

# HIGHLIGHTS FROM THE LAST QUARTER

## Summary

FOURTH QUARTER 2015/16

1 April – 30 June 2016

### Introduction

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

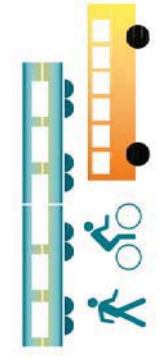
- A summary of key performance highlights across the council<sup>1</sup>
- A financial report for the quarter
- An overview of Health & Safety
- A project dashboard, illustrating the status of significant projects for the council.

<sup>1</sup> Note: Council Controlled Organisation performance is separately reported.



**greater WELLINGTON**  
REGIONAL COUNCIL  
Te Pane Matua Taiao

# Overview | Highlights



## More people travel by public transport, walking and cycling

A Request for Tender for bus services was approved by Council for release (subject to NZTA approval).

Negotiations commenced with Snapper for an interim bus ticketing solution.

Transdev Wellington's Preliminary Commencement Certificate was approved, and the company took over running the region's passenger rail services on 3rd July.

The new Metlink website and business systems were in production ahead of commencement. Good rail performance was maintained during the rail contract transition.

28 of the planned 35 Matangi 2 units are in service. Ganz Mavag units were retired from service.

Porirua Park & Ride carpark was expanded with the addition of 120 overflow parking spaces.

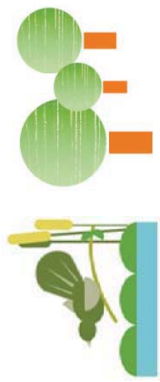
Anzac day transport services were successfully deployed.

Porirua bus services affected by flooding and emergency services events in May were successfully managed.

As part of the bike racks on buses project, bike racks were tested along key bus routes in the Wellington CBD, Johnsonville and Newlands.

Pedal Ready cycle skills training was provided to 1341 children and 21 adults.

*Project Glow Wear* was launched. This is a campaign to raise awareness of visibility at night for cyclists, runners and walkers.



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

The Ruamāhanga Whaitua Committee agreed a vision and outcomes for the Ruamāhanga River catchment. The vision is: *Wairarapa – where water glistens*. The Te Awarua-o-Porirua Whaitua Committee established topic based working groups, and a Communications Plan for 2016/17 was approved.

Education on GWRC's environmental regulatory role, the Regional Rules and best practice to avoid non-compliance was provided to over 80 employees of City Care and attended by key personnel from Wellington Water Limited.

A mobile air quality monitoring station was installed in Carterton. Two exceedances of the standard for PM10 were recorded for the first time during the quarter. Conditions surrounding these exceedances will be examined to determine whether ongoing monitoring in Carterton is required.

A contaminated site in Karori has been remediated.

A report on toxic algae summarising a decade's worth of knowledge was completed.

Two reports on Te Awarua-o-Porirua Harbour were published and presented. They were a Science Summary Report and a Turbidity Monitoring Report.

Flood damage repairs were completed at Queen Elizabeth Park and the Korokoro Valley track, which was opened in April.

Baring Head cottage precinct redevelopment preliminary planning work and initial communication material completed to support Friends group fundraising activities.

Campsite upgrades were completed at Kaitoke Regional Park and Dry Creek at Belmont Regional Park. These included water supply improvements, a new BBQ shelter and new toilets at Kaitoke and bollarding at Dry Creek to allow camping closer to the park toilets. All of these improvements were funded from increased camping revenue.

A Tier 2 Regional Oil Spill Response Exercise at Queens Wharf was co-ordinated by our Harbours department, with several agencies represented on the day. This was followed by our quarterly equipment check. All equipment was in good order.

A Restoration Day event was held in Carterton in May and was well attended by 150 participants from around the region. The event was organised in collaboration with several partner organisations.

Key Native Ecosystem plans for four sites have been completed this quarter. These plans direct the management of biodiversity values at the Paekākāriki Escarpment, Waikanae River Complex, Porirua Western Forests and Nelson Bush Key Native Ecosystem sites.

All Key Native Ecosystem pest animal and pest plant control programmes and 70,000 hectares of possum control for the Regional Possum and Predator Control Programme were completed.

Co-funding for the Wairarapa Water project was secured. Councillors and staff were taken on a fieldtrip to look at the opportunities and challenges that are presented by this project.



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

The Pinehaven FMP has been approved by Council following an extensive hearings process and the production of additional plans delineating the flood risk.

Consultation on the draft Waiohine flood management plan (FMP) was concluded. The hearing process will consider submissions before the FMP is finalised.

The first phase of a review of the Hutt River Environmental Strategy has commenced and will be completed in time to feed into the development of the preliminary designs for the Hutt River City Centre Upgrade Project (HRCCUP).

Notification of resource consents for the Jim Cooke Park project was completed.

Upgrades of the Barrage Gates electronic control systems and Tawaha floodgates have been completed.

A website was launched for the Wellington Region Natural Hazards Strategy and information posted on the WREMO Facebook page.

WREMO have partnered with Red Cross to tailor their Hazard App for the New Zealand environment. The App was launched in June and is offered free to users. It has been adopted by other CDEM regions across New Zealand.

A total of 8200 water tanks have been sold, representing additional storage of 1.64 million litres. Plans to further stimulate sales are being developed.



## Strong leadership and collaboration supports robust regional growth

A submission on the Healthy Homes Guarantee Bill was made to Parliament, and a submission on the Ministry for the Environment's "Next steps for freshwater" consultation document was lodged.

Council approved the Parks, Forests and Reserves Bylaws 2016 and public consultation was undertaken on two amendments to the Parks Network Plan.

The draft Hutt and Wainuiomata/Orongorongo Water Collection Areas Management Plan was approved by the Environment Committee for partner and stakeholder consultation.

A design industry strategy project was established to build regional capability and investment, and agreement was reached with MBIE and the cyber security industry to develop a workforce and skills plan for Wellington.

Key insights from public engagement on the Ngauranga to Airport project were released and guidelines agreed.

Contracts were awarded for the Regional Transport Resilience and Transport Analytics Programme Business Cases (joint projects with NZTA) and work commenced.

A joint working party was established with Wellington Water, Wellington Electricity, NZTA, GWRC, WCC and others to coordinate infrastructure resilience planning across the region.

GWRC's 'electric vehicle first' policy was adopted, and the regional greenhouse gas (GHG) inventory was published.

The Electric Vehicle Symposium, The Future is Electric, was held on 27 June. The Symposium was attended by 170 people and media and stakeholder feedback was positive.

The regional EV working group connected local councils with the Spark Plug initiative to convert old phone boxes into electric vehicle chargers. Optimal sites for conversion have been identified.

The Annual Plan 2016/17 was completed and approved.

The Cook Strait Forum Working Group developed draft Terms of Reference.

The Wainui harakeke project commenced. This is a community development project to establish relationships with local kaumatua, identify needs and a vision for a Wainuiomata Recreation Area site.

The final draft of the Maori Partnership Framework was completed in June. Five Partnership Agreements have been signed with iwi partners.

A workshop was designed and facilitated for our mana whenua partners to improve GIS capability. License agreements were established so iwi can access the GIS software.

# Overview | June Financial Summary

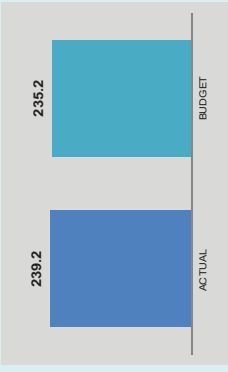
## OPERATING EXPENDITURE

**\$248.5m**

**\$3.3m Unfavourable**

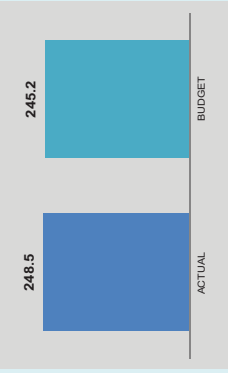
## OPERATING REVENUE (\$m) *(excluding capital/grants)*

Favourable  
Full Year



## OPERATING EXPENDITURE (\$m)

Unfavourable  
Full Year



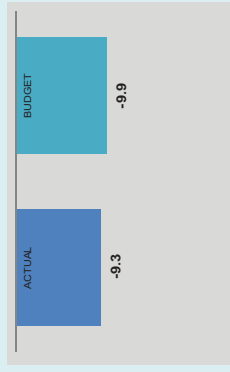
## CAPITAL EXPENDITURE - NET

**\$140.5m**

**\$30.2m Favourable**

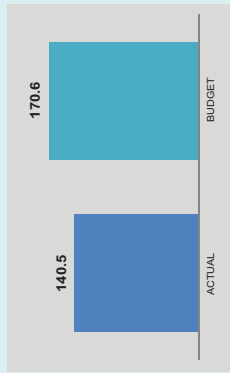
## OPERATING SURPLUS / (DEFICIT) *(excluding capital/grants)*

Favourable  
Full Year



## CAPITAL EXPENDITURE - NET (\$m)

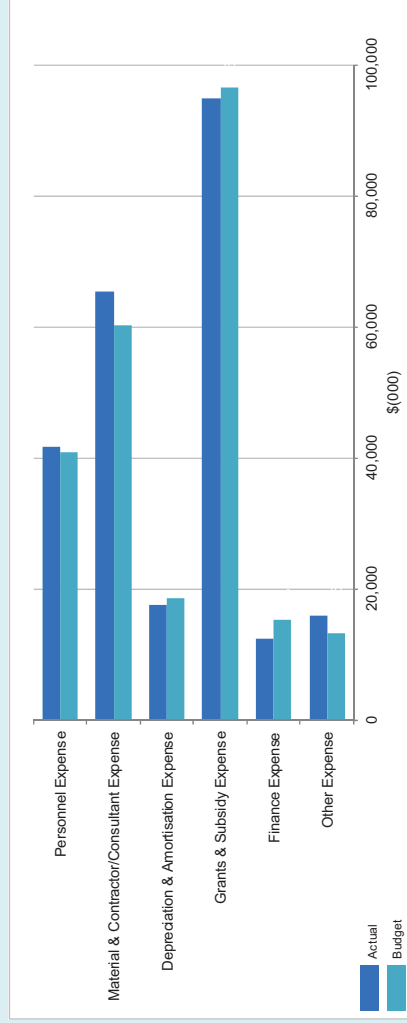
Favourable  
Full Year



## Key Full Year Highlights

- Operating Revenue: \$3.9m favourable**  
Finance revenue is \$1.1m favourable to budget. This largely reflects the prefunding of debt and additional interest earned from investing during the year.  
**Other revenue** is \$1.9m favourable to budget due to additional RONS consenting revenue (\$0.7m) and additional WWUP MPI revenue (\$0.6m). Partially offsetting this has been lower revenue from Akura (\$0.2m) and Land Management (\$0.3m).  
**Grants & subsidy revenue** is \$0.8m favourable to budget, as a consequential result of additional costs on which NZTA subsidies are based.
- Operating Expenditure: \$3.3m unfavourable**  
**Materials and Contractors expenditure** is \$5.1m unfavourable to budget primarily due to:
  - Public Transport expenditure is \$0.3m below budget primarily due to timing with integrated fares and ticketing investigation and NZA (\$0.6m).
  - Environment expenditure is \$3.2m unfavourable to budget, reflecting the \$2.6m reassessment of WWUP capex costs as opex. The balance largely reflects additional costs to support RONS consenting activity.
  - Water expenditure is \$3.0m unfavourable to budget, largely reflecting \$1.6m of investigation and feasibility work assessed as opex. In addition to this Wellington Water was paid an additional unbudgeted grant for restructuring and regional initiatives of \$0.7m. The remainder reflects additional material costs above budget.
  - Catchment is \$0.9m favourable to budget largely reflecting timing of Pest Control and Biodiversity work programmes.
  - Strategy is \$0.7m favourable to budget, as expenditure on spatial planning and sustainable pathways are delayed.
- Grants and Subsidy expense** is \$1.5m favourable to budget primarily due to lower bus costs and lower trolley bus overhead network costs.
- Depreciation and amortisation** is \$1.0m favourable to budget due to lower depreciation in Water Supply (\$0.5m), Public Transport (\$0.3m) and ICT (\$0.2m) from slower than planned capital expenditure.
- Financing costs** are \$3.0m favourable to budget which reflects both lower interest rates and our slower than planned growth in debt from planned CAPEX during the year.
- Personnel costs** are \$0.9m unfavourable to budget, largely reflecting \$1.3m of WWUP labour costs reclassified as OPEX from CAPEX.
- Other expenses** are \$2.8m unfavourable to budget, which largely reflects the \$2.5m write-down of some Park n Rides site in Public Transport and \$0.2m loss on disposal of water assets.
- Fair Value movements: \$35.5m unfavourable**  
Fair value movements are \$35.5m unfavourable to budget, largely reflecting the unrealised loss on financial instruments, partially offset by a favourable revaluation movement in our carbon credit for our forestry plantation of \$3.2m.
- Capital Expenditure: \$30.2m favourable**  
**Public Transport** is \$18.7m favourable to budget reflecting changes in the timing of the delivery of the Matangi trains and improvement projects.  
**Catchment** is \$3.2m favourable to budget reflecting delays and re-prioritisation of the capex work programme (for Waiohine, Otaki & Waikanae).  
**Environment** is \$3.2m favourable to budget, largely reflecting the reassessment of WWUP capex costs to opex (\$2.5m) and slow than planned work programmes.

## OPERATING EXPENDITURE - Full Year by Category (\$'000)



# Overview | Financial Summary by Group

| \$000 | Group                  | FULL YEAR           |                |              | FULL YEAR               |                |                | FULL YEAR                       |           |                |                |            |           |
|-------|------------------------|---------------------|----------------|--------------|-------------------------|----------------|----------------|---------------------------------|-----------|----------------|----------------|------------|-----------|
|       |                        | Operational Revenue |                |              | Operational Expenditure |                |                | Operational Surplus / (Deficit) |           |                |                |            |           |
|       |                        | Actual              | Budget         | Variance     | Actual                  | Budget         | Variance       | Actual                          | Budget    | Variance       | %              |            |           |
|       | Public Transport       | 120,395             | 120,162        | 233          | 0%                      | 122,595        | 121,983        | 611                             | 1%        | (2,200)        | (1,821)        | 379        | 21%       |
|       | Catchment Management   | 34,253              | 33,927         | 325          | 1%                      | 27,637         | 28,644         | 1,006                           | 4%        | 6,616          | 5,284          | 1,332      | 25%       |
|       | Environment Management | 21,521              | 19,521         | 2,001        | 10%                     | 23,165         | 17,902         | 5,262                           | 29%       | (1,643)        | 1,618          | 3,261      | 202%      |
|       | Regional Parks         | 7,136               | 6,771          | 365          | 5%                      | 8,141          | 8,131          | 10                              | 0%        | (1,005)        | (1,361)        | 356        | 26%       |
|       | Te Hunga Whiriwhiri    | 905                 | 905            | 0            | 0%                      | 869            | 846            | 23                              | 3%        | 36             | 60             | 23         | 39%       |
|       | Strategy               | 11,344              | 11,222         | 122          | 1%                      | 11,539         | 12,743         | 1,204                           | 9%        | (195)          | (1,521)        | 1,326      | 87%       |
|       | Corporate Services     | 9,327               | 9,447          | 120          | 1%                      | 13,263         | 14,087         | 824                             | 6%        | (3,936)        | (4,640)        | 705        | 15%       |
|       | People and Customer    | 2,991               | 2,919          | 72           | 2%                      | 7,299          | 6,826          | 472                             | 7%        | (4,307)        | (3,907)        | 400        | 10%       |
|       | Investment Management  | (846)               | (1,884)        | 1,038        | 55%                     | (5,490)        | (3,696)        | 1,794                           | 49%       | 4,643          | 1,812          | 2,832      | 156%      |
|       | Water Supply           | 29,074              | 28,905         | 169          | 1%                      | 36,386         | 34,006         | 2,380                           | 7%        | (7,312)        | (5,101)        | 2,211      | 43%       |
|       | Warm Wellington        | 3,064               | 3,353          | 289          | 9%                      | 3,064          | 3,720          | 656                             | 18%       | 0              | (367)          | 367        | 100%      |
|       | <b>TOTAL</b>           | <b>239,164</b>      | <b>235,248</b> | <b>3,916</b> | <b>2%</b>               | <b>248,467</b> | <b>245,193</b> | <b>3,274</b>                    | <b>1%</b> | <b>(9,303)</b> | <b>(9,945)</b> | <b>642</b> | <b>6%</b> |

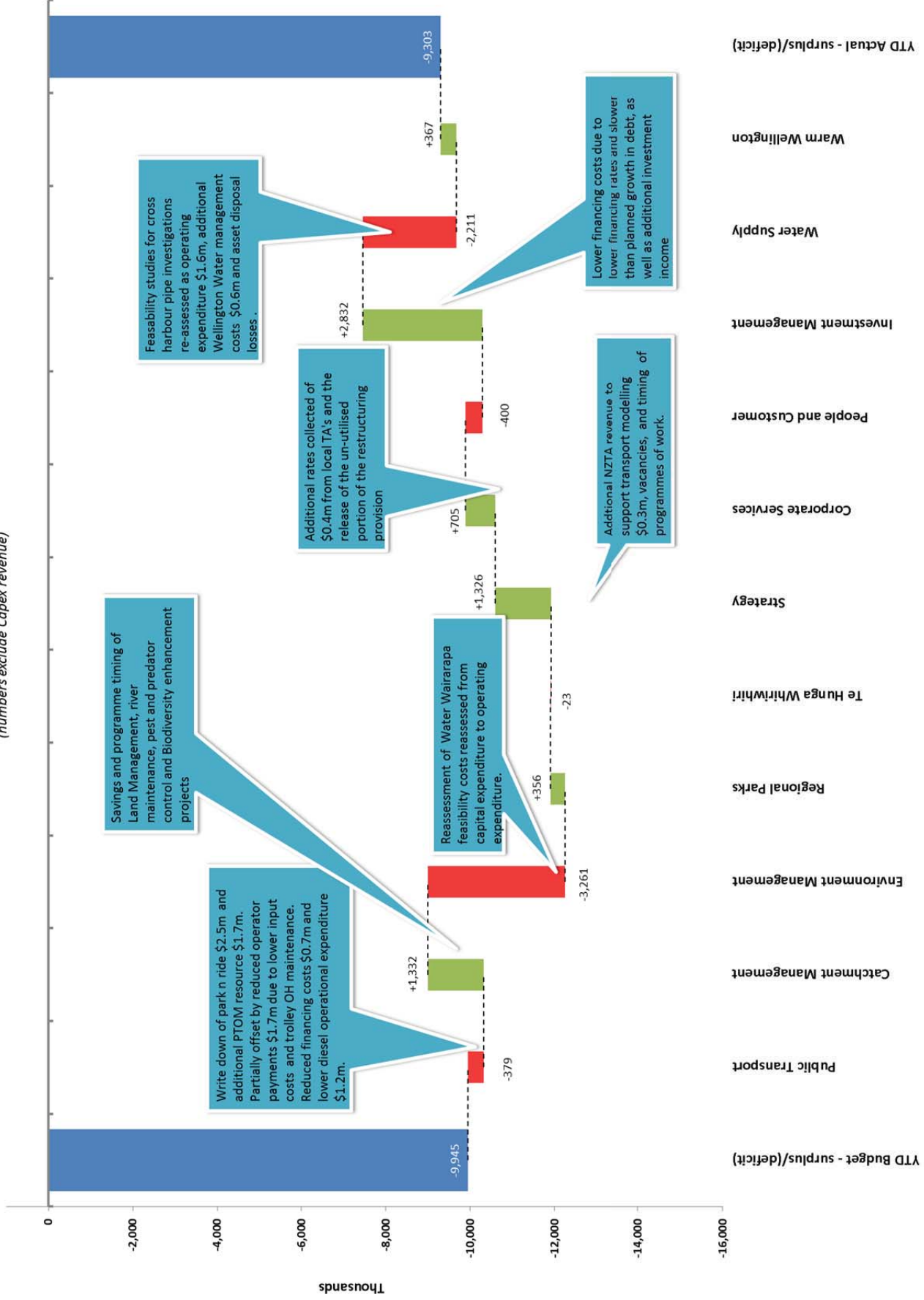
## Capital Expenditure

| \$000 | Group                                       | Actual         | Budget         | Variance      | %          |
|-------|---|----------------|----------------|---------------|------------|
|       | Public Transport (incl investment projects) | 127,695        | 146,353        | 18,657        | 13%        |
|       | Catchment Management                        | 7,509          | 10,728         | 3,219         | 30%        |
|       | Environment Management                      | (1,713)        | 1,506          | 3,218         | 214%       |
|       | Regional Parks                              | 2,207          | 3,394          | 1,187         | 35%        |
|       | Strategy                                    | 66             | 345            | 279           | 81%        |
|       | Corporate Services                          | 1,522          | 2,835          | 1,313         | 46%        |
|       | People and Customer                         | 98             | 70             | 28            | 40%        |
|       | Investment Management                       | 38             | 0              | 38            | 100%       |
|       | Water Supply                                | 3,045          | 5,405          | 2,360         | 44%        |
|       | <b>TOTAL</b>                                | <b>140,467</b> | <b>170,636</b> | <b>30,168</b> | <b>18%</b> |

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

# Operating Surplus/(Deficit): Budget v. Actual

(numbers exclude Capex revenue)



# Overview Health and Safety Indicators



## Highlights and improvements

- ✓ Executive Leadership team and other key health and safety leaders within GW attended a workshop entitled 'Leading Safety'. This workshop focused on the key areas of health and safety leadership and developing a strong health and safety culture within our organisation.
- ✓ Good progress has been made on reviewing our health and safety policies to ensure there is consistency between these and KESAW, our health and safety information management system.

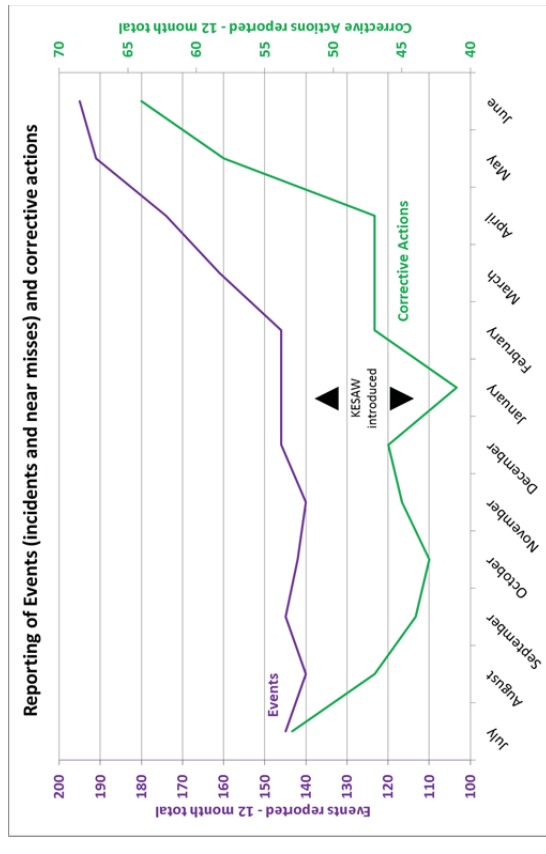
## Reporting of health and safety events

The graph below shows an increase in reporting of health and safety events (incidents and near misses) and identification of corrective actions. This improved reporting demonstrates there is an increased awareness of health and safety risks and what should be done to manage those risks. KESAW also provides a mechanism for sharing this information throughout our organisation.

## Key Performance Indicators

The number of days lost due to injuries reduced significantly from the last quarter. The result at the end of the financial year was 4.1 days lost per 100,000 hours worked. This is well under our target of 7.5 days. In terms of our other indicators, we have seen an improvement from Quarter 3, but still continue to be below our targets. We need greater focus and emphasis from our managers to ensure that staff are aware of these requirements and we will continue engaging on this.

| Indicator  | Target | Financial year end | Status |
|--|--------|--------------------|--------|
| 1. Percentage of events reported within 2 days                       | 95%    | 65%                | ●      |
| 2. Ratio of the number of events to the number of subsequent actions | 0.4    | 0.2                | ●      |
| 3. Days lost due to injuries, per 100,000hrs worked                  | 7.5    | 4.1                | ●      |








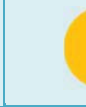














# Overview | Major Projects Indicators

## Overall comment:





















Three major projects reached the final stages of completion in the last quarter. They are the Matangi projects, PTOM Rail contract and Nutanix datacentre hardware replacement. There has been general improvement in performance across the board for all major projects, with a positive lift to 75% overall on track rating for Q4.

The projects within the Public Transport Transformation Programme continue to present ongoing challenges due to the complexity and evolving scope of some of these projects.

During the quarter, risk management review workshops were facilitated by the PMO for a number of the projects, which will continue through the next quarter. Overall all major projects are progressing well as they move through their lifecycle with project managers showing greater emphasis on planning and proactive management of risks and issues.

| Significant Project or Programme  | Overall Status  | Timing  | Budget  | Issues  | Risks   | Comment   |
|---|---|---|---|---|---|---|
| <b>PTOM – Rail contract</b>   |    |    |    |    |    | Transition to the Rail partnering agreement with Transdev Wellington progressed to schedule throughout the quarter. NZTA granted Transdev's Interim Rail Licence in June and on 30 June GWRC approved the Preliminary Commencement Certificate. Very detailed implementation planning for the period 1 – 10 July provides GWRC assurance that contract commencement on 3 July will be achieved without issue. All GWRC business systems were deployed into production as of 30 June.  |
| <b>Bus Services Transformation (BST)</b><br><i>PTOM – Bus contracting; Bus fleet; Network, Customer and Transition</i>                                    |    |    |    |    |    | Positive negotiations around the transition from trolley buses in mid-2017 have mitigated risk. Development of a prototype replacement bus using the Wrightspeed drivetrain has begun with completion scheduled in October. Timing of the RFT release remains dependent on NZTA approval process – all documentation was finalised and submitted in June. Network reviews supporting routes for new contracts have progressed well and recommendations will be provided to Council in the next quarter.                               |
| <b>Integrated Fares and Ticketing (IFT)</b><br><i>National Ticketing Programme, Interim Bus Ticketing Solution; GW Ticketing Operations; Fares Review</i> |   |   |   |   |   | The IFT programme continued a period of realignment with late June agreement being reached at the national level on a roadmap for integrated electronic ticketing. The Interim Bus Ticketing Solution received approval at national and Council levels and negotiations commenced with Snapper. Work on scoping establishment of GW ticketing operations capability has been initiated. Scope of the fares stream is being assessed following Council desire for PT Plan policy on fares to be reviewed ahead of Annual Plan 2017/18. |
| <b>Matangi 2 and Matangi 1 upgrade</b>  |  |  |  |  |  | The project is moving into the final phase with the Matangi-1 Retrofits completed and 28 Matangi-2 units in revenue service. Final shipment due to depart Korea in July and final unit expected into service by the end of September. Project continues to plan, budget and quality expectations.   |

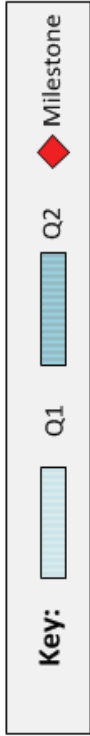
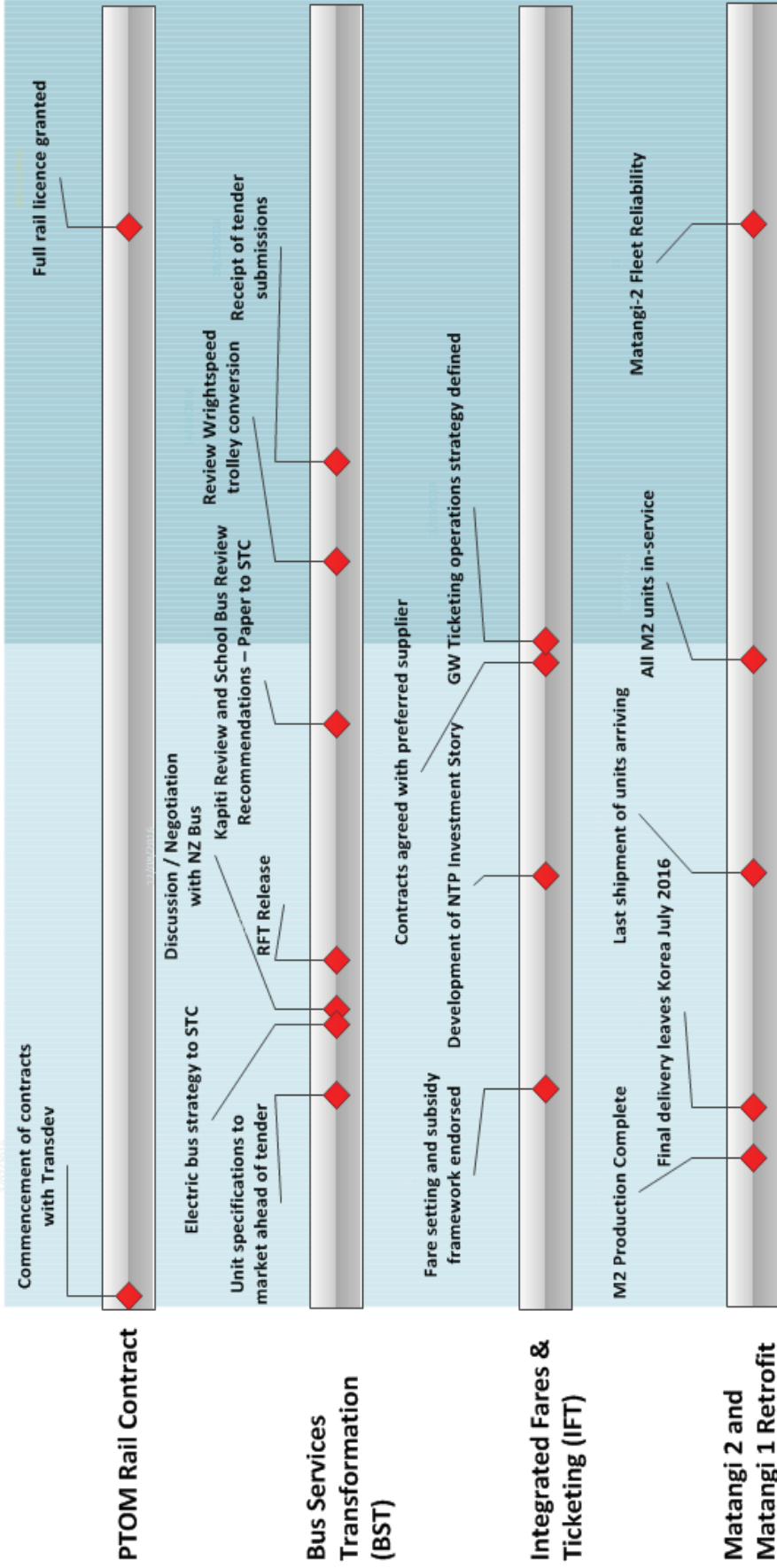
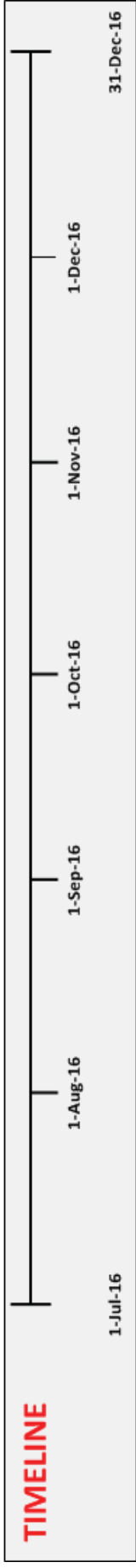


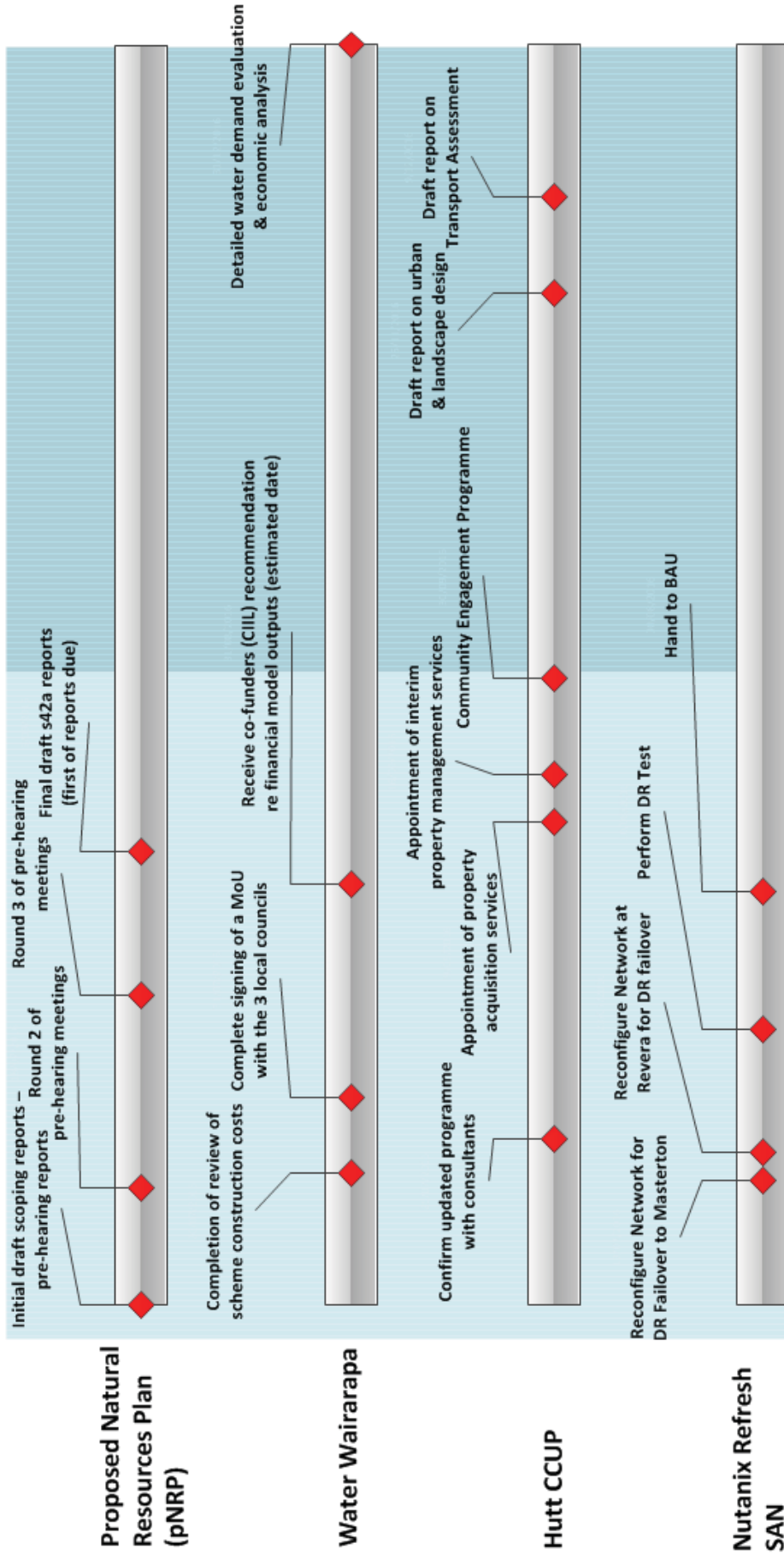
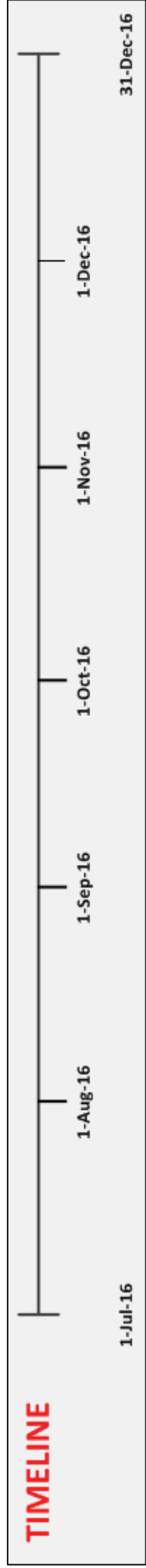
| <i>Significant Project or Programme</i>   | <b>Overall Status</b>  | <b>Timing</b>  | <b>Budget</b>  | <b>Issues</b>  | <b>Risks</b>   | <b>Comment</b>  |
|---|--|--|--|--|--|---|
| <b>Proposed Natural Resources Plan (pNRP)</b>   |   |   |   |   |   | Project is currently on track for most work streams. However, with resourcing issues only just resolved this presents a risk to our overall statutory timeframe (31 July 2017). This has immediate implications for the timing of pre-hearing meetings and communication with submitters associated with the release of the Hearing Panel's first 'Minute'.   |
| <b>Water Wairarapa</b>  |   |   |   |   |   | An extremely busy quarter for the project with the completion of on-site drilling and reporting on the outcomes of that (750 pages of reports), followed by a review of construction costs. A co-funding contract for Stage 2 Feasibility was secured (after 6 months negotiations) with the Irrigation Acceleration Fund and then novated to Crown Irrigation Investments Ltd where the funding will now lie. Farmer engagement was further progressed with an additional resource as insufficient progress was being made. BERL, along with WRS, commenced work on the regional economic benefits derived from the scheme. A specialist consultant commenced work on commercial construct for future entity and funding arrangements. Addressing the uncertainty that was associated with funding has shifted the overall status from amber to green. |
| <b>Hutt River City Centre Project</b>   |   |   |   |   |   | Preliminary Design commenced and has progressed well. A team of seven consultants has been appointed to work with the Working Group. Cost apportionment for design services agreed with HCC. Procurement for a property consultant progressing. Ongoing risks remain with NZTA meeting their indicated milestones and disagreement on funding different elements of the programme. Initial property purchased had costs higher than initial estimate; monitoring process adopted to track and identify options to control/mitigate through design and co-agency land requirements.  |
| <b>Nutanix</b><br><i>Project to restore DR capability to GWRC's Enterprise computing systems (Computer &amp; storage) out of its Masterton Server room.</i> |  |  |  |  |  | This critical ICT project to minimise risk of losing data and to ensure quick restoration of data across the organisation is practically complete. Key activities during this quarter involved migration of all production servers and storage to the new Nutanix system.<br><br>One final task remains with the testing of the Disaster Recovery (DR) failover and complete replication to Masterton DR This is planned for Q1 on completion of the upgrade of network link.   |

**Key:**

-  On track
-  Some issues and risks but being managed
-  Significant issues, off-track

# Overview | Major Projects Timing July-December 16





# Outcome Trends Report

## FRESH WATER QUALITY - MAINTAINED OR IMPROVED

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



Baseline: 0-10% cover

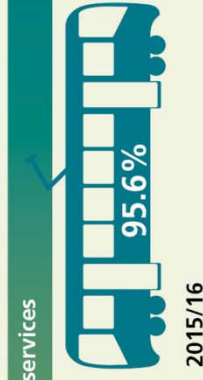
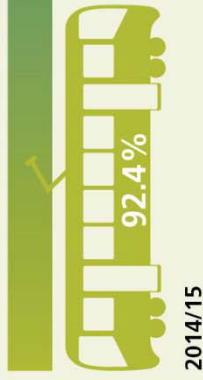
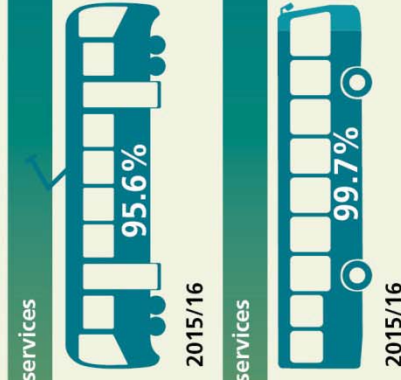
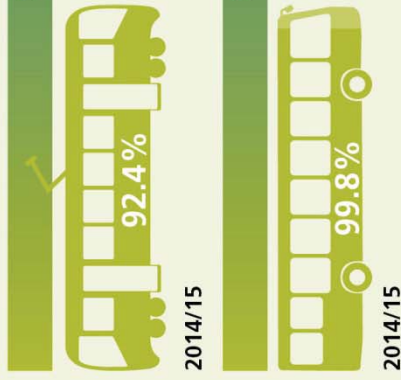


Baseline: 0-76% cover



Baseline: 0-15% cover

## PUBLIC TRANSPORT SERVICES ON TIME



## MAJOR PROJECT PERFORMANCE

|  |  |  |                                   |  |   |
|--|--|--|-----------------------------------|--|---|
|  | PTOM – Rail Contract                   |  | Bus Services Transformation (BST) |  | Matangi 2 and Matangi 1 upgrade           |
|  | Proposed Natural Resources Plan (pNRP) |  | Wairarapa Water Use               |  | Hutt River City Stop Bank Upgrade Project |
|  |  |  |                                   |  | Nutanix                                   |

## HEALTH & SAFETY

Injury days lost\*/ severity rate:



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

## ENGAGEMENT SURVEY

Our engagement survey results:

Target 4.00

Result 4.04

## REPUTATION INDEX

