

HIGHLIGHTS FROM THE THIRD QUARTER OF 2016/17

SUMMARY

THIRD QUARTER 2016/17

1 January - 31 March 2017

Introduction

This summary report for the third 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 1.6% in the year to date March 2017 (27.9 million trips) on the same period in 2015/16.

Bus shelter renewal programme was completed.

Audit of all bus assets across the region was completed.

Two AM and two PM peak bus trips were added on route 3 Karori services.

The 'Resolve' customer feedback system was rolled out to Go Wellington.

Bike Racks on Buses trial was completed successfully.

New and updated Metlink website content was developed for 2018 Wellington City bus network.

Total Mobility procurement strategy endorsed by NZTA.

The effects of significant disruption events such as re-sealing of lower Lambton Quay, Whitmore and Stout Streets were managed, as were the effects of a week-long trolley network power outage.

Snapper Services was contracted to provide on-vehicle ticketing equipment for all buses from new contract commencement.

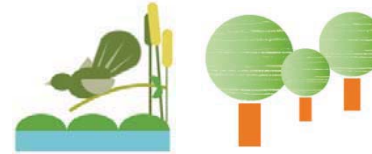
Transdev Wellington was granted a full rail licence by NZTA.

Rail timetable changes to increase off-peak frequency were agreed, for implementation in September 2017.

Upper Hutt car park extension completed. Let's Get Welly Moving (LGWM) – first progress report repeated and a series of stakeholder and public workshops on core focus areas for the project commenced.

Nearly 2,000 participants and 166 organisations signed up to the Aotearoa Bike Challenge in March. GWRC came second nationally in the category for organisations with 500+ employees and won the regional category.

70 schools signed up to the active travel promotion 'Movin' March', an increase of 10 more schools and 5000 more students than the previous year.



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

Results contributing to environmental outcomes for the region included:

Nine Key Native Ecosystems (KNE) plans were published for the Rewanui, Homewood Coastal Plains, Riversdale, Ōtaki Coast, Hutt Water Collection Area, Te Horo, Mātaikonā Coast and Ruamāhanga River Terraces KNE sites. The plans detail the biodiversity management activities and budget for these sites over the next three years.

GWRC worked closely with Ngāti Kahungunu ki Wairarapa to help structure the draft monitoring framework and report to enable cultural health monitoring of the Ruamāhanga catchment.

Kaitoke Regional Park was one of 22 parks in NZ and Australia to be awarded a Green Flag by the NZ Recreation Association and Keep Britain Tidy. This award recognises a high quality of management, presentation and community engagement. This is the park's second award.

Major improvements have been completed on culverts underpinning the historic Rimutaka Rail trail, addressing scouring and, in some cases, the risk of collapse

The Ruamāhanga Whaitua Committee agreed the process and principles by which they will make decisions. It also had several workshops to discuss managing discharges, and agreed a community and stakeholder engagement plan.

Te Awarua-o-Porirua Whaitua Committee has consolidated the findings of the working groups; completed the Business as Usual and scenarios reports to hand over to the Collaborative Modelling Project (CMP).

Compliance assessments of all landfills, industrial discharges, contaminated sites, and Catchment Management consents were completed in the last quarter. The compliance ratings were generally good.

A licence was awarded to NZ Manuka Ltd to place up to 744 beehives in the Akatarawa and Pakuratahi forests.



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

Results contributing to community resilience included:

Regional Lifelines Resilience Business Case project progressed, including development of a draft Funding and Management Agreement; completion of Investment Logic Mapping; completion of Business Behaviours Workshops; issuing of interim contracts; and modelling of Lifeline networks.

Constructive feedback received from Te Kāuru Subcommittee and a range of key stakeholders on the Te Kāuru Upper Ruāmahanga Flood Management Plan.

RiverLink:

Technical Design reports and rough order costs were received for all project components.

To date, 8 of the required 117 property acquisitions were completed, and 32 properties are in various stages of negotiation.

Community Open Days held by GWRC, HCC and NZTA to showcase design progress and seek input on NZTA work. Approximately 240 community members attended and left positive comments.

UHCC, supported by GWRC, notified Plan Change 42 for the Pinehaven Catchment, which is an integral part of the outcomes sought by the Pinehaven Floodplain Management Plan.

A significant flood event occurred on 2 February 2017 causing further damage in the Hutt and Kapiti Rivers and other western watercourses.

Resource consents for the four western river systems were publically notified on 4 February and submissions close on 1 May 2017.

Four of the six councils involved in the Wellington Regional Natural Hazards Management Strategy have approved the Strategy, and meetings are set up for the final two.



Strong leadership and collaboration supports robust regional growth

Results contributing to regional growth included:

Report for the Water Wairarapa project on community and economic benefits from water storage and irrigation presented to the WW governance group.

Skills survey report on issues for business and how these might be addressed completed with Victoria University.

Economic updates for 2016 were presented to the WRS Committee and GWRC.

Planning Wellington events for national Techweek programme in May was progressed.

Annual meetings with GWRC's six mana whenua partners to discuss issues of strategic importance and the status of the relationship commenced.

Issues were discussed with the Integrated Catchment Management Agreement (ICMA) Partnership Group, including establishing a joint Strategic Plan with Ngā Hapū o Ōtaki representatives.

GWRC effectively engaged with iwi partners on the Hutt River 35-year resource consent and strategy for the River.

Processes were considered on how to effectively transition the Wairarapa Moana project to the Wairarapa Moana Statutory Board following the Ngāti Kahungunu ki Wairarapa Tamaki Nui a Rua settlement of their Treaty of Waitangi negotiations with the Crown.

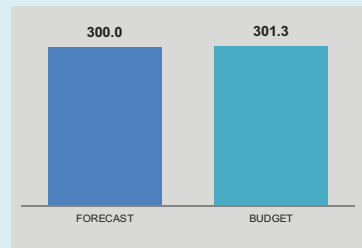
Overview | March – Full Year Forecast Summary

OPERATING SURPLUS

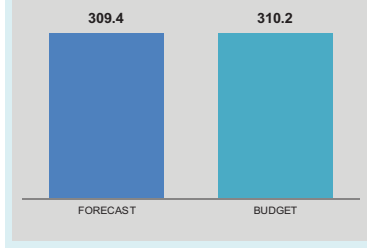
-\$9.3m

\$0.4m Unfavourable

OPERATING REVENUE (\$m) (excluding capital grants)



OPERATING EXPENDITURE (\$m)

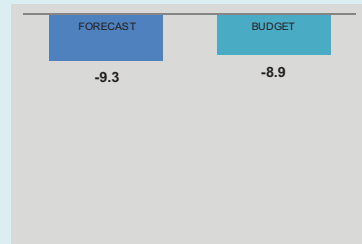


CAPITAL EXPENDITURE - NET

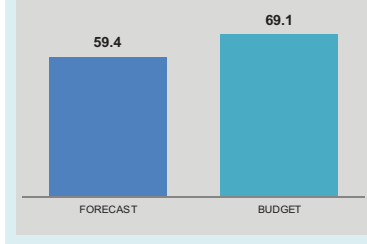
\$59.4m

\$9.7m Favourable

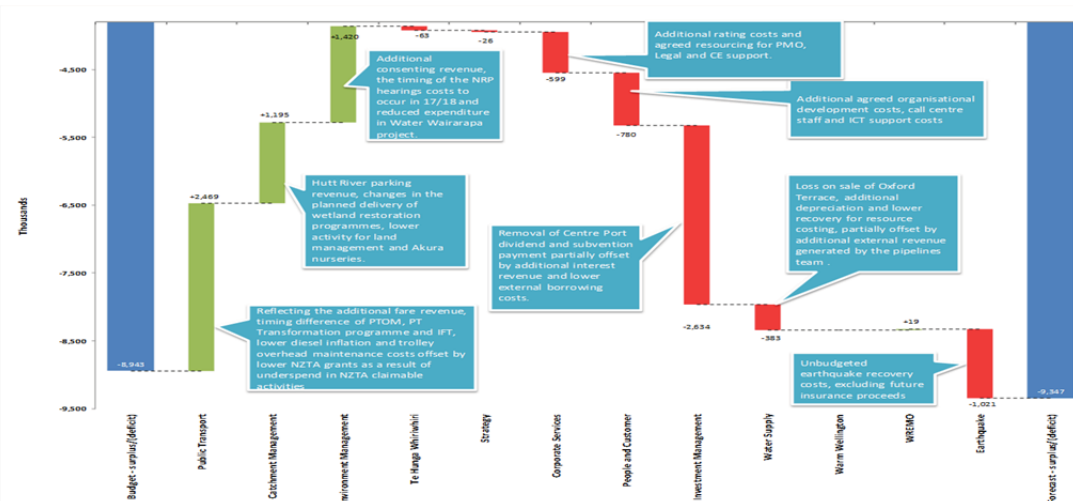
OPERATING SURPLUS/(DEFICIT) (excluding capital grants)



CAPITAL EXPENDITURE - NET (\$m)



Operating Surplus/(Deficit): Budget v. Forecast (full year) (numbers exclude Capex revenue)



Council Summary

Forecast operating performance (before capital grants) is \$0.4m unfavourable to budget. Excluding earthquake related costs and loss of revenue of \$4.7m; performance is forecast to be \$4.3m favourable to budget. The variance is primarily related to Public Transport – lower diesel bus costs for operators, timing of expenditure on transformation projects, Catchment – changes in the planned delivery of wetland restoration programmes and lower activity for land management and Akura and Environment – RONS revenue and consenting activity.

FY Forecast by Business Group

- Operating Revenue: \$1.3m Unfavourable**
Public Transport is forecast to be \$1.3m unfavourable to budget reflecting a decrease in NZTA Grants and Subsidies (\$2.4m) due to lower claimable costs, partially offset by higher than budgeted fare revenue (\$1.1m) due to patronage growth (although growth has been impacted by the earthquake.)
Catchment is forecast to be in line with budget, largely reflecting lower activity from Akura and Land Management (\$0.5m) because of unfavourable planting conditions (low rainfall) offset by prior year Hutt River Parking revenue share from HCC (\$0.4m).
Environment is forecast to be \$1.0m favourable to budget largely reflecting additional revenue from RONS and other consenting activity (\$0.9m), camping fees, rents for Parks (\$0.2m), partially offset by reduced Crown funding for the Water Wairarapa project (\$0.3m).
Strategy is forecast to be \$0.3m favourable to budget which reflects additional stakeholder contributions to support Regional Infrastructure Resilience Business case (\$0.7m) offset by lower NZTA grants on claimable costs (\$0.6m).
Investment Management is forecast to be \$2.2m unfavourable to budget reflecting the removal of the Centre Port dividend and subvention payment of \$3.7m, partially offset by the prefunding of debt and additional interest earned.
Water Supply is forecast to be \$0.7m favourable to budget reflecting higher interest rates on contingency funds and additional external revenue generated by the pipelines team (\$0.6m).

- Operating Expenditure \$0.9m favourable**
Public Transport is forecast to be \$3.7m favourable to budget reflecting timing difference of the in projects such as Fares and Ticketing and PT Transformation & PTOM (\$1.8m), lower diesel bus inflation for operators (\$1.0m), and lower trolley overhead wire maintenance.

Catchment is forecast to be \$1.2m favourable to budget largely reflecting changes in the planned delivery of wetland restoration programmes (\$0.2m), lower activity for land management and Akura nursery (\$0.7m) and lower interest costs (\$0.3m) due to the timing difference of various capex projects.

Environment is forecast to be \$0.4m favourable to budget reflecting the reduced expenditures on Water Wairarapa project (\$0.4m), NRP hearing costs deferred to 17/18 (\$0.8m) offset by additional costs to support resource consent activity (\$1.0m).

Strategy is forecast to be \$0.3m unfavourable to budget, reflecting additional costs in Regional Infrastructure Resilience (\$0.3m), WREDA inflation adjustment, and agreed additional resource to support the group.

Corporate Services is forecast to be \$0.6m unfavourable to budget due to additional rating costs (\$0.2m), higher than budgeted depreciation (\$0.3m), and agreed resources to support legal, PMO, and CE support.

P&C is forecast to be \$0.7m unfavourable to budget reflecting additional agreed expenditure for organisational development (\$0.3m), call centre staff (\$0.2m) and additional ICT support costs (\$0.2m).

Investment Management is forecast to be \$0.4m unfavourable to budget reflecting additional funding cost from prefunding of debt and lower internal interest recoveries due to the timing difference in capex and growth in debt levels.

Water Supply is forecast to be \$1.1m unfavourable to budget reflects lower recovery for resource costing (\$0.4m), loss on disposal of 44 Oxford Cres (\$0.2m), additional costs in depreciation (\$0.2m), feasibility works (\$0.3m), testing and investigations of water treatment options (\$0.4m) offset by savings in power (\$0.2m) and Chemicals (\$0.2m).

Unbudgeted **earthquake recovery costs** are currently forecast to be \$1.1m unfavourable. This amount excludes future insurance proceeds, which will be determined once the claims process is completed.

Capital Expenditure \$9.7m Favourable

Public Transport is forecast to be \$5.6m favourable to budget largely reflecting later than planned use of the Matangi 2 Upgrade contingency for purchase of a simulator (\$0.6m), decrease in Matangi 1 retrofit costs (\$2.2m) and lower heavy maintenance on the trains (\$2.2m). Partially offsetting this is the higher costs for Waikanae park and ride site due to asbestos clean-up (\$1.0m).

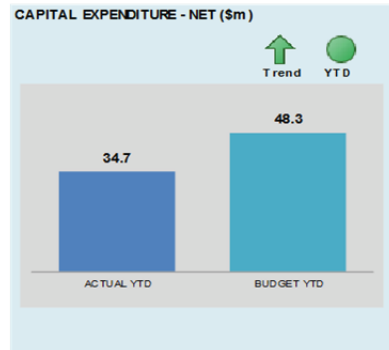
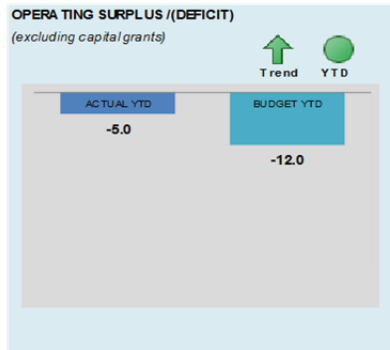
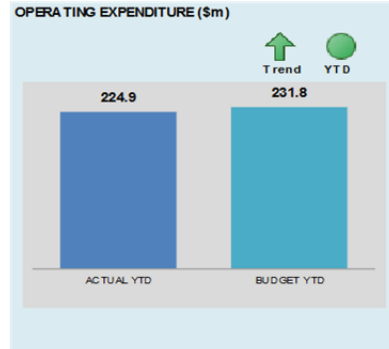
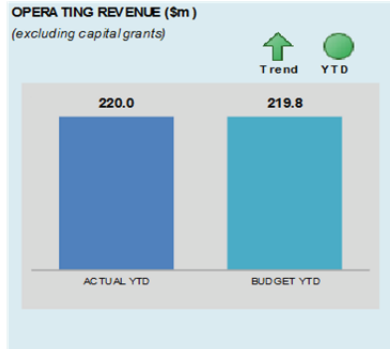
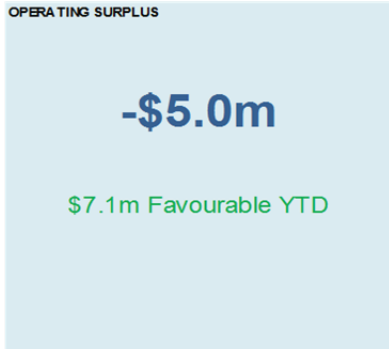
Catchment is forecast to be \$4.8m favourable to budget due to timing of property acquisitions for the Hutt River Flood Protection Upgrade – Riverlink (\$2.0m), timing difference in Wairarapa improvements (\$1.24m), FMP investigations (\$0.5m) and Kapiti improvements (\$0.9m).

Environment is forecast to be \$1.9m favourable to budget reflecting timing difference on the commencement of various projects such as Baring Head Bridge replacement (\$0.73m), QEP development (\$0.6m), Collaborative Modelling (\$0.2m) and the Pencarrow and Hinds Point light upgrades for Harbours (\$0.32m) which is expecting to occur in 17/18.

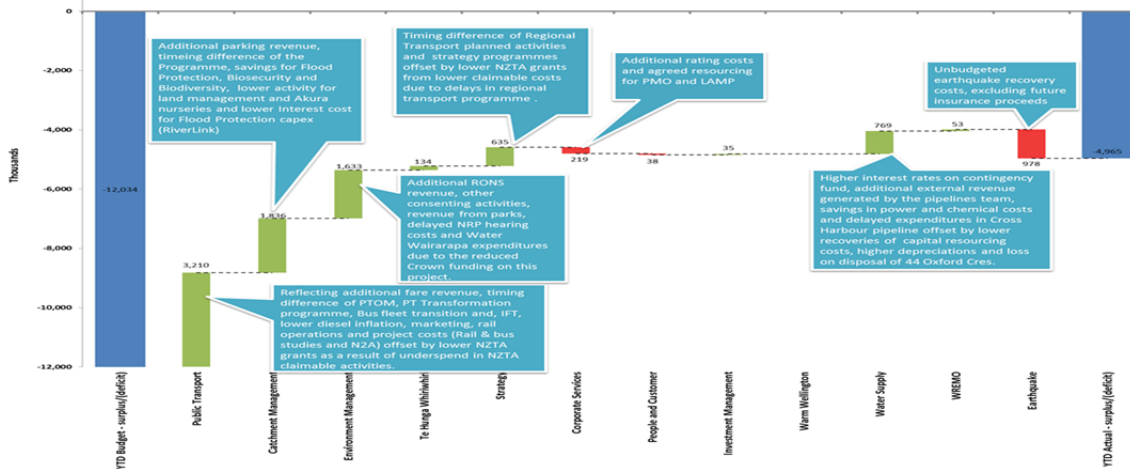
Corporate Services is forecast to be \$0.5m favourable to budget reflecting timing of planned ICT projects.

Water Supply is forecast to be \$3.1m unfavourable to budget reflects Te Marua budget was bought forward into 2016/17 to address the algae issue at the Te Marua treatment plant.

Overview March YTD– Financial Summary



Operating Surplus/(Deficit): YTD Budget v. YTD Actual
(Numbers exclude Capex revenue)



Council Summary

Year to date operating performance (before capital grants) is **\$7.0m favourable** to budget. Excluding earthquake related costs of \$1.0m, performance is **\$8.0m favourable** to budget. The variance is primarily related to Public Transport – timing difference of the transformation programme, lower diesel inflation and lower rail operations costs, Catchment – changes in the planned delivery of wetland restoration programmes and lower activity for land management and Akura and Environment - additional RONS revenue and consenting activity.

YTD Business Group Commentary:

- Operating Revenue: \$0.2m Unfavourable**
- Public Transport is \$3.1m unfavourable** to budget, largely reflecting lower NZTA grants as a result of underspend in NZTA claimable activities (\$3.8m) offset by higher than budgeted fare revenue (\$0.7m).
- Catchment is in line with budget**, largely reflecting prior year Hutt River Parking revenue share from HCC (\$0.4m) partially offset by lower activity from Akura and Land Management because of unfavourable planting conditions due to low rainfall (\$0.4m).
- Environment is \$1.3m favourable** to budget reflecting additional RONS revenue and other consenting activities (\$1m), camping fees and rents for Parks (\$0.3m), offset by the reduced Crown funding for Water Wairarapa (\$0.2m).
- Strategy is \$0.4m favourable** to budget which reflects additional stakeholder contributions to support Regional Infrastructure Resilience Business case (\$0.7m), offset by lower NZTA grants on claimable costs.
- Investment Management is \$0.6m favourable** to budget due to additional interest earned from investing prefunded debt as well as achieving higher than budgeted interest rates on existing investments.
- Water Supply is \$0.6m favourable** to budget largely reflecting a higher interest rates on contingency fund and additional external revenue generated by the pipelines team.
- Operating Expenditure \$6.8m Favourable**
- Public Transport is \$6.3m favourable** to budget, reflecting timing difference of PTOM, PT Transformation (\$3.0m) and Bus fleet transition projects, lower diesel bus inflation reflecting the lower oil price and stronger NZD (\$0.7m), lower trolley overhead maintenance cost (\$1.0m), lower contract and network cost in rail operations (\$1.0m), lower marketing and communications costs and over-budgeted personnel costs.
- Catchment is \$1.8m favourable** to budget, reflecting the timing difference and savings for Flood Protection (consent renewal, isolated works) (\$0.6m), Biosecurity (weather affecting spraying works) and Biodiversity (\$0.3m), lower activity for land management and Akura (\$0.3m) and Interest cost savings due to the timing difference in Flood Protection capex (RiverLink).
- Environment is \$0.4m favourable** to budget, additional costs to support resource consent activity (\$51.1m) offset by NRP hearing costs re-budgeted to 17/18 (\$0.6m) and reduced Water Wairarapa expenditure (\$0.2m).
- Strategy is \$0.2m favourable** to budget, reflecting timing difference in Regional Transport planned activities and other Strategy programmes (\$0.8m) offset by the additional costs in Regional Infrastructure Resilience project (\$0.3m).
- Corporate Services is \$0.3m unfavourable** to budget, due to the additional rating costs and agreed resourcing for PMO and LAMP.
- People and customer is \$0.1m unfavourable** to budget due to additional costs for organisational development and customer contact centre.
- Investment Management is \$0.6m unfavourable** to budget due to lower internal interest recoveries due to timing difference in capex and growth in debt levels.
- Unbudgeted **Earthquake** recovery costs to date are **\$1.1m**. This amount *excludes* insurance proceeds, which will be determined once the claims process is completed.
- Water Supply is \$0.1m favourable** to budget largely reflecting savings in power (\$0.2m) and chemical costs (\$0.3) due to the favourable conditions, timing difference of expenditures in Cross Harbour pipeline (\$0.6m), reduced internal charge (\$0.1m), offset by lower capital resource costing recovery (\$0.4m), higher depreciation (\$0.2m), loss on sales of 44 Oxford Cres (\$0.2m) and pipelines recoverable works (\$0.3m).
- Capital Expenditure \$13.6m Favourable**
- Public Transport is \$4.3m favourable** to budget reflecting later than planned use of the Matangi 2 Upgrade contingency for purchase of a simulator (\$1.5m), decrease in Matangi 1 retrofit costs and lower heavy maintenance on the trains (\$2.4m), timing in bus shelters upgrades (\$0.5m) and station upgrades projects (\$0.6m).
- Catchment is \$3.0m favourable** to budget due to timing of property acquisitions for the Hutt River Flood Protection Upgrade – Riverlink (\$0.65m), Wairarapa improvements (\$0.5m), FMP investigations (\$0.5m) and Kapiti improvements (\$0.9m).
- Environment is \$3.0m favourable** to budget reflecting timing difference on QEP entranceway (\$0.6m), Baring Head (\$0.6m), Collaborative Modelling (\$0.7m) and other Parks CAPEX (\$0.8m) and the Pencarrow and Hinds Point light upgrades for Harbours (\$0.3m).
- Corporate Services is \$2.2m favourable** to budget reflecting later than planned expenditure on ICT initiatives, primarily the core system refresh project.

Overview Financial Summary by Group

Statement of Revenue and Expense by Business Group - Full Year

\$000	FULL YEAR			FULL YEAR			FULL YEAR		
	Operational Revenue			Operational Expenditure			Operational Surplus / (Deficit)		
Group	Forecast	Budget	Variance	Forecast	Budget	Variance	Forecast	Budget	Variance
Public Transport	174,095	175,371	1,276	174,822	178,567	3,745	(727)	(3,196)	2,469
Catchment Management	36,095	36,119	23	27,910	29,128	1,218	8,186	6,991	1,195
Environment Management	28,092	27,055	1,037	26,912	27,296	384	1,180	(240)	1,420
Te Hunga Whiriwhiri	900	899	1	952	888	64	(52)	11	63
Strategy	11,875	11,620	255	12,888	12,607	280	(1,013)	(987)	26
Corporate Services	8,957	8,969	12	16,499	15,911	587	(7,541)	(6,942)	599
People and Customer	1,645	1,685	40	9,114	8,375	740	(7,469)	(6,689)	780
Investment Management	732	2,974	2,242	(3,959)	(4,352)	393	4,691	7,326	2,634
Water Supply	30,802	30,117	685	36,671	35,603	1,068	(5,869)	(5,486)	383
Warm Wellington	3,370	3,089	281	3,370	3,089	281	0	(0)	0
WREMO	3,364	3,364	0	3,075	3,094	19	289	270	19
Earthquake 2016	80	0	80	1,101	0	1,101	(1,021)	0	1,021
TOTAL	300,007	301,263	1,256	309,354	310,206	852	(9,347)	(8,943)	404

Net Capital Expenditure by Business Group

\$000	YEAR TO DATE			FULL YEAR		
	Actual YTD	Budget YTD	Variance	Forecast	Total Budget	Variance
Public Transport (incl investment)	18,507	22,807	4,300	26,003	31,639	5,636
Catchment Management	10,716	13,733	3,017	16,915	21,669	4,754
Environment Management	2,309	5,353	3,044	5,020	6,968	1,948
Strategy	31	325	294	412	412	0
Corporate Services	544	2,726	2,182	3,205	3,665	460
People and Customer	4	300	296	300	350	50
Investment Management	460	319	141	394	379	15
Water Supply	1,960	2,692	732	7,159	4,020	3,139
Earthquake 2016	152	0	152	0	0	0
TOTAL	34,684	48,255	13,571	59,408	69,102	9,694

Statement of Revenue and Expense by Business Group -Year to Date

\$000	YEAR TO DATE			YEAR TO DATE			YEAR TO DATE		
	Operational Revenue			Operational Expenditure			Operational Surplus / (Deficit)		
Group	Actual YTD	Budget YTD	Variance	Actual YTD	Budget YTD	Variance	Actual YTD	Budget YTD	Variance
Public Transport	128,828	131,889	3,061	127,808	134,080	6,271	1,020	(2,190)	3,210
Catchment Management	26,753	26,699	54	19,387	21,169	1,782	7,366	5,530	1,836
Environment Management	21,723	20,456	1,267	19,905	20,270	365	1,818	186	1,633
Te Hunga Whiriwhiri	675	674	1	533	666	133	142	8	134
Strategy	9,114	8,689	425	9,230	9,439	210	(115)	(750)	635
Corporate Services	6,805	6,727	78	12,223	11,926	297	(5,418)	(5,199)	219
People and Customer	1,171	1,092	79	6,411	6,293	118	(5,240)	(5,201)	38
Investment Management	(3,292)	(3,897)	605	(2,628)	(3,198)	570	(664)	(699)	35
Water Supply	23,210	22,588	623	26,364	26,510	146	(3,153)	(3,922)	769
Warm Wellington	2,329	2,317	12	2,329	2,317	12	0	(0)	0
WREMO	2,571	2,523	49	2,313	2,318	4	258	205	53
Earthquake 2016	90	0	90	1,068	0	1,068	(978)	0	978
TOTAL	219,979	219,756	222	224,943	231,790	6,847	(4,965)	(12,034)	7,069

Overview | Health and Safety Indicators



Highlights and improvements

- ✓ Tertiary accreditation was achieved in our ACC Workplace Safety Management Practices (WSMP) Audit. This is the highest level of accreditation and means GWRC receives a 20% discount on our ACC levy until February 2019. Although our membership continues to the stated date ACC have now ceased the WSMP scheme; no replacement for the scheme has yet been announced.
- ✓ Executive Leadership Team (ELT) health and safety site visits have been on-going this quarter. These visits are vital for ELT to practically show leadership in health and safety. Examples of visits which have taken place are wetland monitoring in the Wairarapa to look at the health and safety plans involved in this work, and visiting the Rail EMU depot to look at how we manage our relationship, particularly in health and safety, with Transdev and Hyundai Rotem.

Reporting of health and safety incidents

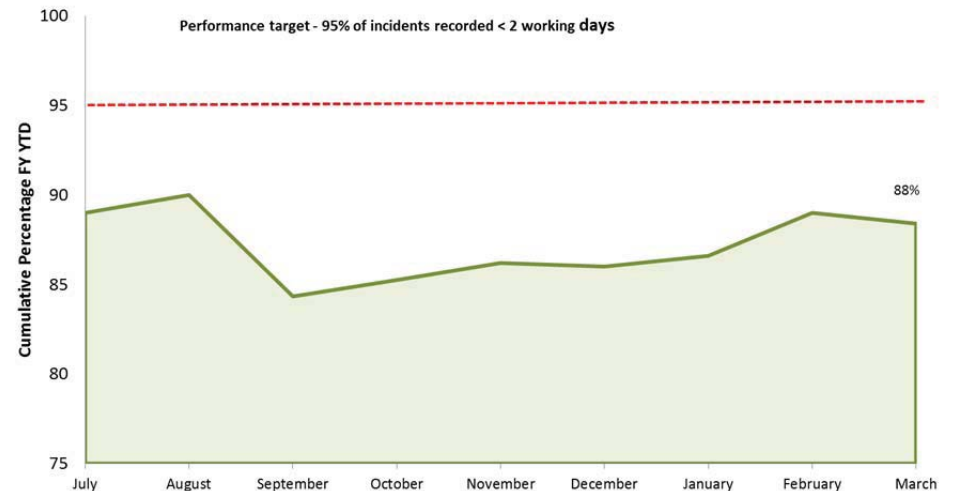
The graph below shows a small improvement this quarter in our reporting of incidents within 2 working days; however we remain below our target of 95%. Improvement is seen through January and February but a decrease in March; overall this equates to a 1% improvement over the previous quarter. Through further analysis of types of incidents (accident, pain & discomfort etc.) it is apparent that incidents which are preceived as 'accidents' are reported more quickly. Additionally, a significant difference in the recorded reporting time results when the initial report is completed on a paper form, instead of directly into KESAW. Given this, it is expected that the recorded reporting times will improve as KESAW is rolled out further.

Key Performance Indicators

The number of days lost due to injuries year to date is 2.1 days lost per 100,000 hours worked, this is a positive result against our kpi of 7.5 days lost per 100,000 hours worked. The cumulative year to date figure upto Q3 last year was 5.2 days lost. The Health and Safety team take an active role in liaising with ACC on injury management and we also offer extensive support to our people in injury management and rehabilitation.

Indicator	Target	Year to date total	Status
1. Percentage of incidents reported within 2 working days	95%	88%	●
2. Ratio of the number of events to the number of subsequent actions	0.4	0.3	●
3. Days lost due to injuries, per 100,000hrs worked	7.5	2.1	●

Incident Recording - occurrence to reporting



Overview | Major Projects Indicators

Overall comment:

This quarter has seen the major projects recover from the impact of the 14th November Kaikoura earthquake. Resourcing is back to normal with the exception of GW Way, where the impact of the restructuring of the Communications and Marketing team has significantly impacted on the timelines and delivery of some of the external engagement products.






Four new projects were added during the quarter and one project completed. Overall, KPIs have deteriorated since the last quarter. The reasons for this vary from project to project, but main themes are impacts involving 3rd parties and project complexity. Project teams have identified these as risks and issues, and with guidance from their governance groups are endeavouring to mitigate them.











GW Way is having a positive impact with major projects as five of the thirteen programmes/projects require a high degree of collaborative engagement. As GW Way behaviours become more the norm, risks and issues which were common in the past should be less prevalent.











The overall balance of major projects is also spread more across the organisation. This is the result of the ELT recognising the criticality of a number of projects that historically would have been treated as business as usual. Providing this new level of visibility on a monthly and quarterly basis ensures that the ELT are aware of the overall performance of project delivery and any associated risks and issues that may exist.











The PMO has actively been involved in several high priority projects that are experiencing difficulty and is assisting in recovery interventions. The PMO will be applying a greater level of focus on the high priority projects in the next two quarters assisting and advising as required.











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

Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
Bus Services Transformation (BST) <i>PTOM – Bus contracting; Bus fleet; Network, Customer and Transition</i>						<p>The evaluation process for the PTOM Bus Tender process is going well and is on-track to report to Council on 4 May 2017. Transition planning is underway. The biggest risks to the transition phase are the potential for industrial action by the unions and/or lack of cooperation from the incumbent operators, with the extent of both risks dependent on the tender outcome.</p> <p>An Invitation to Price will be issued to NZ Bus and Mana for the Direct Appointed Units (DAUs) following the tender outcome. It is anticipated that we will enter price negotiations with NZ Bus and Mana to agree a final price for the DAUs.</p> <p>Design for 2018 Wellington bus network interchanges is underway and a community engagement plan is being agreed with WCC. Additional project resources have been engaged to progress this work. Other bus network preparedness work is progressing well.</p> <p>Communication and marketing material is being developed to communicate and educate customers on the Wellington city bus service changes (new network) to be implemented in July 2018.</p> <p>The NZ Bus trolley conversion programme continues to progress, albeit with some delay to readiness of the Wrightspeed prototype. Handover of the prototype bus from Wrightspeed to NZ Bus for testing is imminent but without a confirmed date. Due to the Wrightspeed delay, the option to extend trolley operations to 31 October 2017 has been exercised.</p> <p>Due to the additional resource, design and consultation requirements for the interchanges it is likely that budgeted opex in 2016/17 and 2017/18 will be exceeded for the NCT project. Underspend in other areas of the BST programme will cover the NCT overspend in 2016/17, however additional funds will be required for the programme in 2017/18. Additional design and potentially enhanced features for the interchanges are also likely to require additional capex in 2017/18.</p> <p>Overall programme remains on-track with respect to all deliverables, albeit with a heightened risk profile.</p>











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<p>Integrated Fares and Ticketing (IFT)</p> <p><i>National Ticketing Programme, Interim Bus Ticketing Solution; GW Ticketing Operations; Fares Transition</i></p>						<p>Decision taken to acquire on-board ticketing equipment 'as a service' and Snapper is expediting equipment order. Business requirements phase for establishing GWRC ticketing operations continues to progress well, with focus on collaborative customer service with Snapper.</p> <p>The National Ticketing Programme completed key decision documents during the quarter leading to development of Market Sounding documentation due for release in Q4. The multi-entity structure continues to provide some challenges in obtaining approvals and agreement to funding arrangements. Stage 1 funding has now been extended to end-September 2017.</p> <p>PT Fares Review outcomes have been delayed until mid-2018, with formal confirmation required by end of 2017. The alignment of fares initiatives with new bus contracts, extension of Snapper and new Wellington bus network does create some additional risk. Fares implementation issues in the lead up to PTOM bus contracts and Snapper extension continue to be progressed.</p>
<p>RiverLink</p> <p><i>The proposed Upgrade Project combines GWRC led flood protection works with components of the HCC led Making Places Project and the NZTA led Melling Intersection Improvements Project.</i></p>						<p>The RiverLink preliminary design is 90% completed. Design to 90% has been received for all project elements controlled by HCC and GWRC. NZTA is on programme to deliver its IBC for the Melling Intersection in June.</p> <p>Rough Order costs have been received for each separate project element, these are being checked, compiled and reviewed by a joint GWRC and HCC team, supported by external quantity surveyor.</p> <p>To date, 8 of 117 properties have been acquired, and 32 other properties are in various stages of negotiation. The Resource Legislation Amendment Bill passed its final reading and will shortly receive Royal Assent, this means additional compensation entitlements to property owners, it is anticipated that this will increase the number of enquiries related to property acquisition.</p> <p>HCC continues to work with Daly Street property owners. GWRC has continued to assist this process. GWRC has commenced drafting of an agreement between GWRC, HCC and NZTA that will restart conversations about project responsibilities. NZTA is leading creation of a joint 'Hutt Story' that will be used to support the NZTA business case for the Melling Intersection Improvements. This story will be of further use in describing the project alignment and outcomes in later consultation stages.</p> <p>NZTA, HCC and GWRC held a public workshop in April to report back to the community on design progress and ask question about community preference for various bridge location options that may connect to the Melling Intersection Improvements. 240 community members attended and left positive comments and constructive feedback for the project.</p> <p>Overall the project is still progressing well through preliminary design phase and is currently aligned with mid-year milestones, the design stage is currently on track for delivery of design and on budget. A risk regarding councillor engagement and understanding of the project, and NZTA's alignment with September decision making dates is being investigated. As a result it may be recommended to defer that Council decision point to the first half of 2018.</p>

Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
<p>Proposed Natural Resources Plan (pNRP)</p> <p><i>The Proposed Natural Resources Plan First Schedule process, as set out in the Resource Management Act (1991).</i></p>						<p>The second phase of pre-hearing meetings continues.</p> <p>The officers s42A reports for Hearing Stream 1 are being edited and formatted ready to be uploaded on the GW website on 20 April; 20 working days ahead of the Hearing commencing (22 May). First drafts of s42A reports for Hearing 2 and 3 have been completed. Analysis and evaluation also progressing on reports for Hearings 4, 5 & 6.</p> <p>Project progressing well against timeframes but subject to no legal challenge occurring. The earthquake has presented logistical challenges with venues which may also impact on budget, and had an impact on delays to the hearings commencing. The commencement of the hearings was further delayed by the availability of one of the independent hearing commissioners; due to commitments on the KCDC hearing panel and delays to the KCDC process. Submitters have been overwhelmingly accepting of these delays.</p> <p>Project is underspent for current financial year, however a revised forecast anticipates a future overspend in the order of \$550K. A change request for additional funding is underway.</p>
<p>Water Wairarapa</p> <p><i>Investigating a multi-purpose water scheme to collect and store water for distribution to a variety of economic and community uses for Wairarapa.</i></p>						<p>In the last Quarterly report we stated: <i>“The next major activity planned is the development of options to move to next phase and in particular the commercial construct and associated capital raise. Overall progress has been slow particularly with gaining agreement with CIIL on way forward.”</i></p> <p>This has proved to be the case. During Q3 (Jan-March 2017), the focus was on scoping and refining with CIIL a work programme that would satisfy the Crown’s change of emphasis for 2017. CIIL have an upper limit of \$450K for this work.</p> <p>During the Q3 period, project expenditure has been primarily internal costs with few consultant costs. However, this lessened expenditure compared with budget doesn’t attract CIIL co-funding. This will resume once the contract for the next iteration of the work programme has been signed. Timing for this currently looks to be mid-May.</p> <p>In particular, planning is underway for two councillor workshops, culminating in a Council recommendation regarding GWRC’s future commitment to the project and its consideration of the projects intellectual property.</p>

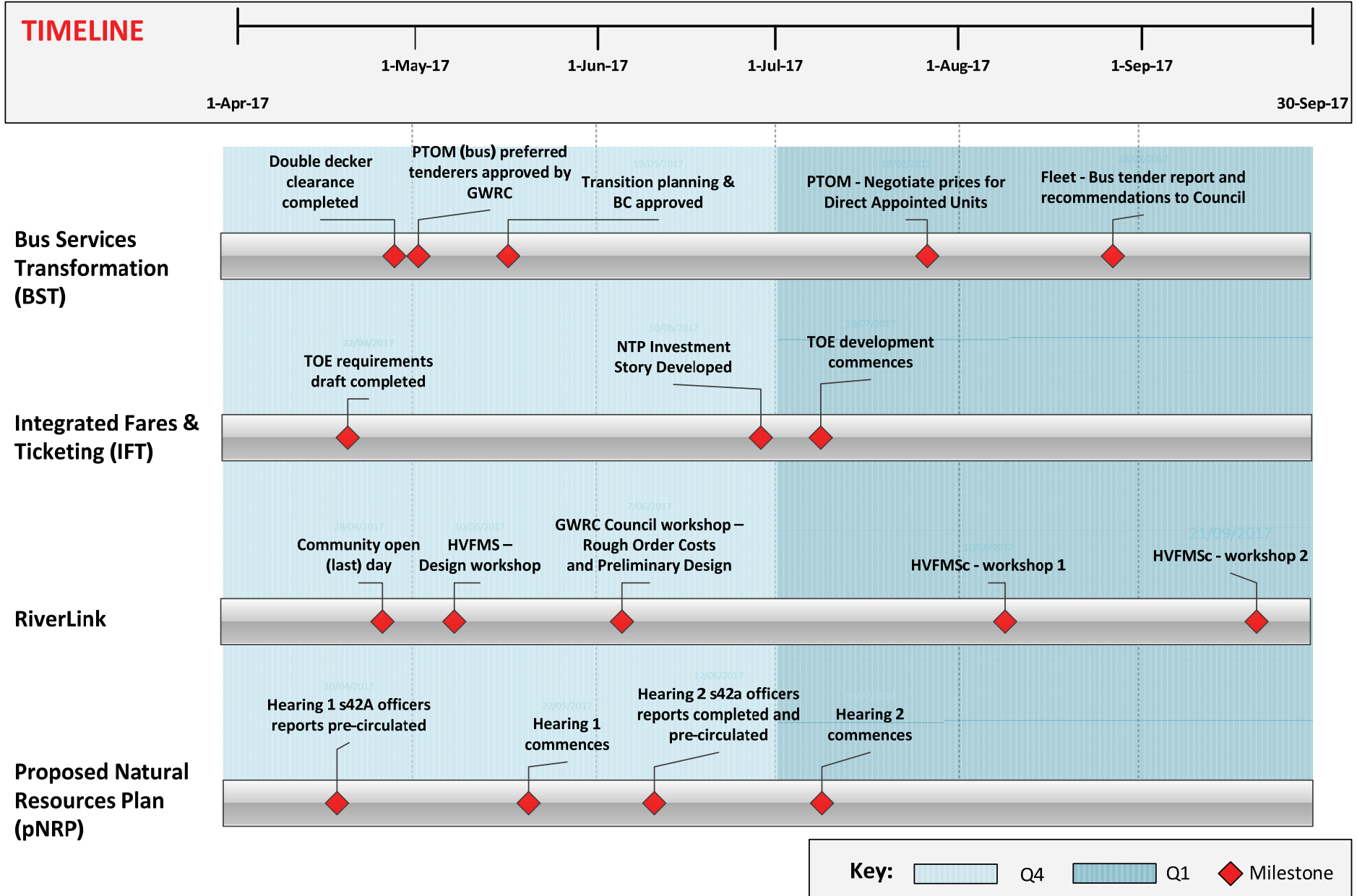
Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
<p>Optimus (Core Systems Refresh business case)</p> <p><i>To select a replacement or upgraded Core System (Finance, HR/ Payroll and Asset Management) to rectify many issues with the current installation of SAP.</i></p>						<p>The Business Case was endorsed by ELT early August 2016. Subsequent to this, a Request for Proposal was issued to selected suppliers and an evaluation team from across the organisation was involved in evaluating proposals from suppliers early November. The earthquake has delayed things. Two Suppliers were shortlisted and supplier demonstrations occurred during February 2017. Since that time, a significant amount of due diligence has been occurring involving further clarifications, deep-dive sessions with suppliers and customer reference site visits/ calls.</p> <p>The formal evaluation of both suppliers' proposals and solutions has effectively been completed with an evaluation team comprising individuals from across the business. The due diligence activity has been elongated and taken longer than initially envisaged due to the significant effort required in co-ordinating suppliers, customers and GW staff. However, it is such a critical part of the process and has to be done properly and thoroughly. The process we have undertaken to date is resulting in a pretty clear-cut direction and this will be put forward in a recommendation paper and updated Business Case for ELT.</p> <p>In the coming weeks, there will be discussions involving the CIO, the CFO with both suppliers around their technology roadmaps, the pricing they have put forward and some negotiation around that.</p>
<p>Let's Get Wellington Moving (LGWM)</p> <p><i>Taking a fresh look at the entire transport system in central Wellington to identify a package of improvements that support community aspirations and strategic objectives for the city in terms of its look, feel and function.</i></p>						<p>Highlights of the third quarter of 2016/17 include: Release of a progress report in early February; new transport model largely complete and being tested; and scenario/intervention testing underway.</p> <p>A series of stakeholder and community workshops were held at the end of March and early April, the results of which will help to inform future public consultation and scenario development. The project team is now preparing for a focussed public engagement exercise in June/July.</p> <p>Due to a high level of political interest around the role of light rail in the LGWM project and ongoing debate about the optimum public transport spine route, the LGWM Governance Group has asked for further investigative work to be carried out. This is likely to have an impact on the project timescale. The work programme will be reviewed over the next couple of weeks.</p>

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<p>GW Way</p> <p><i>Review, articulate and communicate Purpose, Vision and Values.</i></p>						<p>The HR team have made substantial progress with the majority of teams having undertaken an introductory module. The leaders pathway module is being developed.</p> <p>The Communications Team are working on a number of work streams concurrently. Internal communications products including “Campbell Soup” and ELTweets are developed and ready to launch beginning May. Work is progressing on planning for the Leaders Forum in June and September. The Our Region 2.0 work stream focusing on a core message around a “Hero Story” is underway and has a planned launch in May/June.</p> <p>Progress on the Communications work streams has been impacted by the recent Communications and Marketing Team restructure and continues to cause slippage. Engagement of external contractors is seen as reducing pressure on the team and focusing on specialist areas of delivery.</p>
<p>Long Term Plan 2018-28</p> <p><i>The LTP is made up of a number of interdependent strategies and policies and has specific process planning requirements including: the audit process, consultation and engagement processes and decision making and governance processes.</i></p>						<p>The development of the 2018 Long Term Plan (LTP) is beginning to take shape and is on track. Three cross team working groups and workstreams have been developed to deliver on key aspects of the plan. They are:</p> <ul style="list-style-type: none"> -trends and opportunities working group -infrastructure and finance working group -consultation and engagement working group. <p>Two LTP workshops have been held with Councillors whom have agreed key priorities, scenarios, community outcomes, approach to the the Infrastructure Strategy, and approach to the review of the Revenue and Financing Policy. Consultation and engagement has begun with initial discussions with our iwi partners and key stakeholders. More communications and engagement is planned as her the LTP Community Engagement Programme which has been developed.</p> <p>The next key deliverable for the next quarter is the Activities Review process which will be managed by the LTP project team with input from ELT and other GWRC managers. Results of this process will be reported back to Councillors in August. Essentially the project is now moving from the direction setting phase to the Analyse and Prioritise phase.</p>

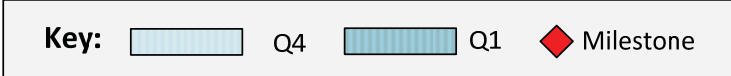
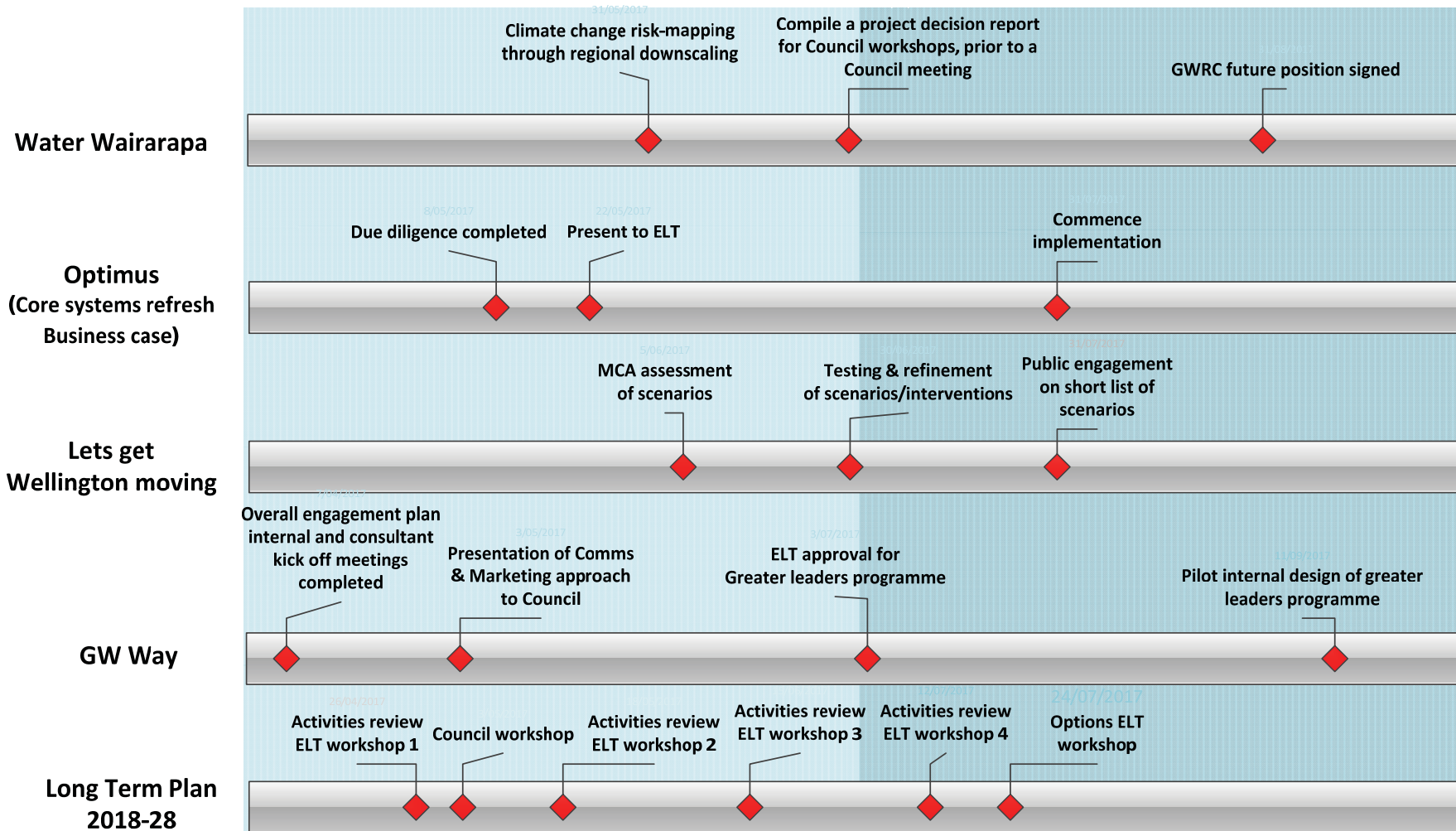
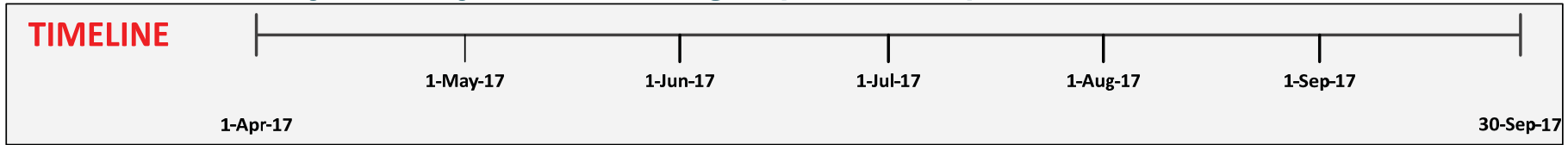
Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
<p>Lifelines (New)</p> <p><i>Development of a programme business case to improve the resilience of the Wellington region lifeline utility services.</i></p>	●	●	●	●	●	<p>The first part of this quarter was focused on briefing Lifeline organisations on the Wellington Lifelines Resilience project and getting agreement for contributions, as well as engaging with Central Government stakeholders (Treasury, DPMC, DIA, MoT and MBIE).</p> <p>In the second part of this quarter, there were a number of workshops aimed at getting agreement to a problem definition (February) and developing Investment criteria and KPIs (April). These elements are shaping the Programme Business Case (PBS). As a result of the workshops, it was agreed that a single scenario would be developed for the PBS (the Wellington Fault Earthquake scenario) rather than three as was initially proposed.</p> <p>GNS began collecting information from the Lifeline members and other members to incorporate into their modelling during this quarter. In addition, GWRC has been developing the Funding and Management Agreement that sets out the methodology and budget for the project. Contracts for GNS and Aurecon have also been developed.</p>
<p>Business Readiness – PTOM (New)</p> <p><i>Ensuring that GWRC is able to meet its obligations under the bus partnering contracts that will commence in July 2018, and to manage public transport services in the PTOM environment.</i></p>	●	●	●	●	●	<p>A gap analysis has been completed outlining changes required in PT business systems to support the PTOM model under new operator contracts. Work streams are being planned, together with development of procurement strategy documentation. Planning for wider business change continues under the readiness programme.</p>

Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
<p>Wellington Region Resilience Coordination Group (WRRCoG) <i>(New)</i></p> <p><i>(WRRCoG) has been formed to assist and accelerate development of capability to coordinate, deploy and monitor programme of interventions improving the level of regional resilience to a significant natural hazard event.</i></p>						<p>An independent stocktake of local government preparedness was finalised in early February with formal initiation of the Group. A cross-agency programme of interventions focusing on risk mitigation and preparedness has been catalogued with initial delivery targeting a region-wide campaign to improve household and community resilience.</p>
<p>GW Future Accommodation Programme <i>(New)</i></p> <p><i>Need to address GWRC's long term accommodation requirements for the Wellington & Masterton based staff.</i></p>						<p>ELT requested that GWRC head office accommodation requirements necessary to meet the vision/aspirational brief be identified for long term Wellington occupation. Facilitated workshops to identified requirements are planned for Quarter 4 and options to meet the defined requirements will be developed and assessed.</p> <p>It has been agreed that CentrePort relocate a small team to the Committee Room on the ground floor of Shed 39. Discussions continue with a possibility of Centreport relocating permanently to Shed 39 ground floor. In the short to medium term GWRC would remain in occupation of the upper floor of Shed 39 (and the ground floor Council Chamber, Committee Room and riggers shed facilities).</p> <p>The Walter Street premises lease has been extended until the future office accommodation solution has been decided. GWRC's potential relocation to a permanent new location would best coincide with the expiry of the current term of its Shed 39 lease on 31 October 2019.</p> <p>Masterton engineering firm has been engaged to prepare scheme plans for structural strengthening of the Masterton building so that work can be scoped and costed.</p> <p>Council/committee meetings now being held at Westpac Stadium until end of 2017 calendar year.</p>

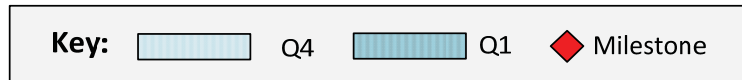
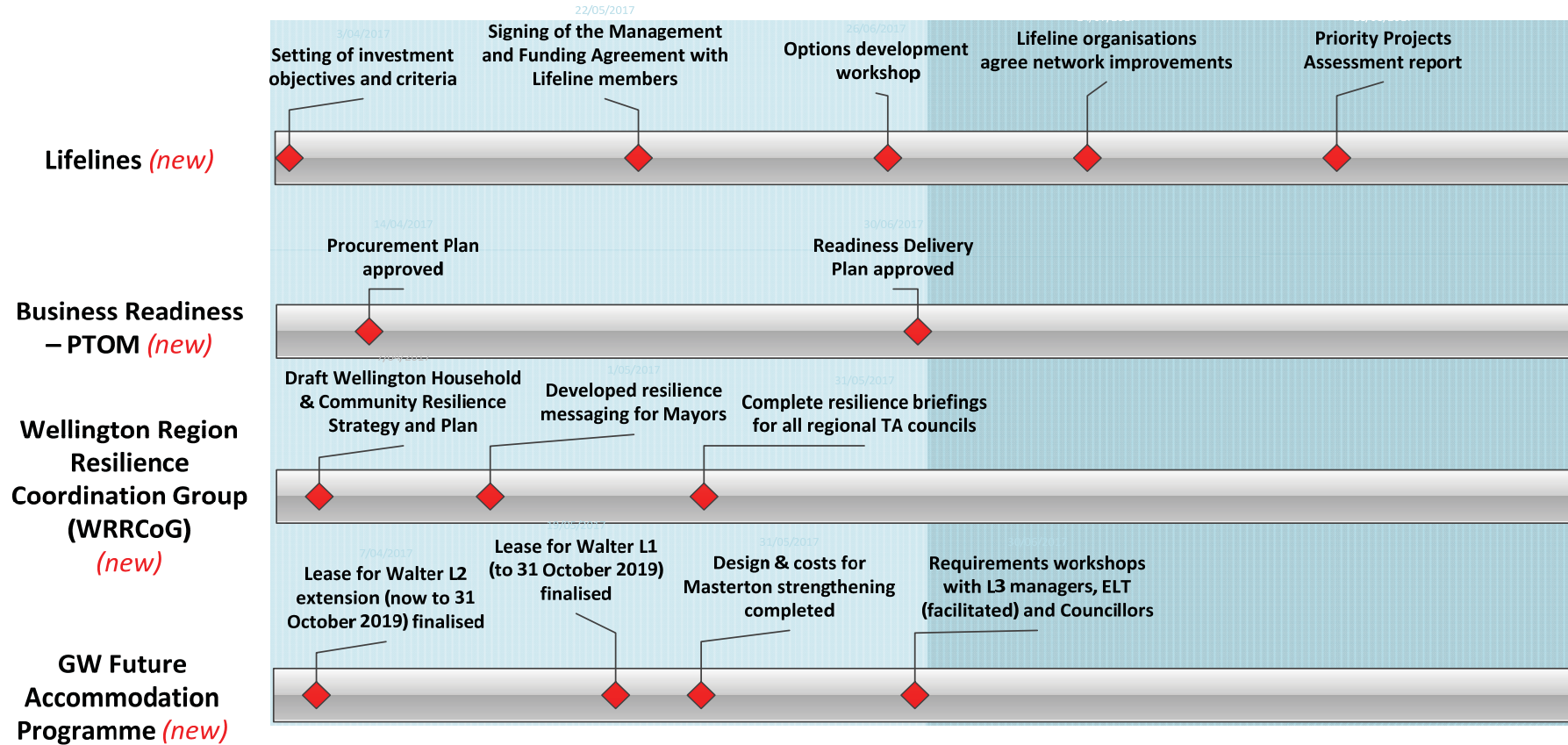
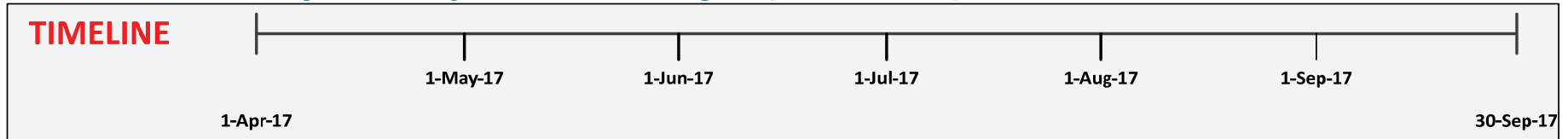
Overview | Major Projects Timing April – September 2017



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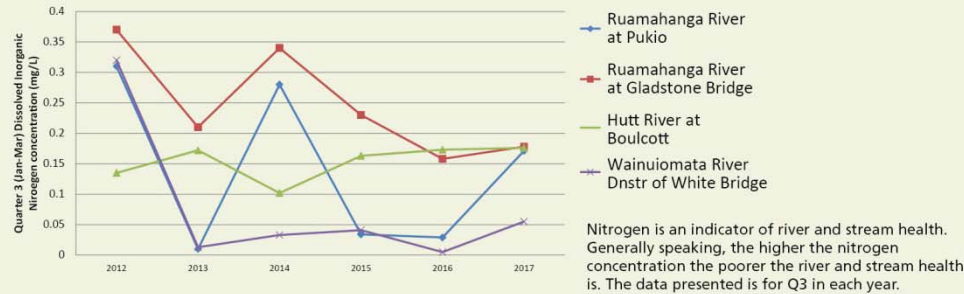


Overview | Major Projects Timing April – September 2017



Key Metrics

FRESH WATER QUALITY - NITROGEN LEVELS



MAJOR PROJECT PERFORMANCE



PUBLIC TRANSPORT SERVICES ON TIME

On-time Rail services



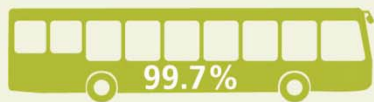
2015/16



2016/17 YTD Mar

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. Punctuality under the old measurement would have been well above 97%.

On-time Bus services



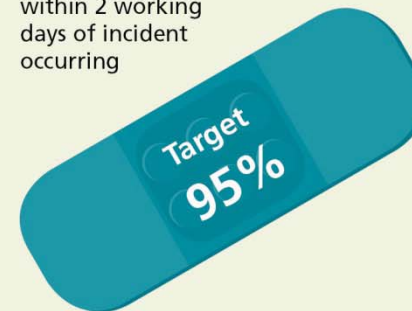
2015/16



2016/17 YTD Mar

HEALTH & SAFETY

Incidents reported within 2 working days of incident occurring



REPUTATION INDEX



ENGAGEMENT SURVEY

Our engagement survey results:

Target 4.10

Result Available at year-end