

HIGHLIGHTS FROM THE FIRST QUARTER OF 2016/17

SUMMARY

FIRST QUARTER 2016/17

1 July – 30 September 2016

Introduction

This executive summary report for the first quarter of 2016/17 provides the following:

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

¹ Note: Council Controlled Organisation performance is separately reported.



Overview | Highlights



More people travel by public transport, walking and cycling

Results contributing to transport outcomes for the region included:

Total public transport patronage increased 4.1% on the same period in 2015/16.

Bus services Request for Tenders released to the market.

Transdev successfully commenced the first Public Transport Operating Model (PTOM) contract for Wellington, delivering improved customer service and service punctuality.

The last Matangi 2 train entered service.

Driver simulator for Matangi approved and Request for Tender issued.

Trentham Rail Park & Ride carpark extension opened, providing an additional 34 spaces.

Design planning completed for bus services reliability and capacity improvements in Wellington (Khandallah to South Coast and Karori services).

Sites investigated and confirmed for renewals of bus shelters across the region.

Total Mobility procurement strategy approved by Council.

Recommendations to improve the performance of Kapiti bus services approved by Council.

Bikes on Buses testing completed. A public trial is due to commence in October.



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

Results contributing to environmental outcomes for the region included:

The Ruamāhanga Whaitua Committee used ideas gathered from the community on land and water management solutions to start design scenarios.

Phase II of pre-hearing meetings for the proposed Natural Resources Plan (pNRP) commenced.

Submission on the draft report by the Productivity Commission on 'Better Urban Planning' approved by the Council.

Wellington International Airport Ltd resource consent applications and a request for direct referral to the Environment Court lodged and notified. GWRC and WCC reports released.

Regional parks planting programmes completed, with around 23,000 trees planted across the parks network.

Public access restored on popular tracks affected by erosion in Korokoro Valley and Queen Elizabeth Park's coastal track.

Commenced construction works on Queen Elizabeth Park Visitor Hub complex and new Western Depot.

Hutt and Wainuiomata / Orongorongo Water Collection Areas Management Plan finalised and adopted by Council.

Council adopted an amendment to the Parks Network Plan relating to camping policy and motorised recreation tracks in the Akatarawa Forest.

Three-year temporary licence granted to Wellington Riding for the Disabled to operate their activities and graze horses at Battle Hill Farm Forest Park.

5,900ha of initial control and 10,000ha of maintenance possum control completed in the Regional Predator Control Programme

An Integrated Catchment Management Agreement for the Otaki River catchment was signed with Ngā Hapū ō Ōtaki.

Staff involved in the inspection of rural properties as part of the MPI led Wairarapa pea weevil incursion response

Winter land management works programme has been completed with approximately 24,000 poles planted between June and September and over 37ha of land permanently retired in July and August.

Five new proposals received for QEII covenant support. The funds contributed by GWRC will go toward fencing and pest control on 22.79ha of wetland, swamp forest, lakes and forest blocks, which will be legally protected in perpetuity through the QEII National Trust.



Strong leadership and collaboration supports robust regional growth

Results contributing to regional growth included:

A two-day economic development conference *Building Resilient Local Communities* in the Wairarapa was attended by 80 delegates from around New Zealand. The conference received extensive publicity for the Wairarapa. The key themes to emerge relate to investing in people and skills, and growing local business.

Report on cyber security skills included recommendations to government and business on addressing the pressing demand from the cyber security sector for specialist skills.

Consortia established to develop a national design strategy. It will include regional components for Wellington and Auckland. The WRS Office is separately working with Massey University and WREDA on a regional project to profile and grow the design industry in Wellington.

Discussions held with WREDA on improving coordination and collaboration between WREDA programmes and the WRS Office, and a draft agreement has been prepared.

Co-ordinated a number of key events for Drive Electric week.

GWRC's corporate greenhouse gas emissions inventory for the 2015/2016 year completed.

Continued workshops with core utilities (water, electricity, transport) to develop a coordinated regional approach to improving resilience. A scope for the Programme Business Case was developed; the Investment Logic Mapping process was completed; and a draft Strategic Case developed.

The Regional Transport Resilience Programme Business Case developed a draft prioritised list of regional locations that are vulnerable to resiliency risks.

WREMO participated in the national Tsunami Exercise, Tangaroa, conducted on 31 August and 1 September. The scale of the exercise provided staff a greater sense of confidence in being able to manage an event of this nature.

WREMO received the 2016 IAEM-Oceania Public Awareness Award, Division 2 (regional/non-profit) for the development and presentation of a series of Organisational Resilience Symposia for small businesses, school and aged care facilities. These three groups are recognised as some of the most vulnerable to disaster.

Jim Cooke Park stop bank consent granted.

Pinehaven flood management plan (FMP) Implementation MOU signed with Upper Hutt City Council.

Phase 1 of the Hutt River Environmental Strategy review completed, and the second and final phase is underway.

Finalised process for publicising and consulting on the draft Wellington Region Natural Hazards Management Strategy.

Opportunities for the 'Spark-plug Initiative' identified and agreed with city and district councils in the region. Published a paper setting out how GWRC assessed the viability of electric vehicles for its corporate fleet that will be applicable to vehicle fleet managers across the sector.

Māori Partnership Framework signed off by ELT.

An important milestone achieved in the development of the Heritage Precinct at Queen Elizabeth Park with a blessing of the entranceway.

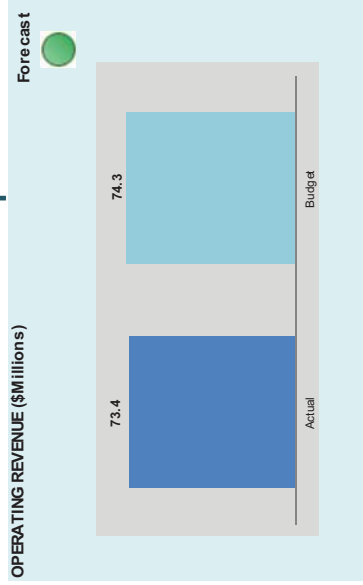
Ara Matua training: In total, 21% of staff have completed the requirements of the Pakiaka and Tiwai te reo and tikanga training. This exceeds the Long Term Plan training target of 13 percent.

Overview

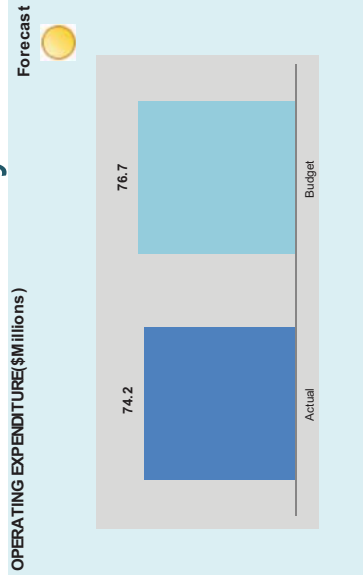
September Financial Summary



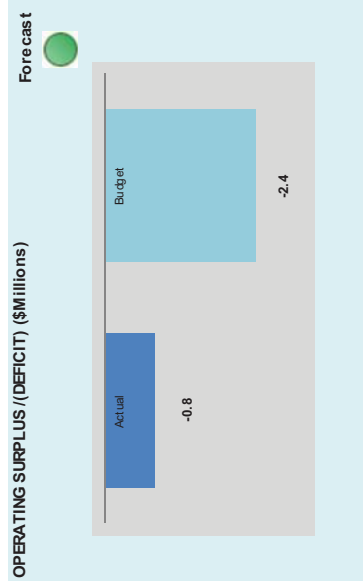
OPERATING REVENUE (\$Millions)



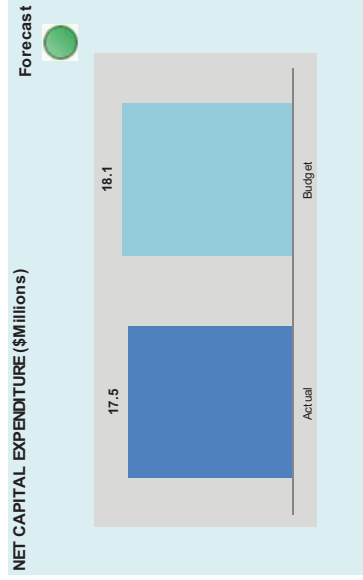
OPERATING EXPENDITURE (\$Millions)



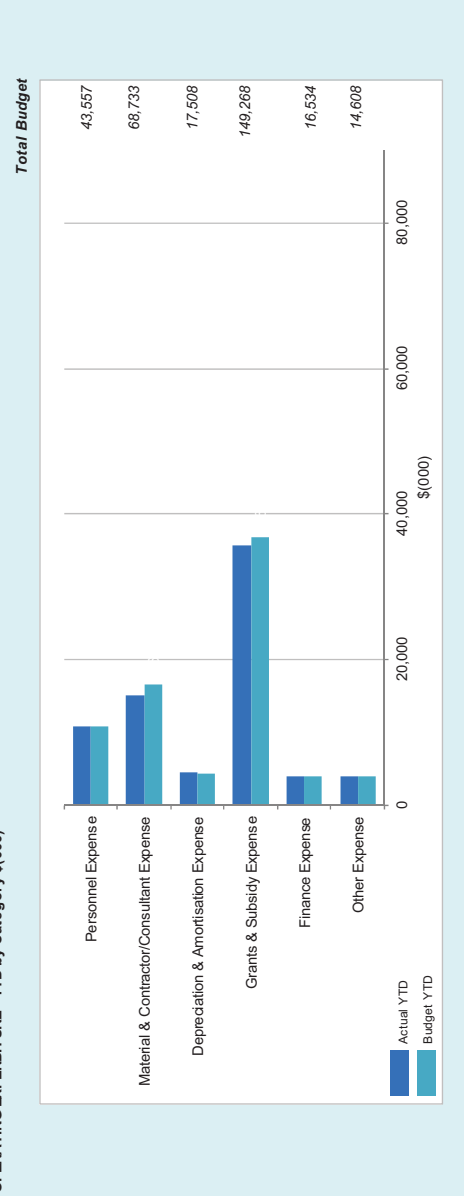
OPERATING SURPLUS / (DEFICIT) (\$Millions)



NET CAPITAL EXPENDITURE (\$Millions)



OPERATING EXPENDITURE - YTD by Category \$(000)



Key Highlights

- Operating Revenue: \$0.9m Unfavourable**
Finance revenue is \$0.1m unfavourable to budget, largely reflecting no subvention payment (tax loss) of \$0.5m from Centre Port, partially offset by greater interest earned from investing from the prefunding of some debt.
Other revenue is \$0.7m favourable to budget, largely due to additional Catchment revenue from income share on Hutt River Car Park fees from prior years \$0.4m, greater than planned rail fare revenue of \$0.3m favourable to budget from higher patronage. This was offset by \$0.3m lower Akura mostly internal sales of poles and seedlings due to the extended dry winter conditions and lower dairy returns.
Grants and subsidy revenue is \$1.6m unfavourable to budget as a consequential result of lower PT operating costs which NZTA subsidies are based on. This was due to the timing of project spend.
- Operating Expenditure \$2.5m Favourable**
Materials and Contractors expenditure is \$1.4m favourable to budget primarily due to:
 Public Transport expenditure is \$1.7m below budget primarily due to timing of PT Transformation programme.
 Catchment is \$0.8m below budget largely reflecting lower land management activity, and slower than planned delivery of flood protection maintenance and biodiversity programmes.
 Partially offsetting this are higher Water Supply contractor costs \$0.2m, offset by savings in grants and subsidies expenditure. Corporate Services is \$0.4m higher than budget largely due to timing of expenditure.
Grants and Subsidy expense is \$1.2m favourable to budget primarily due to lower diesel bus inflation (\$0.2m), lower bus operator costs (\$0.3m) and lower rail costs (\$0.3m). Water Supply is \$0.4m favourable as expenditure was incurred as material and contractors instead.
Depreciation and amortisation is \$0.1m unfavourable to budget, largely due to higher than planned depreciation for Water and Strategy as a consequence of increased asset capitalisations late last year.
- Capital Expenditure \$0.6m Favourable**
Catchment is \$0.6m favourable to budget due to timing of Riverlink property purchases.
Corporate Services is \$0.5m favourable to budget, reflecting later than planned expenditure on ERP upgrade and core IT capex.
Public Transport is \$0.3m unfavourable to budget, reflecting timing difference of expenditure. \$1.3m higher Matangi train capex due to timing of payments, and \$0.6m lower park n ride expenditure due to delays to Waikanae & Upper Hutt carparks due to asbestos find.
Environment is \$0.3m unfavourable to budget, as planned works for QEP Park were brought forward due to favourable weather.

Overview | Financial Summary by Group



Year to Date

\$000	YEAR TO DATE			YEAR TO DATE			YEAR TO DATE													
	Operational Revenue		%	Operational Expenditure		%	Operational Surplus / (Deficit)		%											
	Actual YTD	Budget YTD		Variance	Actual YTD		Budget YTD	Variance		Actual YTD	Budget YTD	Variance								
Group																				
Public Transport	42,982	44,047	1,065	2%	42,071	44,661	2,589	6%	911	(613)	1,524	249%								
Catchment Management	9,437	9,385	52	1%	6,300	7,183	883	12%	3,137	2,201	935	42%								
Environment Management	7,186	7,033	154	2%	6,579	6,468	111	2%	607	565	42	8%								
Te Hunga Whiriwhiri	226	225	1	0%	194	222	28	12%	31	3	28	1042%								
Strategy	2,764	2,896	132	5%	2,966	3,145	179	6%	(202)	(249)	47	19%								
Corporate Services	2,299	2,242	56	3%	4,466	3,975	490	12%	(2,167)	(1,733)	434	25%								
People and Customer	396	364	32	9%	2,058	2,081	24	1%	(1,661)	(1,718)	56	3%								
Investment Management	(1,146)	(1,002)	143	14%	(900)	(1,221)	321	26%	(246)	219	465	213%								
Water Supply	7,582	7,529	53	1%	8,780	8,690	90	1%	(1,198)	(1,161)	37	3%								
Warm Wellington	834	772	61	8%	834	772	61	8%	0	(0)	0	100%								
WREMO	840	841	1	0%	854	773	81	11%	(14)	68	82	121%								
TOTAL	73,400	74,332	932	1%	74,202	76,750	2,547	3%	(802)	(2,418)	1,616	67%								

Capital Expenditure

\$000	YEAR TO DATE			FULL YEAR				
	Actual YTD		%	Forecast		%		
	Budget YTD	Variance		Total Budget	Variance			
Group								
Public Transport (incl investment projects)	13,784	13,444	340	3%	29,890	31,639	1,749	6%
Catchment Management	1,898	2,546	648	25%	18,669	21,669	3,000	14%
Environment Management	704	370	334	90%	6,240	6,968	729	10%
Strategy	15	88	73	83%	412	412	0	0%
Corporate Services	363	899	535	60%	3,665	3,665	0	0%
People and Customer	0	0	0	0%	490	350	140	40%
Investment Management	1	239	238	99%	419	379	40	11%
Water Supply	741	562	179	32%	3,547	4,020	473	12%
TOTAL	17,506	18,147	641	4%	63,331	69,102	5,771	8%

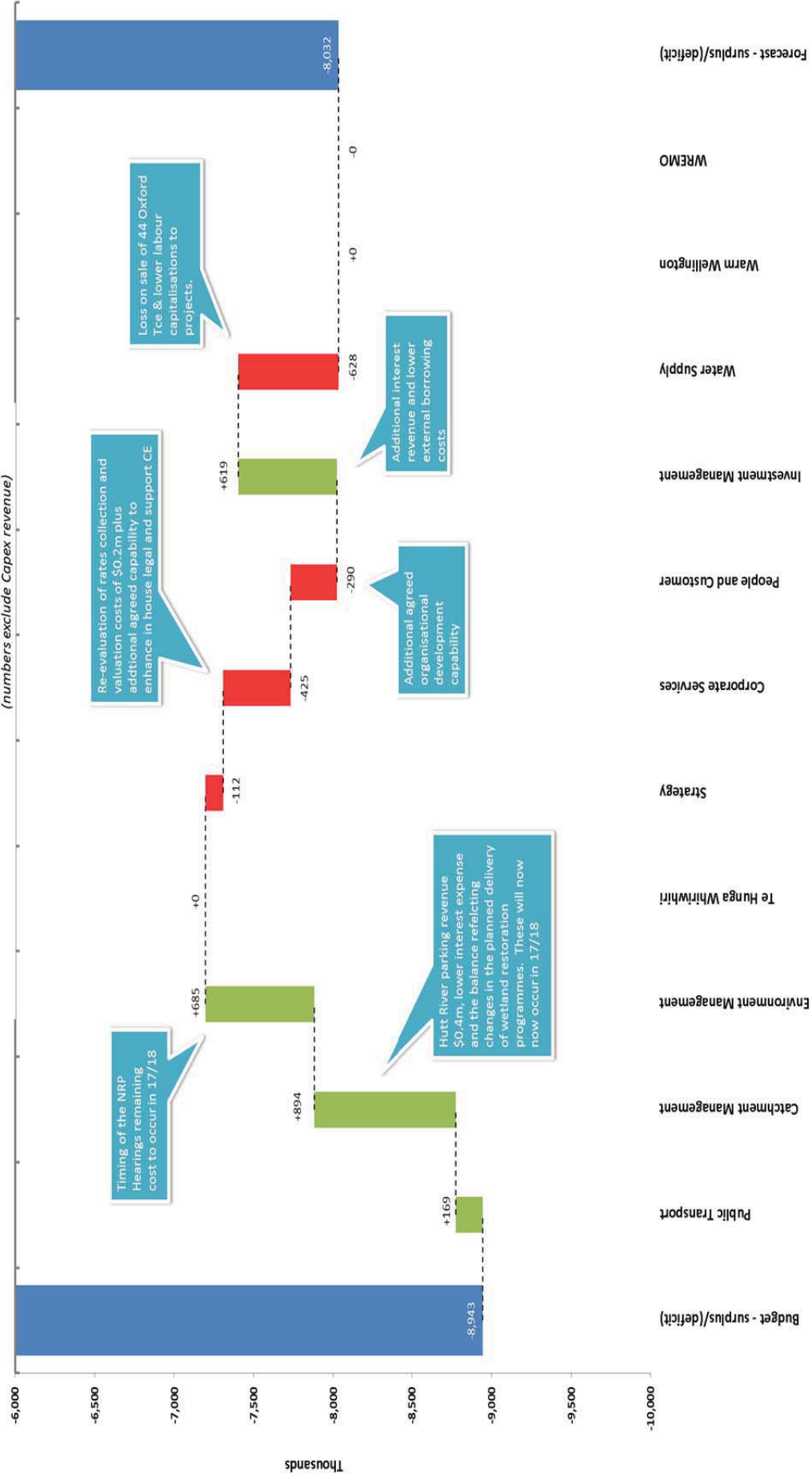
Full Year Forecast

\$000	FULL YEAR			FULL YEAR			FULL YEAR													
	Operational Revenue		%	Operational Expenditure		%	Operational Surplus / (Deficit)		%											
	Forecast	Budget		Variance	Forecast		Budget	Variance		Forecast	Budget	Variance								
Group																				
Public Transport	175,604	175,371	233	0%	178,632	178,567	64	0%	(3,028)	(3,196)	169	5%								
Catchment Management	36,211	36,119	92	0%	28,326	29,128	802	3%	7,885	6,991	894	13%								
Environment Management	28,120	27,055	1,065	4%	27,676	27,296	380	1%	444	(240)	685	285%								
Te Hunga Whiriwhiri	899	899	0	0%	888	888	0	0%	11	11	0	0%								
Strategy	11,872	11,620	252	2%	12,972	12,607	364	3%	(1,100)	(987)	112	11%								
Corporate Services	9,081	8,969	111	1%	16,448	15,911	537	3%	(7,367)	(6,942)	425	6%								
People and Customer	1,685	1,685	0	0%	8,665	8,375	290	3%	(6,979)	(6,689)	290	4%								
Investment Management	3,498	2,974	524	18%	(4,447)	(4,352)	95	2%	(6,114)	(5,486)	628	11%								
Water Supply	30,167	30,117	50	0%	36,281	35,603	678	2%	(6,114)	(5,486)	628	11%								
Warm Wellington	3,089	3,089	0	0%	3,089	3,089	0	0%	(0)	(0)	0	0%								
WREMO	3,364	3,364	0	0%	3,094	3,094	0	0%	270	270	0	0%								
TOTAL	303,591	301,263	2,327	1%	311,623	310,206	1,417	0%	(8,032)	(8,943)	911	10%								

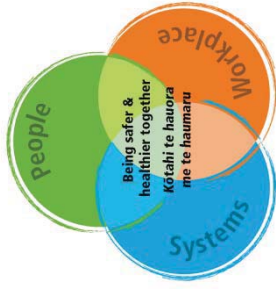
(Note: For Detailed Business Group Commentary refer to Each Business Group Quarterly Report)

Operating Surplus/(Deficit): Budget v. Forecast (full year)

(numbers exclude Capex revenue)



Overview | Health and Safety Indicators



Highlights and improvements

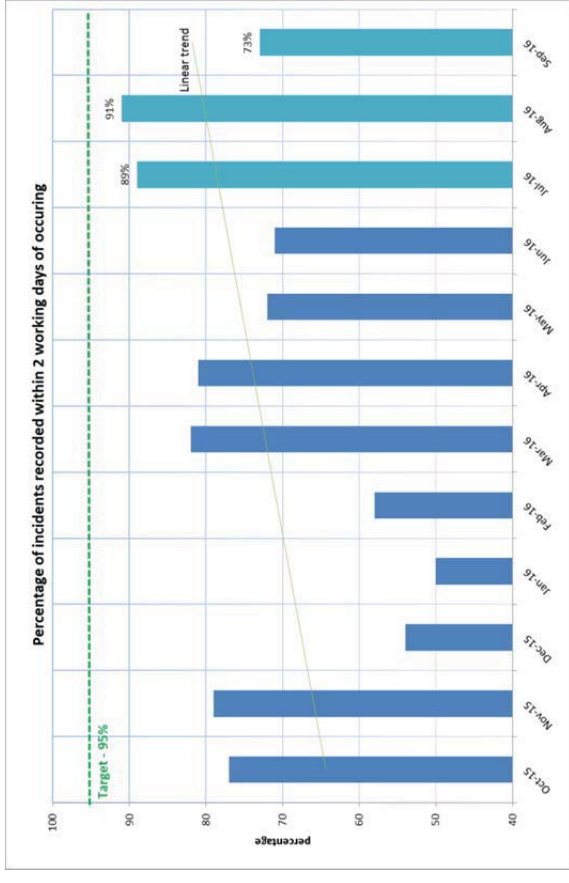
- ✓ Executive Leadership Team began their scheduled health and safety field visits. These visits are focused on showing due diligence in health and safety by understanding the challenges faced by our people in their everyday work tasks, especially those teams that work in challenging conditions.
- ✓ Our new PCBU (Person Controlling a Business or Undertaking) Policy has been approved by ELT. This policy recognises the new concept of a PCBU in the Health and Safety at Work Act 2015 and supports our people in managing their relationships with PCBU's.

Reporting of health and safety incidents

The graph below shows an improving trend this quarter in our reporting of incidents within 2 days, however we remain below our target of 95%. There was a positive move towards our target in July and August, but a dip in September. This shows us that the target is achievable when we work with our teams to emphasise the importance of timely reporting into KESAW. We need to continue our engagement on this and as such will look at our methods for communicating this requirement to our teams.

Key Performance Indicators

The number of days lost due to injuries this quarter is below target with a year to date figure of 3.5 days lost per 100,000 hours worked. This equates to 4 lost time injuries and 8 lost days, the same quarter last year we recorded 3 lost time injuries but 25 lost days¹. Indicatively we can say that we see slightly more lost time injuries this quarter but these resulted in less lost time than the equivalent quarter last year where we had less, but more severe injuries. Our ratio of events to actions is stationary at 0.2 compared to the same quarter last year. The KESAW dashboard will be operationally launched early next year and this will support our teams in improving this ratio by making actions more visible.



Indicator	Target	Year to date total	Status
1. Percentage of incidents reported within 2 working days	95%	84%	Red Circle
2. Ratio of the number of events to the number of subsequent actions	0.4	0.2	Red Circle
3. Days lost due to injuries, per 100,000hrs worked	7.5	3.5	Green Circle

¹ It should be noted that lag factors should be considered in these figures due to the processing of ACC payment sin Payroll

Overview I Major Projects Indicators

Overall comment:

Two new major projects have been added this quarter. They are:

- Core Systems Refresh which is the replacement of the existing separate financial and asset management systems with one consolidated platform and other complimentary business features.
- Let's Get Wellington Moving/Ngauranga to Airport is a joint initiative along with Wellington City Council and NZTA.



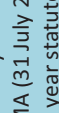



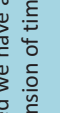








Major projects performance against KPIs continue to steadily improve. All projects reported in the previous Q4 period are now showing a green – “On Track” rating and the new projects are also tracking favourably.
















During the quarter, risk management reviews and lessons learned workshops were facilitated by the PMO which will be an ongoing activity supporting all areas but with a particular focus on major and high priority projects.

Audit NZ undertook a review of the project governance arrangements for a number of the major projects and commented “We found a good level of governance and accountability... There are no matters to bring to your attention”.

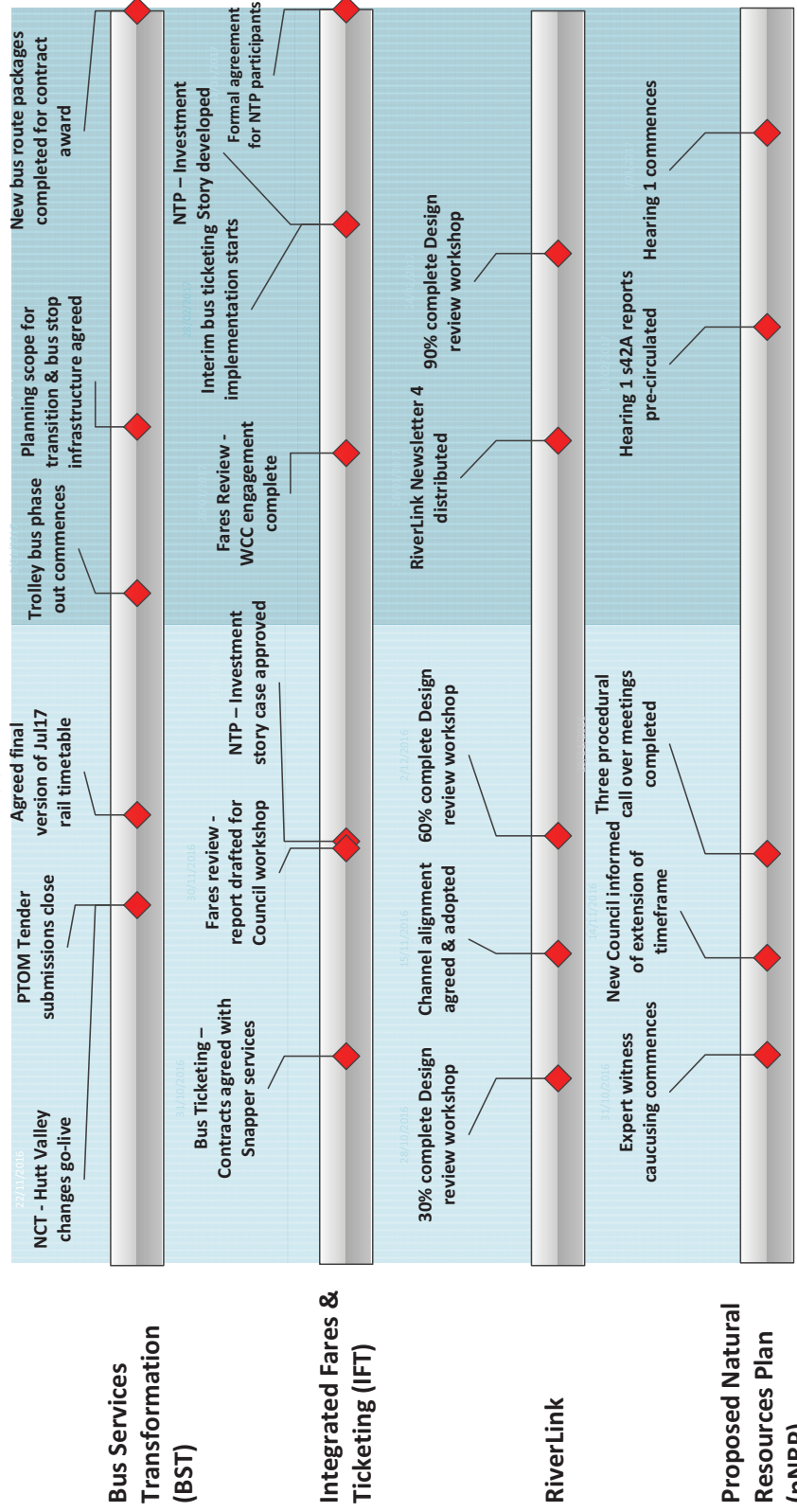
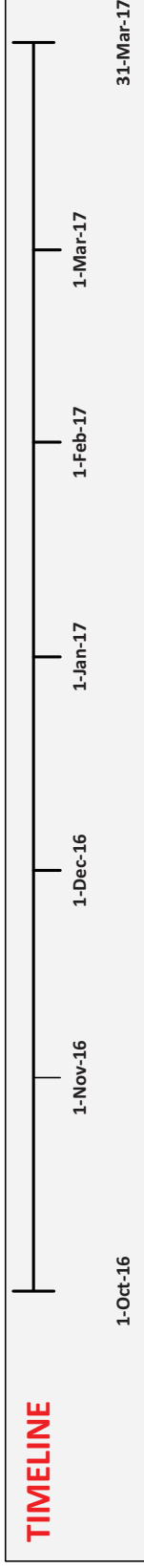


Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
Bus Services Transformation (BST) PTOM – Bus contracting; Bus fleet; Network, Customer and Transition						Good progress made, highlighted by the release of the PTOM bus RFT in August and agreement with NZ Bus on the transition arrangements for exiting the trolleys. Additional media work to manage community concerns resulting and active campaigns by stakeholders, particularly in relation to the new network changes. Communications and marketing work related to the network changes, planned for 2017, were brought forward. Planning work regarding the network changes has progressed well with a number of traffic resolutions for bus stop changes being approved by WCC. . Extensive consultation was undertaken to review Kapiti bus services and school bus services. Recommendations from both of these reviews were endorsed by Council. Research and design work for improvements to the Wellington Bus Interchange and design concepts for other network interchanges have been socialised with Council and were well received

Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
Integrated Fares and Ticketing (IFT) <i>National Ticketing Programme, Interim Bus Ticketing Solution; GW Ticketing Operations; Fares Transition</i>						Interim Bus Ticketing Solution has progressed well through contracting processes with Snapper. This included a series of workshops to develop and agree requirements, roles and responsibilities and operations functions. A series of presentations within GW set out and gained acceptance for the requirements needed at GW in respect of Ticketing Operations. As a result, a Ticketing Operations Establishment project has been initiated. Pricing remains within estimated budgets and contracts are expected to be finalised by the end of October 2016. The National Ticketing Programme (NTP) is a co-operative approach for the specification, procurement, delivery and operation of a fully integrated ticketing solution which will be deployed by GW and other local authorities and will be the path to deliver the full IFT for GW. The NTP Strategy and Planning team has developed a multi-stage approach to the procurement, which includes development of the indicative business case which GW is leading and is expected to be delivered and approved by May 2017. A funding model has been agreed in principle and formal agreement between participating authorities will be required by March 2017.
RiverLink <i>(was Hutt River City Centre Upgrade Project)</i>						NZTA/GWRC/HCC have completed a range of community engagement activities including SH2 Customer Insight Survey and RiverLink Community Design Workshops (263 attendees). Preliminary design 30% milestone was met on 28 October 2016. The 30% milestone will confirm design of river channel form, river berm area and stopbank heights and footprint. Property acquisition continues to progress while the amendments to the RLMA wait completion of its reading in Parliament. GWRC and HCC are preparing for new councillor briefing workshops in November/December to provide project overview. HCC are seeking to identify opportunities to incentivise Making Places with Daly Street property owners. GWRC looking at methods for how the two councils can work together to achieve Making Places outcomes. NZTA Melling Intersection Improvements options listing process is on track to meet its December milestone.
Proposed Natural Resources Plan (pNRP)						The second phase of pre-hearing meetings continues. First drafts of s42A reports for Hearing 1 have been completed. The project timeframe for the hearing panel to issue its decisions has been revised and formal approval granted on 21 October 2016. The new end date is 31 July 2018 which aligns with progress to date as opposed to the 2 year statutory timeframe set out in the RMA (31 July 2017). The Ministry for the Environment has been formally notified that we will not be meeting the 2 year statutory timeframe and officials have confirmed we have appropriate justification for extending this timeframe. The new Council will be informed of this extension of timeframe in November 2016.

Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
Water Wairarapa						This quarter has seen a change in impetus moving from technical investigations, with a recent emphasis on engineering and detailed information gathering, to a focus on commercial viability, farmer demand and council partnerships. The cornerstone funding partner has transferred from MPI (IAF) to Crown Irrigation Investments Ltd (CILL). CILL has modified the long term funding cycle to short term stage-by-stage and altered what was essentially a 50/50 cost share to a more restricted regime - the most significant being a cap on staff resourcing costs. A significant milestone was the financial commitment by the three Wairarapa Councils towards socio-economic impacts. BERL has made significant progress on the regional economics modelling. Climate change has been identified as a potential major influence on Wairarapa's climate and especially its future water needs. The major emphasis continues with the ongoing engagement with CILL in agreeing inputs into the project's commercial viability.
Core Systems Refresh						The Business Case was endorsed by ELT early August 2016. Since then, the project team has been actively developing detailed requirements to be issued to suppliers as part of the Request for Proposal (RFP). The RFP was reviewed by legal and probity advisors prior to being issued. The RFP was issued on 22 September 2016 with supplier briefings held early October 2016. Proposals were received late October. An evaluation team from across the organisation has been formed to evaluate various aspects of supplier proposals given the large breadth of functionality being sought. Preparation for the evaluation of supplier proposals is underway. A probity advisor has been engaged during the evaluation process and is participating in some evaluation briefings and moderation sessions.
Let's Get Wellington Moving						Highlights of the first quarter of 2016/17 include: Guiding urban design and transport principles agreed and communicated; Public engagement event held focusing on assessment criteria; Bus Rapid Transit and Travel Demand Management options work commissioned and underway; Interventions and options workshop held and long list scenario development underway. There was also a change in management during this quarter, with programme director Jim Bentley leaving in August 2016 to take up another opportunity, and Barry Mein taking on the role in mid-September 2016.

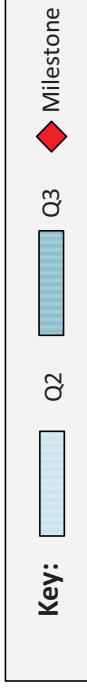
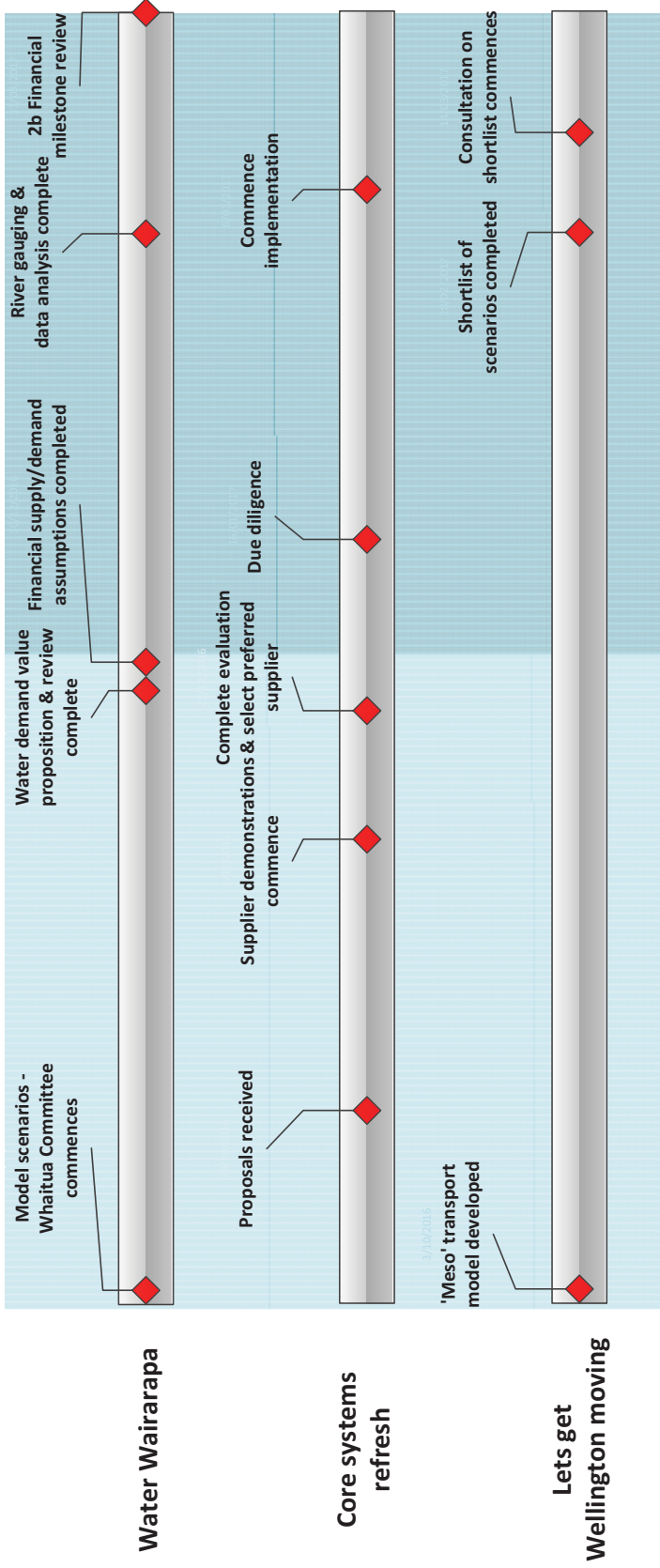
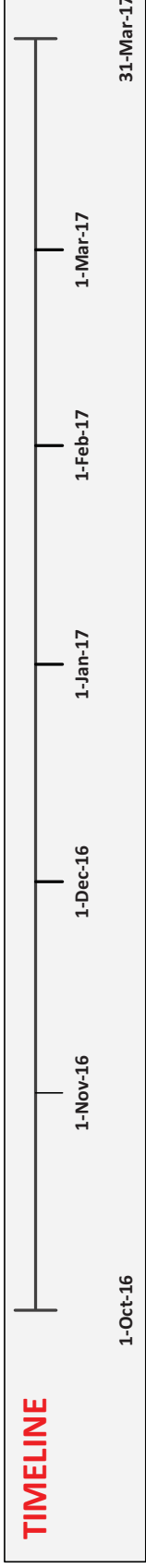
Overview | Major Projects Timing Oct – Mar17



Key:

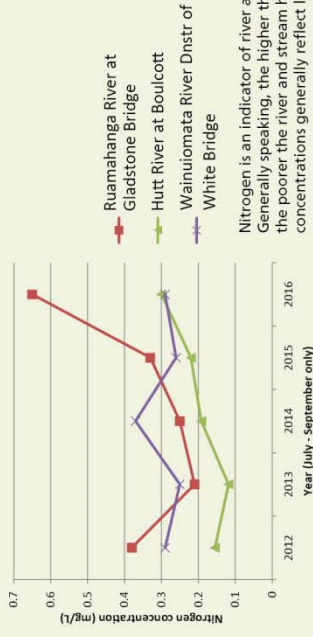
- Q2
- Q3
- ◆ Milestone

Overview | Major Projects Timing Oct – Mar17



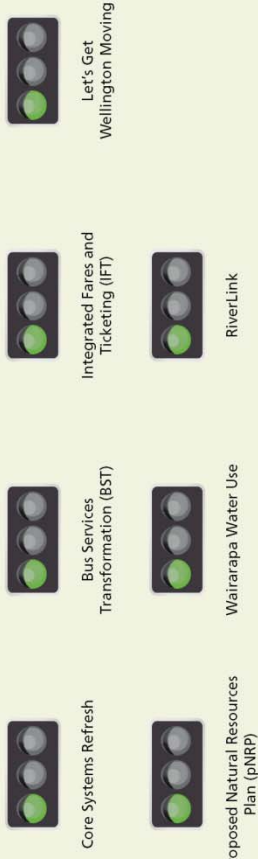
Outcome Trends Report

FRESH WATER QUALITY - NITROGEN LEVELS



Nitrogen is an indicator of river and stream health. Generally speaking, the higher the nitrogen concentration the poorer the river and stream health is. Dissolved nitrogen concentrations generally reflect land use practices.

MAJOR PROJECT PERFORMANCE



PUBLIC TRANSPORT SERVICES ON TIME



On-time rail results are not comparable to previous years. From 2016/17 'on-time' (punctuality) is measured at the start and end of each journey and at some intermediate stations.



ENGAGEMENT SURVEY

Our engagement survey results:

Target 4.10

Result Available at year-end

HEALTH & SAFETY

Incidents reported within 2 working days of incident occurring



REPUTATION INDEX

