expenditure	2,001	2,014	13	371
Financial Costs	715	1,007	292	710
Bad Debts	-	-	-	-
Corporate & Department Overheads	-	-	-	11
Depreciation	8	8	-	8
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-
TOTAL EXPENDITURE	2,724	3,029	305	1,100
OPERATING SURPLUS / (DEFICIT)	8	(1,732)	1,740	-
Add Back Depreciation	8	8	-	8
Other Non Cash	-	-	-	-
Warm Wellington net advances	(469)	(1,569)	1,100	(2,806)
Net Asset Acquisitions	-	-	-	-
Net External Investment Movements	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(453)	(3,293)	2,840	(2,798)
Internal Debt Additions	1,963	5,222	(3,259)	3,819
External Debt Additions	-	-	-	-
Debt Additions / (decrease)	1,963	5,222	(3,259)	3,819
Debt Repaid	(1,501)	(1,929)	428	(1,021)
Net Reserves (Increase) / decrease	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	9	-	9	-

1.4 Financial summary and variance analysis

The rates income to date is less than budget as the budget was based on the actual amount of rates charged for the 2013/14 year. The actual funds advanced in the programme at 30 June 2014 was lower than budget. Substantial early repayments lowered the overall advance balance held resulting in lower rates required this year. The external revenue is from people repaying the advances early, which lowers the overall debt from the scheme.

The accounting treatment of this programme initially has expenditure exceeding income resulting in budgeted operating deficits.

As the programme progresses over time (future years) income will eventually exceed expenditure/installations when installations begin to slow and cease.

Over time the advanced funds to pay for insulation equates to the outstanding debt within the programme which will reduce to nil once the programme repayments are fully made.

All administrative and finance costs of the programme are fully recovered from those ratepayers participating in the scheme.

GWRC charges a margin of 7% on the cost funded to recover its administration, insurance, software and interest costs to ensure the programme does not impact the ratepayers who are not participating in the scheme.

1.5 Risk analysis

As more house sales occur the risk of sellers not informing purchasers (as required by the ratepayer agreement) increases. This creates administration as facts are determined and resolution obtained.

With the new scheme a new ratepayer agreement has been produced which was fully reviewed with our lawyers and updated.

Frequently asked questions have been updated, with more detailed information provided on the requirements when a ratepayer goes to sell their home.

Risks of the programme are mitigated through working alongside EECA for audits of suppliers work and only using EECA approved insulation products.



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