

Greater Wellington Regional Council PERFORMANCE REPORT

for the quarter ended 31 December 2014



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao



Greater Wellington Regional Council

Performance Report

for the quarter ended 31 December 2014

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Committee Strategy and Policy Committee
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Summary of Financial Statements for the six months ended 31 December 2014

1. Purpose

For the Strategy and Policy Committee (the Committee) to receive the summary financial report for the six months ended 31 December 2014.

2. Background

This report provides a review of performance of Council activities.

3. Council Financial Summary

Overall, the operating surplus before transport improvements is favourable by \$3,400k relative to budget. When the transport improvement numbers and non-operational movements are included the financial results for the six months are \$3,823k favourable compared to budget.

This is mainly due to reduced expenditure in Public Transport, and timing of expenditure in Catchment Management, Strategy and Community Engagement (SCEG) and Water Supply.

For Public Transport, this was largely due to increased patronage reported by KiwiRail and reduced rail expenditure.

In Catchment Management there is additional external revenue whilst overall costs are being maintained.

In SCEG, there was reduced expenditure on consultants, materials and supplies due mainly to timing of the projects such as the Regional Land Transport Plan, Long Term Plan and Annual Plan.

Similarly with Water Supply, materials spend has been below budget due to timing of projects, coupled with lower depreciation as a result of adjustments made to asset values at 30 June 2014.

Details by Group follow in section 4.

3.1 Financial Summary

Summary Income Statement \$(000)'s	Period ending 31 December 2014			
	Actual	Budget	Variance	Last Year
Regional Rates	48,270	48,269	1	45,652
Regional Water Supply Levies	13,138	13,138	-	12,818
Other Operating Revenue	41,393	40,509	884	50,092
Total Operating Revenue	102,801	101,916	885	108,562
Operational Costs	106,478	108,993	2,515	105,710
Operating Surplus / (Deficit) before Transport Improvements	(3,677)	(7,077)	3,400	2,852
Operating Surplus / (Deficit) from Transport Improvements	5,392	4,964	428	1,372
Operating Surplus before other movements	1,715	(2,113)	3,828	4,224
Non-operational movements	(6)	(1)	(5)	(381)
Operating Surplus / (Deficit)	1,709	(2,114)	3,823	3,843

3.2 Financial Summary by Group

Total operating surplus / (deficit) \$(000)'s	Period ending 31 December 2014			
	Actual	Budget	Variance	Last Year
Catchment Management	2,602	2,102	500	2,064
Forestry	(119)	(62)	(57)	971
Environmental Management	(204)	36	(240)	(75)
Regional Parks	(842)	(748)	(94)	145
Wairarapa Water Use project	(9)	(5)	(4)	(15)
Public Transport	(1,025)	(2,932)	1,907	2,003
Strategy & Community Engagement	83	(561)	644	544
WRS	(31)	9	(40)	96
Other Corporate	81	198	(117)	(188)
Emergency Management	87	(169)	256	150
Finance and Support	(393)	(558)	165	(437)
Total operational surplus / (deficit)	230	(2,690)	2,920	5,258
Investment Management	4,749	4,681	68	7,020
Business unit rates contribution	(5,000)	(5,000)	-	(5,201)
Total rates funded operating surplus / (deficit)	(21)	(3,009)	2,988	7,077
Water Supply	(3,656)	(4,068)	412	(4,225)
Total rates & levy funded operating surplus / (deficit)	(3,677)	(7,077)	3,400	2,852
Non-operational movements				
Forestry cost of goods sold	(6)	-	(6)	(381)
Warm Greater Wellington	-	(1)	1	-
Public Transport net surplus / (deficit) on capital, improvement and investment projects	5,392	4,964	428	1,372
Total non-operational surplus / (deficit)	5,386	4,963	423	991
Total council surplus / (deficit)	1,709	(2,114)	3,823	3,843

3.3 Forecast to 30 June 2015

Greater Wellington Regional Council (GWRC) is forecasting an operating deficit of \$10,231k (budget, a deficit of \$11,560k) for the year to 30 June 2015. This forecast excludes revenue and expenditure for public transport capital improvement projects and revaluations. Including these amounts, GWRC is forecasting a deficit of \$802k (budget, a deficit of \$2,350k).

The primary difference is a forecast decrease in spend in Public Transport as well as favourable Investment Management returns. These are slightly offset by increased depreciation in Parks.

Details by Group follow in section 4.

3.3.1 Financial forecast

Summary Income Statement \$(000)'s	Year ended 30 June 2015			
	Forecast	Budget	Variance	Last Year
Regional Rates	96,838	96,538	300	92,454
Regional Water Supply Levies	26,276	26,276	-	25,635
Other Operating Revenue	81,973	81,111	862	99,567
Total Operating Revenue	205,087	203,925	1,162	217,656
Operational Costs	215,318	215,485	167	217,154
Operating Surplus / (Deficit) before Transport Improvements	(10,231)	(11,560)	1,329	502
Operating Surplus / (Deficit) from Transport Improvements	9,272	9,053	219	3,587
Operating Surplus before other movements	(959)	(2,507)	1,548	4,089
Non-operational movements	157	157	-	18,961
Operating Surplus / (Deficit)	(802)	(2,350)	1,548	23,050
Net fixed asset revaluations	-	-	-	27,600
Total council comprehensive income	(802)	(2,350)	1,548	50,650

3.3.2 Financial forecast by Group

Total operating surplus / (deficit) \$(000)'s	Year ended 30 June 2015			
	Forecast	Budget	Variance	Last Year
Catchment Management	3,799	3,434	365	3,058
Forestry	(259)	(122)	(137)	330
Environmental Management	(356)	29	(385)	(563)
Regional Parks	(1,656)	(1,342)	(314)	(1,989)
Wairarapa Water Use project	(12)	(12)	-	(78)
Public Transport	(2,891)	(4,682)	1,791	4,229
Strategy & Community Engagement	(367)	(362)	(5)	391
WRS	(283)	17	(300)	(39)
Other Corporate	81	133	(52)	(12)
Emergency Management	(337)	(337)	-	177
Finance and Support	(1,420)	(1,472)	52	(1,022)
Total operational surplus / (deficit)	(3,701)	(4,716)	1,015	4,482
Investment Management	11,692	11,378	314	12,524
Business unit rates contribution	(10,001)	(10,001)	-	(10,406)
Total rates funded operating surplus / (deficit)	(2,010)	(3,339)	1,329	6,600
Water Supply	(8,221)	(8,221)	-	(6,098)
Total rates & levy funded operating surplus / (deficit)	(10,231)	(11,560)	1,329	502
Non-operational movements				
Forestry cost of goods sold	-	-	-	(682)
Warm Greater Wellington	(2)	(2)	-	-
Public Transport net surplus / (deficit) on capital, improvement and investment projects	9,272	9,053	219	3,587
Total non-operational surplus / (deficit)	9,429	9,210	219	22,548
Total council surplus / (deficit)	(802)	(2,350)	1,548	23,050
Net fixed asset revaluations	-	-	-	27,600
Total council comprehensive income / (deficit)	(802)	(2,350)	1,548	50,650

3.4 Capital & transport improvements expenditure

3.4.1 Capital expenditure by Group

Capital expenditure is \$5,464k below budget, year to date. This is due to lower spend by Catchment Management, Water Supply and the Public Transport improvement projects.

Public Transport improvement projects are mainly below budget due to the timing of payments for the Matangi trains. For Water Supply, projects are progressing, however as a result of timing of payments these are below budget. In Catchment Management spend is below budget due to the timing of stop bank improvements in Waikanae and Otaki. Some Wairarapa Water Use Project work streams were brought forward in the year, but the project remains on track.

Details by Group follow in section 4.

Total capital and transport investment and improvement expenditure \$(000)'s	Period ending 31 December 2014			
	Actual	Budget	Variance	Last Year
Catchment Management	1,480	2,441	961	1,425
Forestry	3	-	(3)	182
Environmental Management	90	248	158	(575)
Regional Parks	21	471	450	221
Wairarapa Water Use project	599	312	(287)	411
Public Transport capital projects	3,805	3,864	59	611
Strategy & Community Engagement	73	2	(71)	132
Other Corporate	14	71	57	-
Emergency Management	67	70	3	-
Finance, ICT and Support	198	729	531	779
Total capital expenditure	6,350	8,208	1,858	3,186
Investment and property management	13	-	(13)	1,759
Total rates funded capital expenditure	6,363	8,208	1,845	4,945
Water Supply	2,226	4,183	1,957	3,266
Total rates & levy funded capital expenditure	8,589	12,391	3,802	8,211
Public Transport investment projects - GWRL	4,731	6,393	1,662	10,197
Total council capital and transport investment expenditure	13,320	18,784	5,464	18,408

3.4.2 Capital & transport improvement expenditure forecast by Group

Capital expenditure is forecast to be \$4,940k less than budget by year end. This is primarily due to changes within Public Transport and ICT which are discussed in section 4.

Total capital and transport investment and improvement expenditure \$(000)'s	Year ended 30 June 2015			
	Forecast	Budget	Variance	Last Year
Catchment Management	5,266	5,008	(258)	5,956
Forestry	-	-	-	240
Environmental Management	450	450	-	(696)
Regional Parks	1,168	1,168	-	212
Wairarapa Water Use project	825	825	-	627
Public Transport capital projects	5,584	5,286	(298)	1,091
Strategy & Community Engagement	197	197	-	228
Other Corporate	71	71	-	31
Emergency Management	70	70	-	(14)
Finance, ICT and Support	1,908	1,504	(404)	2,420
Total capital expenditure	15,539	14,579	(960)	10,095
Investment and property management	-	-	-	2,328
Total rates funded capital expenditure	15,539	14,579	(960)	12,423
Water Supply	8,125	8,125	-	10,069
Total rates & levy funded capital expenditure	23,664	22,704	(960)	22,492
Public Transport investment projects - GWRL	41,533	47,433	5,900	28,041
Total council capital and transport investment expenditure	65,197	70,137	4,940	50,533

4. Council Financial Performance by Group

4.1 Catchment Management

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	17,691	17,259	432	16,630	34,051	33,250	801	32,873
Operating expenditure	15,089	15,157	68	14,566	30,252	29,816	(436)	29,815
Operating surplus / (deficit)	2,602	2,102	500	2,064	3,799	3,434	365	3,058
Net capital expenditure	1,480	2,441	961	1,425	5,266	5,008	(258)	5,956

Year to date

A favourable operating variance of \$500k, comprising higher revenue of \$432k and lower operating costs of \$68k.

Operating revenue is higher than budget due mainly to:

- A number of offsetting variances including additional Ministry for the Environment (MfE) revenue for the Wairarapa Moana Clean Up Project, additional TbFree revenue for aerial control operations, reduced land management forestry consultations and lower tree sales for Akura.

Operating expenditure was lower than budget due to:

- Reduced material purchases of \$260k for Akura due to timing and savings
- Additional Wairarapa Moana Clean Up expenditure of \$370k for riparian planting, fencing and wetland improvements.
- Reduced land management expenditure of \$171k, due to lower demand for forestry consultation.
- Additional contractor costs of \$118k for TbFree operations and maintenance.
- Reduced personnel costs of \$125k due to lower Biodiversity staffing levels.

Capital expenditure is \$961k lower than budget, primarily due to:

- Slower than anticipated progress in the Flood Protection stop bank improvements in Waikanae and Otaki, with the design, consent and land entry arrangements still ongoing. Unspent expenditure to be carried forward into 2015/16.

Forecast to 30 June 2015

The forecast operating surplus is \$365k above budget.

Operating revenue is forecast to be above budget due to:

- Mfe revenue of \$600k for the Wairarapa Moana Clean Up Fund
- Additional TBfree revenue of \$396k for pest control operations.
- Additional MPI revenue of \$100k for Wellington Erosion Control
- Reduced forestry consultations revenue.

Operating expenditure is also forecast to be above budget due to:

- Expenditure of \$593k for the Wairarapa Moana Clean Up Project.
- Additional contractor costs of \$149k for Tb Free operations.

- Reduced material costs for Akura and staffing for Biodiversity.

The forecast capital expenditure to June 2015 is expected to be \$258k higher than budget due to:

- Additional expenditure of \$1.6m for the purchase of properties.
- Reduced expenditure on stopbank improvements for Waikanae and Otaki.

4.2 Environmental Management

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	8,035	7,701	334	7,439	16,117	15,422	695	15,467
Operating expenditure	8,239	7,665	(574)	7,514	16,473	15,393	(1,080)	16,030
Operating surplus / (deficit)	(204)	36	(240)	(75)	(356)	29	(385)	(563)
Net capital expenditure	90	248	(158)	(575)	450	450	-	(696)

Overall, there is an unfavourable operating variance of \$240k, comprising higher revenue of \$334k and higher expenditure of \$574k.

Operating revenue is ahead of budget primarily due to:

- External revenue is \$1,914k which is \$376k more than budget. \$233k of this variance is in Environmental Regulation Group (EREG) and is due to consent processing including additional on charging of consultants costs for the Roads of National Significance (RONS) projects. There is \$75k unbudgeted funding from MfE towards some of the Science work.

Operating expenditure was higher than budget due mainly to:

- Operating expenditure of \$7,279k which is \$574k more than budget. Staff costs are \$204k more than budget mainly in ESci department due to two new staff have been recruited for the Whaitua process and additional casuals assisting with terrestrial monitoring work. EREG consultant's costs are \$250k over budget, of which \$234k relates to RONS projects and have been on-charged. Provisions for doubtful debts have also been increased in line with policy.

Capital expenditure is \$158k more than budget, primarily due to:

- E-Science are replacing old monitoring equipment in line with their asset management plan. To date they have spent \$71k from a full year budget of \$105k.

Forecast to 30 June 2015

The forecast operating surplus is \$385k below budget, of which \$285k relates to ESci and \$100k relates to EReg.

Operating revenue is forecast to be above budget due to:

- Forecast external revenue has been increased by \$695k and this includes \$400k for the RONS project recoveries; \$100k in Policy for the Hazard Strategy funding by the TAs; and \$195k external funding of Science work.

Operating expenditure is also forecast to be above budget due to:

Forecast consultant costs have been increased by \$613k including: \$320k additional consultants and legal costs for the RONS projects; \$100k spend for the Hazards Strategy; \$213k in Science. Staff costs are forecast to be \$347k over budget including \$267k in Science and \$80k in EREG.

The forecast capital expenditure to June 2015 is expected to be in line with budget.

4.3 Forestry

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	250	156	94	6,895	404	313	91	11,199
Operating expenditure	369	218	(151)	5,924	663	435	(228)	10,869
Cash Operating surplus / (deficit)	(119)	(62)	(57)	971	(259)	(122)	(137)	330
Revaluation of forestry (ETS and Trees)	-	-	-	-	-	-	-	17,335
Forestry cost of goods sold	(6)	-	(6)	(381)	-	-	-	(682)
Operating surplus / (deficit)	(125)	(62)	(63)	590	(259)	(122)	(137)	16,983
Net capital expenditure	3	-	(3)	182	-	-	-	240

Overall, an unfavourable operating variance of \$63k.

Operating surplus is below budget primarily due to:

- Residual harvesting and legal costs from the sale of the forestry cutting rights.
- Additional resourcing costs to support forestry.

Forecast to 30 June 2015

The forecast operating deficit is \$137k below budget due to additional consultancy and net harvesting costs.

4.4 Regional Parks

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	4,162	3,029	1,133	3,225	7,247	6,247	1,000	6,501
Operating expenditure	5,004	3,777	(1,227)	3,080	8,903	7,589	(1,314)	8,490
Operational Surplus / (deficit) before other items	(842)	(748)	(94)	145	(1,656)	(1,342)	(314)	(1,989)
Net capital expenditure	21	471	(450)	221	1,168	1,168	-	212

Overall, there is an unfavourable operating variance of \$94k, comprising higher revenue of \$1,133k and offset by higher expenditure of \$1,227k.

Operating Revenue was higher than budget due to:

- Parks external income is \$1,356k which is \$1,133k higher than budget, mainly due to the \$933k reimbursement of costs for the new woolshed

from New Zealand Transport Agency (NZTA); on-charging of property costs associated with the Transmission Gully Project to NZTA, and funding carried over from last year for development of the farm hub.

Operating expenditure was \$1,227k higher than budget due to:

- The main variance in Parks costs is the \$933k for the NZTA funded woolshed. The depreciation cost has increased as a result of the revaluation of Parks Infrastructure assets at June 2014. For the 6 months to December depreciation is \$175k more than budget. This is an ongoing variance so the forecast has been updated by \$314k to reflect this.

Capital expenditure was \$450k below budget due primarily to:

- Parks have a full year budget of \$1,168k. The budget includes \$456k for the Queen Elizabeth Park heritage project which will upgrade the Mackays Crossing entrance. Capital work is being planned with jobs out to tender in several Parks and the work will take place over the summer months. Roothing work in Pakuratahi has just been completed so the costs will be in next month accounts.

Forecast to 30 June 2015

The forecast operating deficit is \$314k adverse to budget.

Operating revenue is forecast to be \$1,000k more than budget due to the funding from NZTA for the Woolshed and other property costs.

Operating expenditure is forecast to be \$1,314k above budget due to:

- \$1,000k for the Woolshed costs which is offset by funding from NZTA so no impact on the net result.
- \$314k additional depreciation following the infrastructure revaluation in the previous year. Depreciation is a non-cash transaction.

The forecast capital expenditure to June 2015 is expected to be in line with budget.

4.5 Public Transport

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	48,753	51,242	(2,489)	50,075	98,201	100,908	(2,707)	103,160
Operating expenditure	49,778	54,174	4,396	48,072	101,092	105,590	4,498	98,931
Operating surplus / (deficit)	(1,025)	(2,932)	1,907	2,003	(2,891)	(4,682)	1,791	4,229

A favourable operating variance of \$1.9 million, comprising lower expenditure of \$4.4 million and reduced revenue of \$2.5 million.

Operating revenue was below budget due to:

- Grants and subsidies revenue was \$2.5 million below budget which reflects the reduction in operational expenditure for the year.
- SuperGold card Grants and subsidies revenue was \$0.2 million above budget which reflects the increase in operational expenditure for the year
- External revenue was \$0.2 million below budget. Rail studies and investigation expenditure is no longer reimbursed by Greater Wellington Rail Limited (GWRL), but is directly charged to GWRL.

Operating expenditure is below budget primarily due to:

- Rail contract costs were \$2.4 million below budget. The results reported by TranzMetro show that fare revenue was above budget by \$0.9 million and expenditure was below budget by \$0.8 million. A late change in budget phasing by KiwiRail also meant that there was a difference between the TranzMetro and GWRC budgets of \$0.6 million.
- Network renewals costs were \$0.3 million above budget because of increased track maintenance costs, partly offset by traction and civil works costs.
- Train maintenance expenditure was \$0.6 million below budget primarily because there were less staff than budget and less unplanned maintenance. A robust planned maintenance programme has meant lower unplanned maintenance costs on the Matangi and Ganz Mavag trains.
- Rail insurance expenditure was \$0.1 million below budget. The insurance premium is lower than anticipated when the budgets were set.
- Station expenditure was \$0.8 million, which is \$0.1 million below budget, primarily because of over accruals from last year, as well as a reduction in the year to date expenditure.
- Diesel bus operations expenditure was \$15.5 million, which is \$0.4 million below budget primarily because bus inflation costs were lower than budgeted and cost reductions related to services not run.
- Trolley bus operations expenditure was \$4.2 million which is \$0.3 million below budget. There were cost reductions from services not run as well as savings in the cost of operating trolley bus services.
- SuperGold card expenditure was \$3.2 million, which is \$0.2 million above budget which reflects the increase in expenditure for the year.
- Projects and planning expenditure was \$0.6 million below budget. The Integrated Fares and Ticketing Investigation commenced later than expected and Bus Rapid Transit Implementation Planning has commenced later than expected - some of this work is now expected to occur in 2015/16.
- Public Transport Operating Model (PTOM) expenditure was \$1.2 million which is \$0.2 million above budget.
- Metlink network, services, systems and management expenditure was \$5.6 million which is \$0.4 million below budget. There were lower staff costs and GWRL administration charges (\$0.4 million of rail studies and investigation expenditure is now directly charged to GWRL and excluded from administration costs).
- There has also been less than budgeted expenditure on Total Mobility, Rail Studies, and Marketing and Communications.

Forecast to 30 June 2015

The forecast operating deficit of \$2.9 million is \$1.8 million better than budget.

Operating revenue is forecast to be below budget due to:

- Grants and subsidies revenue is forecast to be \$2.5 million below budget because the full year forecast expenditure is expected to be below budget.
- SuperGold card Grants and subsidies revenue is forecast to be \$0.2 million above budget because the full year forecast SuperGold card expenditure is expected to be above budget
- External revenue is forecast to be \$0.4 million below budget because rail studies and investigation expenditure is now being directly charged to GWRL.

Operating expenditure is also forecast to be below budget due to:

- Rail contract full year forecast expenditure is \$2.1 million below budget. Rail contract costs are forecast to be \$1.6 million below budget and fare revenue is forecast to be \$0.5 million above budget.
- Network operations and maintenance full year forecast expenditure is \$0.2 million below budget. This saving will be reallocated to a review of the KiwiRail network management plan.
- Train maintenance full year forecast expenditure is \$0.4 million below budget, because there were less staff than budget and less unplanned maintenance.
- Station expenditure full year forecast expenditure is \$0.2 million above budget. Effective from 1 October 2014, station electricity which was originally part of the TranzMetro contract is now paid directly by GWRL
- Diesel bus operations expenditure is \$1.4 million below budget. Forecast bus inflation costs for the year are lower than budgeted and there will be cost reductions related to services not run.
- Trolley bus operations full year forecast expenditure is \$8.9 million which is \$0.2 million below budget. There will be cost reductions from services not run and savings in costs of operating the trolley bus contract.
- SuperGold card full year forecast expenditure is \$6.3 million which is \$0.2 million above budget.
- Projects and planning full year forecast expenditure is \$0.8 million below budget reflecting the reduction in expected expenditure on Bus Rapid Transit Implementation Planning this year.
- PTOM full year forecast expenditure is \$0.8 million above budget. The budget has been updated following a detailed project and expenditure review. GWRC's share of the project is funded through reserves because of the one-off nature of the expenditure.
- Metlink network, services, systems and management full year forecast expenditure is \$0.6 million below budget. There are anticipated to be lower staff costs and GWRL administration charges.

4.6 Public Transport capital expenditure, improvement projects and investment additions

Revenue and expenditure associated with capex

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	9,417	10,935	(1,518)	4,387	22,398	22,517	(119)	11,843
Improvement Projects (Opex)	896	1,986	1,090	1,213	6,297	5,492	805	4,601
Operating expenditure - Other	3,129	3,985	856	1,802	6,829	7,972	(1,143)	3,655
Total operating expenditure	4,025	5,971	1,946	3,015	13,126	13,464	338	8,256
Operating surplus / (deficit)	5,392	4,964	428	1,372	9,272	9,053	219	3,587

Overall, an increase operating surplus of \$428k due to reduced operating expenditure of \$1,946 and reduced revenue of \$1,518k.

Operating revenue was lower than budget due to:

- Operating revenue includes grant and subsidies revenue which was \$1.5 million below budget because of reductions in improvement projects and investments.

Improvement projects

- Improvement projects relate to capital works where the underlying asset will not be directly owned by GWRC. They include trolley bus infrastructure renewals which were \$1.2 million below budget. There has been reduced year to date expenditure on the necessary overhead wire replacement and minimal cost has been incurred on the network wide fault protection safety system.

Other operating expenditure

- Other operating expenditure includes finance costs which were \$0.7 million less than budget because of reductions in expenditure on improvement projects and investments.

Forecast to 30 June 2015

The forecast operating surplus for capital expenditure of \$9.3 million is \$0.2 million better than budget. This is because of lower financial and depreciation costs, offset to a lesser extent by increased improvement project expenditure (Porirua station roading improvements and trolley bus infrastructure renewals), and reduced operating revenue.

Capital and investment additions

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Public Transport capital projects	3,805	3,864	59	611	5,584	5,286	(298)	1,091
Public Transport investment projects - GWRL	4,731	6,393	1,662	10,197	41,533	47,433	5,900	28,041
Capital and investment expenditure	8,536	10,257	1,721	10,808	47,117	52,719	5,602	29,132

Capital projects are projects that improve (or create) assets owned by GWRC.

Investment additions relate to capital works where the underlying asset will be owned by our subsidiary, GWRL.

Capital and investment expenditure is \$1.7 million below budget due to:

This reduction in expenditure primarily relates to changes to the timing of projects expenditure including:

- New Matangi trains - \$1.3 million below budget because of changes to the timing of payments.
- Station renewals and upgrades - \$0.7 million below budget. The programme of work is underway and more work is now planned to occur in the second half of the year.
- Security related rail improvements - \$0.3 million below budget. The work programme has only recently been finalised.
- Wellington depot and stabling - \$0.6 million above budget, which mainly reflects the unspent budget from last financial year. Additional expenditure above the overall project budget has been funded from a reduction in the Matangi 1 capital spares budget.
- Park and Ride land - \$0.4 million above budget. The price paid for the Tawa land was \$0.1 million more than budgeted (additional land was purchased which will provide extra car parks). Additional land was also purchased in Paraparaumu for Park n Ride. GWRC's share of the project will be funded through reserves.
- Bus shelter and signage upgrades - \$0.2 million above budget because the work programme for bus shelters is being undertaken earlier in the financial year than stated in the budget.
- Customer information system - \$0.4 million below budget. Difficulties with the initial supplier meant that the Publication and Planning system project was delayed. The project is now underway and is expected to be completed by the end of the year.

Forecast to 30 June 2015

The forecast net capital and investment expenditure is \$5.6 million below budget.

This includes changes to the timing of expenditure relating to:

- New Matangi trains - \$6.2 million below budget. Overall, the Matangi 1 and Matangi 2 trains are expected to be delivered within budget.
- Station renewals and upgrades - \$0.3 million below budget. Part of the Porirua station roading improvements project will be funded from this saving.
- Wellington depot and stabling - \$0.5 million above budget and reflects the unspent budget from last financial year.
- Train heavy maintenance and minor improvements - \$0.1 million above budget because of the requirement to fit fire suppression units on the Wairarapa trains.
- Integrated Fares and Ticketing project - \$0.5 million below budget because the capital project is now not expected to commence this year.

- Porirua station roading improvements - \$0.3 million below budget because the project is no longer a capital expenditure.
- Park and Ride land - \$1.1 million above budget primarily because of the additional cost of land for Paraparaumu. GWRC share of the costs will be funded through reserves.
- Customer information systems - \$0.1 million below budget. The replacement Call Handling System project is now expected to be completed as part of a corporate initiative.

4.7 Strategy & Community Engagement

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	2,300	2,103	197	2,299	4,852	4,952	(100)	4,698
Operating expenditure	2,217	2,664	447	1,755	5,219	5,314	95	4,307
Operating surplus / (deficit)	83	(561)	644	544	(367)	(362)	(5)	391
Net capital expenditure	73	2	(71)	132	197	197	-	228

Overall, a favourable operating variance of \$644k, comprising lower expenditure of \$447k and increased revenue of \$197k.

Operating revenue is above budget due to:

- Revenue is ahead of budget by \$197k, largely due to New Zealand Transport Agency (NZTA) funding for transport planning projects being received earlier than budgeted during the year.

Operating expenditure was lower than budget due to:

- Reduced expenditure on consultants, materials and supplies due mainly to the timing of projects such as the Regional Land Transport Plan (RLTP).
- Reduced expenditure on consultants, materials and supplies due mainly to the timing of projects such as the Long Term Plan and the Annual Plan.
- Reduced expenditure on consultants due mainly to the timing of projects such as Public Transport Model & monitoring the Regional Land Transport Plan.

Forecast to 30 June 2015

The forecast operating deficit is in line with budgeted levels.

4.8 Wellington Regional Strategy

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	2,322	2,325	(3)	2,315	4,650	4,650	-	4,631
Operating expenditure	2,353	2,316	(37)	2,219	4,933	4,633	(300)	4,670
Operating surplus / (deficit)	(31)	9	(40)	96	(283)	17	(300)	(39)

Overall, an unfavourable operating variance of \$40k, comprising higher expenditure of \$37k.

Operating expenditure was higher than budget due to:

- Reduced expenditure on consultants due mainly to timing of payments to external parties.
- This has been offset by Grow Wellington funding being \$150k above budget as they continue to draw on their reserve.

Forecast to 30 June 2015

The forecast operating deficit is \$300k below budget. This is due to Grow Wellington utilising the unspent WRS reserve from 2013/14.

4.9 People and Capability

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	1,644	1,632	12	1,712	3,262	3,262	-	3,436
Operating expenditure	1,454	1,466	12	1,882	3,223	3,171	52	3,452
Operating surplus / (deficit)	190	166	24	(170)	39	91	(52)	(16)
Net capital expenditure	31	35	4	-	35	35	-	31

Overall, a favourable operating variance of \$24k, comprising lower revenue of \$12k and lower expenditure of \$12k.

Forecast to 30 June 2015

The forecast operating deficit is \$52k below budget due to additional resourcing in this group whilst the Chief Financial Officer role is vacant. This is offset by a reduction in Finance, ICT and Support.

4.10 Finance, ICT and Support

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	3,204	3,114	90	2,923	6,228	6,228	-	6,926
Operating expenditure	3,597	3,672	75	3,360	7,648	7,700	52	7,948
Operating surplus / (deficit)	(393)	(558)	165	(437)	(1,420)	(1,472)	52	(1,022)
Net capital expenditure	198	729	531	779	1,908	1,504	(404)	2,420

Overall, a favourable operating variance of \$165k comprising higher revenue of \$90k and lower expenditure of \$75k.

Operating revenue and expenditure is in-line with budgeted expectations.

Capital expenditure for the year is \$531k less than budget primarily due to:

- The Hummingbird document management system replacement is underway, but shared service reviews have meant that the project will be delivered later in the year.

Forecast to 30 June 2015

The forecast operating deficit is \$52k below budget. This is due to the vacant CFO position.

The forecast capital expenditure to June 2015 is expected to be \$404k higher than budget due to:

- The project to upgrade the Digital Radios has been brought forward to line up with other agencies reviews.

4.11 Emergency Management

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	1,436	1,434	2	1,370	2,869	2,869	-	2,932
Operating expenditure	1,349	1,603	254	1,220	3,206	3,206	-	2,755
Operating surplus / (deficit)	87	(169)	256	150	(337)	(337)	-	177
Net capital expenditure	67	70	3	-	70	70	-	(14)

Overall, a favourable operating variance of \$256k comprising lower revenue of \$2k and lower expenditure of \$254k.

Operating revenue is running to budget.

Operating expenditure is lower than budget due to:

- Timing of community projects now expected later in the financial year.

Forecast to 30 June 2015

The forecast operating deficit is in line with budget.

4.12 Warm Greater Wellington

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	1,204	1,371	(167)	857	2,057	2,742	(685)	2,732
Operating expenditure	1,204	1,372	168	857	2,059	2,744	(685)	2,732
Operating surplus / (deficit)	-	(1)	1	-	(2)	(2)	-	-

Overall, a break-even position, comprising lower revenue of \$167k and lower expenditure of \$168k.

Operating revenue is lower than budget due to:

- Rates revenue is below budget as the rates are calculated on the actual outstanding advances at 30 June 2014 which were lower than budgeted. This was due to a lower cash level of advances provided in 2013/14 and a much larger than expected number of full repayments as houses sold and rates being set after the budgets were adopted.

Operating expenditure is lower than budget due to:

- The accounting treatment for this programme is that expenditure will match revenue as the programme progresses, resulting in a nil surplus / deficit. The costs of the programme are amortised back in line with the rates revenue.
- Only the ratepayers participating in the scheme fund this programme.

Forecast to 30 June 2015

- The net forecast operating result is in line with budget with lower revenue and expenditure.

4.13 Investment Management

Investment Management								
Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Revenue	4,149	3,298	851	7,988	9,761	8,580	1,181	9,342
Internal Interest Recovery	6,766	7,639	(873)	14,531	14,392	15,278	(886)	14,141
Operating revenue	10,915	10,937	(22)	22,519	24,153	23,858	295	23,483
Expenditure	5,681	5,813	132	15,040	11,575	11,594	19	10,057
Internal Reserve Costs	485	443	(42)	459	886	886	-	901
Operating expenditure	6,166	6,256	90	15,499	12,461	12,480	19	10,958
Operating surplus / (deficit)	4,749	4,681	68	7,020	11,692	11,378	314	12,525
Net capital expenditure	13	-	(13)	1,759	-	-	-	2,328

Overall, a favourable variance of \$72k compared with budget.

- Revenue is \$851k above budget and is mainly due to interest on prefunded debt and receiving higher than budgeted rates on our investments.
- Interest Recovery from internal loans is \$873k unfavourable. Capex, in particular in Public Transport, has been at a much slower pace leading to lower internal loans and consequential lower interest recovery from the business units.
- Total direct expenditure (interest costs, personnel, consultants and materials) is \$90k favourable, mainly due to lower than budgeted interest cost for capital expenditure.
- Internal Reserve Investment costs where Investment Management pays the business units interest on their reserve funds is \$42k unfavourable to budget due to higher reserve opening balance than budgeted.

Capital expenditure is a \$13k over budget, with all the cost relating to the occupancy of shed 39.

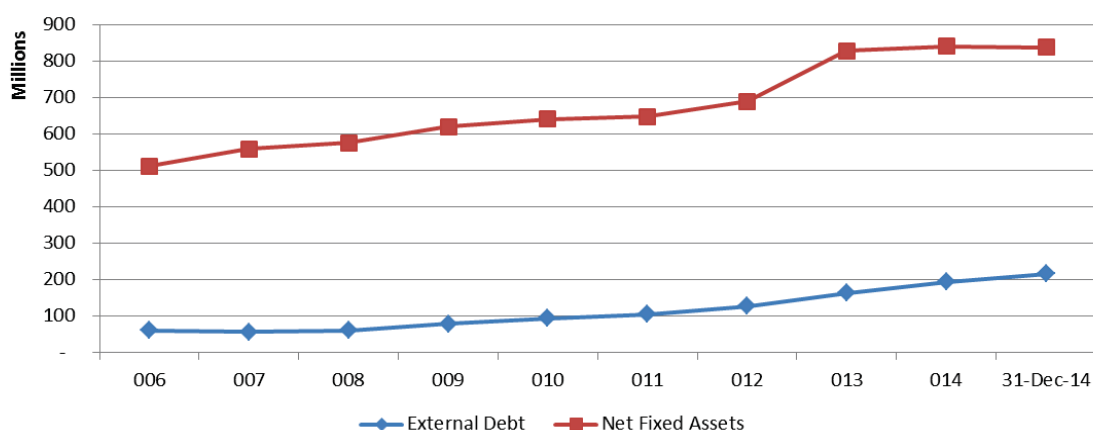
Forecast to 30 June 2015

The forecast operating surplus is forecasted to be \$314k above budget.

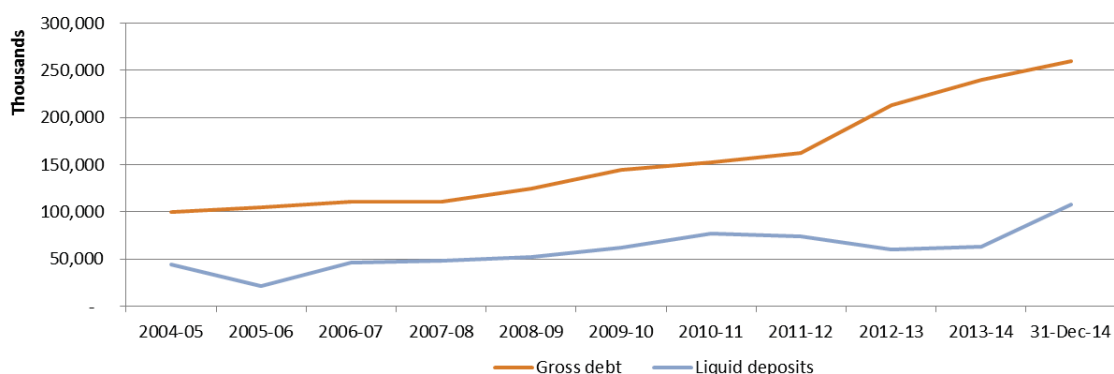
Operating revenue is forecast to be \$295k above budget due to higher than budgeted investment revenue, mainly resulting from prefunded debt. We are forecasting to receive higher interest rates than budgeted due to banks continuing to pay higher margins over the 90 day benchmark rate.

Operating expenditure is forecasted to be very close to budget.

External Debt and Assets



External Debt and Cash investments



- External Debt including WRC Holdings has increased by \$19.7 million to \$265.3 million, mainly due to debt prefunding. There is \$10 million of the proceeds from the sale of Forestry cutting rights invested in a term deposit. On maturity the funds will be used repay external debt.

4.14 Water Supply

Financial Summary \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Operating revenue	13,815	13,683	132	13,270	27,365	27,365	-	27,154
Operating expenditure	17,471	17,751	280	17,495	35,586	35,586	-	33,252
Operational Surplus / (deficit) before other items	(3,656)	(4,068)	412	(4,225)	(8,221)	(8,221)	-	(6,098)
Net capital expenditure	2,226	4,183	1,957	3,266	8,125	8,125	-	10,069

Overall a favourable operating variance of \$412k compared to budget.

Operating revenue was \$132k higher than budget due to:

- Investment revenue is \$50k higher than budget and forecasted to be \$70k higher than budget at year end. We continue to earn higher than budget interest rates on our Asset Rehabilitation Fund. Other external revenue was \$86k above budget and is expected to be \$620k better than budget by

year end due to us undertaking a cost recovery project for Upper Hutt City. This will not generate a surplus as there are equal costs.

Operating expenditure was \$280k lower than budget due to:

- Resource costing recoveries are \$204k below and are forecast to be \$381k under budget by year end due to less than budgeted staff time being spent on capital projects.
- Materials and supplies spend is \$277k under budget due to timing of payments. We are expecting increases as we move into summer, especially in the area of chemicals and power.
- Contractors and consultants is under budget by \$298k, with this being used in the next six months to fund several change programmes that have resulted from the amalgamation with Capacity.
- Depreciation is \$231k under budget and is expected to be under budget by \$460k by year end. This is due to the 30 June 2014 yearend adjustments made to asset values.

Capital expenditure is \$3.3m under budget much of this is due to timing differences. Water Supply is currently reassessing its capital programme for the remainder of the year, with this being included in future forecasts updates.

4.15 Forecast to 30 June 2015

Water Supply is forecasting to be on budget by year end. GWRC entered into an interim agreement with Wellington Water Limited to transfer the full staff budgets from 19 September 2014 until 30 June 2015 plus a contribution to the administration costs of Wellington Water Limited.

4.16 Funding Impact Statement

Funding Impact Statement \$(000)'s	Period ending 31 December 2014				Year ended 30 June 2015			
	Actual	Budget	Variance	Last Year	Forecast	Budget	Variance	Last Year
Targeted Rates	32,684	32,684	-	31,414	65,668	65,368	300	62,828
General Rate	15,586	15,585	1	14,238	31,170	31,170	-	29,626
Regional Rates	48,270	48,269	1	45,652	96,838	96,538	300	92,454
Regional Water Supply Levies	13,138	13,138	-	12,818	26,276	26,276	-	25,635
Warm Greater Wellington Rates	977	1,371	(394)	857	2,057	2,742	(685)	1,713
Grants and Subsidies Revenue	23,223	25,274	(2,051)	24,827	48,712	49,601	(889)	52,174
Other Operating Revenue	17,193	13,864	3,329	24,408	31,204	28,768	2,436	45,680
Total Operating Revenue	102,801	101,916	885	108,562	205,087	203,925	1,162	217,656
Operational Costs	60,601	60,255	(346)	59,896	122,844	120,767	(2,077)	124,990
Grants and Subsidies Expenditure	40,742	43,457	2,715	41,059	81,720	83,958	2,238	82,740
Finance Costs	5,135	5,281	146	4,755	10,754	10,760	6	9,424
Total Operating Expenditure	106,478	108,993	2,515	105,710	215,318	215,485	167	217,154
Operating Surplus / (Deficit) before Transport Improvements	(3,677)	(7,077)	3,400	2,852	(10,231)	(11,560)	1,329	502
Transport Improvement revenue	9,417	10,935	(1,518)	4,387	22,398	22,517	(119)	11,843
Transport Improvement expenditure	(4,025)	(5,971)	1,946	(3,015)	(13,126)	(13,464)	338	(8,256)
Operating Surplus / (Deficit) from Transport Improvements	5,392	4,964	428	1,372	9,272	9,053	219	3,587
Operating Surplus before other movements	1,715	(2,113)	3,828	4,224	(959)	(2,507)	1,548	4,089
Revaluation of interest rate swaps and stadium advance	-	-	-	-	159	159	-	3,868
Revaluation of Transport Interest free debt	-	-	-	-	-	-	-	(1,560)
Revaluation of forestry (ETS and Trees)	-	-	-	-	-	-	-	17,335
Forestry cost of goods sold	(6)	-	(6)	(381)	-	-	-	(682)
Revaluation PPE	-	-	-	-	-	-	-	27,600
Warm Greater Wellington	-	(1)	1	-	(2)	(2)	-	-
Total other movements	(6)	(1)	(5)	(381)	157	157	-	46,561
Operating Surplus / (Deficit)	1,709	(2,114)	3,823	3,843	(802)	(2,350)	1,548	50,650
Add Back Non Cash Items	7,679	7,896	(217)	8,031	18,593	18,479	114	(46,513)
Cash operating surplus/(deficit)	9,388	5,782	3,606	11,874	17,791	16,129	1,662	4,137
Less:								
Net capital expenditure	6,737	9,811	(3,074)	6,129	23,006	22,703	303	23,331
Debt movements	(21,727)	(9,251)	(12,476)	(65,665)	(52,304)	(59,412)	7,108	(29,310)
Investment movements	7,832	4,663	3,169	72,260	44,199	50,602	(6,403)	31,517
Working capital movements	(2,230)	(11,005)	8,775	(24,598)	(32,692)	(30,022)	(2,670)	(29,675)
Net Funding Surplus / (Deficit)	-	-	-	-	-	-	-	-

4.17 Balance Sheet

Balance Sheet	December 2014	June 2015	June 2014
\$(000)'s	Actual	Budget	Actual
Bank	7	27,695	19,516
Receivables	39,453	18,620	16,052
Accrued Revenue and Prepayments	9,923	14,542	13,055
Inventory	3,089	2,733	3,113
Total Current Assets	52,472	63,590	51,736
Other Investments	114,868	49,028	56,856
Forestry Investments	(408)	-	38,778
Derivative Financial Instruments	(135)	-	2,884
Investment in Subsidiaries	96,845	146,130	96,845
Total Investments	211,170	195,158	195,363
Fixed Asset at cost or valuation	908,276	897,800	901,048
less Accumulated Depreciation	(56,689)	(68,813)	(45,967)
Net Fixed Assets	851,587	828,987	855,081
Capital Works In Progress	13,203	9,500	10,400
Non Current Assets	1,075,960	1,033,645	1,060,844
Total Assets	1,128,432	1,097,235	1,112,580
less:			
Current Liabilities	40,108	23,663	109,736
Non Current Liabilities	221,317	214,000	124,626
Total Liabilities	261,425	237,663	234,362
Net Assets	867,007	859,572	878,218
Total Retained Earnings	376,167	372,806	375,365
Asset Revaluation Reserves	465,560	466,375	476,263
Other Reserves	25,280	20,391	26,590
Total Ratepayer Funds	867,007	859,572	878,218

Fixed Assets excludes the Rail Assets held by Greater Wellington Rail Limited

5. Compliance with Treasury Risk Management Policy

GWRC is fully compliant with its treasury management policy

As at 31 December 2014

Total Council Limit Compliance Analysis	Compliant			actual %
	Yes	No	actual %	
Debt Interest Rate Policy Parameters				
Current	✓		70%	
year 1	✓		56%	
year 2	✓		67%	
year 3	✓		70%	
year 4	✓		68%	
year 5	✓		54%	
year 6	✓		45%	
year 7	✓		36%	
year 8	✓		33%	
year 9	✓		29%	
year 10	✓		18%	
year 11	✓		11%	
year 12	✓		6%	
year 13	✓		4%	
year 14 onward	✓		0%	
The maturity of total external debt less liquid financial investments to fall within the following timebands				
0 - 3 years	✓		37%	
3 - 5 years	✓		24%	
> 5 years	✓		39%	
Countreparty credit exposure with New Zealand registered banks which have a credit rating of at least A-, long term, and A2 short term	✓			
Other countreparty exposure within policy limits	✓			
Maximum countreparty exposure with a NZ registered bank is within \$80 million limit	✓			
The repricing of liquid financial investments are to occur within the following timebands				
0 - 1 year	✓		100%	
1 - 3 years	✓		0%	
3 - 5 years	✓		0%	
5 - 10 year	✓		0%	
Core Council External Borrowing Limits - Ratios				
Net interest / Total Revenue < 20%	✓			0.0%
Net Debt / Total Revenue < 250%	✓			0.0%
Net interest / Annual rates and levies < 30%	✓			0.0%
Liquidity > 110%	✓			131%

6. The decision making process and significance

No decision is being sought in this report.

7. Engagement

Engagement on this matter is not necessary.

8. Recommendations

That the Committee:

1. *Receives the report.*
2. *Notes the content of the report.*

Report prepared by:

Chris Gray
Manager, Finance and
Support

Report approved by

Mike Timmer
Treasurer/Acting Chief
Financial Officer

Report approved by:

Greg Campbell
Chief Executive

Catchment Management Group

Performance Report for the quarter ended 31 December 2014



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CATCHMENT MANAGEMENT GROUP REPORT

1.1 Executive Summary for Catchment Management Group

Group Overview

The Group has made very good progress on most Annual Plan objectives through the first half of the financial year and the overall operating surplus at the close of December was \$0.5M better than budget.

The Flood Protection capital implementation programme was progressing behind LTP targets, though several properties have recently been purchased to facilitate future capital works. The Flood Protection Investigations team continued to make steady progress on floodplain management plans across the Region, and river maintenance programmes were proceeding well to budget and timeframes.

Land Management and Biodiversity Department activities have also proceeded positively. Erosion control programmes continue to be well supported by the farming community. The expanded Akura conservation Centre nursery has exceeded growth rates, with the investment in irrigation proving very worthwhile. Riparian and wetland initiatives for the Wairarapa Moana Clean Up Project are being implemented to plan, although some delays are expected in 2015 due to the major reduction in dairy revenue having an impact on farm budgets. The Wairarapa Moana administration structure was reviewed during the quarter to enhance management and governance responsibilities.

Biosecurity Regional Pest Management Strategy and KNE programmes are progressing, although delays to some of the pest plant spraying programmes occurred due to the consistently windy conditions which prevailed in the second quarter. The Department has secured some external pest control work on behalf of District Councils. BioWorks remains on track to complete their Tb Free NZ contracts and Regional Possum Predator Control Programme and achieve a full year operating surplus.

Key results for the year to date

Biosecurity

- ▶ Pest animal management has continued in the majority of territorial authority owned sites that were previously part of the KNE programme, now funded entirely by territorial authorities;

- ▶ Senior staff recognised as assessed trainers in the operation of quads and light utility vehicles;
- ▶ Completed 9,768ha of the Tb Free NZ possum survey operations and 9,679ha of output contracts.

Biodiversity

- ▶ A range of policy and planning advice was provided on biodiversity matters in response to 25 requests from internal and external parties;
- ▶ Follow-up work has been completed after the Kaitoke Regional Park and Hutt Water Collection Area KNE aerial 1080 operation which was carried out in September. There have been no major issues associated with this work;
- ▶ A reviewed administrative structure of the Wairarapa Moana Wetland Project and associated terms of reference were approved for implementation by the Wairarapa Moana Governance Group;
- ▶ The Healthy Harbours Porirua programme started in the first of a number of schools. This is an educational programme tailored to the Porirua Harbour catchment for local schools. The programme involves classroom teaching sessions and field trips. It is delivered by the Marine Education Centre under contract to GWRC.

Land Management

- ▶ Two hectares of new poplar and willow plantings has been completed in the extension to the Akura Nursery. This brings the area of new nursery to 13 hectares, and the total area of nursery at Akura to 35 hectares;
- ▶ WRECI continues to be strongly supported by the farming communities in the five priority catchments. A new application to the Ministry for Primary Industries (MPI) for funding in the period 2015-2019 was submitted on 5 December 2014. The application builds on the success of the first six years of funding by incorporating all erosion-prone land with a severity rating of severe to extreme within the Wairarapa, as opposed to selected catchments and isolated hotspots. It is anticipated that MPI will make a decision on funding by April 2015;
- ▶ The six Catchment Schemes have begun their annual works programmes. To date this has focused on a range of poplar and willow plantings, associated roadside protection and river management. Willow spraying and the building of erosion control structures has begun and will continue through to the autumn of 2015;
- ▶ Rainfall for the year to date at the Tinui site has been 1113mm (approx. 95% of normal). The highest daily rainfall of 69mm occurred in early April. This has meant that there have been no major flood events in the Whareama catchment over the last twelve months. The wind run over the last three months has been above average and has put severe pressure on the establishment of poplar and willow poles;

- ▶ Progress continues on developing Asset Management Plans (AMP) for Land Management and Forestry. The Land Management AMP will include assets located at the Akura Conservation Centre and each of the six Catchment Control Schemes. The Forestry AMP will contain a schedule of roads in the Metro and Wairarapa Forests, with maintenance of these roads now falling to the new owner of the cutting rights;
- ▶ Work is progressing very well with the riparian and wetland programmes designed as part of the Wairarapa Moana Clean-up project. A number of these projects are underway and expenditure to date totals \$600K;
- ▶ The cutting rights sale process was completed in the first week of July. Over the last five months the transition of ownership and the development of an effective partnership with the owner's agent have progressed very well. More recently the parties have largely resolved any environmental and operational issues.

Flood Protection

- ▶ Operational maintenance programmes are progressing to programme;
- ▶ Annual asset management reporting was provided to various Council and Scheme committees;
- ▶ Updated Asset Management Plan was submitted in support of the Long Term Plan and Infrastructure Strategy;
- ▶ Key 'current practice principles' were work-shopped with Councillors;
- ▶ Wainuiomata River resource consent lodged with GW Environmental Regulation together with updated Hutt, Otaki and Waikanae applications and a further refined Code of Practice for flood protection activities;
- ▶ A draft resource consent application for operational activities in the eastern rivers was prepared;
- ▶ The Melling Gateway Strategic Case (part of the Hutt River City Centre Reach Project) was completed;
- ▶ Council approved strategic land purchase for implementing the Pinehaven Stream and Waiohine River Floodplain Management Plans.

Looking Ahead

Biosecurity

- ▶ Continue to trial the Tb Free NZ Vectornet information management system to determine suitability for GW to capture data in the field;
- ▶ Complete KNE control programme planning;
- ▶ Progress and complete pest plant RPMS programme;
- ▶ Complete remaining 500ha of Project Aorangi in March 2015.

Biodiversity

- ▶ Support the Te Awarua o Porirua Whaitua Committee as part of the Project Team. The project team will coordinate the delivery of information to the Committee to help with the development of a Whaitua Implementation Programme;
- ▶ Establish new pest animal control operations at several KNE sites. These include the Haywards Scenic Reserve, Te Harakeke Wetland Complex, Otaki Coast, O te Pua/Paru a uku, Te Horo Forest Fragments and Strang's Bush KNE sites;
- ▶ GWRC has taken on a regional coordination role for Seaweed 2015. This is a national week of public events and initiatives that will showcase and support ocean conservation and awareness. Biodiversity staff will coordinate and promote activities that will be delivered by various agencies and community groups in late summer;
- ▶ Review and update the GWRC Biodiversity Strategy 2011-21 to reflect GWRC's direction and aspirations for the protection and restoration of the region's biodiversity;
- ▶ The draft Porirua Stream Mouth and Estuary Enhancement Concept Plan has been approved by the Porirua City Council and GWRC Joint-Harbour Committee. The final plan is likely to be approved for implementation early in 2015 with work scheduled to commence shortly after. The Biodiversity department will lead a significant area of restoration planting that is planned for the embankment and estuary areas of the Porirua Stream mouth;
- ▶ Aerial wilding pine control work will be carried out in some Hutt Valley KNE sites pending approval of a site safety plan by the Civil Aviation Authority. Sites requiring pine control are often remote and steep, so access to trees will be achieved with the aid of a helicopter to complement work on the ground;
- ▶ Intensive predator control will be carried out during the summer bird nesting season at Wairarapa Moana. This will be focused on key habitat for the nationally endangered Australasian bittern which nests at Matthews Lagoon, Boggy Pond and Wairio.

Land Management

- ▶ Complete 10 Farm Environment Plans with a focus on managing nutrients in the Mangatarere and Rangiuru catchments and 13 Wellington Regional Erosion Control Initiative (WRECI) Plans targeting erosion prone land in the Wairarapa hill country;
- ▶ Provide operational support to the final year of the Wairarapa Moana Fresh Start for Freshwater Clean-up Fund programme, particularly the delivery of the on-farm components of the approved works programme. A total of 41 farms around the lake are part of this aspect of the programme. The budget for on-farm works in the coming year plus the period July – October 2015 is \$700k;
- ▶ Complete transition requirements for the sale of Forestry Cutting Rights and finalise the Principals Agreement around Health and Safety of recreational and other commercial activities in the forests;
- ▶ Prepare a draft of the Land Management and Forestry Asset Management Plans by the end of March 2015;
- ▶ Prepare annual works programmes for the 45 FEP's and the 75 WRECI Plans prepared to date;

- ▶ In conjunction with the local Scheme Advisory Committees prepare an annual works programme for each of the six Catchment Control Schemes operating in the eastern Wairarapa hill country;
- ▶ Provide support to the work of the Ruamahanga Whaitua and assist with the development of non-regulatory methods to implement relevant land and water provisions in the draft Natural Resources Plan.

Flood Protection

- ▶ Continue work programmes with a focus on channel management and bank protection works;
- ▶ Manage departmental activities associated with the Great Outdoors Summer Events;
- ▶ Lodge the eastern operational resource consents with Environmental Regulation and continue work on the overall project and code of practice;
- ▶ Develop and refine option combinations on the Te Kāuru Upper Ruamahanga FMP;
- ▶ Complete the independent audit for the Pinehaven flood hazard information;
- ▶ Finalise the preferred option for the Waiohine River FMP;
- ▶ Prepare Council papers on key floodplain management planning principles and standards of flood hazard information;
- ▶ Complete gravel analyses on the Hutt, Waitohu and Waikanae Rivers;
- ▶ Report to Council on consultation outcomes and seek approval of a preferred option for the Jim Cooke Park stopbank reconstruction project;
- ▶ Progress the Integrated Concept Design for the City Centre Project including the preparation of a Programme Business Case for replacing the Melling Bridge, with the aim of commencing community consultation in mid-2015;
- ▶ Continue to progress the Jim Cooke Park and Lower Waitohu land entry agreements;
- ▶ Complete the designs and procure rock for commencing construction of the urgent bank edge protections in the Hutt River at Totara Park and Belmont;
- ▶ Progress with boundary surveys required for completing land transfers in the Boulcott/Hutt project;
- ▶ Progress the planning and design for the LWVDS works programme.

1.2 Group Financial Summary

Catchment Management Group Funding Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	12,589	12,589	-	25,178	25,178	-	11,711	23,423
Government Grants & Subsidies	65	-	65	100	-	100	93	145
External revenue	2,543	2,062	481	3,943	3,370	573	2,509	4,741
Investment Revenue	285	286	(1)	588	573	15	249	515
Internal Revenue	2,209	2,321	(112)	4,242	4,130	112	2,067	4,049
TOTAL INCOME	17,691	17,258	433	34,051	33,251	800	16,629	32,873
/less:								
Personnel	4,568	4,754	186	9,347	9,521	174	4,505	9,066
Materials,Supplies & Services	1,010	1,575	565	2,454	2,700	246	1,627	3,429
Travel & Transport Costs	197	232	35	404	467	63	196	449
Contractor & Consultants	2,862	2,389	(473)	5,488	4,994	(494)	2,417	5,417
Grants and Subsidies Expenditure	284	280	(4)	590	537	(53)	192	424
Internal Charges	2,646	2,640	(6)	4,974	4,863	(111)	2,335	4,415
Total Direct Expenditure	11,567	11,870	303	23,257	23,082	(175)	11,272	23,200
Other Financial Costs	-	-	-	-	1	1	-	-
Financial Costs	1,639	1,623	(16)	3,284	3,246	(38)	1,558	3,165
Net Divisional Overheads	-	-	-	-	-	-	-	-
Corporate & Department Overheads	1,243	1,243	-	2,486	2,486	-	1,112	2,223
Depreciation	709	580	(129)	1,386	1,160	(226)	669	1,327
Loss(Gain) on Assets	(69)	(159)	(90)	(161)	(159)	2	(45)	(100)
Total Indirect Expenditure	3,522	3,287	(235)	6,995	6,734	(261)	3,294	6,615
TOTAL EXPENDITURE	15,089	15,158	68	30,252	29,816	(436)	14,566	29,815
Operating Surplus/(Deficit)	2,602	2,100	501	3,799	3,435	364	2,063	3,058
Add Back Depreciation	709	580	129	1,386	1,160	226	669	1,327
Other Non Cash	(69)	(159)	90	(161)	(159)	(2)	(45)	(100)
Net Asset Acquisitions and Capital Expenditure	(1,480)	(2,465)	985	(5,266)	(5,008)	(258)	(1,425)	(5,956)
Net External Investment Movements	(212)	(202)	(10)	(420)	(405)	(15)	(92)	(379)
Repaid Debt	(1,506)	(1,536)	30	(3,095)	(3,072)	(23)	(1,475)	(3,064)
Net Reserves (Increase) / decrease	(282)	(294)	12	(900)	(673)	(227)	85	(721)
NET FUNDING BEFORE DEBT ADDITIONS	(238)	(1,976)	1,738	(4,657)	(4,722)	65	(220)	(5,835)
Internal Debt Additions	1,518	2,113	(595)	4,962	4,722	240	1,439	5,752
External Debt Additions	-	-	-	-	-	-	-	-
Net Funding Surplus (Deficit)	1,280	137	1,143	305	-	305	1,219	(83)

1.3 Financial Summary to date

At the close of December the Catchment Group (excluding Forests) operating surplus was \$501K favourable to budget.

Total income was \$433K favourable to budget, mainly due to additional revenue of \$452K from Tb Free NZ for pest control and survey operations (BioWorks) and additional revenue of \$344K from MfE and Landowners for the Wairarapa Moana Fresh Start Clean Up project. Revenue for Akura and Land Management was \$314K below budget due to reduced demand for seedlings and forestry consultations and the timing of erosion control programmes.

Total direct expenditure was \$303K favourable to budget due to several variances including; personnel cost savings of \$125K for Biodiversity (less staff), reduced material purchases of \$261K for Akura (downturn), offsetting river maintenance expenditure of \$248K resulting in favourable materials and unfavourable contractor expenditure, and unfavourable contractor expenditure of \$354k for the Wairarapa Moana Clean Up improvements. Poor weather has delayed Pest Plant KNE and RPMS activity and contractor expenditure was \$105K favourable. Land Management forestry consultation expenditure was \$86K below budget due to reduced demand. Biodiversity contractor expenditure was \$83K favourable due to the timing of KNE, QEII and Porirua harbour programmes.

Total indirect expenditure was \$235K unfavourable. Gain on assets was \$90K below budget due to the timing of vehicle sales. Depreciation was \$129K unfavourable due to a budget calculation error for Biosecurity.

Actual year to date variances to budget

Type	Variance \$000	Comment
INCOME		
External revenue	481F	BioWorks has made good progress on Tb Free NZ pest control and survey contracts, revenue was \$452K above plan Revenue of \$344K was received from MfE and Landowners for improvement works for the Wairarapa Moana Fresh Start Clean Up project Unfavourable revenue of \$314K for Akura, Land Management forestry consultations and erosion control programmes due to reduced customer demand and timing
Grants revenue	65F	Unbudgeted MPI contribution to the Wellington Regional Erosion Control Initiative
Internal revenue	112U	Timing of Water Supply revenue for the Hutt Catchment aerial pest control operation – to be processed during the third quarter
EXPENDITURE		
Personnel costs	186F	Permanent savings of \$125K for Biodiversity because the new structure is two FTE's below the 2014/15 budget compliment Savings of \$65K in Flood Protection because extra staff time has been charged to capital projects e.g. Upper Wairarapa FMP investigation
Materials	565F	Reduced sales turnover and slowdown for Akura (\$261K favourable) Savings of \$248K for river maintenance materials and offsetting additional contractor costs
Transport	35F	Reduced running costs
Contractor costs	473U	Additional expenditure of \$354K for Wairarapa Moana improvements Unfavourable river maintenance expenditure of \$248K (offset above) Timing savings of \$105K for pest plant control because of weather delays Other offsetting variances across the Group
Depreciation	129U	Unfavourable variance relating to a budget calculation error for Biosecurity
Loss(gain) on assets	90U	Several vehicle disposals scheduled for the second half of the year

Actual year to date variances to forecast

The forecast full year operating surplus for the Catchment Group is \$363K favourable to budget, mostly due to a \$209K favourable surplus for BioWorks from Tb Free NZ contracts, a \$194K favourable surplus for Biodiversity due to savings in personnel costs, and other offsetting variances as noted below.

Type	Variance \$000	Comment
INCOME		
External revenue	573F	Favourable revenue of \$396K from Tb Free NZ for pest control and survey contracts Favourable revenue of \$610K from MfE and Landowners for Wairarapa Moana and corresponding increased contractor costs Unfavourable revenue of \$306K for forestry consultations and WRECI and 114K for Akura due to reduced demand
Grants revenue	100F	Unbudgeted MPI contribution for the Wellington Regional Erosion Control Initiative
Internal revenue	112F	Various offsetting variances within CMG
EXPENDITURE		
Personnel costs	174F	Mostly related to savings in Biodiversity because current staff establishment is two FTE's below 2014/15 budget
Materials	246F	Reduced sales turnover and savings for Akura
Contractors	494U	Additional expenditure of \$593K for Wairarapa Moana Additional expenditure of \$149K to complete Tb Free aerial contract Savings of \$236K due to reduced Land Management activity for WRECI, forestry consultations, LEP's and property plans and corresponding lower revenue
Internal charges	111U	Various offsetting variances within CMG
Grant costs	50U	Increased GW funding share of 14/15 Bovine Tb programme
Depreciation	226U	Error in depreciation budget calculation for Biosecurity
Financial costs	38U	Due to additional forecast capital expenditure

Capital expenditure actual year to date variances to budget

- ▶ Capital project expenditure was \$603K below budget due to delays with Kapiti stopbank improvements for Jim Cooke Park, Chrystalls to Gorge, Lower Waitohu and North Bank. The projects required extended time for consultation, design and land entry negotiation.

Capital expenditure actual year to date variance to forecast

- ▶ Additional Flood Protection expenditure of \$1.3m in the Hutt Valley for Pinehaven property purchases, urgent Ebdentown works and edge protection for the City Centre project;
- ▶ Reduced Flood Protection expenditure of \$1.1m in Waikanae and Otaki due to delays with design and consents, and land acquisition;
- ▶ Additional expenditure of \$0.4m to purchase two properties required to construct stopbanks for the Waiohine project;
- ▶ Reduced expenditure for the Waiwhetu FMP due to resource reprioritisation and for the Upper Ruamahanga FMP due to Phase 1 delays and the review of flood hazard information

Catchment Management Group Capital Expenditure Statement For the year ended 31 December 2014	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014	
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	97	502	405	561	529	(32)	431	5,623
Capital Project Expenditure	1,519	2,122	603	4,951	4,638	(313)	1,040	442
Asset Disposal Cash Proceeds	(135)	(159)	(24)	(246)	(159)	87	(45)	(108)
Net Capital Expenditure	1,481	2,465	984	5,266	5,008	(258)	1,426	5,957
Investments Additions	212	202	(10)	420	405	(15)	92	379
Net Capital and Investment Expenditure	1,693	2,667	974	5,686	5,413	(273)	1,518	6,336

Catchment Management Group Funding Surplus/(Deficit)	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014		
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000	
Biosecurity	274	(65)	339	119	-	119	419	268	
BioWorks	361	(70)	431	-	-	-	127	-	
FP Flood Protection	208	100	108	(2)	-	(2)	99	(374)	
LM Consolidated	17	(54)	71	2	-	2	68	(12)	
Akura Conservation Centre	128	96	32	1	-	1	20	-	
Integrated Catchment Management	21	-	21	-	-	-	201	36	
Catchment Support	77	76	1	(14)	-	(14)	(4)	(1)	
Biodiversity	193	54	139	197	-	197	289	-	
Catchment management (excluding Forests)	1,279	137	1,142	-	303	-	303	1,219	(83)

2 STRATEGY AND POLICY COMMITTEE

2.1 Biosecurity

Department Activity

Pest Animals

Rooks

The annual spring rook nest survey and limited control has been completed for the year. Eleven rookeries were found during the survey, two more than last year. The extreme wind destroyed nests and reduced the success of the aerial nest poisoning. Only one partially successful baiting round was completed on 24 September. This is the second season in a row where extreme weather prevented successful control. There is likely to be an increase in rook numbers next season.

Rabbits

The overall rabbit population remains relatively low in the whole of the region, with only a few rabbit prone areas on the Kapiti Coast showing moderate numbers. Staff have completed several night shooting operations around Wellington, Lower Hutt and Kapiti reserves on behalf of local authorities.

Magpies

Magpie complaints have kept staff across the region busy, particularly in the Wairarapa. Nesting birds have been attacking both cyclists and pedestrians at a number of urban and peri-urban sites.

Feral pigs and deer

A number of pig traps are on loan to landowners to control animals damaging crops and pastures. Complaints have reduced as the weather has improved and soils hardened. As the ground dries up pigs often return to grazing grass instead of rooting up pasture.

There have been a few sightings of deer in urban areas and reports of damage to domestic gardens. Deer may enter urban areas due to pressure from recreational hunters or for food.

Bittern habitat protection

Predator control is ongoing at Wairarapa Moana, focusing on the key bittern habitats of Matthews Lagoon, Boggy Pond and the Wairio Restoration Block. Twenty seven mustelids, two wild cats and numerous smaller predators have been trapped since July. Monitoring of bittern and spotless crane has shown a slight lift in numbers of both species from the previous season.

Pest Plants

Surveillance and Total Control species

Total Control and Surveillance species site surveys continued. A total of 482 properties in Kapiti and Hutt have been surveyed with 12 new sites being recorded. Control of the sites was seriously delayed by the unsettled weather.

A survey of the extent of field horsetail infestation in Wairarapa Eastern hills is well advanced and the species seems to be widely established in the area. Information gathered will assist to inform the pending RPMS review.

Staff are planning an aquatic pest plant species survey in the region.

Containment species – boneseed

Annual inspections were completed in Wairarapa coastal settlements and coastline, with control contracts completed at two of the three sites. Staff are still waiting for suitable weather to undertake control on the Wellington south-west coastal site.

National Pest Plant Accord

Inspections were completed at 38 of the 90 plant outlets in the region, with no banned species found. The data has been entered onto the MPI database.

Fresh Water Pest Advocacy Programme – Check Clean Dry

A fixed term employee commenced this MPI funded programme mid-November inspecting and installing signage and communicating with recreational freshwater users and commercial enterprises across the region. The programme is aimed at educating freshwater users on the dangers that aquatic pest plants pose to the environment and appropriate measures to prevent further spread.

Biocontrol

GWRC will receive releases of a new biocontrol agent for Japanese honeysuckle, Honshu monarch caterpillars in March.

Surveys of green thistle beetle revealed there are impressive numbers of adults and they are colonising well. Once juveniles emerge in sufficient numbers staff will harvest and transfer them to new sites.

Broom gall mite is establishing well and heavily infesting host plants in release sites. The mites do not disperse well naturally so transfers are planned at approximately one kilometre intervals along roads.

BioWorks

Tb Free NZ Programme

BioWorks has completed two of the five possum detection and survey operations which cover 9,768ha. There are three operations to be completed in the third quarter covering 8,710ha. Also completed were 9,679ha (out of 12,650ha) of output contracts. Control has commenced within a further two projects (2,068ha).

BioWorks was successful in obtaining an additional unbudgeted project in the Hutt Valley (903ha) in December. Control will be undertaken between February and May 2015.

Regional Possum Predator Control Programme

BioWorks propose to undertake control over approximately 68,000ha during the 2014/15 year. The programme is extending to include seven new operations covering 30,745ha. Control has commenced within four of these operations. Fourteen maintenance operations are planned this year over 37,278ha. Control has commenced in all maintenance operations.

A novel, maxi bait station regime is being applied along the coastline within the Ohariu operation to target the high possum numbers living on the steep coastal faces from where they encroach onto farmland.

Financial Reports

Biosecurity Funding Statement For the year ended 31 December 2014	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014	
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000
Rates & Levies	1,981	1,981	-	3,961	3,961	-	1,705	3,410
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External revenue	92	33	59	130	65	65	21	94
Investment Revenue	8	5	3	9	9	-	5	13
Internal Revenue	752	724	28	1,520	1,447	73	794	1,690
TOTAL INCOME	2,833	2,743	90	5,620	5,482	138	2,525	5,207
<i>/less:</i>								
Personnel	967	983	16	1,968	1,966	(2)	944	1,913
Materials, Supplies & Services	117	125	8	236	249	13	112	312
Travel & Transport Costs	51	52	1	93	103	10	46	99
Contractor & Consultants	331	420	89	855	831	(24)	258	811
Grants and Subsidies Expenditure	259	240	(19)	530	480	(50)	192	399
Internal Charges	484	616	132	1,223	1,228	5	291	635
Total Direct Expenditure	2,209	2,436	227	4,905	4,857	(48)	1,843	4,169
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	312	312	-	622	622	-	257	529
Depreciation	48	(39)	(87)	99	(78)	(177)	51	93
Loss(Gain) on Sale of Assets / Investments	(17)	(21)	(4)	(21)	(21)	-	-	-
TOTAL EXPENDITURE	2,552	2,688	136	5,605	5,380	(225)	2,151	4,791
Operating Surplus/(Deficit)	281	55	226	15	102	(87)	374	416
Add Back Depreciation	48	(39)	87	99	(78)	177	51	93
Other Non Cash	(17)	(21)	4	(21)	(21)	-	-	-
Net Asset Acquisitions and Capital Expenditure	(11)	(55)	44	(55)	(76)	21	-	(89)
Net External Investment Movements	-	-	-	-	-	-	-	-
Repaid Debt	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	(8)	(5)	(3)	81	51	30	(5)	(153)
NET FUNDING BEFORE DEBT ADDITIONS	293	(65)	358	119	(22)	141	420	267
Internal Debt Additions	(20)	-	(20)	-	-	-	-	-
External Debt Additions	-	-	-	-	-	-	-	-
Net Funding Surplus (Deficit)	273	(65)	338	119	(22)	141	420	267

Biosecurity Capital Expenditure Statement For the year ended 31 December 2014	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014	
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	48	76	28	76	76	-	-	69
Capital Project Expenditure	(20)	-	20	-	-	-	-	20
Asset Disposal Cash Proceeds	(17)	(21)	(4)	(21)	(21)	-	-	(2)
Net Capital Expenditure	11	55	44	55	55	-	-	87

Financial Variance Analysis

- ▶ Favourable external revenue of \$59K for pest control services on behalf of District Councils
- ▶ Favourable contractor costs of \$89K and internal charges of \$132K due to the timing of Biodiversity Key Native Ecosystem and predator control programmes. Activity will increase during the third and fourth quarters
- ▶ Unfavourable depreciation of \$87K relating to a budget error in the Essbase model

BioWorks Funding Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	-	-	-	-	-	-	-	-
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External revenue	796	344	452	1,152	756	396	733	1,603
Investment Revenue	11	9	2	19	19	-	9	20
Internal Revenue	357	473	(116)	953	946	7	163	358
TOTAL INCOME	1,164	826	338	2,124	1,721	403	905	1,981
/less:								
Personnel	529	532	3	1,063	1,064	1	439	942
Materials, Supplies & Services	72	124	52	280	260	(20)	188	465
Travel & Transport Costs	25	30	5	60	60	-	21	52
Contractor & Consultants	167	49	(118)	247	98	(149)	58	189
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	76	47	(29)	122	91	(31)	51	164
Total Direct Expenditure	869	782	(87)	1,772	1,573	(199)	757	1,812
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	25	25	-	50	50	-	25	50
Depreciation	51	56	5	113	113	-	52	104
Loss(Gain) on Sale of Assets / Investments	(45)	(38)	7	(45)	(38)	7	(14)	(14)
TOTAL EXPENDITURE	900	825	(75)	1,890	1,698	(192)	820	1,952
Operating Surplus/(Deficit)	264	1	263	234	23	211	85	29
Add Back Depreciation	51	56	(5)	113	113	-	52	104
Other Non Cash	(45)	(38)	(7)	(45)	(38)	(7)	(14)	(14)
Net Asset Acquisitions and Capital Expenditure	103	(80)	183	(26)	(80)	54	14	(15)
Net External Investment Movements	-	-	-	-	-	-	-	-
Repaid Debt	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	(11)	(9)	(2)	(276)	(19)	(257)	(9)	(105)
NET FUNDING BEFORE DEBT ADDITIONS	362	(70)	432	-	(1)	1	128	(1)
Internal Debt Additions	-	-	-	-	-	-	-	-
External Debt Additions	-	-	-	-	-	-	-	-
Net Funding Surplus (Deficit)	362	(70)	432	-	(1)	1	128	(1)

BioWorks Capital Expenditure Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	118	118	118	118	-	-	29
Capital Project Expenditure	-	-	-	-	-	-	-	-
Asset Disposal Cash Proceeds	(103)	(38)	65	(92)	(38)	54	(14)	(14)
Net Capital Expenditure	(103)	80	183	26	80	54	(14)	-

Financial Variance Analysis

- ▶ Favourable external revenue of \$452K from TbFree NZ for pest control operations, which is forecast to exceed full year budget
- ▶ Unfavourable contractor costs of \$118K for helicopter usage and for the sealing of the Ngaumutawa Road yard
- ▶ Unfavourable internal revenue of \$116K for predator control work - timing
- ▶ Favourable net asset expenditure of \$183K due to the sale of the Tinui house, an internal vehicle purchase of \$24K and the timing of vehicle and motorcycle replacements

Annual Plan Performance Measures

Performance Measure	Performance Target			Comment
	Baseline	2013/14	2014/15	
Number of active pest plant "Total Control" sites	890 (2010/11)	Overall active sites decreased by a further 48	Decrease on previous year	Infested site surveys and control are underway. The results of the programme will be reviewed at the end of growing season later in the year
Number of rabbits in the region	Low No areas persistently recording above 5 on the Modified McLean Scale (2010/11)	Low (<5 on the Modified McLean Scale)	Low (<5 on the Modified McLean Scale)	Number of rabbits in the region are still relatively low with nuisance rabbits persisting in some of the most rabbit prone areas. There are no areas in the region above the prescribed limit.
Number of possums in the Regional Possum Predator Control Programme area	Low Less than 5% Residual Trap Catch (2010/11)	Low (<5% Residual Trap Catch)	Low (<5% Residual Trap Catch)	The monitoring is scheduled for later in the year.

Specific Areas of Work 2014/15	Comment
Complete the five year review of the Regional Pest Management Plan (formerly Strategy)	The review is still awaiting the National Policy Direction (NPD) to guide the process. The NPD is likely to be issued early in 2015 and the Council will have 18 months to ensure that the RPMP complies with the Direction
Implement the Regional Possum Predator Control Programme	Programme delivery is progressing according to the plan with majority of activity scheduled for the latter part of the year

Specific Areas of Work 2014/15	Comment
Continue implementation of the current Regional Pest Management Strategy	The programme is delivered as per the RPMS Operational Plan and there are no issues to date.
Deliver pest management programmes in the Key Native Ecosystem areas	The majority of the activities in the programme have been planned and scheduled. The programme has been delayed by the unusually unsettled weather

Risk Analysis

The Kaitoke/Hutt River catchment aerial 1080 operation was completed on 30 September 2014 and still poses a risk for dogs. Bait samples and possum carcasses will continue to be monitored for toxicity. As a flood may wash poisoned carcasses onto river banks and harbour, signs have been installed. Poison warning signs will be removed when carcasses are no longer toxic.

The Project Aorangi aerial 1080 operation was undertaken on 18 and 27 August 2014 and still poses some risk for dogs. 1080 baits have been analysed with no 1080 detected. Possum carcasses have been monitored at four sites, and at all but one site carcasses have decayed sufficiently to eliminate risk to dogs. Poison warning signs will likely be removed in February 2015.

Pest animal management is constantly under scrutiny regarding risks to the public and animal welfare. The time and costs associated with managing this risk is constantly increasing as the requirement for gaining approvals becomes more stringent.

The Civil Aviation Authority has still not signed off the Site Safety Management Plan for Aerial Pine control. Because of the ongoing delays staff will continue with conventional control methods until the issue can be addressed.

Pest plant KNE and RPMS work has been delayed by extremely unsettled weather, with wind and rain preventing spraying and gel chemical application.

2.2 Biodiversity

Overview

Progress on the GWRC Biodiversity Strategy 2011-21 was assessed across the council and a report was presented to the ELT. The report noted that two-thirds of the actions in the Strategy are now either complete or can be regarded as business as usual for GWRC. Changes since the Strategy was developed mean that the remaining actions are either outdated or no longer align with GWRC's direction for biodiversity. A proposed scope for reviewing and updating the Strategy was approved by the ELT in order to better reflect GWRC's direction and aspirations for the region's biodiversity.

Significant effort was directed toward providing biodiversity advice this quarter, particularly on policy and planning matters for which advice was prepared on 25 occasions. This was in response to requests from other GWRC departments, including Environmental Policy, Environmental Regulation and Flood Protection, as well as external agencies such as the Department of Conservation.

A memorandum of understanding (MOU) has been signed between the Biosecurity and Biodiversity departments. This standardises processes for planning, coordinating, and reporting on pest plant and animal work for biodiversity management programmes.

A commissioned report "Sediment Reduction in Te Awarua o Porirua Harbour and Catchment: Issues and Recommendations" was completed. This will inform development of a GWRC Sediment Reduction Action Plan to guide GWRC's activities aimed at reducing sediment as part of the collaborative project.

Biodiversity Management

Key Native Ecosystems

The Key Native Ecosystem (KNE) programme provides for active management of ecological values at the best remaining sites for biodiversity in the Wellington region. The Biodiversity department plans and coordinates management at these sites, and contracts pest animal and plant control from the Biosecurity department.

It is nesting season for endemic dotterels at several beaches in the south and east of the region, a number of which are managed as KNE sites. At some of these sites temporary fences have been erected to protect these nationally vulnerable birds from disturbance, and pest animal control is underway to target mustelids and hedgehogs which prey on dotterel eggs and chicks. Two banded dotterel chicks have now hatched at Baring Head/Ōrua-pouanui this season, with more expected. The related New Zealand dotterel is breeding at the Riversdale-Orui KNE, at the southernmost extent of its range. The Wairarapa branch of Forest and Bird is monitoring them and providing public education in the weekends. Signs are also being installed at some sites to alert people to the presence of the birds and encourage them to control their dogs and avoid disturbing the nests.



A ten day old New Zealand dotterel chick at the Riversdale-Orui KNE site

Pest Animals

Predator control operations at KNE sites are on schedule. Older style traps continue to be replaced with the newer, more efficient DOC250 traps as funding allows.

Rats, mustelids, wild cats and hedgehogs are being actively targeted in wetland and coastal areas of KNE sites in Wairarapa. This work is supporting the breeding of threatened native birds which are vulnerable to introduced predators.

The Wainuiomata Mainland Island KNE has received additional ground-based rat control as work continues to control the very high rat numbers found there earlier in the year. This complements the ground 1080 operations that were carried out in September.

Control of pigs, goats and deer has been undertaken by contracted professional hunters. Goat culling took place at the Wainuiomata/Orongorongo Water Collection Area, Akatarawa Forest, Pakuratahi Forest, Parangarahu Lakes Area, Kaitoke Regional Park, Hutt Water Collection Area and Belmont-Dry Creek KNE sites. Deer and pig culling was carried out in the East Harbour Northern Forest KNE site.

Staff have been involved in follow-up work after the Kaitoke Regional Park/Hutt Water Collection Area aerial 1080 operation that was completed in September. Heavy rain in late October caused the Hutt River to flood, requiring activation of the 'Emergency response procedure for poisoned carcasses washed down rivers'. Signs were installed along the Hutt River and on beaches in Petone and Eastbourne to warn people of the risks of poisoned carcasses for dogs. Checks on riversides and beaches were undertaken.

A new predator control trap network has been established at the Otaki Coast KNE site to help protect wetland and coastal birds from mustelid predation. A volunteer from Ngāti huia ki Katihiku hapū has been trained to service these traps.

Local students from Te Wānanga o Raukawa are servicing the predator traps in the Haru Atai Wetlands KNE site to help protect wetland birds from mustelid predation.

Pest Plants

Delivery of pest plant control is running on schedule at KNE sites within Regional Parks. However, poor weather has hampered progress at other KNE sites, which are generally more exposed to the weather than the Regional Parks.

Tracks were cut through dense gorse and blackberry to give long term access at Te Harakeke Wetlands and Waikanae River Complex KNE sites. These tracks will greatly assist the control of ecological weeds.

Resource consent is being sought to apply herbicide to aquatic weeds at the Parangarahu Lakes Area and Baring Head/Ōrua-pouanui KNE sites. Controlling these pest plants will support the regeneration of native aquatic plants in these areas.

Other Activities

Consultants have been contracted to develop KNE plans for 20 KNE sites that include land owned by territorial authorities.

Processes are being developed with the QEII National Trust to streamline the development of KNE plans for sites which include QEII Open Space Covenants. This is intended to support and further the close working relationship between GWRC and the QEII National Trust at several sites around the region.

Photopoints to monitor progress on the regeneration of native vegetation have been set up in key areas at the Baring Head/Ōrua-pouanui KNE site. This involves choosing specific locations to photograph at regular intervals to allow for visual assessment of change over time.



Photopoint at an oxbow lake on the lower Wainuiomata River in the Baring Head/Ōrua-pouanui KNE site. The lake is currently covered with Cape pondweed, an invasive aquatic weed. Photographing the same location at regular intervals will allow tracking of changes over time.

A 750m fence has been erected at the Lake Waiorongomai KNE site to prevent livestock from accessing the wetland. This will prevent dairy cows from damaging the area. Biodiversity helped Raukawa ki te Tonga Trust to plan the fencing work with funding sourced from Te Hunga Whiriwhiri.

Staff spoke to year seven and eight students from Te Kura-ā-iwi O Whakatupuranga Rua Mano about the biodiversity values of the Lake Waiorongomai KNE site and about pathways to employment in the biodiversity field. The students were subsequently involved with planting harakeke (flax) at the site.

Biodiversity staff spoke about local biodiversity values at the Ngā Hapū o Ōtaki river walkover, organised by the Flood Protection department. The trip included visiting the Otaki Coast KNE site. Local Māori representatives, as well as GWRC staff from the Flood Protection, Environmental Policy and Land Management departments attended. Ngāti huia ki Katihiku hapū expressed interest in being involved in biodiversity work at KNE sites.

Landowner Support

The Biodiversity department's three landowner support programmes are aimed at protecting and restoring biodiversity values on private land. Two of these, the Fish Passage and Wetland programmes, are in their first year of implementation.

QEII Covenant Support

Biodiversity staff spoke at the QEII National Trust Conference in October. The presentation included information about wetland values, threats and management actions at the QEII Open Space Covenant at the O te Pua/Paru a uku KNE site. The focus of the presentation was on how staff from the two organisations work together with landowners to achieve good outcomes at this and other sites in the Wellington region.

Fish Passage

This programme is aimed at reducing the number of barriers in streams that can prevent the movement of native fish up and downstream. A review of GWRC's fish passage and fish related publications and information resources has been completed. Current GIS resources have also been reviewed and collated to support the delivery of the programme and enable staff to identify and record potential fish passage issues in the region. Initial focus for this work is on land owned and managed by GWRC.

Wetlands

Several private property owners with wetland sites were identified as eligible for support through the new Wetland programme. Biodiversity staff will work with landowners to develop a robust restoration plan for all sites that are part of the programme. Funds will be contributed for activities such as fencing, weed control and, in some cases, planting and pest animal control.

Processes and resources for the programme have been developed, including a set of GIS resources to manage information. A Wetland programme factsheet has also been published that describes the programme goals and methods that will be used at wetlands that are eligible for support.

Biodiversity Advice and Advocacy

Biodiversity Advice

Advice is provided on request from a range of internal and external parties and is aimed at improving outcomes for biodiversity across the region.

Best practice and technical advice for biodiversity management was provided once to an internal party and on four occasions to external parties. These requests involved biodiversity considerations over a range of habitat types.

Biodiversity staff worked with Land Management staff to advise Dairy NZ in the production of a riparian planting guide for the Wellington region. The brochure will be available on the Dairy NZ website in early 2015 and aims to help dairy farmers consider what they can do to protect and restore waterways on their farms.

Policy and Planning Advice

Policy and planning advice on biodiversity matters was provided on 25 occasions this quarter. Three involved GWRC resource consents, three were requested by other GWRC departments and the remaining 19 involved the work of external agencies, including contributions to GWRC submissions.

Staff continued to assist DOC and the rest of the Natural Resource Sector with the 'refresh' of the New Zealand Biodiversity Strategy by contributing a local government perspective on behalf of the Regional Council Biodiversity Working Group.

The provision of advice to the Flood Protection department continues as part of the development of a Code of Practice that will accompany their application for a 35-year resource consent.

Detailed feedback on the draft Natural Resources Plan was provided to the Environmental Policy department.

Biodiversity staff assisted Environmental Policy staff who spoke to the GWRC submission on the proposed Porirua Northern Growth Area Structure Plan. The proposed Plan outlines an approach to the development of a large area north of Porirua City. The council advocated for identification and protection of significant biodiversity values, as well as the adoption of a whole of catchment approach to managing impacts on Porirua Harbour.

Collaborative Projects

Wairarapa Moana

A reviewed administrative structure of the Wairarapa Moana Wetland Project and associated terms of reference were approved for implementation by the Wairarapa Moana Governance Group. Approval was also given to setting up an 'implementation team' consisting of staff from partner organisations to coordinate operational activities detailed in the project's work programme.

A pest animal control programme has been initiated in the coastal area between Onoke Lagoon (Lake Ferry) and Whangaimoana Beach. This work is part of the community restoration project at Onoke Lagoon which aims to protect the native birds that visit and breed in the area. This programme adjoins predator control activities at Onoke Spit and the Whangaimoana KNE site.

A five-year ecological restoration plan for Onoke Lagoon was approved by the Wairarapa Moana Management Team. The plan was developed as a collaborative effort between South Wairarapa Biodiversity Group, DOC and GWRC Biodiversity staff.

The Wairarapa Moana Coordinating Committee met to cover work towards attaining internationally recognised Ramsar status as well as a briefing on the draft Natural Resources Plan. The Ramsar initiative is a certification by an international body that recognises wetlands of international importance. New Zealand currently has six wetlands recognised by Ramsar compared to 65 sites in Australia and 46 in Japan. Ramsar status for the Wairarapa Moana wetland complex would be a prestigious acknowledgement of the value of the area and a significant achievement for the project.

Porirua Harbour

A report "Sediment Reduction in Te Awarua o Porirua Harbour and Catchment: Issues and Recommendations" was prepared. This report will inform development of a Sediment Reduction Action Plan to guide GWRC's activities aimed at reducing sediment as part of the collaborative project.

The Healthy Harbours Porirua programme has started in the first of a number of schools. This is an educational programme tailored to the Porirua Harbour catchment for local schools. The programme involves classroom teaching sessions and field trips, including snorkelling in the harbour. It is delivered by the Marine Education Centre under contract to GWRC.

The Biodiversity department assisted the Porirua Harbour Trust to launch their new school education programme in November. This programme will teach students about the environmental and cultural values of Porirua Harbour. Financial assistance was provided and Biodiversity staff contributed to a professional development field day for participating teachers.

The Porirua Stream Mouth and Estuary Enhancement Concept Plan was approved for external stakeholder consultation by Te Awarua-o-Porirua Harbour and Catchment Joint Committee. Following this consultation, staff have received endorsement from the Committee to begin implementation planning for work to commence this financial year.

Financial Reports

Biodiversity Funding Statement For the year ended 31 December 2014	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014	
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000
Rates & Levies	2,056	2,056	-	4,111	4,111	-	1,899	3,798
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External revenue	97	90	7	181	181	-	226	278
Investment Revenue	-	5	(5)	10	10	-	-	-
Internal Revenue	41	148	(107)	188	188	-	41	190
TOTAL INCOME	2,194	2,299	(105)	4,490	4,490	-	2,166	4,266
<i>/ess:</i>								
Personnel	604	729	125	1,300	1,467	167	663	1,357
Materials, Supplies & Services	40	60	20	121	120	(1)	83	231
Travel & Transport Costs	17	36	19	40	73	33	21	52
Contractor & Consultants	158	241	83	501	522	21	115	262
Grants and Subsidies Expenditure	-	18	18	35	35	-	-	-
Internal Charges	1,019	983	(36)	1,885	1,863	(22)	1,043	2,017
Total Direct Expenditure	1,838	2,067	229	3,882	4,080	198	1,925	3,919
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	227	227	-	454	454	-	180	362
Depreciation	18	19	1	38	38	-	13	28
Loss(Gain) on Sale of Assets / Investments	(8)	(12)	(4)	(8)	(12)	(4)	-	-
TOTAL EXPENDITURE	2,075	2,301	226	4,366	4,560	194	2,118	4,309
Operating Surplus/(Deficit)	119	(2)	121	124	(70)	194	48	(43)
Add Back Depreciation	18	19	(1)	38	38	-	13	28
Other Non Cash	(8)	(12)	4	(8)	(12)	4	-	-
Net Asset Acquisitions and Capital Expenditure	4	(26)	30	(28)	(26)	(2)	-	(57)
Net External Investment Movements	-	-	-	-	-	-	-	-
Repaid Debt	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	80	75	5	70	70	-	228	72
NET FUNDING BEFORE DEBT ADDITIONS	213	54	159	196	-	196	289	-
Internal Debt Additions	(22)	-	(22)	-	-	-	-	-
External Debt Additions	-	-	-	-	-	-	-	-
Net Funding Surplus (Deficit)	191	54	137	196	-	196	289	-

Biodiversity Capital Expenditure Statement For the year ended 31 December 2014	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014	
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	33	38	5	65	38	(27)	-	35
Capital Project Expenditure	(22)	-	22	(22)	-	22	-	22
Asset Disposal Cash Proceeds	(15)	(12)	3	(15)	(12)	3	-	-
Net Capital Expenditure	(4)	26	30	28	26	(2)	-	57

Financial Variance Analysis

- ▶ Unfavourable internal revenue of \$107K due to the timing of revenue from Water Supply for the Hutt Catchment aerial 1080 operation
- ▶ Savings in contractor costs in various Biodiversity management projects

Annual Plan Performance Measures

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
Total number of identified high value biodiversity areas (excluding streams and marine sites) under active management	70	70	64 sites are being actively managed under the KNE programme, and staff are also active at a number of sites associated with large collaborative restoration projects.
Specific areas of work 2014/15	Comment		
Deliver the Key Native Ecosystem programme to actively manage the best remaining examples of different ecosystem types	Ecological weed and pest animal control is ongoing at sites across the region. Detailed operational planning for these sites continues, with KNE plans at various stages of completion.		
Support landowners to protect and restore areas of native biodiversity on their land	Continued support is provided through the QEII programme as well as other programmes such as the KNE and Advocacy programmes.		
Participate in collaborative restoration projects with various partners, including projects for Porirua Harbour and Wairarapa Moana	A range of work continues to be progressed for these projects. This work includes governance, planning, stakeholder communication and practical implementation of biodiversity management activities.		
Provide advice on and advocate for the protection of native biodiversity through planning and policy, in operational activities and to the public	<p>Advice has been provided in response to 30 requests this quarter. These ranged from policy and planning advice to technical and best practice information, and were delivered to both internal and external parties.</p> <p>Two events have been supported by the department, with staff involved in sharing information about biodiversity and ecological restoration.</p>		
Develop a programme to promote the protection and management of wetlands with significant biodiversity values	Processes and resources have been developed to support delivery of the Wetland programme. Several potential sites for restoration have been identified.		

2.3 Land Management

Overview

The six month period has largely been one of 'business as usual'. Progress has been made on developing Asset Management Plans (AMP) for Land Management and Forestry. The AMP for Land Management will include assets associated with each of the six Catchment Schemes as well as for assets of the Akura Conservation Centre. Draft AMP's will be completed by the end of March 2015.

The first six months endorses the fact that there has been a significant increase in landowner participation in the riparian and wetland programmes within the Ruamahanga catchment. This work was first started four years ago and the benefits of establishing long term relationships are bearing fruit. From slow beginnings landowners are seeing the benefits to their business and are investing in substantial programmes. The hill country programme also continues to grow and planting targets under the WRECI programme are being achieved with relative ease. The increased number of poles from Akura nursery over the next five years is well timed as landowners in the hill country also look to increase their investment in environmental programmes.

Work programmes developed for each of the six Catchment Schemes have completed the planting section. Scheme work now focuses on the erosion control structures and willow spraying activities. The Whareama and Awhea Schemes are a major focus for this type of work. An additional piece of work for this year is an update of all Scheme assets. This will include an assessment of condition and performance for each structure that will inform maintenance and renewal schedules for the next thirty years.

The WRECI programme has been reviewed after the first five years of funding. This review has formed the basis of a new application to MPI for funding over the next four years. Rather than focus on five priority catchments the new application will focus on erosion-prone land across the Wairarapa. This will include all erosion-prone farmland within the Ruamahanga and Coastal Wairarapa whitua.

The Akura Conservation Centre has returned an operating surplus of \$170K over the first six months, compared to the budgeted operating surplus of \$157K. Sales of native plants are 30% ahead of budget on the back of client demand through the Wairarapa Moana and Mangatarere riparian and wetland programmes. The last two hectares of land in the PK nursery has been planted. This completes the 13 hectares of new planting carried out over the last three years. The first poles will be cut from PK nursery next year.

Good progress has been made with the on-farm works programme associated with the Wairarapa Moana Fresh Start for Freshwater project. A total of 51 projects across 42 properties are progressing well, including work on three constructed wetlands. This has been a very challenging project and the budget figure of \$700k for on-farm works in 2014/15 is likely to be met with a total of \$600k spent to date.

Department Activity

Akura Conservation Centre

The final poplar and willow pole tally for the 2014 planting season reached 32,900. This was made up of 65% poplar and 35% willow. The current target for annual production is 36,000 in 2017. Demand is still very high for poles and a new lighter grade of three metre poles has been introduced to meet this demand. This new grade of pole is used on sites that are less windy or receive higher annual rainfall. External sales were made to the following Councils:

- ▶ 1,285 poles to Horizons
- ▶ 3,100 stakes to Waikato and Northland
- ▶ 2,400 rooted cuttings to GWRC Flood Protection

Next year's production has been assessed at 35,000 poles.

A start has been made to remove undesirable clones and marginal production stool beds in Akura. It is anticipated that 1.7 hectares will be available for planting in 2015.

Spring growth has been very slow with cooler temperatures, drier soil conditions and short blasts of wind. Irrigation commenced early around the middle of October, but was applied sparingly during cooler periods to maintain adequate soil temperatures and moisture levels.

The final two hectares of planting at the PK Trust lease has been completed. This new planting and some of the earlier planting in the PK nursery has been impacted by the increasing presence of pseudomonas bacterial blast and the recent arrival of giant willow aphid. Both potentially cause production losses and a spray programme has been actioned to minimise impact. Infected cuttings have been replaced with fresh cutting stock and irrigated immediately after planting.

The pruning tenders have been finalised and the incumbent contractor has been selected on the back of work quality and a competitive price. High pruning has commenced in both Akura and PK nurseries.

Farm Environment Plans – Mangatarere/Otaki

There is now only one dairy farm in the Mangatarere River catchment yet to commit to joining the FEP programme. It is still hoped that the target of 100% can be reached over the next 12 months. A number of dairy farmers in the catchment have their effluent consents expiring soon and they will be required to install lined effluent storage. This will enable them to control the application of dairy effluent when soils are saturated. This, along with pending requirements around the lining of silage bunkers and stand-off areas, will mean significant capital expenditure for some. This, combined with a dairy pay-out forecast of \$4.70 kg of milk solids (break even could be around \$5 per kg), could result in a reduced winter works programme for 2016.

This tight fiscal situation also presents opportunity. Farmers will be very focused on reducing farm working expenses so there will be a corresponding reduction in nutrient inputs to farms (feed supplements and fertiliser). Our FEP's and the discussions that surround them help highlight where some of these efficiency gains can be made focusing on optimum production rather than maximum production.

Wairarapa Moana Clean-up Project

Work this quarter has focused more on implementation of projects and less project development work as the projected overall budget is on track to be met by the completion date of October 2015.



Highlights for this quarter have been the completion of two constructed wetlands and the commencement of a third, along with numerous riparian and wetland restoration projects. The second quarter spend of \$167K has brought the total project spend to \$600K of which farmers have contributed 50%. Overall the project has seen 11km of fencing put in place and over 47,000 native seedlings have been planted.

Wellington Regional Erosion Control Initiative (WRECI)

The WRECI programme has focused on completing the review of the first five years and submitting the review to MPI for consideration. Following this review of progress, a new application for a further four years funding was lodged with MPI in December. The new application has a focus on the Ruamahanga and Coastal Wairarapa catchments. If successful this will provide a strategic alignment with the catchment based outcomes currently being considered by the Ruamahanga whaitua.

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

The application to MPI, totalling \$5.017M, was lodged on 5 December 2014 and contains the following financial and planting milestones;

	Financial 2015/16	2016/17	2017/18	2018/19	Total
Ministry of Primary Industries	\$377,500	\$418,150	\$424,150	\$424,150	\$1,643,950 (32.7%)
Greater Wellington Regional Council	\$377,500	\$418,150	\$424,150	\$424,150	\$1,643,950 (32.7%)
Landowners	\$397,000	\$438,700	\$446,700	\$446,700	\$1,729,100 (34.6%)
Hectares of land treated	475	525	525	525	1,525ha

Metro and Wairarapa Forests

The cutting rights to the forests were officially passed over to RMS NZ Ltd on 10 July 2014. Harvesting has continued in both Metro and Wairarapa forests with three harvest crews working across these forests. The market has lifted slightly over the last three months. The Forest Ranger has been very active across a range of issues, and is proving to be invaluable in building a strong relationship with the forest management personnel appointed by the buyer.

An internal review of the public firewood collection activity (Woodpeckers) has resulted in this activity being cancelled. Concern over health and safety issues has been a recurring theme for a number of years. The service has largely been run by Parks staff utilising log offcuts on designated skid sites. At its December meeting Council agreed with staff recommendations to cease this activity. Letters have been sent to some 190 ratepayers who have utilised the service over the last three years. Additionally, a number of media articles have highlighted the changes. Public response to cessation of this service has so far been low-key.

The next task for staff will be completion of the Principals Agreement around recreational and other commercial activities in the forests. The document will cover protocols for access to the forests recognising the hazards that exist with forestry activities. A range of individuals and groups have access to the forests and their health and safety is a very important aspect of the business. Included in the list are the general public (walkers, cyclists and horse riders), 4WD drive and motor cycle groups, hunters, apiarists, and occasional army exercises.

Financial Reports

Land Management Funding Statement For the year ended 31 December 2014	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014	
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000
Rates & Levies	1,035	1,035	-	2,071	2,071	-	948	1,896
Government Grants & Subsidies	65	-	65	100	-	100	93	145
External revenue	430	616	(186)	530	836	(306)	530	763
Investment Revenue	5	5	-	11	11	-	5	9
Internal Revenue	8	3	5	5	5	-	33	73
TOTAL INCOME	1,543	1,659	(116)	2,717	2,923	(206)	1,609	2,886
<i>less:</i>								
Personnel	507	499	(8)	1,030	998	(32)	477	991
Materials, Supplies & Services	36	52	16	87	69	(18)	24	81
Travel & Transport Costs	25	24	(1)	48	48	-	24	57
Contractor & Consultants	240	338	98	377	612	235	328	566
Grants and Subsidies Expenditure	25	22	(3)	25	22	(3)	-	25
Internal Charges	467	536	69	662	692	30	505	700
Total Direct Expenditure	1,300	1,471	171	2,229	2,441	212	1,358	2,420
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	208	208	-	416	416	-	173	376
Depreciation	30	25	(5)	50	50	-	30	58
Loss(Gain) on Sale of Assets / Investments	-	(18)	(18)	(18)	(18)	-	(17)	(24)
TOTAL EXPENDITURE	1,538	1,686	148	2,677	2,889	212	1,544	2,830
Operating Surplus/(Deficit)	5	(27)	32	40	34	6	65	56
Add Back Depreciation	30	25	5	50	50	-	30	58
Other Non Cash	-	(18)	18	(18)	(18)	-	(17)	(24)
Net Asset Acquisitions and Capital Expenditure	(14)	(30)	16	(35)	(30)	(5)	(5)	(72)
Net External Investment Movements	-	-	-	-	-	-	-	-
Repaid Debt	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	(5)	(5)	-	(35)	(35)	-	(5)	(30)
NET FUNDING BEFORE DEBT ADDITIONS	16	(55)	71	2	1	1	68	(12)
Internal Debt Additions	-	-	-	-	-	-	-	-
External Debt Additions	-	-	-	-	-	-	-	-
Net Funding Surplus (Deficit)	16	(55)	71	2	1	1	68	(12)

Land Management Capital Expenditure Statement For the year ended 31 December 2014	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014	
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	14	48	34	83	48	(35)	22	101
Capital Project Expenditure	-	-	-	-	-	-	-	-
Asset Disposal Cash Proceeds	-	(18)	(18)	(48)	(18)	30	(17)	(29)
Net Capital Expenditure	14	30	16	35	30	(5)	5	72

Financial Variance Analysis

The Land Management operating surplus was \$50K above budget. Both operating revenue and operating expenditure are down against budget.

Akura Conservation Centre Funding Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	-	-	-	-	-	-	-	-
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External revenue	130	242	(112)	159	273	(114)	146	162
Investment Revenue	-	1	(1)	2	2	-	-	-
Internal Revenue	447	532	(85)	572	639	(67)	513	728
TOTAL INCOME	577	775	(198)	733	914	(181)	659	890
/less:								
Personnel	52	45	(7)	90	90	-	45	73
Materials, Supplies & Services	196	456	260	326	588	262	407	655
Travel & Transport Costs	2	6	4	6	13	7	3	7
Contractor & Consultants	126	91	(35)	178	166	(12)	128	243
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	15	2	(13)	18	2	(16)	26	28
Total Direct Expenditure	391	600	209	618	859	241	609	1,006
Financial Costs	11	9	(2)	24	18	(6)	6	13
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	15	15	-	30	30	-	15	-
Depreciation	16	18	2	32	36	4	18	35
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	433	642	209	704	943	239	648	1,054
Operating Surplus/(Deficit)	144	133	11	29	(29)	58	11	(164)
Add Back Depreciation	16	18	(2)	32	36	(4)	18	35
Other Non Cash	-	-	-	-	-	-	-	-
Net Asset Acquisitions and Capital Expenditure	-	(24)	24	-	(48)	48	(3)	(61)
Net External Investment Movements	-	-	-	-	-	-	-	-
Repaid Debt	(17)	(14)	(3)	(27)	(27)	-	(8)	(19)
Net Reserves (Increase) / decrease	(16)	(16)	-	(32)	(32)	-	-	-
NET FUNDING BEFORE DEBT ADDITIONS	127	97	30	2	(100)	102	18	(209)
Internal Debt Additions	-	-	-	-	102	(102)	3	209
External Debt Additions	-	-	-	-	-	-	-	-
Net Funding Surplus (Deficit)	127	97	30	2	2	-	21	-

Akura Conservation Centre Capital Expenditure Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	15	15	-	30	30	-	61
Capital Project Expenditure	-	9	9	-	18	18	3	-
Asset Disposal Cash Proceeds	-	-	-	-	-	-	-	-
Net Capital Expenditure	-	24	24	-	48	48	3	61

Financial Variance Analysis

The Akura Conservation Centre operating surplus was \$11K above budget. External tree sales were significantly below budget. The favourable materials variance includes an \$80K purchasing credit from the 2013/14 year.

Forests Funding Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	-	-	-	-	-	-	-	-
Government Grants & Subsidies	-	-	-	-	-	-	-	-
Rates Penalties and other external revenue	225	155	70	378	310	68	6,682	10,973
Investment Revenue	1	1	-	3	3	-	213	17,549
Internal Revenue	24	-	24	24	-	24	-	12
TOTAL INCOME	250	156	94	405	313	92	6,895	28,534
/less:								
Personnel and Councillor Costs	95	48	(47)	121	95	(26)	127	367
Materials, Supplies & Services	(14)	18	32	-	35	35	594	940
Travel & Transport Costs	7	5	(2)	11	10	(1)	12	24
Contractor & Consultants	147	5	(142)	251	10	(241)	4,331	7,694
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	41	44	3	83	88	5	74	200
Total Direct Expenditure	276	120	(156)	466	238	(228)	5,138	9,225
Financial Costs	-	-	-	-	-	-	974	1,950
Bad Debts	-	-	-	-	-	-	(1)	(1)
Corporate & Department Overheads	36	36	-	72	72	-	119	237
Depreciation	64	63	(1)	125	125	-	75	140
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	376	219	(157)	663	435	(228)	6,305	11,551
Operating Surplus/(Deficit)	(126)	(63)	(63)	(258)	(122)	(136)	590	16,983
Add Back Depreciation	64	63	1	125	125	-	75	140
Other Non Cash	6	-	6	-	-	-	381	(16,183)
Net Asset Acquisitions and Capital Expenditure	(3)	-	(3)	-	-	-	(182)	(240)
Forestry Investment Movements	40,482	-	40,482	40,482	-	40,482	-	-
Repaid Debt	(32,090)	-	(32,090)	(32,090)	-	(32,090)	(2,312)	(4,290)
Net Reserves (Increase) / decrease	(501)	(1)	(500)	(503)	(3)	(500)	(1)	(2)
NET FUNDING BEFORE DEBT ADDITIONS	7,832	(1)	7,833	7,756	-	7,756	(1,449)	(3,592)
Internal Debt Additions	3	-	3	-	-	-	1,659	4,275
External Debt Additions	-	-	-	-	-	-	-	-
Net Funding Surplus (Deficit)	7,835	(1)	7,836	7,756	-	7,756	210	683

Forests Capital Expenditure Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	-	-	-	-	-	-	-
Capital Project Expenditure	3	-	(3)	-	-	-	181	(415)
Asset Disposal Cash Proceeds	-	-	-	-	-	-	-	-
Net Capital Expenditure	3	-	(3)	-	-	-	181	(415)

Financial Variance Analysis

The Forests operating surplus was \$63K below budget. The additional revenue and contractor costs are for residual harvesting activities, and \$45K of consultant costs for the cutting rights sale. The full year forecast includes the cutting rights sale items and additional expenditure for culvert maintenance.

Annual Plan Performance Measures

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
Percentage of erosion prone land covered by a Farm Plan	72% (2010/11)	76%	This target has been achieved
Hectares of erosion-prone land planted	432 hectares per annum (2010/11)	530 hectares per annum	Good progress has been achieved
Number of Land Environment Plans (LEP) prepared	This is a new level of service	10	10 properties identified to have a Plan prepared

Specific areas of work 2014/15	Comment
Implement annual soil conservation works programmes on erosion-prone land within existing Property Conservation Plans	140 annual works programmes have been completed including the planting of 25,000 poplar and willow poles
Implement the third year of the Farm Environment Plan programme focusing on the Mangatarere and Mangaone catchments and Wairarapa Moana	15 works programmes have been completed in the Mangatarere, and 41 properties in Wairarapa Moana have initiated works programmes
Implement the fifth year of the Wellington Regional Erosion Control Initiative (WRECI) focusing on the five selected catchments and isolated hotspots within the Wairarapa hill country	Planting of poplar and willow poles has been completed, with further work programmed for later in the year

Specific areas of work 2014/15	Comment
Implement Stage III of the Akura Conservation Centre nursery expansion programme to meet increased demand for poplar and willow poles and complete the yard and sales area development plan	The planting of two hectares of new nursery land will complete the nursery expansion programme
Work closely with the local Scheme Advisory Committees in each of the six catchment schemes to prepare annual works programmes that protect community assets from the effects of erosion and flooding	The planting programmes prepared for each of the Schemes have been completed

Risk Analysis

The national forestry schemes have recently been reviewed by government including the Hill Country Erosion Programme that funds WRECI. A new funding round will open on 22 October. Applications will be called for the period 2015/16 – 2018/19.

2.4 Flood Protection

Overview

FMP Implementation

Good progress is being made implementing the FMP capital works programme. The highlights in the second quarter were the completion of the Melling Gateway Strategic Case and Council approval of strategic land purchases for implementing the Pinehaven and Waiohine projects.

City Centre Upgrade Project

Investigations on developing the Integrated Concept Designs are progressing with the aim of commencing community consultation in mid-2015. Melling Gateway Strategic Case, for replacing the Melling Bridge, was completed. The strategic case has confirmed that there is a compelling case for investment in the current infrastructure at Melling Gateway to improve resilience, accessibility and safety of Hutt City. The next stage of the Business Case process commencing in early January 2015 will make recommendations on optimal timing for replacing the bridge. A decision on the timing for the bridge replacement will enable the three agencies, GWRC, HCC and NZTA, to co-ordinate and develop appropriate plans for implementing the project.

Council officers are also working with Deltares, in the Netherlands, to investigate adaptation pathways that can be developed for managing the changing risk resulting from climate change and socio-economic activities.

An approximate 200 metre length of the bank edge in the Hutt River, below Kennedy Good Bridge, has eroded significantly over the last two years. This reach is to be upgraded as part of the City Centre project. However, some remedial works will have to be carried out sooner to prevent further damage. A design for some temporary works is progressing. Tenders for rock supply closed on 17 December 2014. It is proposed to bring forward \$350,000 of capital expenditure to complete these works.

Boulcott/Hutt Stopbank Project

The stopbank project is complete. The remaining works include land transfer, release of contractor's retentions and some golf course shaping works to be completed in the 2014/15 summer. The 2014/15 budget is \$100,000.

Safeway's compensation claim for \$381,600 is now before the Land Valuation Tribunal (LVT). GWRC lawyers have filed evidence rejecting the claim. Safeway has also lodged a claim with the District Court asking for a \$80,000 fence instead of the \$40,000 fence offered. Safeway claims that GWRC agreed to provide the \$80,000 fence. GWRC lawyers are responding to this claim.

Jim Cooke Park Stopbank Reconstruction

Round 1 community consultation on stopbank reconstruction options was completed. Staff have amended the proposed standard stopbank design to mitigate some of the impacts raised by the local community. A newsletter containing the original design and the amended design was circulated to the community in December 2014. Staff aim to seek Council approval of a preferred alignment in February 2015 and follow up with the preparation of the designs and the consent applications by June 2015. Negotiations are underway for the purchase of a property within the Waikanae river corridor. It is unlikely a settlement can be reached before June 2015. The forecasted expenditure for 2014/15 is \$300,000.

Ebdentown Edge Protections

The 2014 – 2022 LTP provides funding in 2017/18 to complete the proposed edge protection works in this reach. Excessive erosion has occurred in approximately 200 metre reach of the northern bank in the last few years. It has been proposed through the 2015-2025 LTP to bring forward funding to 2015/16 to repair this erosion. However, it is now proposed to carry out this repair works in 2014/15 to reduce the maintenance costs. Designs are currently underway and tenders were called for rock supply. The estimate for the work is \$330,000.

Lower Waitohu

Good progress has been made with negotiation of land entry agreements with minor land owners including the Maori land at 74 Convent Road. However, the land entry negotiations with Otaki and Porirua Trust Board are taking much longer because of wider co-management issues raised by OPTB. Construction cannot proceed in 2014/15 as originally programmed. The forecast for 2014/15 is \$70,000.

Pinehaven Project

Council has considered the offers to sell from land owners of two properties required for the works and approved the purchase of these two properties (Report 2014.649). The total budget requirement is \$1,000,000, half of which will be funded by UHCC. It is proposed to bring forward the budget from the future years to complete this land purchase. Work is also progressing on an audit of the flood modelling. This will delay the completion of the FMP and commencement of implementation by approximately 12 months.

Waiohine River Capex

The 2014/15 Annual plan provides a budget of \$300,000 for commencing the design process for the proposed structural works. The programme for implementing this component of work was set in anticipation of completion of the Waiohine FMP. The FMP is taking longer to complete than anticipated, and it is proposed to defer any construction work until the FMP is complete.

Council has now approved the purchase of two properties (Report PE 2014.614) required for the proposed works. The total budget requirement is \$715,000. It is proposed to bring forward budget from 2015/16 to complete the land purchase.

Lower Wairarapa Valley Development Scheme

Planning works have continued on the development programme. The Whakawiriwiri Stream land entry negotiations are underway.

Operations, Delivery and Planning

Works programmes have been progressed to budget. There has been a focus on channel management, vegetation clearing, beach ripping and bank protection works. Some work on the Wairarapa schemes has been completed ahead of programme and actual expenditure is ahead of the year to date budget. A moderate flood event occurred in the Kapiti area on 11 December which resulted in erosion to bank protection works and access tracks.



Ruamahanga River berm lowering adjacent to Martinborough ponds

Ruamahanga River willow trenching and berm lowering at Vollebregt

Progress with Asset Management activities continues to be affected by resource availability. The budget for asset management activities is not sufficient to progress all the improvement plan projects and maintenance projects will need to be deferred to accommodate the anticipated overspend.

Good progress continues to be made with the river management resource consent project. The Wainuiomata River application together with new versions of the Code of Practice and Environmental Monitoring Plan and updated applications for the Western Rivers were submitted early in the second quarter. A draft resource consent application for the Eastern Rivers has been completed with the actual application to be lodged in March 2015.

Investigations, Strategy and Planning

The department's feedback has been collated on the draft Natural Resources Plan (NRP) to provide to the Environmental Policy Department.

A paper has been developed on four key principles that inform the decisions the department makes in terms of its current practice and have work-shopped this with councillors. The next step in this process is to confirm the approach with a report to Council in 2015.

Te Kāuru Upper Ruamāhanga FMP has progressed into the Options Development phase. We are developing options combinations for all reaches, but with a particular focus on stopbanking options in the Masterton urban reach where consultant work packages are being prepared for release. There have been concerns raised by Masterton District Council with regards to the flood hazard information, which has resulted in us needing to do additional work to address these Phase 1 issues while still progressing Phase 2. We are working closely with MDC officers in providing advisory information to the public to make sure we are aligned in the information we are giving.

Pinehaven FMP has progressed to the draft FMP stage, but completion of the public submission stage and preparing a final FMP is on hold pending an independent audit of the flood hazard information.

Waiohine FMP has progressed to the draft FMP stage, but there are a few areas of disagreement between the preferred option put forward by Flood Protection and the Waiohine River Floodplain Management Advisory Committee. These areas are significant and will need to be resolved in the New Year before we can move to the next stage although there is general agreement on the majority of the preferred option combination.

The Waikanae Environmental Strategy has been published and is being promoted. Planting plans for 2014/15 and 2015/16 are being developed with the Friends of the Waikanae and Friends of the Otaki Rivers.

The Waikanae River five-yearly cross-section survey has been completed to a high standard and under budget.

Regular meetings are being held with planning officers from the Wairarapa TAs about the planning controls in the Wairarapa Combined District Plan and the FMPs in progress in the Wairarapa. There has been progress already in discussing how the existing controls work and how changes might be made in the future.

Following the decision to carry out an independent audit on the Pinehaven flood hazard information, and in light of recent challenges to our peer review processes elsewhere, a policy paper will be developed on peer reviews and standards of flood hazard information. This will be presented to Council. An initial workshop has been held with the Strategy and Policy Committee.

Our duty Flood Managers continue to work with our colleagues in Flood Protection Operations, Environmental Science (Hydrology) and at WREMO in responding to flood events and flood alarms. An event on the Kapiti Coast on 10 December resulted in the activation of the local Civil Defence Emergency Operations Centre. This event was only a 5-year return period on the Waikanae River but heavy rainfall near the coast caused a lot of surface flooding and problems with stormwater and roading networks. We are continuing to investigate options for flood forecasting and looking at progressing these via our FMPs in development.



Flooding on the Waikanae River at Otaihanga on 11 December 2014

Department Activity

INVESTIGATIONS, STRATEGY AND PLANNING						
Category	Actual \$000	YTD Budget \$000	FY Budget \$000	Forecast \$000	Comment	
Opex Activities						
Regulatory and Ongoing	262	227	457	457	<p>Input into Kapiti RONS – design workshops/reviews.</p> <p>Advisory workload picked up significantly, mainly due to RONS and TKURFMP information release.</p> <p>Involvement in Teesdale Environment Court case (Hutt River).</p> <p>Agreeing and preparing property access agreement for Stebbings Dam.</p> <p>Support to Friends of the Waikanae and Otaki Rivers with AGMs, river walkovers and Council policy matters. Developing planting plans and Health and Safety plans.</p> <p>Input to resource consent applications and technical support to EReg and Parks Departments.</p> <p>Gravel survey and analysis on the Hutt and Waikanae Rivers.</p> <p>Working with WCC and PCC to continue Porirua flood hazard information with stormwater information before release.</p>	

Investigations and Planning	247	372	743	643	Finalising, publishing and promoting Waikanae Environmental Strategy. Updating/improving Regional Flood Hazard model. Initial investigations into Mangatarere Stream flood hazard.
Planning and Policy	286	264	528	516	Flood warning activities – Duty Flood Managers and Flood Manual update. Policy advice (GWRC and Territorial Authorities). Developing departmental policies and guidance. Investigating and developing flood forecasting options. Documenting FMP principles and meetings with Wairarapa TAs.
Sub Total Investigations Opex	795	863	1,728	1,616	Forecasting to manage ISP Opex within overall budgets

Capex Activities						
Waiohine FMP	98	65	130	130		Two workshops held with WRFMPAC on 30 October and 5 December. Preferred option is largely agreed with committee but three significant disagreements remain between the committee members and the preferred option developed by GWRC officers. Phase 3 Summary report (preferred option recommendation) is largely complete. Discussions will be held in January about the best way to resolve the outstanding issues and finalise the preferred option. Previously signalled underspend is no longer forecast due to uncertainty about the work required to progress to a draft FMP.
Pinehaven FMP	63	54	107	110		Draft FMP released for community review on 16 October. Submissions received, but the FMP process is on hold pending an independent audit which was requested by some members of the community. Previously signalled underspend is no longer forecast due to likely costs of independent audit and consultant input in providing information to members of the community.

Waiwhetu FMP	4	50	100	30	This project was to have been resumed in January 2015, but due to delays on the Pinehaven and TKURFMP FMPs and consequent resourcing issues, it is unlikely that major progress will be made before June 2015. GWRC attended the Friends of Waiwhetu Stream AGM in December 2014. The forecast underspend will need to be rebudgeted to 2015/16.
Upper Wairarapa FMP Phase 1 Phase 2	187	185	420	320	The Phase 1 Summary Report was endorsed by the TKURFMP Subcommittee in October 2014. Phase 2 Development of options combinations and in particular scoping of Masterton stopbank options is underway. A combination of Phase 1 delays and opposition to the flood hazard information from Masterton District Council has led to an approximate 12-week delay in the programme. The delay, along with limited need for consultant input to date, has led to the current and forecast underspend. This will need to be rebudgeted to 2015/16.
Mangaroa FHA – UHCC PC 15	15	0	0	50	No expenditure was budgeted this year, but funding will be needed to progress hydraulic modelling, hazard mapping and involvement in the UHCC Plan Change process to complete the agreed outcomes of the Flood Hazard Assessment. This will be accommodated within the overall ISP Capex budgets which are currently forecast to be underspent, with a consequent underspend against the Mangaroa project next year.
Resource Consent Project	0	125	250	200	Expenditure subject to notification of consent applications and hearings taking place this financial year.
Sub Total Investigations Capex	367	479	1,007	840	Overall underspend forecast due primarily to delays on Pinehaven and TKURFMP projects to be rebudgeted to 2015/16
Sub Total Planning and Investigations (45400)	1,162	1,342	2,735	2,456	

FMP IMPLEMENTATION							
Category	Actual \$000	YTD Budget \$000	FY Budget \$000	Forecast \$000	Comment		
Boulcott/Hutt stopbank	92	50	100	200	For releasing the remaining retention and completing land transfers. Total expenditure is less than the budget.		
Hutt Environmental strategy implementation	6	21	42	42	To complete Boulcott/Hutt landscaping works at Connolly Street.		
City Centre Design	296	366	732	1,032	Progressing with the integrated concept design. It will be necessary to bring forward budget to complete temporary edge protection works below KGB. An overall budget increase of \$300,000 is forecast to accommodate \$350,000 of edge protection works below KGB.		
Ebdentown edge protections	30	0	0	330	To carry out urgent works at Ebdentown. Brought forward from 2017/18.		
Belmont edge protections	4	0	0	0			
Pinehaven FMP Implementation	38	0	0	500	For the purchase of two properties required to implement the preferred option. Works programmed to commence in 2015/16. Council, considering owners willingness to sell, approved bringing forward (PE 2014.649) budget to complete the purchase. UHCC will fund half of the total cost of \$1.0m.		
Hutt Valley Total	466	437	874	2,104			
Jim Cook Park Stopbank	79	426	852	300	Design and lodging consents, construction to commence in 2015/16.		

Waikanae Total	79	426	852	300	
River Works Mouth to SH1	8	0	0	30	Scoping for River and Northbank stopbank alignments has commenced. This investigation will feed into the OFMP review.
River works Chrystalls to Gorge	1	192	383	100	Maintenance of 2013/14 works at Traceys.
Lower Waitohu improvements	12	200	400	70	Progressing with land entry agreements.
Otaki Environmental strategy implementation	1	12	24	24	Planning commenced.
Otaki River Total	22	404	807	224	
Lower Wairarapa Valley Development Scheme	59	193	778	578	Planning work underway. Main work programme will commence in January 2015 when ground conditions are drier.
Whakawhirihiri Stream	33	0	0	200	Land entry conditions to enable works are being negotiated.
Waiohine Stopbank design	518	150	300	715	For the purchase of two properties required to construct a stopbank on the left bank. Works programmed to commence in 2015/16. Council approved bringing forward (PE 2014.614) budget to complete the purchase. Matarawa Road property purchase completed.
Wairarapa Total	610	343	1,078	1,493	

Sub Total FMP Implementation Capex (45300)	1,177	1,610	3,611	4,121	\$480,000 total over spend. Unplanned early or additional works costing \$2,395,000; four properties estimated to cost \$1,715,000 and the proposed urgent edge protection in the Hutt costing \$680,000. Savings or deferral of other works (primarily on the Kapiti Coast) totalling \$1,915,000.
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OPERATIONS, DELIVERY AND PLANNING					
Category	Actual \$000	YTD Budget \$000	FY Budget \$000	Forecast \$000	Comment
Wellington Operations	1,171	1,287	2,516	2,486	Work programmes continue to run as planned and to budget. Bed recontouring has been undertaken in a number of areas along the Hutt River. Vegetation has been removed from dry gravel beaches and machine ripping has been undertaken to encourage gravel movement and stop islands forming. Willow layering has also been undertaken along the river banks. This allows the cut trees to sucker and grow, reducing erosion of the bank edge. The Hutt River Trail continues to be well patronised. There have been a number of events on the river berms together with a number of fishers enjoying the river. On the down side there has also been a lot of illegal rubbish dumping and staff have been kept busy clearing this.
Recreation Activities					

Kapiti Operations	567	622	1,179	1,129	<p>Work programmes in Kapiti are also running to programme. Gravel extraction continues from the Otaki River and bed recontouring is underway. A new snub groyne has been built at the lower Chrystall's rock line to deflect water away from the bank edge.</p> <p>Wide spread flooding occurred in the Kapiti area on 11 December. The Waikanae River and Mangaone Stream were particularly affected. No significant damage has been identified at this stage.</p> <p>The Waitohu Stream mouth has continued to migrate south eroding the sand dunes and passing the trigger point. A cut was made to correct the alignment on 19 December.</p>
Wairarapa Operations	1,209	1,078	2,378	2,279	<p>Work programmes are progressing and expenditure is ahead of budget but this will correct by year end. River channel alignment, beach ripping, berm lowering and clearing work is ongoing. The supply of rock is proving difficult due to supply and quality issues.</p>
Drainage Schemes	120	143	284	284	<p>Maintenance programmes are progressing. The second Onoke pump is being repaired. Pump drainage schemes annual meetings have been held to review work progress and agree forward work programmes. Gravity drainage schemes budgets and work programmes have been reviewed and adjusted where necessary.</p>

Asset Management Project	67	58	116	240	Progress continues to be affected by resource availability. Focus has been on preparing the annual asset condition reports for various Council and Scheme committees and developing the Asset Management Plan and 30 year financial estimates. Budget is insufficient to progress all the improvement plan projects and maintenance projects will need to be deferred to accommodate the anticipated overspend.
Resource Consent Project	135	127	255	244	The Wainuiomata River resource consent application has been lodged with Environmental Regulation together with updated applications for the Hutt, Otaki and Waikanae and further refined Code of Practice for flood protection activities. A draft resource consent application for operational activities in the eastern rivers has also been prepared.
Other Costs	288	171	396	447	Expenditure on Wairarapa section overheads continues to exceed budget and will need to be off-set by deferring some Wairarapa maintenance works.
Sub Total Operations (45200)	3,557	3,486	7,124	7,109	

Annual Plan Performance Measure

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Number of new flood hazard assessment completed	2 new assessments completed (2011/12 forecast) In total 14 out of 24 rivers and streams have been assessed	1	A preliminary Flood Hazard Assessment is being finalised for Carterton. Regional Flood Hazard modelling, used for prioritising investigations, is also being updated.
Number of requests for flood hazard advice	500 (2010/11)	Increase on previous year	Approximately 360 have been logged in the first half of 2014/15. TKURFMP flood hazard information requests have contributed the majority of this total. This has represented a significant workload and a number of staff have been involved to assist with the responses. The RON's projects have required a significant amount of input although they are only recorded as a single advice request. 420 requests were logged in the full year 2013/14

Performance Measure	Performance Target		Comment
	Baseline	2013/14	
Percentage of flood warning alarms responded to appropriately	100% (2010/11)	100%	Flood warning alarms received to date have been 100% responded to in an appropriate manner. The technical update of the Flood Manual has included discussions with WREMO to confirm what the processes should be and updates of the technical information.
Percentage of floodplain management plan capital works 40-year programme implemented	30% completed (2011/12 forecast)	35% completed	Completed in 2013/14.
No failures of flood protection schemes below specified design levels	100%	100%	Achieved.
All flood protection works are undertaken in accordance with resource consent conditions or relevant plan provision	No significant non-compliance	No significant non-compliance	Monitoring has highlighted some issues with a contractor's gravel extraction operations at the Hutt River mouth which are being investigated.
Number of new public access points to rivers and streams	One	One new public access point	Achieved.

Specific areas of work 2014/15	Comment
Understanding Flood Risk	
Prepare the Te Kauru Upper Ruamahanga Floodplain Management Plan	In line with the approved programme and Subcommittee forward work plan, we will be working through Phase 2: Options Assessment
Continue the Waiohine Floodplain Management Plan	A recommendation on the preferred option has been work-shopped with the Waiohine River Floodplain Management Advisory Committee in December 2014. A few significant areas of disagreement remain to be resolved before the preferred option can be approved. Work on a Draft FMP will commence after that, although some work can begin concurrently since most of the preferred option is agreed in principle.
Continue the Waiwhetu Floodplain Management Plan	The FMP has been deferred until June 2016 and was to have been recommenced in January 2015. The project will probably need to be further deferred due to delays on the Pinehaven and TKUR FMPs.
Maintaining Flood Protection and control works and improving flood security	
Obtain statutory approvals for maintenance of infrastructure assets	Western resource consent applications lodged.
Plan for Lower Hutt City Centre stopbank upgrade	On target. Integrated concept plans and a business case for Melling Bridge replacement are under preparation.
Plan for channel widening on the Hutt River from Melling Bridge to Kennedy Good Bridge	On target. A part of edge protection works will be brought forward.
Continue implementing the environmental strategy on the Hutt, Waikanae and Otaki Rivers	On target.
Plan for channel widening on the Hutt River from Melling Bridge to Kennedy Good Bridge (Hutt River Floodplain Management Plan)	On target.
Commence Jim Cooke Park stopbank improvements	On target. Round one consultation completed.
Commence implementation of Waiohine Floodplain Management Plan outcomes	Delayed. Awaiting completion of the Waiohine FMP.

Financial Reports

Flood Protection Funding Statement For the year ended 31 December 2014	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014	
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000
Rates & Levies	7,432	7,432	-	14,863	14,863	-	7,076	14,152
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External revenue	627	685	(58)	1,134	1,155	(21)	594	1,160
Investment Revenue	260	260	-	537	522	15	229	463
Internal Revenue	42	31	11	52	61	(9)	28	83
TOTAL INCOME	8,361	8,408	(47)	16,586	16,601	(15)	7,927	15,858
/less:								
Personnel	1,374	1,440	66	2,823	2,883	60	1,431	2,765
Materials, Supplies & Services	386	592	206	1,106	1,085	(21)	636	1,272
Travel & Transport Costs	71	74	3	151	149	(2)	69	164
Contractor & Consultants	1,453	1,207	(246)	2,642	2,679	37	1,435	3,008
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	393	343	(50)	616	586	(30)	277	531
Total Direct Expenditure	3,677	3,656	(21)	7,338	7,382	44	3,848	7,740
Financial Costs	1,620	1,614	(6)	3,243	3,228	(15)	1,551	3,146
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	843	843	-	1,685	1,685	-	750	1,500
Depreciation	527	499	(28)	1,023	998	(25)	489	978
Loss(Gain) on Sale of Assets / Investments	-	(70)	(70)	(70)	(70)	-	(13)	(63)
TOTAL EXPENDITURE	6,667	6,542	(125)	13,219	13,223	4	6,625	13,301
Operating Surplus/(Deficit)	1,694	1,866	(172)	3,367	3,378	(11)	1,302	2,557
Add Back Depreciation	527	499	28	1,023	998	25	489	978
Other Non Cash	-	(70)	(70)	(70)	(70)	-	(13)	(63)
Net Asset Acquisitions and Capital Expenditure	(1,548)	(2,250)	842	(5,111)	(4,769)	(342)	(1,418)	(5,391)
Net External Investment Movements	(212)	(202)	(10)	(420)	(405)	(15)	(92)	(379)
Repaid Debt	(1,477)	(1,522)	45	(3,045)	(3,045)	-	(1,467)	(3,045)
Net Reserves (Increase) / decrease	(322)	(333)	11	(707)	(707)	-	(124)	(300)
NET FUNDING BEFORE DEBT ADDITIONS	(1,338)	(2,012)	674	(4,963)	(4,620)	(343)	(1,323)	(5,643)
Internal Debt Additions	1,546	2,113	(567)	4,962	4,620	342	1,422	5,270
External Debt Additions	-	-	-	-	-	-	-	-
Net Funding Surplus (Deficit)	208	101	107	(1)	-	(1)	99	(373)

Flood Protection Capital Expenditure Statement For the year ended 31 December 2014	31 December 2014			Forecast \$000	Full Year Budget \$000	Variance \$000	30 June 2014	
	Actual \$000	Budget \$000	Variance \$000				YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	2	207	205	219	219	-	409	5,054
Capital Project Expenditure	1,546	2,113	567	4,962	4,620	(342)	1,022	400
Asset Disposal Cash Proceeds	-	(70)	(70)	(70)	(70)	-	(13)	(63)
Net Capital Expenditure	1,548	2,250	702	5,111	4,769	(342)	1,418	5,391
Investments Additions	212	202	10	420	405	(15)	83	379
Net Capital and Investment Expenditure	1,760	2,452	712	5,531	5,174	(357)	1,501	5,770

Financial Variance Analysis

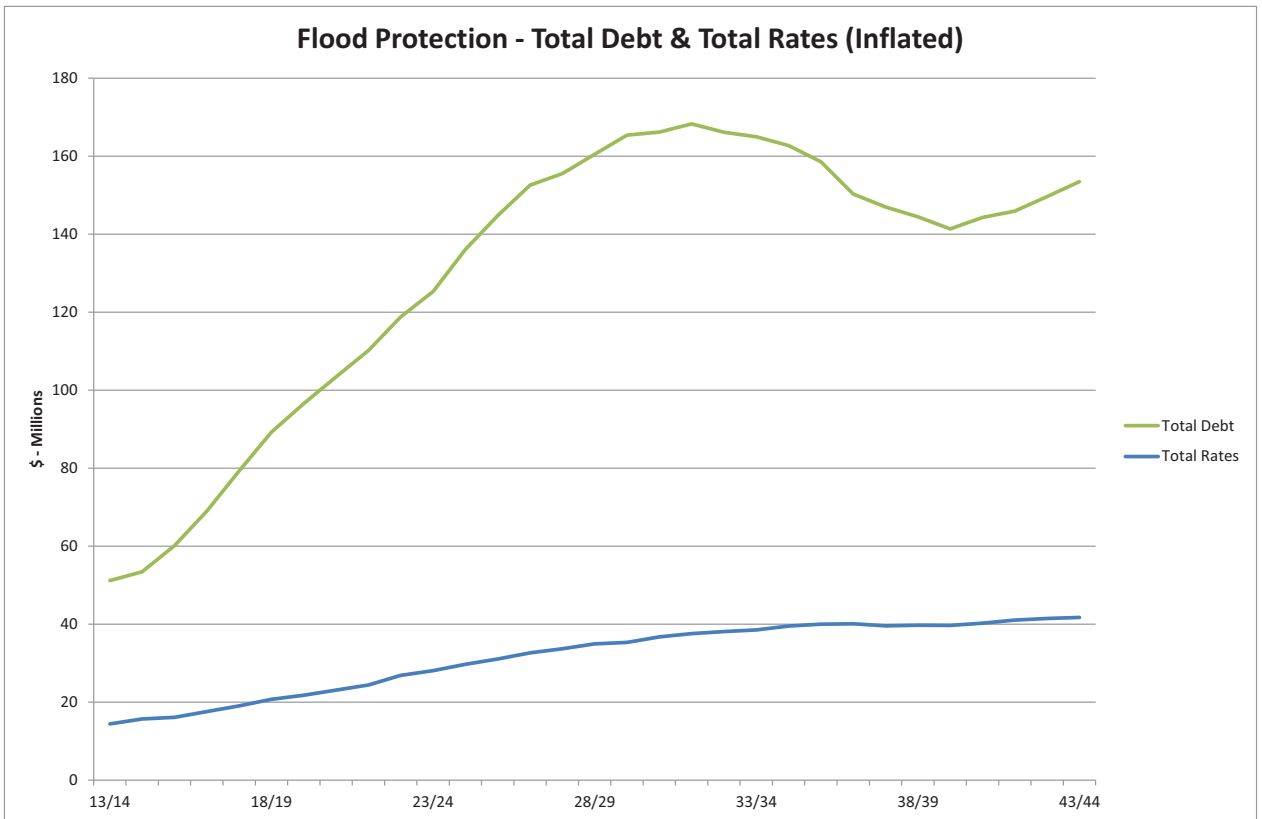
Operations, Delivery and Planning Section expenditure was close to budget.

Annual expenditure on asset management activities is currently forecast to exceed budget by \$124,000 and some maintenance projects are to be deferred to accommodate the expected overspend.

Investigations – current underspending in Opex will be offset by consultant costs from projects programmed in the remainder of the year and staff costs due to employment of a Graduate Hydrologist from the second quarter onwards.

Additional Capex Investigation expenditure is required to progress the Mangaroa Plan Change with UHCC this year, although no funds are budgeted for the Mangaroa Flood Hazard assessment until 2015/16. Significant underspends are forecast on Waiwhetu FMP and TKURFMP due to project delays. Waiwhetu FMP and TKURFMP capex will need to be rebudgeted into future years in order to complete these projects.

Bringing forward Capex Implementation expenditure of \$2.4m is forecast to meet property purchase programme, and for some edge protection work in the Hutt River. Adjustments will be made in 2015/16 to accommodate this year's expenditure.



2.5 Integrated Catchment Management

Integrated Catchment Management Funding Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	85	85	-	171	171	-	84	167
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External revenue	344	-	344	610	-	610	220	626
Investment Revenue	-	-	-	-	-	-	-	8
Internal Revenue	100	50	50	100	100	-	100	100
TOTAL INCOME	529	135	394	881	271	610	404	901
/less:								
Personnel	73	75	2	147	150	3	68	137
Materials, Supplies & Services	8	25	17	12	50	38	6	82
Travel & Transport Costs	2	2	-	3	4	1	4	7
Contractor & Consultants	378	25	(353)	643	50	(593)	82	300
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	47	8	(39)	77	16	(61)	43	137
Total Direct Expenditure	508	135	(373)	882	270	(612)	203	663
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	508	135	(373)	882	270	(612)	203	663
Operating Surplus/(Deficit)	21	-	21	(1)	1	(2)	201	238
Add Back Depreciation	-	-	-	-	-	-	-	-
Other Non Cash	-	-	-	-	-	-	-	-
Net Asset Acquisitions and Capital Expenditure	-	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-	-
Repaid Debt	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-	(203)
NET FUNDING BEFORE DEBT ADDITIONS	21	-	21	(1)	1	2	201	35
Internal Debt Additions	-	-	-	-	-	-	-	-
External Debt Additions	-	-	-	-	-	-	-	-

Financial Variance Analysis

Favourable MfE external revenue and contractor costs for fencing, planting, wetland construction and other improvements for the Wairarapa Moana Clean Up project.

Wairarapa Moana - Freshstart for Freshwater Cleanup Fund Project

Onfarm works projects are highlighted within the Land Management section of this report. Overall the project has seen 11km of fencing put in place and over 47,000 native seedlings planted.

Restoration works planning continues to be a challenge. Fine tuning of the proposal to connect Matthews Lagoon and Wairio Wetlands is ongoing. At JK Donald Reserve the southern wetlands have dried out allowing the scoping of the digger requirements to improve the connections within the wetland complex. Contact had been made with NIWA to seek their advice regarding the diversion weir

Planning for aerial spraying of willows and alders in the edge wetlands has been completed and spraying has commenced. Removing these species will open up waterways and provide better water flow between ponds and halt the progressive infestation by weeds of sedge-lands and water bodies. A total area of about 167 hectares over the five edge wetlands will be worked in. A large amount of communication with land managers, graziers, adjoining landowners and iwi was carried out in planning the work.

Trapping of predators has continued - see Biodiversity/Biosecurity sections for further information. There has been a big decline in the number of ferrets trapped in the area between the Matthews and Boggy wetlands which indicates that their numbers in that region have fallen sharply recently.

The November shore-bird monitoring completed on the eastern edge of Lake Wairarapa has shown a drop in total bird numbers recorded during the 2010-2014 surveys (591 individuals on average over those years) when compared to the November counts from 1984-1994 (724 individuals). The abundance of seven species appear to have declined between the two surveys, including numbers of the second most abundant species at the lake – pied stilt. Increases in the abundance of ten other species were noted. These findings highlight the importance of obtaining long-term datasets in order to be able to determine real trends in species abundance, as environmental fluctuations can mask these changes.

An increase in bittern numbers has been recorded in a recent survey of Boggy Pond. Five birds were noted in the area in 2012, but eight birds were recorded in the last survey. With such few numbers, and given that they are such secretive birds, it is difficult to tell if the increase can be attributed to the pest control that was put in place at the site in 2012.

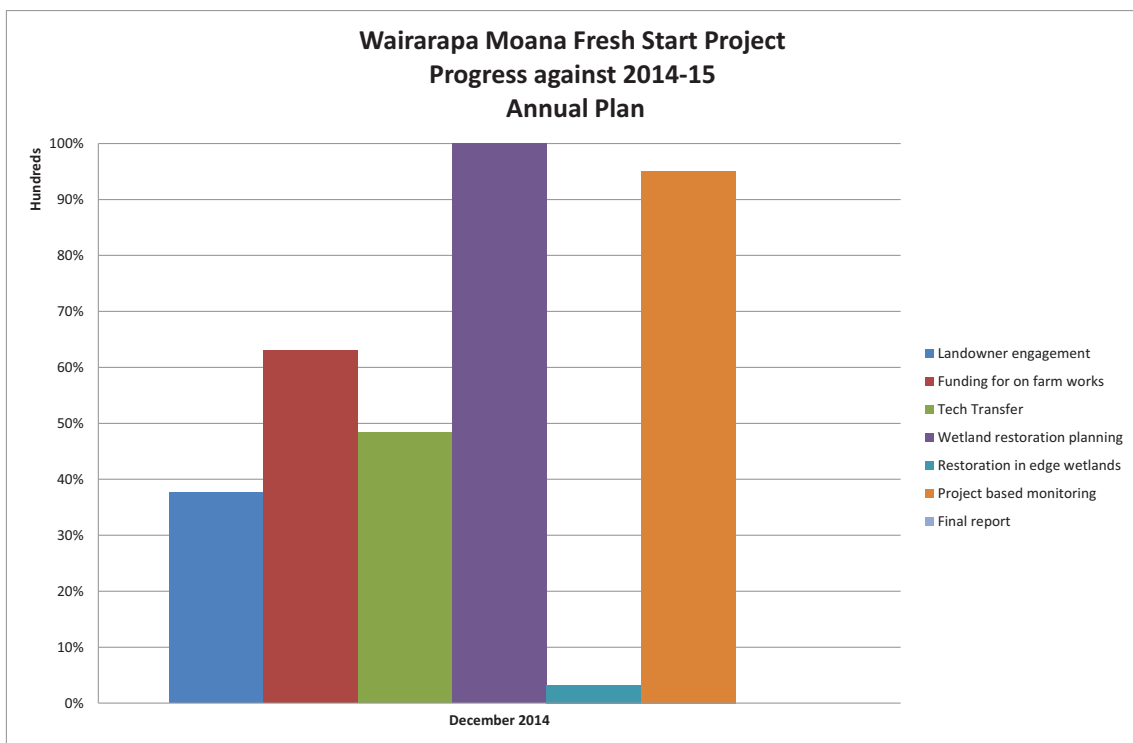
Two fishing events were completed in October and December (one night each) as part of the exotic fish removal trial at Barton's Lagoon, with 14 trout, 66 perch and 61 rudd being captured. There is some concern that the current fishing pressure is not adequately suppressing the exotic fish populations and a change to the trial approach may be warranted. This will be discussed with Fish and Game following the native fish survey that will be completed in the lagoon during January.

GWRC staff provided a presentation to farmers and stakeholders at a recent field day that focused on farm water quality. The presentation included an overview of the results of a large-scale water quality monitoring sampling event involving 17 farms were presented, as well as information about water quality in the waterways around Wairarapa Moana . It was well attended with 53 participants.

Lake Wairarapa fails the phosphorous bottom line for ecosystem health parameters identified within the National Policy Statement.

Monthly articles on the project have been prepared for the local newspaper. The Wairarapa Moana Freshstart project has featured in the latest edition of The Dairy Exporter.

A drains project has been created with the aim of enhancing management of the drains through the development of a drain classification methodology, noting best management practise, and testing some possible new practical approaches.



2.6 Finance and Support

Finance and Support Funding Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	-	-	-	-	-	-	-	-
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External revenue	26	52	(26)	47	105	(58)	40	55
Investment Revenue	1	1	-	1	1	-	1	1
Internal Revenue	462	362	100	853	743	110	396	828
TOTAL INCOME	489	415	74	901	849	52	437	884
/ess:								
Personnel	462	452	(10)	926	905	(21)	438	888
Materials, Supplies & Services	156	141	(15)	285	277	(8)	171	330
Travel & Transport Costs	3	7	4	3	17	14	7	12
Contractor & Consultants	9	17	8	45	34	(11)	13	38
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	146	105	(41)	373	385	12	100	204
Total Direct Expenditure	776	722	(54)	1,632	1,618	(14)	729	1,472
Financial Costs	8	-	(8)	17	-	(17)	-	6
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	(385)	(385)	-	(770)	(770)	-	(289)	(594)
Depreciation	18	1	(17)	30	2	(28)	15	30
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	417	338	(79)	909	850	(59)	455	914
Operating Surplus/(Deficit)	72	77	(5)	(8)	(1)	(7)	(18)	(30)
Add Back Depreciation	18	1	17	30	2	28	15	30
Other Non Cash	-	-	-	-	-	-	-	-
Net Asset Acquisitions and Capital Expenditure	(14)	-	(14)	(12)	-	(12)	(13)	(273)
Net External Investment Movements	-	-	-	-	-	-	-	-
Repaid Debt	(12)	-	(12)	(23)	-	(23)	-	-
Net Reserves (Increase) / decrease	(1)	(1)	-	(1)	(1)	-	(1)	(1)
NET FUNDING BEFORE DEBT ADDITIONS	63	77	(14)	(14)	-	(14)	(17)	(274)
Internal Debt Additions	14	-	14	-	-	-	13	273
External Debt Additions	-	-	-	-	-	-	-	-
Net Funding Surplus (Deficit)	77	77	-	(14)	-	(14)	(4)	(1)

Finance and Support Capital Expenditure Statement For the year ended 31 December 2014	31 December 2014			Full Year			30 June 2014	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	-	-	-	-	-	-	273
Capital Project Expenditure	14	-	(14)	-	-	-	13	-
Asset Disposal Cash Proceeds	-	-	-	-	-	-	-	-
Net Capital Expenditure	14	-	(14)	-	-	-	13	273



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Environment Management Group

Performance Report ended 31 December 2014



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1 ENVIRONMENT MANAGEMENT GROUP REPORT

1.1 Executive summary for Environment Management Group

Group Overview

Environmental Policy

Following the adoption by Te Upoko Taiao of the draft Natural Resources Plan in mid-September, a series of seven public meetings/workshops to discuss the plan were held, and comment on the Plan was received up to the end of November. This engagement resulted in around 145 individual submissions being received, which touched on over 4,000 individual submission points. Issues raised are being worked through and a further round of specific 'causing' sessions are scheduled to work through areas of particular interest, such as stock access.

In addition to the ongoing work of the Ruamāhanga Whaitua Committee, the last quarter also saw the formal establishment of the Te Awarua o Porirua Whaitua Committee, the second of our five committees to be established. There has also been a lot of work underway in relation to engagement with Wellington Water, in particular around how their input can be incorporated into both the draft Natural Resources Plan, and also into the work of the Porirua and Wellington/Hutt Whaitua.

We have also made good progress in the last quarter with the development and coordinating of the Regional Natural Hazards Strategy. This project, which joins together six local authorities, will be a key policy tool for the future coordination of management planning and research into hazards.

The Minister for the Environment has also foreshadowed changes to the Resource Management Act in a speech early this year. While much of this appears to be focused on housing related issues, there are some areas around property right, collaborative planning pathways and national direction that will be of significant interest to us once more details are provided by MFE.

Environmental Regulation

Environmental Regulation continued to have a large volume of work generated by the outcomes of Roads of National Significance (RONS) Board of Inquiry processes. We worked particularly hard in the last quarter around the relationship with NZTA, Wellington Gateway Partnership and Leighton's in relation to the Transmission Gully Project as the projects moves firmly into the construction and bulk earthwork phase. The regulation team has also been working very closely with the development of the draft Natural Resources Plan to 'ground truth' provision and ensure that they are workable in a regulatory context.

The Regulation team continues to hit all its statutory processing timeframes and has had a number of successful outcomes from Court processes during the quarter. We have also worked with Wellington City Council over the last few months around special housing areas, and how this might impact on the work we do in the regulatory area.

Environmental Science

The Science department continues to direct a huge amount of its focus on providing information for the Plan and Whaitua process. A key component of this work is the collaborative modelling options process that is being used in the limit setting process. This has already commenced in relation to the Ruamahanga and is now being planned for the Porirua Whaitua. While time consuming, and expensive, this is a critical component of the information required by Whaitua to make their work successful. The Department is also leading some innovative work with iwi through the Kaitiaki Group around how we incorporate a 'partnership' in science that reflects iwi monitoring and values into our traditional SOE monitoring programme.

A key ongoing piece of work in the science area is the review of our State of the Environment Monitoring programme. As well as assessing the adequacy of the existing network, this review process will also ensure that the network is fit for purpose with regard to future information needs driven by national legislation of the work of the Whaitua.

Harbours department

A milestone in the last quarter was Maritime New Zealand's approval of the Port and Harbour Safety Management System (SMS), which took place in conjunction with a regional council peer reviewer group. It took over three years for MNZ to eventually audit this piece of work, so the approval is significant for GWRC and also CentrePort who were co-authors to the SMS. The review of the related Port and Harbour Risk Assessment will commence in late 2014. A summer ranger has been operating within the Harbours department for the last few months, which is usual for this time of year as we work with the increased numbers of recreational boat users who come out over the holiday and summer period.

Parks department

There was significant work in the last quarter on the farm hub duplication project at Belmont (which was formally opened in January), and also the cycleway through QEP; both projects are funded via compensation/mitigation funding from NZTA. There has been extensive ongoing engagement with the Wellington Gateway Partnership in the last quarter to manage the operation of both Belmont and Battle Hill as the Transmission Gully project gets underway. We have reached an agreement with the Department of Conservation to join the grazing license at QEP/Whareroa Parks, and expressions of interest will be sought in the coming month. The annual Great Outdoors Summer Events programme was launched in December, and this will run through to the end of March.

Wairarapa Water Use Project

The Wairarapa Water Use Project continues to be increasingly connected with the Plan review and Whaitua process, and over the next few months some key work around the water allocation framework in the Wairarapa will be undertaken that may have a strong bearing on how the project proceeds. The last quarter has seen the Stakeholder Advisory Group and the Leadership Group meet, and the ongoing work around refining non-engineering studies (cultural, social, recreational) and the start of refining a multi-criteria framework that will support the decision making around final site selection of site/s, if any, to go through to a feasibility stage.

Key results for the year to date

Environmental Policy

- ▶ Positive engagement with Ministry for Primary Industries and the Ministry for the Environment around options to develop Memorandums of Understanding for partnership programmes to complement GRWRC's NPS implementation programme
- ▶ Work is progressing on the implementation of the National Policy Statement for Freshwater Management with the Ruamāhanga Whaitua Committee's programme of work underway and the Te Awarua o Porirua Harbour Whaitua Committee now established
- ▶ Draft Natural Resources Plan approved by Te Upoko Taiao for consultation with associated engagement and consultation process
- ▶ Regional Natural Hazards Strategy work underway under the project management control of GWRC

Environmental Regulation

- ▶ Continued roll out of programmes for land development activities including contracting out compliance monitoring, development of a forestry sector regulatory strategy, and further development of a winter works earthworks protocol
- ▶ Ongoing roll-out of the dairy effluent pond storage calculator, and continuing implementation of the water management strategy around water metering and reporting (national regulations) compliance requirements
- ▶ Significant work around the Roads of National Significance (RONS) work programme across the region
- ▶ Appeals, declarations and judicial reviews – substantial case load in appeals, and judicial review, injunction and declaration proceedings (in the Supreme, High and Environment Courts)
- ▶ Roll-out of the Ozone Call Centre database for Pollution Incidents and other Helpdesk calls
- ▶ Ongoing work to both implement the Resource Management Amendment Act (RMAA) 2013 consenting provisions, and review proposed reforms under the Government's Phase Three reforms package; and work to develop processes ahead of the 2014 roll-out of the Building Act Dam Safety Scheme
- ▶ Ongoing work on major revisions of procedures manuals and further development of a revised QMS for Environmental Regulation statutory process work
- ▶ Input into the Natural Resources Plan review process to provide a 'users' perspective and input into provisions
- ▶ Ongoing development of a strategic compliance framework

Environmental Science

- ▶ Completion of departmental science strategy and associated implementation plan to achieve the Department's strategy goals for 2014-16
- ▶ Commencement of comprehensive review of all SOE monitoring programmes
- ▶ Completion of the suite of 2012/13 State of the Environment Annual Data Reports
- ▶ Completion of the "new look" 2012/13 Annual Summary Report

- ▶ Development of a project plan in conjunction with SCEG to produce an organisational research strategy and implementation plan
- ▶ Completion of information provision to Wheel of Water project
- ▶ Completion and release of the final report for the second Wellington Harbour sediment survey
- ▶ Successful modelling 'moshpit' with expert modellers nationwide to explore development of a modelling framework for modelling land use/water interactions for the whitua
- ▶ Successful completion of a multi-council tendering process and contract for the provision of analytical laboratory services for water quality testing
- ▶ Ongoing involvement in the Land and Water Aotearoa (LAWA) portal
- ▶ Securing partnership with MFE and MPI on modelling development, limit setting and scenario testing to support Whitua process

Harbours

- ▶ Approval from Maritime New Zealand of the Safety Management System (SMS)
- ▶ Commencement of the review of the GRWC/CentrePort Port and Harbour Risk Assessment
- ▶ Replaced mains powered Kings Wharf light with solar replacement

Parks

- ▶ Community liaison in relation to proposed track realignment and redevelopment works in our Parks network particularly in East Harbour
- ▶ Launch and delivery of the 2015 Great Outdoors Summer Events programme
- ▶ Completion of asset management plans for all regional parks
- ▶ Launch of the summer 2014 edition of *Our Parks* Newsletter
- ▶ Further storm damage recovery work followed by good progress on Korokoro Forks – Belmont Trig track improvements
- ▶ Development of the main farm hub duplication project from Waitangirua to Hill Road area of Belmont Regional Park, and planning for the cycleway from Paekakariki to Raumati South in Queen Elizabeth Park

Wairarapa Water Use Project

- ▶ Ongoing development of the pre-feasibility programme of works
- ▶ Completion of two day value engineering workshop
- ▶ Governance Group for the Wairarapa Water Use Project is up and running
- ▶ A further funding application successfully signed off with the Irrigation Acceleration Fund
- ▶ Stakeholder Advisory Group continues to meet every 5 – 6 weeks

Looking Ahead

Environmental Policy

- ▶ The Ruamāhanga Whaitua Committee will continue to progress its work and the Porirua Harbour Whaitua Committee will commence meeting in February
- ▶ Meetings will be held with individual stakeholders and councils in this quarter around provisions in the draft Natural Resources Plan with a view to enter into a 'mediation' exercise to work through outstanding key issues in the lead up to the release of a proposed plan in mid 2015
- ▶ The regional hazard Management Strategy work programme will be finalised and a number of stakeholder workshops held in early 2015
- ▶ Ongoing input into statutory planning processes undertaken by regional Territorial Authorities to support our Regional Policy Statement and plans

Environmental Regulation

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

Environmental Science

- ▶ Progressing the development of modelling framework to identify and integrate models required for scenarios testing in the Whaitua and limit setting process
- ▶ Ongoing review of all SOE monitoring programmes to consider future information needs for Whaitua and National Objective Framework requirement in particular
- ▶ Implementation of a monitoring programme for terrestrial biodiversity
- ▶ Development of MoA's (Memorandums of Agreement) with various internal departments to define services provided by the Science department
- ▶ Integration of Mātauranga Māori and science where appropriate and development of cultural health monitoring and indicators
- ▶ Managing increased science requirements around contaminated site management
- ▶ Development of cultural health monitoring indicators and incorporation into SOE monitoring programme

- ▶ Consideration of monitoring requirements for the Kapiti Airshed and relocation of Wellington City monitoring station
- ▶ Ongoing input to the Ruamāhanga Whaitua and gearing up for the Porirua Harbour Whaitua
- ▶ Preparation of information and involvement in the development of new modules proposed for LAWA around lakes and air quality
- ▶ Completion of technical supporting documents for the draft Natural Resources Plan

Harbours

- ▶ Undertaking, in conjunction with CentrePort, a review of the Navigational and Safety Risk Assessment framework

Parks

- ▶ Commencement of construction of a Paekakariki-Raumati South walkway/cycleway in Queen Elizabeth Park
- ▶ Finalising compensation and mitigation measures related to TGM on Belmont Regional Park including relocation of the permanent farm hub to Hill Road and completion of these works
- ▶ Working with Biodiversity on the three Year Plans for the Key Native Ecosystem sites on the parks
- ▶ Working with the Department of Conservation to develop a joint licence for grazing at Queen Elizabeth Park and Whareroa Farm
- ▶ Implementation of the Whitireia Park Millennium Pou site development project plan
- ▶ Re-phasing and refining the Queen Elizabeth Park Heritage Precinct project plan to line up with updated plans for Transmission Gully Motorway
- ▶ Continue to work with Department of Conservation Regional Council partners on the Nature Central Project

Wairarapa Water Use Project

- ▶ Ongoing consultation and engagement with homeowners and landowners
- ▶ Ongoing prefeasibility work based around the six key work streams
- ▶ Development of multi criteria analysis framework to assist in determination of which, if any, schemes go forward to a feasibility phase
- ▶ Review points built into work programme with initial key decision around site viability in early 2015

1.2 Group financial summary

Environment Management financial statements

Environment Management Income Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Regional Rates	5,961	5,961	-	11,921	11,921	-	5,715	11,431
Regional Water Supply Levies	-	-	-	-	-	-	-	-
Rates & Levies	5,961	5,961	-	11,921	11,921	-	5,715	11,431
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External Revenue	1,914	1,538	376	3,790	3,095	695	1,477	3,481
Investment Revenue	4	-	4	-	-	-	4	8
Internal Revenue	155	203	(48)	406	406	-	244	548
TOTAL INCOME	8,034	7,702	332	16,117	15,422	695	7,440	15,468
less:								
Personnel Costs	4,664	4,460	(204)	9,267	8,920	(347)	4,215	8,702
Materials, Supplies & Services	491	367	(124)	734	734	-	440	868
Travel & Transport Costs	114	97	(17)	195	195	-	116	232
Contractor & Consultants	1,180	1,101	(79)	2,891	2,258	(633)	1,134	2,845
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	830	772	(58)	1,519	1,519	-	722	1,526
Total Direct Expenditure	7,279	6,797	(482)	14,606	13,626	(980)	6,627	14,173
Financial Costs	33	31	(2)	61	61	-	35	69
Bad Debts	50	-	(50)	100	-	(100)	49	194
Corporate & Department Overheads	647	647	-	1,295	1,295	-	579	1,158
Depreciation	230	221	(9)	442	442	-	225	436
Loss(Gain) on Sale of Assets / Investments	-	(31)	(31)	(31)	(31)	-	-	-
Total Indirect Expenditure	960	868	(92)	1,867	1,767	(100)	888	1,857
TOTAL EXPENDITURE	8,239	7,665	(574)	16,473	15,393	(1,080)	7,515	16,030
OPERATING SURPLUS/(DEFICIT)	(205)	37	(242)	(356)	29	(385)	(75)	(562)
Add Back Depreciation	230	221	9	442	442	-	225	436
Other Non Cash	-	(31)	31	(31)	(31)	-	-	-
Net Asset Acquisitions	(90)	(249)	159	(450)	(450)	-	(56)	(143)
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE	(65)	(22)	(43)	(395)	(10)	(385)	94	(269)
Debt Additions / (decrease)	19	97	(78)	193	193	-	25	115
Debt Repaid	(88)	(92)	4	(184)	(184)	-	(101)	(208)
Net Reserves (Increase) / decrease	(4)	-	(4)	-	-	-	(4)	(8)
NET FUNDING SURPLUS (DEFICIT)	(138)	(17)	(121)	(386)	(1)	(385)	14	(370)

Environment Management Capital Expenditure Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	71	202	131	307	307	-	29	54
Capital Project Expenditure	19	97	78	193	193	-	25	87
Asset Disposal Cash Proceeds	-	(50)	(50)	(50)	(50)	-	-	-
Net Capital Expenditure	90	249	159	450	450	-	54	141

- ▶ These accounts include the five Environment departments (Policy, Regulation, Science, Harbours & Support) but exclude Parks (shown in section 3.2) & Wairarapa Water Use Project (shown in Section 3.3)

- ▶ External revenue is \$1,914k which is \$377k more than budget and \$233k of this variance relates to consent processing including additional on charging of consultants costs for the RONS projects and \$75k is funding from MfE towards some of the ESci work
- ▶ Direct costs of \$7,279k which is \$482k more than budget. Staff costs are \$204k more than budget mainly in ESci department due to two staff who have been recruited early to support the science requirements of the Whaitua Committees (budgeted in 2015/16) and casuals who assist with the terrestrial monitoring work. EREG staff costs are also overbudget by \$42k but half of these are recoverable costs of consent processing. EREG consultants costs are \$250k overbudget of which \$234k relate to RONS projects and have been oncharged
- ▶ Indirect costs are close to budget except for the Provision for doubtful debts which relates to EREG debtors. Under our debtors policy we provide for debts which are over 90 days old. Payment plans are in place so some of these debts may be collected
- ▶ Net result is a Deficit of \$205k which is \$242k worse than budget
 - » Harbours net result of breakeven is close to budget
 - » Regulation has a net deficit of \$116k which is \$128k worse than budget even though RONS project has contributed \$104k surplus this has been offset by costs of other EREG activities
 - » Policy net deficit is \$26k, which is \$50k over budget but transferring resource costing charges back to ESci next month will reduce this deficit by \$40k
 - » Science net deficit is \$58k, which is \$37k worse than budget due to unbudgeted staff costs
 - » Support net deficit of \$6k is in line with budget
- ▶ The forecast has been updated to include
 - » \$195k additional external income and \$480k additional costs in ESci which increases the net deficit by \$285k
 - » \$400k additional external income and \$400k additional costs of the RONS project plus \$100k increase in doubtful debts in EREG which increases the net deficit by \$100k
- ▶ The funding position at the end of December is a deficit of \$138k which is \$121k worse than budget mainly due to unbudgeted staff costs
- ▶ Capital spend is mainly in Parks and WWUP so refer to Sections 3.2 and 3.3 for details
 - » The asset acquisitions include replacement dataloggers for ESci

2 TE UPOKO TAIAO NATURAL RESOURCE MANAGEMENT COMMITTEE

2.1 Environmental Policy



Overview

The draft Natural Resources Plan for the Wellington region was open for comment until 30 November 2014. More than 145 individuals and organisations provided comments covering more than 4,000 points.

The Ruamāhanga Whaitua Committee's work programme is continuing, with two workshops and one site visit held this quarter

The membership of Te Awarua o Porirua Whaitua Committee was confirmed

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

The Regional Hazard Management Review continues

Key results

- ▶ Te Upoko Taiao held a workshop providing the opportunity for key stakeholders and interested parties to speak directly to Te Upoko Taiao Committee on the draft Natural Resources Plan for the Wellington region.
- ▶ Feedback on the draft Natural Resources Plan for the Wellington region was open until 30 November 2014, after which time the Environmental Policy staff will start to collate and respond to the feedback.
- ▶ Work is progressing on the implementation of the National Policy Statement for Freshwater Management with,
 - » the Ruamāhanga Whaitua Committee's programme of work underway
 - » the approval of the second whaitua committee: Te Awarua o Porirua Whaitua Committee
- ▶ Presentations were made at number of different sites across the region to introduce the public, consultants and stakeholders to the draft Natural Resources Plan (dNRP)

Looking ahead

- ▶ Te Upoko Taiao will be convening early in 2015 for workshops on the draft Natural Resources Plan
- ▶ The Ruamāhanga Whaitua Committee will continue to progress its work
- ▶ Te Awarua o Porirua Whaitua Committee will start its work in February 2015
- ▶ The Regional Hazard Management Strategy work programme will be finalised and a number of workshops held in early 2015.

Departmental activity

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

- ▶ Engagement on the draft Natural Resources Plan
- ▶ Supporting the Ruamāhanga Whaitua Committee
- ▶ Supporting Te Awarua o Porirua Whaitua Committee
- ▶ The development of a Regional Hazard Management Strategy, and
- ▶ The implementation of the Regional Policy Statement

Implementation of the NPS for Freshwater Management/Whaitua Programme

Ruamāhanga Whaitua Committee

The Ruamāhanga Whaitua Committee is continuing its work programme, meeting approximately every six weeks at different locations around the whaitua (catchment).

22 October 2014

The Ruamāhanga Whaitua Committee held a workshop on engagement, led by Glen Lauder (Cultivate). This workshop was designed to assist the Ruamāhanga Whaitua Committee with their engagement with each other as a committee and with the community.

24 November 2014

The Ruamāhanga Whaitua Committee held a workshop at the Greytown Town Centre on Monday 24 November. The workshop started with a presentation from Natasha Tomic (GWRC, Environmental Science) on the modelling framework that will be used by the modelling experts contracted to the Council to support the work of the Ruamāhanga Whaitua. Darran Austin (Ministry of Primary Industries) then gave a presentation on how scenarios for economic effects on agriculture were being modelled in different parts of the country, and some of the challenges and issues that have had to be overcome.

The Ruamāhanga Whaitua Committee members then each gave a five minute 'snapshot' report back on the community engagement work they had done, addressing points such as: who they have been talking to? What was the flavour of those conversations? What are the particular issues that community members have talked with you about? What are the issues they see facing the Ruamāhanga Whaitua?

The third session of the workshop involved committee members workshoping an initial set of outcomes and a vision for the Ruamāhanga Whaitua using the following question as a focus: What are the outcomes for land and water management we want to see achieved for the Ruamāhanga Whaitua in the future?

1 December 2014

The Ruamāhanga Whaitua Committee was invited to participate in the field visit and meeting of the Lower Wairarapa Valley Development Scheme Committee. This included viewing the scheme assets and programmes and discussing the importance of the scheme in the Lower Wairarapa Valley.

Te Awarua o Porirua Whaitua Committee

The application period for community membership of the Te Awarua o Porirua Whaitua Committee closed on Friday 31 October and 14 applications were received. The selection panel, consisting of Cr Barbara Donaldson (GWRC), Cr Bronwyn Kropp (PCC), Rawiri Faulkner (Ngati Toa) and Alastair Smaill (Whaitua Project Manager), assessed the applications and shortlisted 11 applicants to be interviewed. Following the 11 interviews, 8 applicants were selected to be put forward to Council for approval as community members on Te Awarua o Porirua Whaitua Committee.

At the 10 December Council meeting the full membership of Te Awarua o Porirua Whaitua Committee was approved (Report PE 14.619). The committee will start meeting in February 2015.

Operative Regional Policy Statement

Ongoing- activity planning is underway and this will be worked through with the Regional Planning Manager Group. A Regional Policy Statement information roadshow was undertaken with meetings held with staff from each of the regions TA's, as part of the wider implementation programme.

Regional Plan review

Te Upoko Taiao – Natural Resource Management Committee

26 November 2014

On 26 November 2014, Te Upoko Taiao held a workshop at the Greytown Town Centre. The workshop provided an opportunity for key stakeholders and interested parties to speak directly to the Te Upoko Taiao Committee on the draft Natural Resources Plan for the Wellington region.

Additionally, Pauline Hill (GWRC, Te Hunga Whiriwhiri) gave a presentation to the committee on the draft mana whenua and māori engagement strategy.

The draft Natural Resources Plan for the Wellington region was open for feedback until 30 November 2014, after which time the Environmental Policy staff will collate the feedback and prepare to report this back to Te Upoko Taiao early in 2015.

Engagement

Public engagement for the draft Natural Resources Plan provided people with a number of ways to deliver their feedback to us:

- ▶ Seven public meetings attended by arrange of people and organisations
- ▶ Presentations and discussion with the eight Territorial Authorities in the region
- ▶ A “Bang-the-table” survey that was accessed by over 150 people, 2 of whom submitted feedback

- ▶ Website feedback by over 165 submitters addressing more than 10 points each
- ▶ Response to the draft Natural Resources Plan included comments from more than 145 individuals and organisations covering over 4,300 points.

Interagency/Interdepartmental cooperation and partnerships

Staff continue to be part of a number of working groups from the Ministry of Primary Industries and Ministry for the Environment, as part of on-going efforts to work together on the implementation of the National Policy Statement for Fresh Water Management and the development of farm plan tools. These areas of work include collaborative planning, setting objectives under the National Policy Statement for Freshwater Management and scientific and economic investigation supporting the Whaitua process.

Regional Council input into Statutory Planning

District Plan Changes

Wellington City Council

- ▶ Proposed plan change 77 – Curtis Street Business Area

GWRC is an interested party (but not an appellant) to the appeals on this plan change on matters relating to biodiversity and stormwater management. A fifth independent mediation session in October to resolve appeal matters led to a decision to abandon mediation and move to the Environment Court. Direction from the Court for hearing the appeal is expected shortly.

- ▶ Draft Reserves Management Plan

GWRC provided comments on this non-statutory document in the areas of biodiversity and flood protection.

Porirua City Council

- ▶ Proposed plan change 16 – Network Utilities

GWRC has submitted on this proposed Plan Change 16. Our main reason for submitting was in respect of our flood protection infrastructure. The hearing was held on 17 September 2014. The Commissioners adjourned the hearing and Greater Wellington Regional Council has produced a report on the interpretation of 'Regionally significant infrastructure'. The hearing will reconvene on 29 January 2015.

- ▶ Proposed plan change 17 – Aotea Supermarket Zone

On 10 October 2014, GWRC appeared at hearing to support a submission seeking amendments to this private proposed plan change. A decision to approve the proposed plan change was notified on 11 December 2014. This decision supports the submission points made by GWRC seeking strengthened provisions for stormwater management and for maintaining the efficiency of public transport routes.

Hutt City Council

- ▶ Discussion Document – Providing for residential growth in Epuni, Waterloo and the CBD edge.

GWRC has provided feedback on this non-statutory discussion document to Hutt City Council. We have provided some comments on the positive effects of intensification on public transport use, comments around managing the effects of development on biodiversity and comments on avoiding intensification in areas subject to flooding.

Notified resource consents

Wellington City Council

- ▶ 55-85 Curtis Street – earthworks and vegetation clearance

This notified resource consent was to undertake earthworks and vegetation clearance to prepare the Curtis Street site for development. GWRC submitted seeking the minimisation of effects from earthworks and the protection of significant indigenous biodiversity values in accordance with the submission that was made on the same matter to proposed plan change 77 (PPC 77) (see above). The consent was granted by Commissioner on 3 December 2014, including provisions that addressed GWRC's submissions points. The site is the same as that affected by PPC 77 and appellants to PPC 77 have indicated that are also likely to appeal against the resource consent decision.

Natural hazards

Research Projects

Hikurangi Subduction Zone Tsunami Project

GWRC is part of a consortium to fund research into the rupture mechanisms of this major plate boundary fault. The project was initiated to investigate the potential for the Hikurangi Subduction zone to generate large mega-thrust earthquakes and consequent tsunamis. Features such as these have the potential to generate earthquakes of over > M8.5. Consequently, they represent a severe risk to local communities.

The first stage of this work has been completed which modelled potential fault rupturing areas, energy distributions and estimated earthquake sizes. GWRC took delivery of a report and associated GIS files in November. This work will contribute to modelling the potential for tsunami to be generated in an earthquake on this fault.

East Coast LAB (Life at the Boundary)

In a related project, Greater Wellington Natural Hazards Analyst has been asked to join a steering committee to for an inter-regional hazards research project called East Coast LAB (Life at the Boundary) being led by Hawkes Bay Regional Council and also involving Gisborne District Council and Horizons Regional Council. The 'Boundary' refers to the Hikurangi subduction zone.

The subduction Hikurangi subduction zone is the tectonic interface between the Pacific Plate and the Australian Plate. The seabed expression of this is one of the deepest ocean trenches in the world 30km off the Wairarapa Coast; the Hikurangi Trench. The interface runs under Wellington at a depth of around 20km and under the Kapiti Coast at about 30km. Movements on the interface are responsible for the slow slip earthquakes that have been occurring on the Kapiti Coast, which are thought to be responsible for triggering other large regional earthquakes, such as the Cook Strait sequence and the Eketahuna Earthquake.

The US National Science Foundation has selected the Hikurangi Margin as one of the three places in the world where a large amount of research effort and money (near \$14 m) will be spent on understanding subduction plate boundary phenomena over the next decade.

New Zealand and international earth scientists are keen to find answers to the many outstanding questions about why subduction zones behave the way they do, including what causes abrupt variations in seismic behaviour along subduction margins, understanding slow slip earthquakes, studying earthquake geology to obtain the timing and locations of past Hikurangi subduction earthquakes and tsunamis, and earthquake rupture and tsunami scenario modelling to better understand the sources of our risks. All this will help us understand what impacts might be on

communities, by defining boundary hazards using history & geology, so we can learn what we can do about it.

East Coast LAB will be a brand around which to

- ▶ Leverage international research opportunities relating to the Hikurangi tectonic boundary lying off the coast of Gisborne / Hawke's Bay / Wairarapa and the natural hazards associated with this boundary (earthquakes, liquefaction, fault rupture, tsunami)
- ▶ Promote public awareness of the natural hazards, including a dedicated website, marketing and dedicated focal points/local venues (eg, the museum and the National Aquarium in Napier or Te Papa) to share such information.

An application to the MCDEM resilience fund to support this project was successfully granted in December and will only require GWRC staff time and occasional travel expenses to attend workshops/meetings.

Porirua Fault Trace Study

The report for this project has been being finalised, following input from GWRC and PCC. A presentation of the findings was held at Porirua City Council in November and to discuss the implications for future development in the Porirua CBD. The project identified and updated information on the location, rupture frequency and earthquake magnitude potential of active faults running through the Porirua area. The work was undertaken by GNS Science and was part funded by GWRC and Porirua City Council. The results indicate that the location of the Ohariu Fault through the CBD is approximately in line with previous work, but that there is greater uncertainty about its exact location due to earthworks and development that has occurred in the area over the past 60 years.

Wellington Harbour Fault Investigation

This project has recently been finalised. A media briefing held at Wellington City Council to announce some of the findings was held in October and was reported on in the print, radio and television media. Work conducted as part of the It's Our Fault project revealed the presence of fault structures on the seabed of Wellington Harbour. GWRC provided funds to allow a more thorough analysis of these faults and the seismic hazard implications they pose Wellington City. The project discovered a previously unknown fault that may be an extension of a fault that bisects Mt Victoria, called the Aotea Fault. The investigation also clarified the existence and location of a fault running through the harbour floor in Evans Bay and into Lyall Bay known as the Evans Bay Fault. This work will contribute to our understanding the seismic hazard risk facing Wellington City.

Lower Hutt Seismic Event Related Geotectonic Investigation

Greater Wellington Regional Council has been working with the Hutt City Council and GNS Science to investigate in more detail the type of fault movement that may occur in Lower Hutt and the potential magnitude of any subsidence that may occur. It is thought that Lower Hutt may experience subsidence from a Wellington Fault event of up to 2.0m. The Fault runs along the western side of the Valley and poses a major risk to communities living in the area.

The report was finalised in November following input on the draft from GWRC and HCC. The implications on how to apply the findings for Lower Hutt are now being discussed.

Regional Natural Hazards Management Strategy

Environment Policy Senior Policy Advisor (hazards) is project managing the development of a regional natural hazards management strategy. The project aims to coordinate hazards management for better consistency and alignment between resource management plans and hazards research across the region. The project has been agreed to by six Local Authorities, Kapiti, Porirua,

Wellington, Hutt, Upper Hutt and GWRC. The Wairarapa councils are keeping a watching brief and may join the project at a later point in time. The project advisory team is the regional planning managers group and the project team will report to the Coordinating Executive Group of WREMO.

MWH has been selected to help with this project following a 'request for proposals' tender and selection process.

The project kicked off in October with the development of a draft 'vision' and some objectives of how we as a region want to responsibly manage the risk from natural hazards and where we want to be in 20-30 years.

A stocktake of what science councils have commissioned and what is currently being done to manage the risks we face from natural hazards has also begun and this will provide the basis of information for a gap analysis and provide a talking point to begin engaging local communities.

A community engagement strategy was agreed to by the Chief Executives Forum in December that will start with a messaging programme on Facebook followed by community drop in days.

Greater Wellington Regional Council is managing the expenses for the project through the natural hazards budget. Councils have contributed \$135k funding to date in addition to \$50k from GWRC.

Civil Defence and Emergency Management

Wellington region civil defence and emergency management group plan

The department continues to work with civil defence emergency management. The latest work has involved the roll-out of the blue lines project through Miramar.

Environment Policy Senior Policy Advisor (hazards) attended a two-day workshop on tsunami hazards in October along with other WREMO staff as part of the wider tsunami hazards education programme.

Presentations/Publications/Media

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

Environment Policy Senior Policy Advisor (hazards) presented a lecture at Massey University in October on RMA planning tools for managing natural hazards.

Financial reports

Policy Income Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	1,384	1,384	-	2,767	2,767	-	1,358	2,717
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External Revenue	6	-	6	100	-	100	26	26
Investment Revenue	-	-	-	-	-	-	-	-
Internal Revenue	12	12	-	25	25	-	13	25
TOTAL INCOME	1,402	1,396	6	2,892	2,792	100	1,397	2,768
less:								
Personnel Costs	855	815	(40)	1,631	1,631	-	722	1,527
Materials,Supplies & Services	56	26	(30)	52	52	-	25	77
Travel & Transport Costs	7	3	(4)	7	7	-	17	25
Contractor & Consultants	158	187	29	529	429	(100)	63	289
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	120	108	(12)	215	215	-	118	235
Total Direct Expenditure	1,196	1,139	(57)	2,434	2,334	(100)	945	2,153
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	229	229	-	459	459	-	207	415
Depreciation	3	3	-	6	6	-	3	7
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	1,428	1,371	(57)	2,899	2,799	(100)	1,155	2,575
OPERATING SURPLUS/(DEFICIT)	(26)	25	(51)	(7)	(7)	-	242	193
Add Back Depreciation	3	3	-	6	6	-	3	7
Other Non Cash	-	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT AND RESE	(23)	28	(51)	(1)	(1)	-	245	200
Debt Additions / (decrease)	-	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(23)	28	(51)	(1)	(1)	-	245	200

Policy Capital Expenditure Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	-	-	-	-	-	-	-
Capital Project Expenditure	-	-	-	-	-	-	-	-
Asset Disposal Cash Proceeds	-	-	-	-	-	-	-	-
Net Capital Expenditure	-	-	-	-	-	-	-	-

Financial variance analysis

- ▶ Policy has a net deficit of \$26k which is \$51k worse than budget surplus of \$25k
- ▶ Personnel costs are \$40k over budget due to resource costing charges from Environmental Science staff for work on the Whaitua and Plan. Following discussions between the Science & Policy managers it has been agreed that these costs will be transferred back to Science who hold the staff budget
- ▶ External spend on materials, travel costs and consultants costs is close to budget
- ▶ Internal charges are more than budget due to higher IT costs
- ▶ The forecast has been update to include \$100k income and costs for the Regional Natural Hazards Strategy work being done in association with the local authorities as GW are managing the costs of this project

- ▶ There is no capital budget or spend

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
That the Regional Policy Statement is reviewed and adopted	The Regional Policy Statement was approved by the Council in May 2010 and is subject to a number of appeals	Establish a work programme for methods in the RPS	Work is underway to implement the RPS and progress the methods in the RPS, including monitoring of the RPS implementation.
That regional plans are reviewed and adopted	Review of regional plans has been underway since 2009	Review of regional plans continues	The draft Natural Resources Plan was made public on 22 September 2014.

Risk analysis

A potential risk to the time line of the Regional Plan review are signal reforms to the Resource Management Act , but it is too early to say what these risks might be as the degree and nature of the reforms to the RMA are as yet unclear. .

2.2 Environmental Regulation



Overview

Notified and 'national' consenting workload remained steady in the last quarter. This quarter's major consenting work was dominated by pre-application and assessment work on a number of major notified applications

Non-notified consent workload remains relatively high, as it has through 2014, dominated by 'replacement' dairy effluent discharge and water take consent applications

Compliance activity focussed on completion on annual compliance reports; and significant ongoing work in RoNS project compliance set-up work

An ongoing high investigations and enforcement load includes the conclusion of significant inquiries and court work

Key results for the year

- ▶ Consenting – Ongoing replacement consenting across the region for municipal waste water plant treatment and infrastructure overflows at South Wairarapa and Hutt Councils; and processing of significant applications including Wellington Waterfront (Site 10 Kumutoto) redevelopment, GW Flood Protection Western Rivers global consents, and CentrePort Harbour Deepening
- ▶ Roads of National Significance – Substantial ongoing projects in the Transmission Gully pre-construction and enabling works programmes; and MacKays to Peka Peka construction work
- ▶ Appeals – A case load in appeals proceedings in the Environment Court and Court of Appeal
- ▶ Compliance – Development of a Strategic Compliance Programme across all RMA consented activities. Ongoing proactive compliance projects for major sites in Porirua, Wellington city and Kapiti Coast
- ▶ Enforcement investigations – Ongoing enforcement cases including Jefferies appeal of Jury Trial decision; and current cases in All Excavation & Reinstatement Services Ltd, Judgeford Heights Ltd/Brian McPhee and Stephen Hammond, and other significant investigations in progress
- ▶ Incidents – Ongoing roll-out of the Ozone Call Centre database and new Incidents module, creation of a GIS layer of incident sites and sampling training for officers
- ▶ Commencement of the Take Charge Porirua Area Assessment
- ▶ Regional Plan review input – ongoing input to Draft Plan provisions post submissions
- ▶ Continued roll out of programmes for land development activities including the completion of the revised Erosion and Sediment Control Guidelines, and development of consenting processes under the Wellington Housing Accord

- ▶ Ongoing work to both implement the Resource Management Amendment Act (RMAA) 2013 consenting provisions, and review proposed reforms under the Government’s Phase Three reforms package
- ▶ Ongoing work on major revisions of procedures manuals for Environmental Regulation statutory process work

Looking ahead

- ▶ Ongoing management of core statutory work with major enforcement investigations, a range of notified consenting projects, and RoNS projects implementation work
- ▶ Development of a comprehensive ‘strategic compliance’ framework for our consented monitoring programme
- ▶ Rolling out reviewed GWRC Erosion & Sediment Control Guidelines
- ▶ Ongoing input to Draft Natural Resources Plan provisions post submissions
- ▶ Ongoing work with Regional Sector groups and the Ministry for the Environment on RMA reforms; and the development and implementation of processes and procedures in response to the RMAA 2013
- ▶ Ongoing work in Regional Sector groups in responding to developing amendments to the Building Act 1991 regarding large dam and the pending implementation of the Dam Safety Scheme
- ▶ Ongoing work in Regional Sector groups to develop a national Strategic Compliance Framework approach and process pending implementation of the Dam Safety Scheme
- ▶ Ongoing work with agencies and developers to implement the Wellington Housing Accord
- ▶ Review, update and deliver Health and Safety in the field training for staff

Resource consents

Non-notified consents

In the past quarter we have received slightly more applications than the September quarter, and processed around the same number to completion – with an ongoing high number of replacement applications for existing water take and dairy effluent resource consents that expire this financial year (carried over from the September quarter), bore permits, streamworks (including structures) and RoNS project consents.

Overall, we are up on the number of consents processed compared to the 2013-14 year.

Consents summary * Figures exclude applications to the EPA

Item	Dec Quarter 2014	Sept Quarter 2014	Dec Quarter 2013
Consents received	171	161	136
Consents issued	112	111	148

Item	2014-15 year to date	2013-14 year
Consents received	332	591
Consents issued	243	635

Item	Dec Quarter 2014	Dec Quarter 2013
Median processing time frame	14	14

Item	2014-15 year to date	2013-14 year
Median processing time frame	14	18

Notified and limited notified consents

A moderate load in assessments and pre-hearings has been completed in the last quarter:

- ▶ **South Wairarapa District Council – Featherston wastewater treatment plants re-consenting:** As previously reported, this application sets out a two-stage proposal: Stage 1 is a targeted rehabilitation of the sewer network to reduce the volume of inflow by up to 31% (2013-2019); and Stage 2 involves the commissioning of a modern high-rate treatment plant (2025). Since the close of submissions, the applicant has requested an extension of the process timeframe in order to review the potential effectiveness of environmental mitigation options ahead of a hearing. The date for the hearing has been provisionally planned for the latter part of 2015.
- ▶ **South Wairarapa District Council – Martinborough wastewater treatment plants re-consenting:** The situation remains as previously reported. The proposal is essentially looking at a staged approach to upgrading waste water treatment infrastructure and reducing overall discharges into the river by utilising adjacent land disposal options. Stage 1A involves a series of minor upgrades to optimise its existing performance; Stage 1B involves the discharge of 24% of

treated wastewater to 5.3ha of vacant land adjacent the site; Stage 2A involves irrigation of 42% of annual wastewater to Pain Farm; and Stage 2B involves the construction of additional storage at the Plant or Pain Farm to contain all treated wastewater. Stage 1 is programmed to 2022 and stage 2 from 2022 to 2048. A hearing date is still presently planned for 2015.

- ▶ **South Wairarapa District Council - Greytown wastewater treatment plants re-consenting:** Again the proposal remains as previously reported - for a staged upgrade: Stage 1A (2014-2018) will involve some minor upgrades to the existing pond system to ensure it is performing to its optimal level; Stage 1B (from 2020) will see approximately 20% of the annual treated wastewater going to 16ha of adjacent land during low flow conditions; Stage 2A (from no later than 2035) – 62% of typical flow irrigated on land at Papawai Farm; and Stage 2B (from no later than 2040) – full discharge to land. The application was notified on 10 December 2014 with the closing date for submissions being the 2 February 2015. A provisional hearing date is still planned for mid-2015 (to work in with the possible timings of both the Featherston and Martinborough WWTP hearings).
- ▶ **Wellington City Council – Southern Landfill extension (Stage 4):** – This project remains ‘parked’ in terms of process as WCC will now design, construct and fill the landfill from the ‘bottom up’. This change in approach needed to be approved by WCC Councillors. Once we review the new approach we will be determining a way forward with WCC and the submitters.
- ▶ **Hutt City Council – renewal of wastewater pump station overflow to the Wainuiomata River –** Hutt City Council applied in mid-2011 for a renewal of a wastewater overflow consent, following a collaborative process to develop conditions accepted by the applicant and the three submitters. In late December the decision to grant the consent was made following the submitters all withdrawing their wish to be heard at a hearing. Key conditions require HCC to report overflows and advise the public of the potential health risk when an overflow occurs. They will also need to report on the sewerage network repairs in the Wainuiomata catchment. The decisions appeal period closes at the end of January 2015.
- ▶ **CentrePort Limited – Stage 1 Harbour Dredging:** CentrePort has applied to renew their existing consent to deepen the Wellington Harbour navigational channel and specified berths (existing consent expires in 2015). CentrePort seeks to obtain new resource consent for the same proposed dredging and disposal activity, with a reduced ‘maximum’ depth of 12.2m (below chart datum) to align with the currently consented dredge volume. CentrePort is also now considering a Stage 2 option to increase the current depth of dredging in the Harbour. If they proceed with this option, Stage 2 would likely supersede Stage 1. Notification of Stage 1 is therefore on hold until CentrePort has confirmed plans ahead for Stages 1 and 2. CentrePort is currently in consultation with GWRC regarding methodologies and collection of marine data as part of the pre application phase. CentrePort is planning to release a public statement on the Stage 2 dredging proposal either late January or early February 2015.
- ▶ **GWRC (Flood Protection) – Western Region global rivers consents:** These are applications to continue existing flood protection and erosion control operations and maintenance activities on the Hutt, Waikanae, Otaki and Waikanae Rivers. Public notification of the four applications will likely occur in April/May 2015. In the meantime, we are continuing to work with GWRC Flood Protection around possible options for running combined hearings for these applications.
- ▶ **Site 10 Redevelopment Limited Partnership & Wellington City Council - North Kumutoto Project:** In October 2014 Urban Perspectives on behalf of Site 10 Redevelopment Limited Partnership & Wellington City Council simultaneously lodged two resource consent applications relating to a proposed five-level commercial building on Site 10 at North Kumutoto, and the construction, maintenance and use of new and modified landscaped public open spaces and associated structures at North Kumutoto.

GWRC and WCC jointly publically notified the applications on 18 November 2014. 45 submissions were received, 38 in opposition, 6 in support and 1 not stated. On 19 December 2014, GWRC and WCC received formal requests for direct referral of both applications to the Environment Court.

GWRC is required to decide whether or not the request is approved or declined by 2 February 2015. If approved the applications will be directed to and heard in the Environment Court.

- ▶ **Marua Management Limited – Stroma Way subdivision, Stroma Way, Upper Hutt** – This retrospective consent was applied for in early 2013, following enforcement action for illegal streamworks. We determined following our assessment of the application that affected persons approvals would be needed to progress the application – as these persons would likely be affected by sediment runoff from the site during construction. In late 2014 the applicant advised they were unsuccessful in gaining all written approvals and would like the application to proceed to limited notification. We are currently in discussions with the applicant about this process, and when a hearing could be held.

Non-notified consent of interest

Carterton District Council, Wastewater Treatment Plant: – discharge treated effluent to land from the Carterton wastewater treatment plant (WWTP). You may have seen a few positive articles recently in the Wairarapa Time Age regarding this consent process.

CDC was granted a short term (2 year) consent to irrigate approximately 20 hectares (ha) of CDC land with the treated effluent using a low pressure, low profile, central pivot irrigator, and a sub-surface dripline along the eastern shelter belt of the property. This new consent adds to the existing suite of discharge permits which allow the discharge of treated wastewater from the WWTP to a tributary of the Mangatarere Stream and by irrigation to a small area of land within the WWTP site. Most importantly, the new consent adds to total land area being irrigated.

CDC's long term vision is to discharge all treated wastewater to land. However, until sufficient land can be acquired, a dual discharge wastewater management system is anticipated involving a combination of discharge to land and discharge to the stream. This new consent is the first major step toward that dual system.

Actual irrigator application rates will be determined by site specific conditions monitored on a continuous basis by soil moisture probes linked to an on-site weather station and control centre and will be calculated relative to actual soil moisture conditions so as to achieve optimum crop growth. Irrigation may occur at any time of the year that soil moisture and wind conditions allow, but will predominantly be over the period December to March. Furthermore, irrigation will be controlled so as to restrict irrigation to periods to when the crop is actively growing. During periods of high wind, the sprinklers will be turned off and all treated wastewater be diverted to the storage area within the existing WWTP, discharge to the existing land disposal area, or surface water discharge in accordance with the current discharge permits.

The irrigation will also help to irrigate a new native shelter belt. Irrigation in this regard is to be by pressure compensated dripline. The dripline is proposed to be sub-surface (surface laid with a minimum of 100mm of mulch covering it) and can occur at any time of the year when required (as indicated by soil moisture probes), but will be predominantly over the period December to March in order to increase survival rates of boundary plantings.

Major pre-application discussions continue for:

- ▶ **Woodridge Block:** Cardno is currently preparing to lodge consent application for the remainder of the Woodridge development in relation to land use consents and discharge permits for bulk earthworks. Lodgement and possible notification of this application is expected later in 2015. As the site has been identified as a Wellington Housing Accord area, the developer may consider submitting under a resource consent application under the HASHA Act. The implementation of the Wellington Housing Accord is discussed further in the *Project Work Programme* section of this report.
- ▶ **Moa Point Wastewater Treatment Plant:** Since this consent was granted in 2008/09, Wellington City Council and Wellington Water have been working to comply with the various conditions imposed by the hearing panel. One central condition required WCC to 'treat' bypass flows from the plant before discharging to the offshore outfall/diffuser. The treatment method, however, was left to WCC to investigate and decide by 2014. WCC completed investigations and modelling and have concluded that a treatment option is not feasible, and is in fact, not needed. Given this, the consent will need to be changed to 'remove' this requirement from the consent. In December a meeting was held with the community liaison group, which includes some submitters on the original application. WCC and Wellington Water will be continuing discussions with the other submitters. We will also map out a consenting process with WCC in early 2015.

Board of Inquiry – national consenting projects including implementation

- ▶ **NZTA – Transmission Gully RoNS:** Commencement of construction on a site compound at Lanes Flat, Pauatahanui marked the start of construction of on the Transmission Gully Project in January 2015. Prior to this the first 'Enabling Works Management Plan' was certified by GWRC and the four TA's.

Strategic and regulatory framework workshops occurred with NZTA and Leightons Heb Joint Venture (LHJV) in December 2014 to establish an understanding of the project construction timeframes and how consent and compliance requirements will be managed within those timeframes. LHJV have engaged additional planning and environmental support to assist in meeting consent requirements and to achieve good compliance on site.

A number of additional enabling works sub-plans will be forthcoming over the next 6 months and main construction works are programmed to commence in spring 2015. It is expected that applications for changes to consent conditions and new consents will also be forthcoming over the next 6 months.

- ▶ **NZTA/MacKays to Peka Peka Alliance – MacKays to Peka Peka RoNS:** Construction of the M2PP expressway is ongoing. GWRC site audits are occurring weekly. Good levels of compliance on site are being achieved generally – and multiple management plans are still being received and certified on a weekly basis. The number of resource consent applications for ancillary works/changes in design reduced in this quarter, although there are several expected in the next quarter. Fortnightly consenting meetings between the RoNS Project Leader and M2PP planners and compliance managers, also continues, as does a monthly compliance meeting.
- ▶ **NZTA – Peka Peka to Otaki RoNS:** Opus has been contracted by NZTA to prepare the 'specimen design' for the Peka Peka to Otaki RoNS project. This will involve preparation of draft management plans and potentially applications to change conditions, and for consents for ancillary works associated with that project. GWRC staff and external experts have been in discussions and meetings with NZTA/Opus experts to discuss design modifications and management plan requirements. An Advisory Group has been established with representatives from GWRC, KCDC and NZTA which will meet quarterly to discuss upcoming work and resolve

any higher level matters. The project will go out to full Design and Construct tender mid-2015 and construction is anticipated to commence around mid-2016.

- ▶ **NZTA – Mt Victoria Tunnel duplication:** Following the Basins decision, there has been no further discussion with NZTA on the Mt Victoria Tunnel duplication project.

Appeals, objections, and declarations

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

- ▶ **Alan Jefferies – conviction appealed:** This appeal relates to charges laid in 2010 for the alleged diversion of the Mangaroa River, associated river works and deposition of fill. A jury trial concluded in August 2014, and Mr Jefferies was found guilty and convicted on three charges and found not guilty on the fourth charge. Mr Jefferies was fined \$18 000 by Judge Harland in sentencing in the District Court. Mr Jefferies filed an appeal with the Court of Appeal against the sentence and one of the convictions, which are set down to be heard on 2 March 2015.
- ▶ **A J Barton – GWRC consent application objection:** As previously reported, A J Barton has objected under s357 of the RMA to GWRC's decision to return his application for a water take under s88 of the Act as there was insufficient information to process the application. Negotiations [on a without prejudice basis] are still ongoing. It was previously thought a way forward may have been agreed which involved Mr Barton amending his proposal and providing additional information; however, this is still to come to fruition. If this information is not forthcoming or the negotiations stall then a hearing date will be set.
- ▶ **A J Barton – GWRC (Flood Protection) Whakawhiriwhiri Stream works:** As previously reported, the hearing panel decided to grant consents for this activity. The main issues covered by conditions included regulating outflows from the Tawaha Floodway; and mitigation of potential effects on water quality and habitat – including the provision of refuge areas of aquatic life and marginal vegetation, and riparian planting requirements. An appeal against some of the conditions has been received from one of the adjacent landowners, namely with regard to issues such as culvert designs, creation of refuge areas/riparian planting and the operational management plan – believing the consent requirements to be too onerous. Following a meeting between GWRC Environmental Regulation department and the Flood Protection department, some potential amendments to several conditions were agreed (which did not alter their intent) and clarification around interpretation of others given. All the parties were happy with the amendments and further explanations and Consent Orders incorporating these agreements were agreed and issued by the Court on 19 December 2014.
- ▶ **AJ & RM Teasdale - Te Marua Golf Club – erosion protection works:** This is an appeal to the Environment Court of a decision (July 2014) to grant consent to undertake erosion control works on the Hutt River along the north-western edge of the golf course. Mediation was held on 11 November 2014, where the appellant sought to determine a preferred alignment for the river, as well as a commitment from GWRC to assist with funding outside the annual plan process. GWRC has no funding to contribute to the required level needed for the proposed river works at this time, and as such the mediation has been drawn to a close. GWRC has now sought an evidence timetable and a date for a hearing. If the Teasdales or Te Marua Golf Club wish to pursue having funding included in the 2016 Annual Plan, it is submitted that it should happen as a separate process, as this appeal cannot remain on hold for the period of time required for that process to be concluded.

Consented compliance monitoring

- ▶ **Kapiti Coast District Council – public water supply project (River recharge with groundwater):** This quarter saw the review and approval of the *Wetland Baseline Monitoring Plan* and the *Bore Construction Plan*. The KCDC team have also completed the installation of monitoring equipment and commenced the first round of baseline monitoring for the Waikanae River, Waikanae Borefield, wetlands and small coastal streams. The results of this and future monitoring will be used to inform the development of ongoing management trigger levels and compliance limits. We also completed our full assessment of the project for compliance with the consents for the 13/14 year. KCDC complied with most of their conditions; however, there was a technical non – compliance issued for the development and notification of monitoring alerts to GWRC. But, overall, the KCDC team have done an excellent job in implementing a technically challenging project with numerous and interlinked consent conditions.
- ▶ **PCC Porirua wastewater treatment plant – discharge to CMA at Rukatane Point:** We continued this quarter with our substantial proactive compliance programme for this plant. Maintenance and refurbishment of one of the clarifiers has been scheduled, following Wellington Water Limited’s (WWL) review of the plant’s waste water process and systems. Associated new consents will be sought in early 2015. WWL have also programmed for completion in the 2014/15 year a much needed upgrade to pumps at the plant as well as a full plant hydraulic assessment. We are also stepping up our focus on the monitoring of coastal waters following bypass events, and whether the existing information collected is robust in determining the potential health effects of these bypasses. In addition, we completed our compliance assessment for the 13/14 year giving the plant a *significantly non complying* rating, due to continued non- compliance with effluent discharge quality conditions over the year.
- ▶ **Wellington City Council – Global stormwater discharges to the CMA:** We continue to work with Wellington Water and WCC on compliance for this project, and especially so as we are now in the summer ‘bathing’ season where stormwater contamination issues could impact recreation use of coastal waters . At December *Stormwater Consultative Committee* meeting (a requirement of the consent) the group discussed the stormwater education programme; a critical aspect of the consent. The group’s input is being sought on potential programmes for the next 12 months. The compliance assessment saw WCC receive *full compliance* for all consents, for the first time since the consent was granted.
- ▶ **Porirua City Council - Spicers Landfill operations:** In October 2014 the Duty Team responded to a spate of calls regarding offensive odour from the landfill. Following this, we have increased the compliance scrutiny of the landfill’s operations and compliance with the consent conditions. We are now in regular communication with the landfill manager and operators and in December we held a meeting with PCC, the landfill operators and consultants to gain a better understanding of the issues. PCC has put in place additional measures to mitigate odour (including the placement of additional cover on completed area; reducing the ‘open’ tip face area; and are trialling odour sprayers/neutralisers), which PCC considers should be effective. We will be holding regular meetings with PCC until we are confident the odour is being managed effectively. The compliance assessment for 2013/14 saw PCC issued with a rating of *environmental non-compliance*, principally for exceedances in leachate water quality limits for ground and surface water.
- ▶ **T&T Landfills – Operation of a construction and demolition materials landfill, Happy Valley:** Delays in the construction of a contaminant treatment wetland at the base of the landfill continue to cause compliance issues at this site. The consent holder is now exploring options to capture and divert ‘clean’ stormwater to stop it entering the proposed wetland area. In December we met with the landfill operator and their consultants onsite to discuss the issues.

The applicant is likely to lodge consents to address these issues in early 2015. This quarter also saw a full review of the compliance with conditions for the 2013/14 year. The consent holder rated as *significant non-compliance* – this principally due to the issues discussed above.

- ▶ **Regional Earthworks Sites:** There are several active earthworks sites located mainly in the northern growth, Porirua and Kapiti Coast areas. So far the earthworks season has been steady and with no major incidences. This said we are still continuing with our regular monitoring programme including the contracting out services which *Southern Skies* carries out.
- ▶ **Water take restrictions in the Wairarapa:** With the prolonged spell of dry weather a few of the rivers and streams in the Wairarapa are now experiencing low flows. Most resource consents for both surface water and ground water will now have some sort of restriction on them when the stream/river reaches a certain critical low flow level. These restrictions can vary depending on a number of factors including the rate of take, method of take and location and the restrictions themselves again vary from consent to consent but can include a reduction in take or hours of operation of the irrigators or to cease the take altogether. A list of the current restrictions can be found on the GWRC website by following the link: <http://graphs.gw.govt.nz/compliance-flow-summary-page/> . In most cases the consent conditions place the onus on the consent holders to check on our website for flow conditions and adhere to any restrictions placed on them; however, we have also been contacting the relevant consent holders when restrictions have come in to force.

Environmental incidents

288 incidents were notified and responded to in the quarter, up from 242 in the previous quarter and 228 in the July quarter. A summary breakdown of incidents is reported 6-weekly through the Councillor’s Bulletin.

Enforcement

Abatement and infringement notices

Item	December Quarter 2014	Sept Quarter 2014	December Quarter 2013
Abatement notices	1	15	45
Infringement notices	5	12	12

Item	2014-15 year to date	2013-14 year
Abatement notices	16	81
Infringement notices	17	36

Prosecutions and enforcement orders

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

- ▶ **Brian McPhee and Judgeford Heights Ltd:** Two charges were laid on 28 July 2014 against each party as a result of reclaiming 40m of streambed within the Pauatahanui catchment. Guilty pleas were entered on 14 October 2014. Sentencing is set down for 21 January 2015 in Wellington District Court.
- ▶ **All Excavation & Reinstatement Services Ltd (AERSL):** Two charges were laid for the deliberate discharge of sediment slurry into a gully, which is an unnamed tributary of the Kenepuru Stream, over a 6 month period. When the matter was called in Porirua District Court on 30 September 2014 AERSL pleaded guilty to one representative charge for the duration of the offending. The other charge for a single date was withdrawn. AERSL was convicted and fined \$28,500 in Wellington District Court on 21 November 2015 by Judge Dwyer.
- ▶ **Stephen Hammond and Pope and Gray Contractors Limited:** One charge was filed against each party in Masterton District Court on 14 October 2014 in relation to the excavation and disturbance of the bed of the Papawai Stream. On 8 December 2014 Stephen Hammond pleaded guilty to the charge, and the charge against Pope and Gray Contracting Limited was withdrawn. As a result of this proceeding Pope and Gray Contracting Limited has undertaken to provide environmental education to their customers and associates by writing to them about good environmental practices to meet the requirements of the RMA and Regional Plans. Sentencing is set down for 3 March 2015.

Take Charge Programme

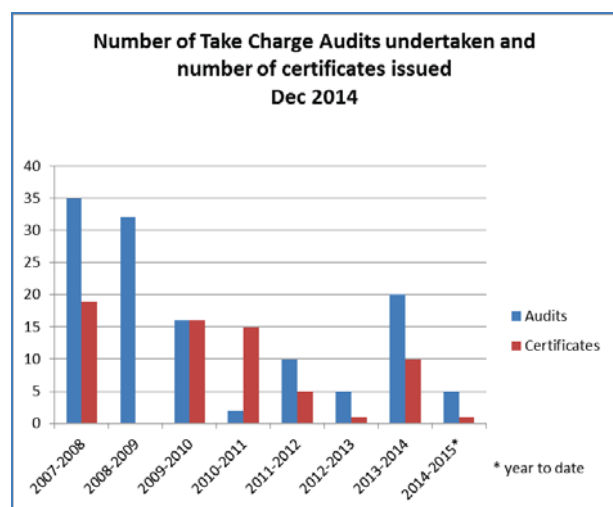
Take Charge is a proactive programme endeavouring to improve the environmental and regulatory performance of small to medium-sized businesses across the Wellington region. The primary focus of the programme is two-fold in ensuring businesses meet the requirements of our regional plans and ultimately achieving the environmental outcome of minimising the risk of contaminants entering our region's rivers, streams, coastal waters, land and air.

Last quarter the *Take Charge* programme started working in the Porirua area, particularly focusing on businesses in the Wall Place area. A walk over of the area was undertaken in late September and early October to identify businesses that may benefit from participating in the pollution prevention programme.

38 businesses were visited and given information about the *Take Charge* programme and how pollutants affect the environment. Of those 38 businesses, 22 have been identified as ones that may benefit from taking part in the *Take Charge* programme.

During the October to December quarter five businesses received a *Take Charge* audit and one business has already completed the programme requirements and been issued with a certificate.

Letters have been sent to the next five businesses inviting them to take part in the programme in the New Year.



Projects work programme

Progress on recent significant projects include:

Strategic Compliance Project

During this quarter the Strategic Compliance Project (SCP) focussed on assessing risk and importance across a range of factors, in order to rank various compliance activity groupings and their associated level of importance (and focus) for any monitoring programmes. Staff have met and drafted new approaches to monitoring programmes for compliance activities based on this risk assessment. The next phase of the SCP is to further refine monitoring programmes and update compliance charging schedules in the Resource Management Charging Policy.

Ozone Call Centre

The Ozone Call Centre (OCC) module of the Ozone regulatory database went live on 1 July 2014. The majority of the bugs in the system have been resolved during the second quarter and reporting facilities set up and tested. Four months of data was audited during this quarter to check for consistency, accuracy and relevance. Users were updated on the findings and further training was provided to increase efficiency for Environmental Regulation staff.

GIS Layer for Incidents

In coordination with ICT a GIS layer has been set up which identifies on a map the location of all historical environmental (pollution) incidents held in our EDocs filing system. Work is continuing with ICT to identify a system and method for creating a GIS layer for all future environmental incident locations. This will improve the organisational knowledge of environmental incidents within catchments and recurring issues and incident history for officers.

Sampling training

Environmental Regulation staff participated in competence based investigation and compliance sampling training during this quarter. The training module was developed by our own staff to ensure maximum relevance – involving resources to support it as well as classroom and field based training and assessments. The aim of the training is to ensure that our sampling decision making, process and methods are absolutely robust.

Investigation Manual

An investigation manual has been drafted documenting the process and procedures that should be followed from the point where non-compliance is detected through the investigation and enforcement process. This will replace parts of the old Incident Response Protocols and the Enforcement Manual. This will be finalised and rolled out to staff in the next quarter.

Review of Erosion and Sediment Control Guidelines

Our review of the Erosion and Sediment Control Guidelines is approaching completion. We are still awaiting a technical peer review of the drafted Guidelines.

MfE - National Monitoring System reporting

The Ministry for the Environment has been working with councils and other organisations to develop a National Monitoring System (NMS). The NMS will improve the way that information on the implementation of the Resource Management Act 1991 is collected and shared. We are now implementing the NMS and all councils are in the process of collecting a priority set of data to submit to the Ministry by 31 July 2015.

To check how the NMS priority information data is being managed and whether councils require further guidance or assistance the Ministry has, over the past two months, been conducting a test run with a small number of councils, including GWRC.

The test run revealed some diversity in council information management practices, and issues with data quality and completeness. This is inevitable during the initial implementation year of a new system. However, we want to work in partnership with councils to make sure we have consistent, complete and reliable data, and see significant benefits in inviting all councils to submit a sample of the priority data set.

We are continuing to update our systems and gather the necessary 2014/15 information to submit in July 2015.

Special Housing Areas

WCC signed a Housing Accord with Central Government on 24 June 2014 to help increase housing supply and improve the affordability of homes in Wellington City by providing an environment that facilitates development.

The Accord enables WCC to use the Housing Accords and Special Housing Areas Act 2013 (the HASHA Act). The Act enables streamlined consenting processes for residential developments (called 'qualifying developments') in areas designated as Special Housing Areas (SHAs).

The *first tranche* of Special Housing Areas was approved by the Government on 20 November 2014, and includes all of the identified growth areas outlined in the (draft) *Wellington Urban Growth Plan* (which will supersede the existing *Transport and Urban Development Strategies* in mid-2015). The SHAs are made up of locations within the existing urban area, as well as new greenfield sites, including:

1. Lincolnshire-Woodridge (greenfield area),
2. Lower Stebbings (greenfield area),
3. Johnsonville (medium density residential area),
4. Kilbirnie (medium density residential area),
5. Mount Cook Centre (Adelaide Road),
6. Central Area North,

7. Central Area South,
8. Arlington Apartments site

Further SHAs are expected to be added in successive tranches over time.

An Officials Working Group, made up of WCC & GWRC officers, MBIE & NZTA staff, has been formed with the aim to work together to achieve the objectives and targets of the Accord. This includes setting up processes to managing applications associated with SHAs.

To date GWRC has started work with consultants and developers in relation to developing fit-for-purpose processes in the qualifying greenfield areas.

Financial reports

Regulation Income Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	1,182	1,182	-	2,365	2,365	-	1,133	2,265
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External Revenue	1,423	1,190	233	2,800	2,400	400	1,085	2,720
Investment Revenue	-	-	-	-	-	-	-	-
Internal Revenue	36	63	(27)	125	125	-	98	203
TOTAL INCOME	2,641	2,435	206	5,290	4,890	400	2,316	5,188
less:								
Personnel Costs	1,410	1,368	(42)	2,816	2,736	(80)	1,309	2,647
Materials,Supplies & Services	42	52	10	105	105	-	39	78
Travel & Transport Costs	19	22	3	45	45	-	16	42
Contractor & Consultants	563	312	(251)	945	625	(320)	621	1,529
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	285	289	4	574	574	-	257	544
Total Direct Expenditure	2,319	2,043	(276)	4,485	4,085	(400)	2,242	4,840
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	50	-	(50)	100	-	(100)	47	196
Corporate & Department Overheads	375	375	-	750	750	-	339	678
Depreciation	13	20	7	41	41	-	15	30
Loss(Gain) on Sale of Assets / Investments	-	(16)	(16)	(16)	(16)	-	-	-
Total Indirect Expenditure	438	379	(59)	875	775	(100)	401	904
TOTAL EXPENDITURE	2,757	2,422	(335)	5,360	4,860	(500)	2,643	5,744
OPERATING SURPLUS/(DEFICIT)	(116)	13	(129)	(70)	30	(100)	(327)	(556)
Add Back Depreciation	13	20	(7)	41	41	-	15	30
Other Non Cash	-	17	9	(16)	(16)	-	-	-
Net Asset Acquisitions	-	(56)	38	(56)	(56)	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE	(525)	-	(525)	(101)	(1)	(100)	(312)	(526)
Debt Additions / (decrease)	-	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(525)	-	(525)	(101)	(1)	(100)	(312)	(526)

Regulation Capital Expenditure Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	72	72	72	72	-	-	-
Capital Project Expenditure	-	-	-	-	-	-	-	-
Asset Disposal Cash Proceeds	-	(16)	(16)	(16)	(16)	-	-	-
Net Capital Expenditure	-	56	56	56	56	-	-	-

Financial variance analysis

- ▶ Regulation has a net deficit of \$116k which is \$129k worse than budget. The RONS projects (Roads of National Significance) have contributed a \$104k surplus which offsets some of the costs of other EREG activities
- ▶ External income is \$1,423k which is \$233k more than budget. \$478k of this invoicing is on charging of costs for RONS project work
- ▶ Regulation consultants & contractors spend of \$563k is \$251k more than budget and includes \$238k for RONS projects. There are also \$67k legal costs for enforcement activity
- ▶ Personnel costs are slightly over budget but around 50% of staff costs are oncharged to consent holders.
- ▶ Travel costs and materials are all close to budget
- ▶ The provision for doubtful debts (on debtors balances over 90 days old) has increased by \$50k to \$330k. Of this balance \$180k relates to just one debtor where we have negotiated repayment terms so some of this debt will be collected
- ▶ There is no capital spend to date with vehicle purchasing round due later in the year
- ▶ The forecast has been updated to include \$400k more external income and the related consultants costs, and also a provision for doubtful debts of \$100k which reduces the net result to a \$70k deficit

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
Percentage of resource consents ¹ processed within 20 working days ²	98% (2010/11)	98.7%	100% No exceedences this quarter. 93 consents processed.
Percentage of monitoring inspections completed for resource consents with individual monitoring programmes	98% (2010/11)	100%	Rated at year end following the completion of the annual compliance programme.
Percentage of environmental incidents reported to the 24-hour incident response service investigated in accordance with legal timeframes ³ for enforcement	68% (2010/11)	100%	100% No exceedences this quarter. 288 environmental incidents investigated.

Risk analysis

None identified in this department.

2.3 Environmental Science

Overview

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

Work around provision of science and environmental information for Ruamāhanga Whaitua and preparation for the Te Awarua o Porirua Whaitua

Continuing to support the RMA plan process with additional investigations and research as required, and provision of scientific information to major projects including Wairarapa Moana, Mangatarere, WWUP and Wellington Harbour

Working with the regional Kaitiaki Group to establish how we proceed with a partnership in science

Investigating a multi-agency approach to delivering the monitoring and research required to support regional operational activities and community outcomes

Provision of a range of advice and information to internal departments and community

Key results for the year

- ▶ Completion of an Implementation Plan for the department which outlines actions for 2014-2016 in order to realise our strategy goals and objectives
- ▶ Commencement of a comprehensive review of all SOE monitoring programmes
- ▶ Completion and submission of a first draft Asset Management Plan for the department
- ▶ Development and signing of a Memorandum of Agreement between the Environmental Science department and Water Supply/Wellington Water for the provision of hydrological and terrestrial monitoring services by ESci
- ▶ Successful gazettal of a new Masterton airshed
- ▶ Successfully secured joint funding for two Victoria University summer scholarships
- ▶ Completion of the 2013/14 Annual Data Reports for our river, lake, coast, hydrology, groundwater quality and soil quality State of the Environment monitoring programmes
- ▶ Delivered three presentations at the International Harmful Algae Conference in October (Wellington) and six presentations at the Water Symposium in November (Blenheim)

- ▶ Rolled out a new communications plan and campaign (“Summer Check”) for recreational water quality in preparation for summer, including the development of a new interactive map on our website which displays current water quality and toxic algae warnings
- ▶ Delivered, on behalf of the regional sector, analysis of national water quality data for the launch of the new coastal and revised freshwater recreational modules on LAWA
- ▶ Production of a YouTube clip <https://www.youtube.com/watch?v=G9A0W1-lq9E> illustrating how kaka have spread out from Zealandia since their successful re-introduction in 2002
- ▶ Securing a partnership with MfE and MPI on the collaborative modelling project (development of a framework for scenario testing of land use impacts on water quality to inform the whitua), including a successful application to the Community Environment Fund (MfE) worth \$100k
- ▶ Completion of two major reports on Kapiti Coast groundwater resource investigations

Looking ahead

- ▶ An ongoing focus for the year will be the review of all SoE monitoring programmes which will take into consideration future information requirements (particularly for the whitua) as well as central government directives such as NOF
- ▶ The development of a permanent air quality monitoring station in conjunction with WelTec for our Wellington City monitoring site
- ▶ Increased science requirements for the management of contaminated sites, in particular Te Mome Stream, Miramar Gasworks and a residential site in Wellington City
- ▶ Development of MoA’s (Memorandums of Agreement) with various internal departments to define services provided by the science department
- ▶ Development of cultural health monitoring indicators and investigation of a joint approach to SOE reporting
- ▶ Establishing a multi-agency approach to fish monitoring and research with our iwi partners
- ▶ Working in partnership with iwi, NGO’s and TA’s to provide an increasingly integrated monitoring network
- ▶ Progress the development of a modelling framework to identify and integrate models required for future scenario testing
- ▶ Ongoing input to the Ruamāhanga Whitua and gearing up for the Te Awarua o Porirua Whitua
- ▶ Ongoing input to LAWA, the next phase being the development of a new module for hydrology
- ▶ Development of a Communications Plan for the department
- ▶ A complete revamp of the Environmental Science webpages including making monitoring data readily available and accessible

Departmental activity

General

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

- ▶ Provision of a range of technical advice to Environmental Regulation, Environmental Policy, Biodiversity, Biosecurity, Parks, Water Supply and Flood Protection departments

- ▶ Ongoing input and technical support for the draft Natural Resources Plan
- ▶ Input at workshops to the Environmental Monitoring and Reporting (EMaR) initiative including providing technical support to various project teams
- ▶ Ongoing input to LAWA including provision of technical and site information for the new coastal module added in December
- ▶ Implementation of a suite of water resource investigations for progression over the next two years in partnership with the Wairarapa Water Use Project (WWUP)
- ▶ Ongoing provision of science information to the Ruamāhanga Whaitua Committee and preparation for the Te Awarua o Porirua Harbour whaitua, particularly the development and coordination of the Collaborative Modelling Project
- ▶ Engagement with mana whenua (through the Kaitiaki Group) on developing a joint approach to SOE monitoring and reporting
- ▶ Involvement and presentations made to several national conferences
- ▶ Identification and relocation of our inner city air quality monitoring site
- ▶ Support of the “Summer Check” campaign and development of improved recreational water quality information on GWRC’s website

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

Air quality and climate

New inner city monitoring site planned

The Wellington central air quality monitoring site, that has been on the corner of Victoria and Vivian Street since 2004, was permanently moved late last year to make way for Wellington City Council’s Victoria Street precinct upgrade. Our mobile monitoring station has been installed one block to the west as a temporary measure while we work with WelTec to design a new monitoring station for the site. We are planning to build a larger monitoring station that can accommodate instruments to measure other traffic-related air pollutants such as PM2.5. We are also planning to include a real time display of air quality information so people walking and driving past the station can see at a glance what the air quality is like.



Mobile monitoring station on the new site at the corner of Willis Street and SH1

Aquatic ecosystems and quality

The quarter was busy with conference activity. In late October, Wellington hosted the International Harmful Algae Conference of which GWRC was a bronze sponsor. Three of ESci's Aquatic Ecosystems and Quality Team delivered talks relating to benthic cyanobacteria (toxic algae) in the Hutt River.



Mark Heath, Summer Greenfield and Juliet Milne presented papers at the International Harmful Algae Conference in Wellington, October 2014

In mid-November, ESci's coastal scientist attended the NZ Coastal Society Annual Conference held in Raglan. In Blenheim the following week, the Aquatic Ecosystems and Quality Team delivered five talks (and were co-authors on several more) and a poster at the Water Symposium, a joint conference between the NZ Freshwater Sciences Society, NZ Hydrological Society and the IPENZ Rivers Group. The talks and poster addressed:

- ▶ Assessing the implications of changing nutrient test methods on long-term river and lake water quality monitoring programmes
- ▶ Considerations in designing a State of the Environment fish monitoring programme
- ▶ Key learnings from 9 years of investigations into benthic cyanobacteria (toxic algae) blooms

- ▶ Western and traditional (Māori) approaches to assessing the health of a Wairarapa stream
- ▶ The role of the environmental scientist in RMA-related processes
- ▶ Fish values in agricultural drains around Wairarapa Moana (*poster*)

Rivers and streams

The Rivers State of the Environment (RSoE) Annual data report 2013/14 was completed during the quarter.

Since July 2013 we have been trialling national guidelines for measuring nutrients alongside our existing protocols. A draft report has now been received from NIWA assessing the paired nutrient data and the implications of changing measurement protocols on our ability to detect long-term trends in nutrient concentrations.

As part of the current review of the RSoE monitoring programme, Kevin Collier (University of Waikato) was engaged to explore the potential development of a site network based on new randomly selected sites. This type of network would aid unbiased reporting on the state of the regions' rivers and streams.

The Team Leader has continued to provide technical input to the national project team (rivers) which is developing further indicators to be reported on the Land, Air, Water Aotearoa (LAWA) website. This work forms part of the wider sector's Environmental Monitoring and Reporting (EMaR) initiative in partnership with the Ministry for the Environment and also encompasses the development of National Environmental Monitoring Standards (NEMS).

A number of summer research projects investigating factors contributing to benthic cyanobacteria blooms (ie, toxic algae) are in full swing:

- ▶ Two students from Victoria University received summer scholarships to investigate nutrient sources entering the Hutt River. GWRC funded one scholarship which involves a desktop study investigating the urban nitrogen sources in the Upper Hutt area, while UHCC funded the other scholarship which has been examining nutrient sources entering the Hutt River via the Upper Hutt stormwater network.
- ▶ A Victoria University Masters student and part-time GWRC employee has been monitoring multiple Hutt and Waipoua river sites for benthic cyanobacteria and instream nutrient concentrations. Future investigations will examine the role deposited sediment plays in promoting toxic algae growth.
- ▶ Plans are underway for investigating nutrient sources within the Pakuratahi and Mangaroa tributaries and the Upper Hutt aquifer.

Lakes

The Lakes State of the Environment (SoE) Annual data report 2013/14 was completed during the quarter.

Monthly water quality sampling of Lake Waitawa (Forest Lakes, Kapiti), which recommenced in July 2014 and will continue until June 2015, continues to show very high concentrations of cyanobacteria in the lake. As the lake is used for recreational use, Regional Public Health is working with the Forest Lakes Camp staff to develop a risk communication plan.

Estuarine and marine waters

The Coastal State of the Environment (SoE) Annual data report 2013/14 was completed during the quarter, along with a technical report documenting the 2010 Te Awarua-o-Porirua Harbour subtidal sediment quality survey. Completion of the subtidal survey report was significantly delayed as a result of the need to re-analyse the sediment samples from all four harbour surveys carried out to date.

Another Victoria University student received a summer scholarship to undertake a study of seagrass condition in Te Awarua-o-Porirua Harbour. Monitoring to date indicates that seagrass cover continues to decline throughout the harbour and this study will investigate the health of the remaining seagrass meadows. The findings will inform ongoing monitoring of seagrass condition and extent.

DHI undertook faecal contaminant plume modelling in Te Awarua-o-Porirua Harbour for the purpose of predicting which areas of the harbour are at greatest risk from faecal contamination, and understanding which rain and wind conditions may make the harbour unsuitable for contact recreation or shellfish gathering. The report will be available in the next quarter.

A Te Awarua-o-Porirua Harbour and catchment science update was presented in mid-December (in fulfilment of the Porirua Harbour and Catchment Strategy and Action Plan). Attendees included representatives from PCC, WCC, Victoria University, Wellington Water, Guardians of Pauatahanui Inlet (GOPI), NZTA, Regional Public Health, DoC, Wriggle Coastal Management, NIWA and multiple GWRC departments. The presentation was followed by a workshop involving NIWA and Wriggle Coastal Management scientists to discuss science priorities for the next two years.

Recreational water quality

The recreational water quality season started in mid-November. This involves weekly sampling of faecal indicator bacteria at 20 river and 61 coastal sites. Water clarity and cover of toxic and nuisance algae are also assessed at the river sites. No bacterial warnings were issued during November or December but toxic algae warnings were issued on two occasions (9 December and 23 December) for the Waipoua River at Colombo Road (Masterton). On both occasions large amounts of toxic algal mats were observed washing up on the river's edge making it unsafe for swimming and dog walking. Toxic algae growth was low at all other monitored sites.

Together with Comms and ICT, ESci revamped recreational water quality information on the GWRC website. A whole raft of water quality and safety information can now be accessed via the Summer Check webpage <http://www.gw.govt.nz/summer-check>. The Summer Check initiative also involves radio advertising, signage at popular sites and other external promotion, and has been financially supported by GWRC, WCC, HCC and MDC.

We also developed a new interactive map <http://www.gw.govt.nz/is-it-safe-to-swim> which shows the overall grades for each site as well as any current warnings based on weekly sampling results. A lot of feedback has been received, much of it positive, but some feedback indicates improvements are needed to make the information clearer. These improvements will be instigated early in the new year.

Toxic algae warning signs have been redesigned with messaging now focussed on educating river users what to look out for (as opposed to simply warning users to stay away), as agreed by local councils and Regional Public Health. The new signs also incorporate the new Summer Check logo.

Recreational water quality was also the primary focus of LAWA www.lawa.org.nz during the quarter. With assistance from the Science Strategy and Information Team we processed the freshwater

recreational data for all 16 regional councils in time for LAWA to go live before Christmas with a revamped freshwater recreation module alongside a new coastal recreation module. Preparation for the coastal module involved several staff collating both water quality data and site information. The new LAWA modules have generated a significant number of hits, particularly in the Wellington region.

Terrestrial ecosystems and quality

Contaminated land

An application made to MfE to fund the remediation of contaminated land in Wellington City has been approved by the Minister for the Environment. The application was made in collaboration with WCC and is for the remediation of two properties that are located on an old landfill site, where recent soil tests have confirmed the presence of high levels of arsenic and lead. Greater Wellington Regional Council has been granted \$61,750 from the Contaminated Site Remediation Fund for assistance with the development of the remedial action plan and remediation. The total cost is \$129,800 with funding in kind being provided by WCC and GWRC. Works are due to begin in early 2015. The Masterton Gasworks site has been removed from the MfE list of 'top ten' contaminated sites but will be replaced by the site described above.

The Selected Land Use Register (SLUR) continues to be improved and updated. During this quarter 87 files for potential new SLUR sites were reviewed by Golder Associates. Of those sent for review, 85 had sufficient information to meet HAIL requirements and have been added to SLUR. The SLUR team completed response letters to at least 96 SLUR enquiries.

Staff attended two regional council expert focus group panel workshops for the MfE interim review of the National Environmental Standard (NES) for Assessing and Managing Contaminants in Soil to Protect Human Health. This included discussion on issues from a regional council perspective regarding implementation of the NES. GWRC also hosted the Regional Waste and Contaminated Land Forum in October which was well attended.

Soil quality

The ESci's soil scientist in association with several regional councils and MfE staff, is contributing to the EMaR project on the development and implementation of land-based indicators. He also attended the national MPI-chaired Cadmium Management Group meeting and contributed to an expert advisory panel on an Envirolink tools project being undertaken by Landcare Research. The project aims to develop an agreed methodology for determining background soil concentrations of trace elements and heavy metals and guideline values for ecological receptors.

Groundwater quality

Quarterly Groundwater Quality State of the Environment (GQSoE) sampling runs were completed in December 2014. Additional groundwater samples were collected from 12 bores for the four-yearly pesticide survey conducted by Environmental Science and Research (ESR). In the past ESR has identified the presence of pesticides in four groundwater bores. All bores are located in areas of horticulture.

Institute of Geological and Nuclear Sciences (GNS) has completed source capture zones models and a review of groundwater hydrochemistry in the GQSoE monitoring bores. This information will be used to determine the suitability of bores for inclusion in the future monitoring network.

A memo looking at contamination in the Waingawa Wetland (and surrounding industrial area) and the Waingawa/Parkvale aquifer has been drafted and is ready for review. The memo summarises the findings of historic information and assesses the need for further environmental testing to determine the extent and cause of contamination.

NIWA is working on a document of the fundamentals of groundwater ecosystems and the importance of protecting groundwater quality and ecosystem health. This document provides a rationale for the inclusion of outcomes in the draft Natural Resources Plan for the Wellington region and will aid the GQSoE network review. It is hoped it will become a national reference document.

Our groundwater quality scientist has also contributed to the project plan for the groundwater quality component of the EMaR initiative.

Terrestrial biodiversity

Three new staff members have been employed on fixed term and casual contracts to undertake SoE terrestrial biodiversity monitoring. Monitoring will begin in January and encompasses measuring vegetation, birds and pests at 17 sites across the region. We are also collaborating with DoC who will be measuring two other plots in our region for carbon accounting purposes this summer. A factsheet has been prepared for landowners who have granted access to their properties to allow us to complete this monitoring.

Soil samples for DNA analysis will also be collected from two of the SOE monitoring plots for a collaborative research project with Landcare Research. This national research project has been funded by a MBIE "Smart Idea" investment and aims to develop the use of DNA techniques to assess the presence of organisms at a site, including nutrient cycling species such as nematodes, mites, fungi and bacteria.

The first rodent monitor after the September 2014 aerial 1080 operation in the Hutt catchment was completed in late November (as part of Project Kaka). The average tracking rate was low but varied widely between sample areas; 0% tracking in the Western Hutt, 4% on Maymorn Ridge and 28% in the Eastern Hutt. This suggests that most of the animals detected have immigrated into the catchment in the six weeks since the operation was carried out, rather than being survivors of the operation itself.

A total of 108 lizards were found in pitfall traps at Baring Head this year. This total is lower than that recorded in the last two years (193 in 2013 and 137 in 2012). The decrease in numbers recorded is thought to have been caused by poor weather conditions at the time of the survey. This research project was initiated to provide baseline information about lizard populations at Baring Head, as the land management changes underway at the site may have impacts on those populations.

A workshop to determine the regional threat listing for lizards was held in early December. Seventeen lizard species are still present in the region, of which thirteen are categorised as nationally threatened or 'at risk'. It was interesting to find that the Wellington region is a national stronghold for four lizard species, but concerning that all except one of these (common grass skink) are undergoing population declines on the mainland.

The Team Leader Terrestrial Ecosystems and Quality has attended further meetings of the EMaR Biodiversity project team. A project plan to develop national terrestrial biodiversity information using regional council data has been completed. Staff also recently provided WCC with designs and advice for vegetation monitoring in Otari Reserve and rodent monitoring on farmland near Zealandia. We also attended workshops involving volunteer ecological monitoring.

Hydrology

Monitoring

A major focus of work this quarter was the review of the groundwater network for SOE monitoring, including selection of the most appropriate wells for monitoring groundwater levels.

Two major reports on the Kapiti Coast groundwater resource investigations were completed during the quarter and will be published early in the new year.

A major report on a new framework for managing groundwater in the Wairarapa Valley was revised and republished in December 2014. The report included refinements to recommended allocation limits.

Work continued on gathering data from several new camera sites in the Wairarapa to develop a visual record of flow changes in different systems. These visual records will help during consultation about allocation and minimum flow provisions in the draft Natural Resources Plan as well as during whitua discussions.

Investigations

Work in the quarter focussed on finalising the scope of two projects relating to water allocation. The first project will use a model called EFSAP to predict fish habitat changes under a range of flow conditions in different catchments. The project will provide information that will help the whitua committees understand the implications of different minimum flow regimes and allocation policies.

The second project will use a model called CHES to predict flow changes relating to various water abstraction scenarios in the Ruamahanga catchment. Both projects are being undertaken by NIWA and the contracts were approved in December.

Science strategy and information

There has been a significant amount of work in coordinating the necessary science input to the Regional Plan and Ruamāhanga Whitua, and we are now also gearing up for the Porirua Whitua. Particular emphasis has been on the development and coordination of the Collaborative Modelling Project – which will ensure that we have all the necessary knowledge and expertise required to answer the various questions that the whitua are likely to have about land use and impacts on water quality.

Our Senior Science Coordinator has been coordinating the department's review of its SOE monitoring programmes, which has included initiating conversations with other GWRC departments to identify their monitoring needs. The initial focus of the SOE review will be to comprehensively describe what is required for "baseline" SOE monitoring for the region. Once that has been defined, we will look at what is required to meet other monitoring needs or questions.

The third meeting of the external Science Advisory Group has held in November 2014 and the focus was also on the SOE review, particularly the technical aspects of the Hydrology and Rivers programmes.

There continues to be a strong focus on science communications. During the quarter we:

- ▶ Worked on the development of a departmental communications plan (due to be finalised in February)
- ▶ Contributed to SOE programme posters and handouts for both the Aquatic and Terrestrial teams

- ▶ Started work on the 2013/14 Annual Summary Report, due to be published in the next quarter
- ▶ Contributed to the improved recreational water quality information on our website, including the development of a new interactive map which displays both overall grades and current warnings for our monitored swimming sites
- ▶ Continued to be involved with LAWA, most recently the addition of information for our coastal recreational sites.

Significant projects

Wairarapa Moana

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

The Aquatic Ecosystems and Quality team provided a presentation to farmers and stakeholders at a recent field day. The results of a one-off large-scale water quality monitoring event involving 20 farms were presented, as well as information about water quality in the waterways around Wairarapa Moana. Ongoing monitoring of a number of constructed wetlands on farms (including a large created wetland at Kaiwawai Dairy Farm) is being completed.

The November shore-bird monitoring completed on the eastern edge of Lake Wairarapa has shown a drop in bird numbers recorded during the 2010-2014 surveys (591 individuals on average) compared to the 1984-1994 surveys (724 individuals). The abundance of seven species appear to have declined between the two surveys, including numbers of the second most abundant species at the lake – pied stilt. Increases in the abundance of 10 other species were noted. These findings highlight the importance of obtaining long-term datasets in order to be able to determine real trends in species abundance, as environmental fluctuations can mask these changes.

An increase in bittern numbers has been recorded in a recent survey of Boggy Pond. Five birds were recorded in 2012, and eight birds were recorded in the recent survey. With such few numbers and given that they are such secretive birds it is difficult to tell if the increase can be attributed to the pest control that was put in place in 2012.

Two fishing events were completed in the October and December as part of the exotic fish removal trial at Barton's Lagoon. Fourteen trout, 66 perch and 61 rudd were caught. There is some concern that the current fishing regime is not adequately suppressing the exotic fish populations and a change to the trial may be required. This will be discussed with Fish and Game following the native fish survey that will be completed in January.

Ruamāhanga Whaitua

As reported last quarter, a number of projects have been kicked off to gather the information the committee is likely to require over the proceeding months. These projects are being coordinated by the SSI team, and are largely around providing information on the current state of our environment, trends, key issues and drivers of those.

To date a number of presentations and papers have been provided to the committee on the state of our environment, current trends and contaminant inputs to the catchment.

A major piece of work has been around the development of the Collaborative Modelling Project (CMP). This project will provide a knowledge framework which will ensure that we have all the

necessary knowledge and expertise required to answer the various questions that the whaitua are likely to have about land use and impacts on water quality. In particular, it will explore how to utilise existing models for scenario testing of various land uses and their impact on water quality. A number of workshops have been held with modellers and experts from around New Zealand to develop this framework. Once established, the framework will be able to be used across all the whaitua.

Technical support for other departments and Wellington Water

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

Environmental Regulation

- ▶ On-going consent application advice has been provided for NZTA's MacKays to Peka Peka and Transmission Gully roading projects, including assessment of remediation plans for contaminated sites
- ▶ Technical review of marine monitoring results has been provided to NZTA as enabling works for the Transmission Gully project have commenced in Pauatahanui
- ▶ Following review of a number of annual monitoring reports relating to the operation of GWRC's water treatment plants, a meeting was held with Wellington Water to discuss possible changes to existing water quality and ecological monitoring required under their consent to abstract water from the Hutt River.
- ▶ Input was also provided on Wellington Water's consent application to chemically clean water supply bores contaminated by iron bacteria. The application has now been approved, with the first bore treatment scheduled to take place in mid-January 2015 at the Waterloo well field in Lower Hutt
- ▶ Pre-application discussions have been ongoing with regard to marine sampling methods proposed by CentrePort for their harbour dredging project
- ▶ Advice was provided to inform EReg enforcement procedures relating to sediment discharges from Meridian Energy's Mill Creek wind farm site
- ▶ Planting plans were reviewed for consents for Best Farms and Hanson Street in Wellington City
- ▶ Assistance was provided in updating the 'allocation calculator' a tool which tracks the combined impact of consented allocation in the Wairarapa Valley

Environmental Policy

- ▶ Work continued to support EPol with technical information in support of the draft Natural Resources Plan which included:
 - » An analysis of the security of supply for irrigators in the Wairarapa
 - » A stream depletion analysis to assist with water allocation policies
 - » Defining capture zones for groundwater drinking water supplies.
- ▶ Terrestrial ecology staff have been gathering information related to the identification of significant wetlands in the region
- ▶ Aquatic ecology staff and our Senior Science Coordinator have provided ongoing input into Tables 3.1-3.5 (related to protecting ecological health and mahinga kai) and Schedule H (related to providing for contact recreation and Māori use), including the development of supporting technical material and reviewing stakeholder feedback

Flood Protection

- ▶ Hydrology staff are continuing to work closely with Flood Protection in scoping options for the enhancement of flood models for short-term event predictions
- ▶ A contract has been prepared for the annual survey of river birds on the Hutt, Waikanae and Otaki rivers

Biodiversity

- ▶ Ecologists continue to provide feedback on KNE plans and advice as requested.
- ▶ Four KNE sites were monitored for rodents and small mammals in November. In the East Harbour Mainland Island, the rat tracking rate has fallen to 6% in the treatment area, but is still at 74% in the non-treatment area. Rat tracking rate is at or below 10% in Korokoro Valley, Baring Head and Battle Hill, but remains high in Queen Elizabeth Park (55%). Hedgehog tracking is high at Baring Head (81%), while the mouse tracking rate was the highest ever recorded in Battle Hill bush remnant (95%)
- ▶ We have recently run the post-1080 operation possum monitor in Kaitoke Regional Park. The result of 1.7% RTC shows the 1080 operation has been successful

Parks

- ▶ Two assessments and a site visit for a third track development proposal have been completed. The assessments were associated with Stratton Street and Baked Beans Bend in Belmont Regional Park, while the site visit was made to the Devil's staircase in Akatarawa Forest
- ▶ ESci has assisted the volunteer group MIRO in completing robin searches in the mainland island through contracting a bird expert to organise the searches

Biosecurity

- ▶ Staff continue to provide possum monitoring designs and reports for Bioworks in the Wairarapa

Wellington Water (previously Water Supply department)

- ▶ An aerial flight with a fixed-wing plane to survey for damage to the canopy from introduced insects and fungi in the water collection areas was completed in late December. The canopy in the Wainuiomata/Orongorongo catchment looked to be in good health, but the red and silver beech trees in the Hutt catchment appeared to be under environmental stress

Staff changes

Our recently recruited climate scientist, Alex Pezza from Melbourne University, starts work with GWRC on 16 February 2015. This role will be responsible for developing a climate science programme designed to inform council wide climate-sensitive decision making and to provide a forward looking focus for resource management planning.

We are currently recruiting for a Science Coordinator to replace Tessa Bunny who is going on maternity leave in February 2015.

Emily Martin recommenced work as a part-time casual student worker. Emily will be assisting with recreational water quality monitoring and targeted investigations in the Hutt River catchment and also carrying out data collation and other tasks related to whitua work.

Grant Redvers started in early December as the Field Supervisor for the SoE terrestrial biodiversity monitoring team. Jacqueline Bond has also been hired as a casual contractor for this work.

Victoria University student Luke Crouch has replaced Charlie Hopkins as a casual student worker. He will also be part of the SoE terrestrial biodiversity monitoring team.

Financial reports

Science Income Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	2,687	2,686	1	5,373	5,373	-	2,523	5,045
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External Revenue	94	5	89	205	10	195	11	39
Investment Revenue	2	-	2	-	-	-	2	4
Internal Revenue	107	123	(16)	245	245	-	133	320
TOTAL INCOME	2,890	2,814	76	5,823	5,628	195	2,669	5,408
less:								
Personnel Costs	1,494	1,360	(134)	2,987	2,720	(267)	1,367	2,804
Materials,Supplies & Services	174	102	(72)	205	205	-	174	308
Travel & Transport Costs	60	41	(19)	82	82	-	54	104
Contractor & Consultants	368	531	163	1,276	1,063	(213)	412	874
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	292	240	(52)	477	477	-	274	607
Total Direct Expenditure	2,388	2,274	(114)	5,027	4,547	(480)	2,281	4,697
Financial Costs	9	8	(1)	16	16	-	8	17
Bad Debts	-	-	-	-	-	-	2	(2)
Corporate & Department Overheads	426	426	-	853	853	-	385	770
Depreciation	125	131	6	261	261	-	138	267
Loss(Gain) on Sale of Assets / Investment	-	(5)	(5)	(5)	(5)	-	-	-
TOTAL EXPENDITURE	2,948	2,834	(114)	6,152	5,672	(480)	2,814	5,749
OPERATING SURPLUS/(DEFICIT)	(58)	(20)	(38)	(329)	(44)	(285)	(145)	(341)
Add Back Depreciation	125	131	(6)	261	261	-	138	267
Other Non Cash	-	(5)	5	(5)	(5)	-	-	-
Net Asset Acquisitions	(64)	(129)	65	(292)	(292)	-	(20)	(102)
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RE	3	(23)	26	(365)	(80)	(285)	(27)	(176)
Debt Additions / (decrease)	-	58	(58)	116	116	-	(10)	68
Debt Repaid	(20)	(18)	(2)	(36)	(36)	-	(34)	(64)
Net Reserves (Increase) / decrease	(2)	-	(2)	-	-	-	(2)	(4)
NET FUNDING SURPLUS (DEFICIT)	(19)	17	(36)	(285)	-	(285)	(73)	(176)

Science Capital Expenditure Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	62	95	33	200	200	-	27	52
Capital Project Expenditure	1	58	57	116	116	-	(10)	48
Asset Disposal Cash Proceeds	-	(24)	(24)	(24)	(24)	-	-	-
Net Capital Expenditure	63	129	66	292	292	-	17	100

Financial variance analysis

- ▶ E Science has a net deficit of \$58k which is close to budget
- ▶ Staff costs are more than budget mainly due to unbudgeted casual staff and early recruitment of staff to meet science requirements of the Whaitua Committees. The forecast has been updated for these staff as the costs are ongoing

- ▶ External spend on materials, travel & consultants costs are under budget at December but the forecast has been updated for projects such as the Collaborative Modelling project which are starting in January
- ▶ Internal costs are overbudget by \$52k most of which is ICT charges due to more computers and gadgets than budgeted
- ▶ The capital spend to date is on replacement data loggers for monitoring sites with vehicle purchasing round due later in the year

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
Number of state of the environment report cards downloaded on the Greater Wellington website	1929 (2010/11)	Increase on previous year	This information is not currently available.

Risk analysis

Increased communication has been occurring between TA's and ourselves in response to three sites now meeting the remediation fund top 10 criteria.

3 STRATEGY AND POLICY COMMITTEE

3.1 Harbours



Overview

The Marine Oil Spill Response Strategy is under review by Maritime New Zealand, and could affect how we respond to marine oil spills

Key results for the year

- ▶ Hosted National Navigational Safety Special Interest Group in July 2014
- ▶ Submitted Asset Management Plan to ELT
- ▶ Replaced mains-powered Kings Wharf light with solar-powered unit
- ▶ An audit of GRWC's Port & Harbour Safety Code - Safety Management System – was satisfactorily completed

Looking ahead

- ▶ A joint GWRC/CentrePort review of the original 2006 Port & Harbour Risk Assessment is scheduled to be carried out during first quarter of 2015 with Marico Marine

Departmental activity

Administration

One assessment examination for a Pilots Exemption Certificate was held on 14 October.

(Pilot Exemption Certificates are required under Maritime Rule 90, and enable the Masters of regularly-calling ships such as Cook Strait ferries to safely navigate Wellington Harbour without needing to take a harbour pilot. Although documentation is issued by Maritime New Zealand, as the Pilotage Authority, the examination is carried out by the harbourmaster under delegation authority from the Director of Maritime New Zealand).

Navigation aids

The main navigation lantern at Pencarrow lighthouse was replaced with a LED light, which provides a clearer light, with greater reliability and reduced power consumption.

The electrical power cable to Point Halswell light had suffered serious deterioration, so instead of replacement, the light was fitted with a solar panel and charge regulator.

The Front Leading light had the attachment point for its timber fendering replaced.

Marine oil spill response

There were 10 reports of "oil in the water" which were investigated. None required remedial action to be undertaken by the responsible party. (Under our agreed response criteria, such reports in Wellington are required to be checked-out within 30 minutes. This ensures that further resources are not wasted on well-meaning "false alarms", and allows any actual remedial work to be commenced within one hour.)

On 18 and 19 November, the Deputy Harbourmaster and the Alternate Regional On-Scene Commander attended the MNZ Regional Council Oil Spill Workshop in Nelson.

On 4 December, a Marine Oil Spill Response Table Top training exercise was held at the WEMO Emergency Operations Centre.

From 9 to 11 December, Harbour ranger John Tattersall attended a National Response Team (marine oil spill) workshop at Te Atatu, Auckland.

On 16 December, Maritime New Zealand's marine oil pollution response equipment (stored by GWRC) received a routine condition check.

Health and Safety

There was an incident involving divers working off a wharf and their presence not being notified by Beacon Hill to appropriate vessels. On 8 December an incident review meeting was held at the Harbourmaster's Offices with the agencies involved. Subsequently each Communications Officer at Beacon Hill has been given a one-on-one briefing at the Harbourmaster's office to emphasise the importance of fully following standard procedures. A full incident investigation was been carried out and report completed.

Recreational boating

In October our boat operator training program, made under Part 35 of the Maritime Rules, was approved by Maritime New Zealand for another five years.

Between 17-24 October, GWRC participated in the national "Safer Boating Week" initiative. This began with CEO Greg Campbell (together with other senior staff of other organisations involved with water safety) jumping into Wellington Harbour with a lifejacket. Other activities included Harbour's staff testing the buoyancy of 248 lifejackets, which detected 15 defective lifejackets.

During November, our workboat Sea Care was slipped for survey inspection, antifouling and engine maintenance.

On the last weekend in November the additional part-time summer Harbour Ranger resumed summer patrols. He works outside normal office hours, over weekends and Public Holidays speaking to boaties and other harbour recreational users and distributes educational material and/or investigates complaints against boaties. He also provides assistance when in a position to do so.

(Recreational harbour users usually become a problem during the hot summer period, with complaints often received about jet-skiers near beaches, youths jumping off Paremata bridge into Porirua Harbour, or swimming near the boat-launching beach downstream from that bridge.

Although we arrange staff attendance at these areas, we have limited resources to cover a wide area.)

During November, two new Oriental Bay swim rafts, which GWRC Harbours store and maintain on behalf of WCC for Oriental Bay Residents' Association, were officially "launched" by Mayor Celia Wade-Brown.

On 8 November and again on 31 December, staff were out on our workboat Sea Care overseeing harbour fireworks displays. Due to weather and late time of the event, there were no other vessels out on the harbour for the New Year's Eve midnight display.

On December 22, a Harbour Ranger spoke to a group of children as part of a Cannons Creek community group holiday program about boating safety. They also had a ride in our patrol boat Amotai, all wearing lifejackets of course, and which they all enjoyed.

Other events

On 2 October, new CEO, Greg Campbell, visited Beacon Hill Communications Station at Seatoun.

On 22 October, a compliance audit of the joint GWRC/CentrePort Safety Management System (SMS) was conducted at the Harbourmaster's and CentrePort Offices, which received a very favourable review from Maritime New Zealand.

On 3 and 13 November, meetings were held with LINZ and CentrePort regarding the imminent publication of new revised Wellington Harbour Charts.

On 5 and 7 November the Deputy Harbourmaster attended the NZ Pilot's Conference in Wellington.

A Resource Consent was granted by GWRC to the owner to permit the hulk of the old fishing vessel Southern Prospector to be scuttled in deep water in Cook Strait, south west of Baring Head. However, there has been little recent further progress in preparation for this event. GWRC has scuttled a total of five derelict vessels in Cook Strait, all at some cost to Council. Southern Prospector is still under the control of an owner, so hopefully will dispose of the problematic hulk without too much involvement from Council.

(The Marine Oil Spill Response Table Top Exercise held on 4 December used the sinking of this vessel at her berth as the scenario for an oil spill exercise).

Financial reports

Harbours Income Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	708	708	-	1,416	1,416	-	702	1,404
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External Revenue	391	343	48	685	685	-	355	695
Investment Revenue	-	-	-	-	-	-	-	-
Internal Revenue	-	5	(5)	10	10	-	-	-
TOTAL INCOME	1,099	1,056	43	2,111	2,111	-	1,057	2,099
less:								
Personnel Costs	474	494	20	988	988	-	452	961
Materials, Supplies & Services	210	176	(34)	352	352	-	192	377
Travel & Transport Costs	24	25	1	50	50	-	25	53
Contractor & Consultants	78	54	(24)	109	109	-	30	136
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	30	30	-	42	42	-	13	23
Total Direct Expenditure	816	779	(37)	1,541	1,541	-	712	1,550
Financial Costs	24	23	(1)	45	45	-	27	52
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	181	181	-	361	361	-	163	326
Depreciation	80	60	(20)	119	119	-	62	118
Loss(Gain) on Sale of Assets / Investments	-	(10)	(10)	(10)	(10)	-	-	-
TOTAL EXPENDITURE	1,101	1,033	(68)	2,056	2,056	-	964	2,046
OPERATING SURPLUS/(DEFICIT)	(2)	23	(25)	55	55	-	93	53
Add Back Depreciation	80	60	20	119	119	-	62	118
Other Non Cash	-	(10)	10	(10)	(10)	-	-	-
Net Asset Acquisitions	(17)	(64)	47	(102)	(102)	-	(38)	(41)
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERV	61	9	52	62	62	-	117	130
Debt Additions / (decrease)	-	39	(39)	77	77	-	36	48
Debt Repaid	(64)	(69)	5	(138)	(138)	-	(63)	(135)
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(3)	(21)	18	1	1	-	90	43

Harbours Capital Expenditure Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	35	35	35	35	-	2	2
Capital Project Expenditure	16	39	23	77	77	-	36	39
Asset Disposal Cash Proceeds	-	(10)	(10)	(10)	(10)	-	-	-
Net Capital Expenditure	16	64	48	102	102	-	38	41

Financial variance analysis

- ▶ Harbours' has a net deficit of \$2k which is close to budget
 - » Staff costs are slightly under budget as there are no costs for casual rangers until the summer months
 - » Material costs are over budget as these include \$17k spend on new equipment & furniture for the new offices
 - » Consultants costs include \$30k cost of the Harbour Risk Assessment report which is jointly shared with CentrePort. This funding is included in external income so no impact on the net result

- » Travel and internal spend are all close to budget
- » Depreciation is slightly over budget following the asset revaluation in July 2014
- » Capital spend is usually done over the summer months, spend to date was final work on Halswell Lighthouse

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
That Beacon Hill Communications station is staffed and operational 24 hours a day, seven days a week	100% (2010/11)	100%	Achieved to date.
That all navigational aids are working, 24 hours a day, seven days a week	100% (2010/11)	100%	Minor outages as reported above.
Percentage of reports of unsafe boating incidents investigated	90% (2010/11)	100%	All reported incidents investigated as appropriate. No infringement notices were issued.
Percentage of harbour oil spills responded to within 30 minutes and clean up started within one hour	100% (2010/11)	100%	Ten reports were received; none needed remedial action to be taken.
Coastal oil spills responded to within time limits	100% (2010/11)	100%	No reports of coastal oil spills were received.

Risk analysis

The Maritime NZ audit was favourably completed. The risk assessment review is continuing.

A quarterly equipment check was carried out and a table top spill response exercise was held in December.

3.2 Parks



Overview

Further planning and Implementation of RONS-associated projects in the parks, including the new farm hub and recreational improvements at Belmont, and the new cycleway at Queen Elizabeth Park

Preparations for asset repairs and renewals to commence in the summer, including park tracks and heritage structures

Final planning and launch of the Great Outdoors Summer Events 2015 programme

Key results for the year

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

Looking ahead

- ▶ Finalising a Service Level Agreement with Wellington Water
- ▶ Examine alternative base office/workshop locations for Western sector/Assets operations
- ▶ Establishing maintenance plans for roading in plantation forests and building the working relationship with PF Olsen's
- ▶ Establishing a system of collecting, analysing and reporting visitor count data
- ▶ Retirement fencing in Swampy Gully (Battle Hill) and the Cannons Creek catchment (Belmont RP) as part of the Sustainable Land Use Plans
- ▶ Construct a Paekakariki-Raumati South walkway/cycleway in Queen Elizabeth Park
- ▶ Working with the Department of Conservation to tender compatible grazing licences for Queen Elizabeth Park and Whareroa Farm
- ▶ Finalising design and initiating on-site works as part of the Queen Elizabeth Park Heritage Precinct project plan
- ▶ Finalising compensation and mitigation measures related to TGM on Belmont Regional Park, including construction of a new farm hub and fencing associated with retirement areas
- ▶ Construction of an easy grade mountain bike/walking track at Stratton Street, Belmont Regional Park Upgrade Belmont Regional Park's Oakleigh Street loop track

- ▶ Implementation of the Whitireia Park Millennium Pou site development project plan, including the search for external funding to supplement Park Board support
- ▶ Securing Heritage NZ approvals and commencing maintenance and repairs on the Rimutaka Rail Trail (Mangaroa Tunnel entrance portal and the slip near Pakuratahi Tunnel)
- ▶ Detailed planning for the re-development of the Baring Head Lighthouse Complex in conjunction with the Friends of Baring Head
- ▶ Improving the Butterfly Creek side of the Kowhai Track and the Baring Head Bridleway at East Harbour Regional Park
- ▶ Enhance the Orange Hut and new BBQ area in conjunction with ARAC
- ▶ Updating Kaitoke Regional Park information signage

Departmental activity

The major projects undertaken this quarter include:

Stratton Street plantation forest (Belmont Regional Park)

Further planning of an easy graded track for walkers and mountain bikers connecting Stratton Street and the Old Coach Road took place, in preparation for lodging the consent application with Hutt City Council. Other works will see retirement fencing in the Upper Cannons Creek headwaters, carpark improvements at the Woolshed classroom at Stratton Street and wilding pine and gorse control within the former pine block. All this work is on track to be completed by mid-June.

Farming on regional parks

GWRC has agreed with the Department of Conservation that two separate grazing licences are to be developed and tendered concurrently for Queen Elizabeth Park and Whareroa Farm. Rural estate agents Baker and Associates have been engaged to undertake the process, with tenders for the grazing to be advertised in early February 2015, with a decision by mid-April. This will allow time for the new grazier to begin their term from 1 September 2015. Documents are being drafted to outline expectations of tender offers and the condition of both properties, to ensure that the process is as transparent and objective as possible.

Landcorp has signalled their desire to withdraw from farming the western side of the TG designation and focus only on the eastern hub until the expiry of the licence term in June 2015 (at which time they will not seek a further term). Given that they wish to exit their licence early, and would like to enter into a joint licence with GWRC for land owned west of the designation, they have agreed to pay for a rental assessment, and work with us on a tender for the block. We are aware of some outside interest in this grazing opportunity, so a tender process is appropriate.

Major road projects

Grazing continues in the Belmont designation until fencing gets underway. We have established a useful working relationship with the Wellington Gateway Partnership (WGP) and are discussing detailed fencing and retirement plans with them. This information will allow Landcorp to manage a reduction in stock numbers as nearly 200 hectares will be required for mitigation and road construction.

At Takapu Road the current entrance will be very close to major construction works, with associated safety issues. We are working with WGP to develop a plan for relocating the park entrance, with the view that they would fund this work. Although this new entrance is on land owned by DOC and Transpower, these agencies support the idea in principal, which was initiated by a local residents' group. It would result in a more attractive entrance area that would provide safe access during construction plus good viewing of the road and large bridge over Cannons Creek as it is being built.

The new farm hub is nearing completion with minor finishing before the planned opening on 31 January 2015. This has been a large project with up to 30 people being on site at any one time. The weather has been trying with days when winds reached over 100 km/hr and cloud conditions made it impossible to see from one end of the site to the other.

Fencing has been largely completed along the eastern side of the TG designation at Battle Hill. A fencing plan for the western designation has been provided with work expected to be completed before the end of this summer.

The WGP have reviewed their designs at the northern end with the expected large roundabout outside QEP moved further south, with a smaller roundabout proposed to link local traffic with QEP and Whareroa. However, it is still very much a work in progress for WGP. There is keen interest among local community groups, DOC, KCDC and GWRC in achieving the best possible non-vehicle connections between QEP and Whareroa Farm, along with smooth traffic flow.

Nature Connections

Ranger staff from Battle Hill and Kaitoke Regional Park attended a two day workshop at Wellington Zoo with other leading nature-based attractions in the region. The workshop provided excellent networking opportunities and training on developing and delivering nature talks to visitors.

Parks Assets and Activity Management Plan

The Parks Asset Management Plan has been updated and circulated throughout the Department and staff briefed on its contents and the rationale and benefits of such a plan. Further work to accelerate the Asset Management Improvement programme is dependent on extra funds being available to address targeted improvements (such as signage inventory, fencing and other key areas).

The network of 30 new visitor counters is now up and running across the park network and staff are trained in how to check the counters and download the data.

Preventative maintenance programmes

A long period of spring-like weather conditions has created heavy demands on staff and contractors to keep vegetation cut back along tracks and roads, and mow amenity areas. As a result of the spring growth we expect that any contract mowing costs will be higher than planned, but this work is essential to keep the park looking tidy (in itself a deterrent to undesirable behavior, and reduces the fire risk).

The preventative maintenance programme continues to focus on managing risks to park infrastructure, visitors and staff. During the period this has involved removal of hazardous trees at Battle Hill and Tunnel Gully.

Work to set up maintenance plans in SAP Plant Maintenance has been steaming ahead, with a major focus on buildings.

Parks promotion

Marketing & Design staff assisted with only two Buggy Walks in this quarter as the November buggy walk in Whitby was cancelled due to inclement weather. The remaining walks were held at the Botanical Gardens and at Otari-Wilton's Bush. With over 1000 people attending, the "Buggy Walk" experience remains tremendously popular eight years after it was first launched in Wellington. This co-operative approach pays off for our regional parks with future buggy walks promoted by the MC and via an on-site brochure displays.

Bookings for the 2015 Great Outdoors Summer Events (GOSE) programme opened on the first Wednesday in December. As with previous years, there has been a significant promotional effort, encouraging people to access the programme via the GWRC website or to pick up a brochure. It has also featured on social media posts and in local newspaper advertising and summer-themed articles.

Staff have been working with other TAs to organize and promote a series of events for Parks Week, running from 7 -15 March. For GWRC, these events are scheduled as part of GOSE, and receive an extra boost through this collaboration.

Planning for the 2015 parks user survey was a key focus for the period, with Whitireia Park, Akatarawa and Pakuratahi Forests are to be surveyed from mid-January to early March. The purpose of the survey is to collect information from park users and count visits at park entrances. We use this to understand what people value about the park, what they do there and any other comments they have (which may just be that we are doing "a good job"). The data assists us to work out adjustment factors for counter data to estimate park visitation. The information gathered from the Whitireia Park survey will also contribute to the development of the park management plan.

The survey team has been appointed, with training will be held on 12 January and the first survey day held shortly that.

The first draft of the revised Parks Signage Guidelines have been circulated to staff for comment.

Community engagement

Our Parks newsletter

The third edition (Summer 2014) was emailed to over 1,300 people. Contents included a good spread of stories across the network of parks with a particular focus on the Great Outdoors Summer Events Programme. This was the most popular story, with the revamped Rimutaka Summit coming in second. All trends regarding usage are favourable, with readership increasing steadily since the first issue.

Through the various activities over the summer we are aiming to build the mailing list for the Our Parks Newsletter. A business card sized advertisement is being distributed by Park Rangers, while GOSE participants and those interviewed as part of the visitor surveys are also being asked if they would like to sign up for the mailing list.

The annual Pest Fest event dedicated to providing information about pest plants and animals is organised by DOC and supported by TA's. Parks provided resources such as ezy ups and a generator, promoted the event through its channels, and provided event planning advice.

Staffing

Kira Koppel from the USA is starting a 10 week internship with GWRC on 16 January, helping out with GOSE events, working with the sustainability coordinator and assisting with community engagement projects.

Bryn Menzies resigned from his Ranger – Construction position to relocate to Hawkes Bay. The vacant position has been filled by Steven Fargher (a Licenced Building Practitioner from Upper Hutt).

Joel Revill resigned from his Ranger – Maintenance position to travel overseas. Advertising for his replacement will start in early February.

Health and Safety projects

The GOSE events H&S documentation has been reviewed and updated. A workshop was held to introduce the Rangers to the new documentation and teach them how to use it.

Equipment improvements

The radio trial using the NZ Police repeater system is complete and a report submitted to ICT. The findings were very much in favour of this option over the existing Team Talk system.

Three replacement trailers have been sourced following several H&S incidents or near misses involving work trailers recently. The new trailers will be safer to use and better meet operational needs; two are electric operated hydraulic tippers, and the third is an easy to load equipment transport trailer (with a crouching deck that eliminates the safety risks associated with loading ramps).

A new lightweight power barrow has been added to the fleet. The Honda unit has a hydrostatic transmission, which enables the barrow to climb and descend steeper terrain with more precise speed controls. This unit does away with clunky manual gear shifting, and although it is smaller than others in the fleet, it should be a far safer alternative for challenging terrain. Rangers have been very impressed with its overall safety and performance.

The Parks team participated in a small scale user trial of three different mobile data devices, as part of a broader corporate project looking into mobility solutions as a means of increasing efficiency and effectiveness. One particular model stood out as best meeting field user needs – the Panasonic Toughpad. The transition to mobile devices remains a high priority area for the Parks Asset Management improvement programme.

Compliance

Park Rangers continue to face weekly compliance challenges with unauthorized 4WD access in the Akatarawa Forest, vandals targeting Kaitoke camping deposit boxes and signs, an abandoned car at Wainuiomata Recreation Area and 4WD's continuing to access the beach areas around Baring Head. Boy racers and motorbikes continue to cause the occasional problem at Whitireia Park but with regular patrolling these instances are slowly on the decrease.

Budget movements

Work status

The percentage of work orders outstanding at the end of this quarter is 66%, with 52% of these being behind schedule. In comparison, outstanding work orders behind schedule for the July-

September quarter was 37%. While it is disappointing that the “behind schedule” indicator has increased, the overall rate of work orders still outstanding has decreased.

Work orders generated by preventative maintenance plans accounted for 66.1% of all work orders for the quarter, with breakdown accounting for 8.0% and Capex 3.5%. The remaining 22.4% was made up of work orders created as a result of routine maintenance (figure 1).

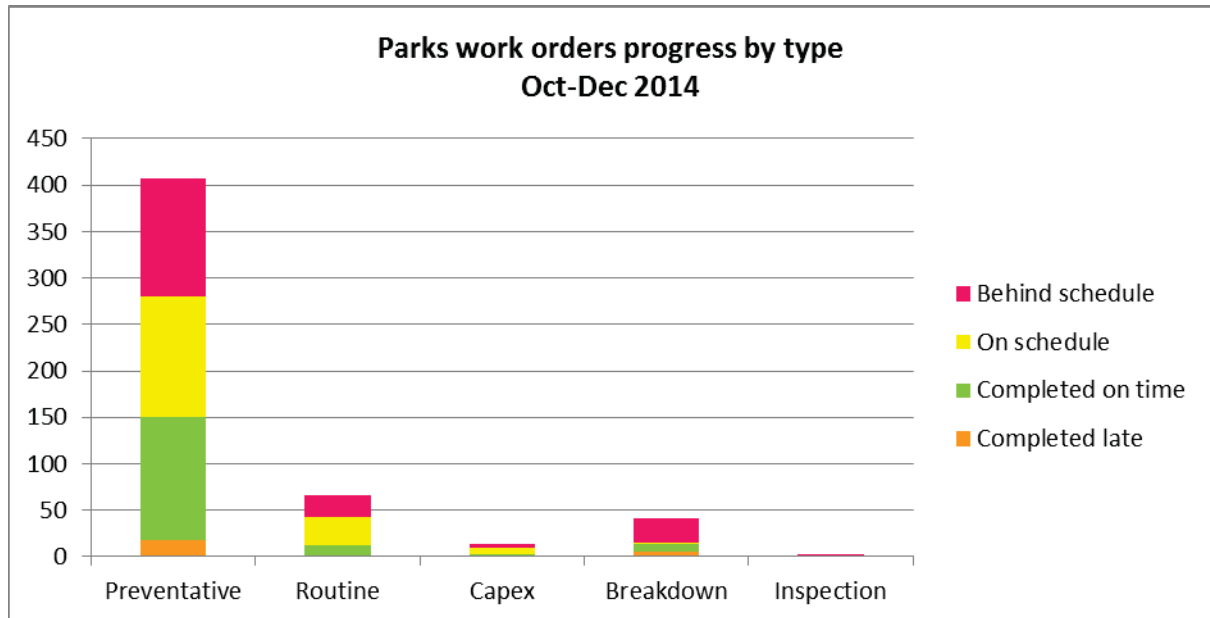


Figure 1: Quarterly work order progress

85 notifications were created during the quarter (figure 2), with 40% of these having a completed status as at 31 December 2014. 7% of notifications for the October-December quarter were the result of storm damage, in comparison with 13.7% in the last quarter.

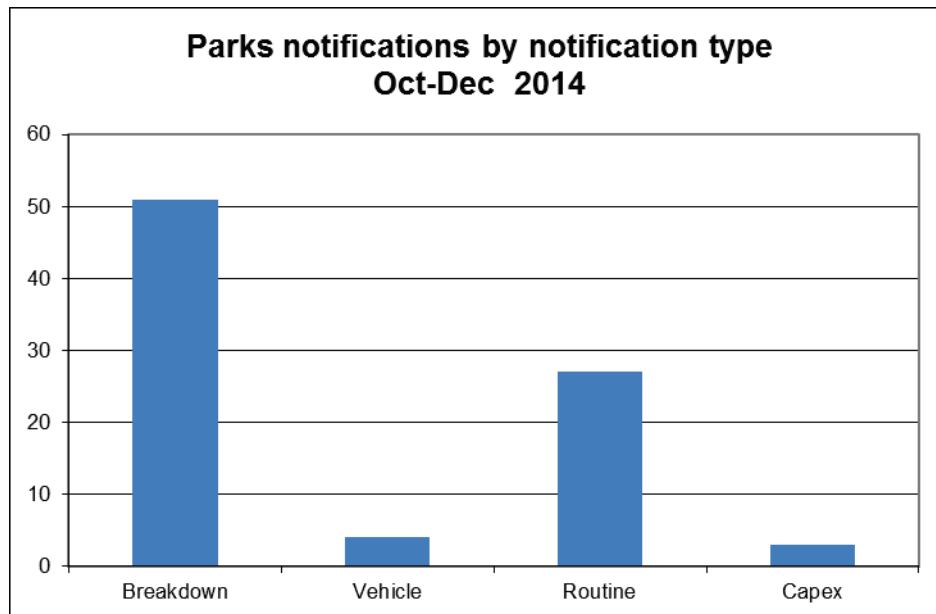


Figure 2: Notifications recorded for the quarter

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

Western Sector

Battle Hill

Planning boundary fence replacement has been completed and the maintenance programme is underway.

Early season camping has been popular when weather conditions have been favourable. The swimming hole had its annual clean-out with the gravel spread on the park's farm tracks, through gateways and around troughs.

Fertiliser application and thistle spraying were completed in December. The new farm licence holder has been getting to grips with the summer use of the park especially the impact of equestrian events, which require regular stock movements to make room for them. We have had many favourable comments on the stock condition under his management and visitors are especially pleased to see the deer back on the property.

The Battle Hill brochure has been redesigned and reprinted.

Film location scouts visited the park to investigate it for a Disney production called "Pete's Dragon" and we have recently concluded an agreement for them to film in the park from late January.

The Wellington Area trail riders club held a competitive trail running event at Battle Hill that was attended by 50 people. The equestrian season is well underway with good turnouts of riders to early season events.

The Tough Guy and Gal organisers are interested in running this event at Battle Hill and are likely to apply for a concession to do so. Unlike many other events of this nature they have allocated days for both primary and secondary-school aged competitors.

We had a further meeting with the Wellington branch of Riding for the Disabled to discuss the possible options around creating a permanent home for them at Battle Hill. It is part of a bigger picture involving a potential shift of the Western Depot to Queen Elizabeth Park, and which is to be discussed with councillors in March.

Belmont

Discussions with Landcorp are underway for retirement of the Upper Cannons Creek catchment with fencing due to begin in February 2015.

A final draft of the MOU with BAMBAs has been completed and should be signed in late January. The Korokoro Forks to Belmont Trig track upgrade has been completed, greatly enhancing access to the Baked Beans Bend and the Trig itself. The track will be opened as part of the upcoming GOSE programme. To fulfil our reporting requirements to landowners Wellington City Council, we hosted two of their senior park managers on a visit to the site just before Christmas.

Planning for the upcoming track improvement work (Oakleigh Loop track in the Upper Korokoro Valley) is underway. The project aims to improve this popular walking track, and facilitate safer and easier access for the public to the Korokoro Valley (and the historic Korokoro Dam). There is the opportunity also to reduce long term maintenance and ownership costs, by eliminating several small bridges, boardwalks and other timber structures, and easing access for track maintenance machinery.

The Maara Roa track opening was an intimate gathering of The Friends of Maara Roa and invited guests who opened the new track from the Cannons Creek Lakes Reserve in to Belmont Regional Park. This was a great opportunity to also showcase the hard work done by The Friends, and to celebrate the collaboration between GWRC and The Friends of Maara Roa.

Following the opening of this track, a further short section of track to a vantage point in the restoration area is currently being surveyed with construction getting underway in February. This will be funded via compensation monies received from Transpower for the fibre optic cable installed in the park.

During the quarter Parks joined forces with the Friends of Belmont Regional Park to engage the community in generating and evaluating ideas to reinvest \$150,000 of Transmission Gully sales receipts in the park. This turned out to be a hugely productive exercise, greatly aided by the Friends, whose convenor Peter Matcham coordinated, evaluated and presented the concepts back to the collective group in early December. Three projects were identified – a new multi-use track to improve links between Hill Road and Old Coach Road, an easy grade downhill mountain bike track in the former pine plantation, and landscaping around the Korokoro Dam – and these have been forwarded for inclusion in the draft LTP. It also produced ideas for future improvements in the park, and overall was a great opportunity to engage with the community about the park and people's aspirations for it.

The Friends of Maara Roa were joined by 20 staff from Fujitsu on 28 October which helped them complete their planting for the year; and on 27 November, 10 people from The Electricity Authority did some much needed plant releasing at the Cornish Street entrance of the park.

Queen Elizabeth Park

A walkover of the new cycleway alignment has been undertaken with an Archaeologist and local iwi have been asked to comment on the draft application for archaeological authority to undertake the works. While resource consent is not required, we are applying to KDC for an "outline plan" in early February.

Public engagement continues, with a walkover in January to be followed by public meetings in Raumati South and Paekakariki in February. Discussions are ongoing with some adjoining neighbours over ways to mitigate impacts on privacy.

The architectural concept plan for the combined visitor centre/ranger office complex at MacKays Crossing has been revised and integrated with the overall landscape design for the area. The designs will be discussed further with the Project Whareroa community working group and councillors will be updated prior to starting work on the buildings in the last quarter of this financial year. The existing Ranger's Office building will need to be removed as part of this project. It is being assessed for relocation to another part of QEP to possibly accommodate the Western Depot staff currently based at Battle Hill.

The restoration programme is now focussed on releasing last year's plantings, site preparation for 2015 and nursery production for upcoming seasons. The automated watering system is proving its worth with the nursery plants looking very healthy.

Queen Elizabeth Park restoration and nursery groups went on a field trip to Pauatahanui Inlet nursery to learn about successes and failures experienced with growing Kahikatea and Totara. This will help with the establishment of "Our Forest" at QEP by growing signature species to be planted there. This opportunity also helped to identify individuals willing to take more ownership of the "Our Forest" project.

Community Service workers continue to add a great deal of value to park work programmes, assisting the park rangers with many activities including the never ending weeding of nursery plants.

The park has remained very busy during times of settled weather as people enjoy the fresh air and recreational opportunities. Some people are ignoring the fire ban and persisting with lighting fires. Staff have erected more signs and visited the Paekakariki Motor Camp where many of these people have come from.

Eventing Wellington has begun the spring/summer season, with a good turnout to the first major event and many members attending the regular training opportunities.

A crew of ten people from AJ Park law firm visited QEP for a morning of releasing on 5 December followed by NZ Post on 19 December with a similar number of people.

Whitireia Park

A breakdown of the golf club water pump over the period highlighted a weakness in the water supply to the toilets. The toilets were without water for several days, with very unwelcome results. To avoid this in future a 10,000 litre water tank will be installed to give a reserve water supply for the toilets.

Aerial pampas spraying undertaken in June has been very successful and planning is now underway for gorse spraying. This will be carried out over the summer period as weather allows.

Eco Gecko provided training for volunteers from Whitireia Park Restoration Group and Friends of Queen Elizabeth Park on how to trap, record, handle and identify lizards. The workshop was held at Whitireia Park and a total of nine volunteers attended. Highlights included the sighting of a rare copper skink, and the training for three volunteers from QEP who are now prepared to install a pitfall trap network and begin their own monitoring.

There is further interest in a more detailed study of the lizards located at Whitireia Park following this workshop due to the rare species and numbers located. The workshop preparation also prompted useful conversations with Environmental Science about how volunteers can contribute to monitoring and citizen science in general.

The Memorandum of Understanding between GWRC and Whitireia Park Restoration Group (WPRG) was advanced to a final draft stage through workshops with the WPRG representatives and GWRC officers. This provided a great opportunity to define the relationships, and agree how the Park Board, WPRG and GWRC will work together to achieve desired outcomes.

Eastern Sector Parks

Akatarawa

Public firewood collection in the forest ceased in early December. Parks worked with the Planner and Communications team to prepare solid information for Council on the Health and Safety implications of the scheme. There has been relatively little public debate or comment on the issue.

The Kapiti Mana Motorcycle Club (KMMC) have taken over the management of the Bulls Run Road house in a “as is where is” condition. This minimises GWRC obligations in relation to the property.

Roading work has been undertaken in the Akatarawa Forest, including hydromowing roads (Rimu, Whakatikei, Hydro Valley), formation and drainage work and installing new culverts. Some of this work has been completed in conjunction with Transpower on Hydro Road. Two further 30kph speed signs have also been installed on Perhams Road.

The Big Trig Rogaine was held in the Akatarawa forest and Queen Elizabeth Park, and attended by around 100 people.

East Harbour

The KNE fencing at Baring Head has been completed. Approximately 2.8km of fencing was completed in the last month, which now means the entire KNE area has been completed. The grazing area and revenue will reduce by around one-third as a result.

The Point Howard walking track was re-metalled. The stairs at the entrance to the track were replaced with a set of new boxed steps. The project had its challenges in terms of a complicated network of various underground services that required a high degree of care, along with the upwelling of community sentiment towards the track itself. There was close engagement with community on the Pt Howard project that is part of the broader effort addressing some community concerns over the track maintenance and upgrading in the Northern Forest. Parks and Communications staff have also been proactive in planning communications around upcoming track work on the Kowhai Track to help increase awareness of what will happen and why the work is needed.

Staff have also commenced a process to look at mountain bike linkages through the Point Howard area of the Northern Forest. This is in response to community enquiries and the recent Hutt City announcement of a cycling and pedestrian bridge to be built at the top of Wainuiomata hill which would connect the East Harbour Regional Park with the Eastern Hutt hills and Wainuiomata Mountain Bike Park.

Contractors have installed a security camera at the Baring Head vehicle bridge, which will be used to monitor bridge use over the next several months and provide a base for cost-sharing of the planned new bridge.

Studio Pacific Architects has started work on the Lighthouse Complex concepts after a site visit to Baring Head in November. The project is scheduled to be completed by February and then move into a costing phase.

A group of 18 intern students from USA mulched the new garden at the Bus Barn entrance to EHRP as part of the corporate restoration programme.

Kaitoke Regional Park

With the grass growing fast, Park rangers were busy throughout the period keeping the entrance areas tidy. The picnic and camping areas are now mowed regularly and to a higher standard than contractors had been able to achieve in the past, which creates a very positive impression for the public.

Work on the Rivendell archway structure near the Pakuratahi Forks is complete and planning is well underway for a public opening event on 7 March. The event will be run in conjunction with Lord of the Rings tour operators and provides a tremendous opportunity to showcase the park and raise the profile off the back of the very popular Hobbit movies.

Many of the new mapboards and information panels were installed at Kaitoke in time for the summer season. The new information kiosk at the campground centralizes information for campers and day visitors and provides more detail on the campground layout and amenities.

During the quarter, the 20 year old water pipeline from the Strainer House to the Pakuratahi Forks toilets failed, requiring a new 700m line to be installed. This was completed and will ensure the toilets remain operational over the summer and for another 20 summers to come.

The Stuart Macaskill memorial dedication that was scheduled for 22 November had to be postponed until February due to poor weather.

Pakuratahi Forest

The cycling experience has been improved on the historic rail formation, with cycle “squeeze bars” installed at Tunnel Gully and Station Drive so it is now much easier for cyclists to move through the barriers. Further bars will be installed at the main Rail Trail entrance and near the shooting range. This is all part of making the Rail Trail and the greater Rimutaka Cycle Trail more bike friendly.

The main road entrance to the forest and Rail Trail was completely resealed in early December. While this project had been budgeted for, the road was in a very poor state and the project required that the road surface be completely ripped up and a new chip seal one laid, which significantly increased the price. To get this project completed Parks deferred road work in Tunnel Gully, negotiated a contribution from Forestry and used a portion of the Transmission Gully funds in addition to the budget. Saving further funds, and benefiting the Glider Club, we were able to deposit the old millings from the road surface on the club's access road.

An application for a general Archaeological Authority covering maintenance of the Rimutaka Rail trail formation and associated assets was prepared and submitted to Heritage NZ. The authority is necessary in order to carry out a broad range of maintenance activities, including repairs to Mangaroa Tunnel entrance portal and rail formation slip repairs near the Pakuratahi Tunnel. Background research for the authority application uncovered several documents and images that may be useful for on-site interpretation of the construction of the old railway.

The repair work on the Mangaroa Tunnel will require temporary closure of the tunnel to ensure the safety of the public and contractors. A safe alternative access route over the hill will be signposted during on-site works, which is planned to start in February.

Staff have noted the gradual decline in the state of a vehicle bridge on the eastern end of the Summit tunnel (on the Rimutaka Rail Trail), and have suggested a cost-effective solution to the Department of Conservation. This eventually resulted in DOC lodging a capital bid to replace the bridge with a culvert. In the meantime this bridge no longer provides safe access for GWRC utes and until it is replaced or repaired, the largest GWRC vehicle allowable across it is a Light Utility Vehicle (or 'side-by-side').

The Rimutaka Fun Run and Walk was held in the Pakuratahi Forest and on Hutt River Trail, and attended by 272 people.

Wainuiomata/Orongorongo Water Collection & Recreation Area

Parks continues to work with Wellington Water on finalising a Service Level Agreement for Wainuiomata (and Kaitoke). Ownership of assets, roles in inspections and maintenance and the ongoing management of assets have been key topics in the discussion.

As part of these discussions, a number of the assets in and around the recreation area have been examined more closely. The old Nissan shed and carport were identified as hazardous and demolished. The Rangers residence and the Lower Dam Office have come to Parks, with the office receiving much needed replacement of rotten cladding, removal of toxic lead paint and repainting.

The historic Lower Dam is no longer used for water supply purposes, and as with other historic dams in the parks, should logically be a Parks asset. However, this a very large structure and a transfer will have resource implications for Parks. We will develop a separate paper for Council to further inform a decision regarding its future.

The redesigned catchment walks and a new promotional plan for these events are together proving to be a great success. Both walks this quarter have seen numbers up to over 20 attendees each and the bookings for 2015 GOSE events are also strong.

The Gums Loop track upgrade has given the Recreation Area's most popular track a real lift and improved the experience for users, particularly runners and buggy walkers, and families in general. It is expected to be well used over summer. The seat at the end of the Nikau Track has been relocated a short distance, and series of poor quality steps were removed. The track is now slightly shorter, but provides a higher standard of experience for visitors.

Financial reports

Regional Parks Income Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	2,668	2,668	-	5,336	5,336	-	2,468	4,936
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External Revenue	1,356	223	1,133	1,634	634	1,000	606	1,212
Investment Revenue	-	-	-	-	-	-	-	-
Internal Revenue	138	138	-	277	277	-	151	353
TOTAL INCOME	4,162	3,029	1,133	7,247	6,247	1,000	3,225	6,501
less:								
Personnel Costs	1,172	1,194	22	2,388	2,388	-	1,109	2,276
Materials,Supplies & Services	773	705	(68)	1,702	1,502	(200)	499	1,092
Travel & Transport Costs	80	69	(11)	138	138	-	75	175
Contractor & Consultants	1,276	295	(981)	1,390	590	(800)	572	1,406
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	159	160	1	260	260	-	107	220
Total Direct Expenditure	3,460	2,423	(1,037)	5,878	4,878	(1,000)	2,362	5,169
Financial Costs	132	142	10	283	283	-	125	253
Bad Debts	34	-	(34)	-	-	-	(1)	37
Corporate & Department Overheads	306	306	-	613	613	-	274	548
Depreciation	1,090	915	(175)	2,144	1,830	(314)	338	2,027
Loss(Gain) on Sale of Assets / Investments	(17)	(9)	8	(13)	(13)	-	(18)	456
TOTAL EXPENDITURE	5,005	3,777	(1,228)	8,905	7,591	(1,314)	3,080	8,490
OPERATING SURPLUS/(DEFICIT)	(843)	(748)	(95)	(1,658)	(1,344)	(314)	145	(1,989)
Add Back Depreciation	1,090	915	175	2,144	1,830	314	338	2,027
Other Non Cash	(17)	(9)	(8)	(13)	(13)	-	(18)	456
Net Asset Acquisitions	(21)	(329)	308	(1,167)	(1,167)	-	(221)	(213)
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERV	209	(171)	380	(694)	(694)	-	244	281
Debt Additions / (decrease)	-	449	(449)	1,086	1,086	-	217	820
Debt Repaid	(202)	(200)	(2)	(400)	(400)	-	(171)	(392)
Net Reserves (Increase) / decrease	7	7	-	7	7	-	-	(7)
NET FUNDING SURPLUS (DEFICIT)	14	85	(71)	(1)	(1)	-	290	702

Regional Parks Capital Expenditure Statement Period ending 31 December 2014	31 December 2014			Full Year			31 December 2013	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	786	39	(747)	90	90	-	22	245
Capital Project Expenditure	(746)	440	1,186	1,086	1,086	-	217	850
Asset Disposal Cash Proceeds	(19)	(9)	10	(9)	(9)	-	(18)	(882)
Net Capital Expenditure	21	470	449	1,167	1,167	-	221	213

Financial variance analysis

- ▶ Parks net result is \$843k deficit which is \$95k worse than the budget deficit of \$748k. The main variance that affects the net result is \$175k higher depreciation charges following the asset revaluation in June 2014
- ▶ External revenue is \$1,133k more than budget and this includes \$933k oncharging of the costs of the new Belmont Woolshed as part of a compensation package for land required for construction of Transmission Gully
- ▶ The costs of the Woolshed are included under consultants and materials costs which is why these costs are more than budget

- ▶ The forecast has been updated to include the impact of the Woolshed income and costs and the additional depreciation charges
- ▶ There is likely to be another project for similar costs, the cycleway, which will also be cost reimbursed by NZTA but this is not yet in the forecast
- ▶ The capital costs table above looks odd due to the way that SAP shows assets that have been capitalised from AUC into the detailed asset register. \$786k of capital spend from last financial year was capitalised as at July 2014 and this shows as asset acquisitions even though it is not asset purchases. The transfer also shows as negative project spend in the current year. This is a “feature” of SAP
- ▶ In reality there has been very little capital spend to date but projects are in the planning stages with several going out to tender in the third quarter. We are monitoring this work closely and expect to spend all the capital budget by June 2015

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
Percentage of the regional population that has visited a regional park in the last 12 months	59% (2010/11)	>60%	64% Source: 2014 Community Usage & Awareness survey (n=500 visited a park in the last 12 months).
Percentage of regional park visitors who are satisfied with park facilities	94% (2010/11)	92%	89% Source: 2014 Community Usage & Awareness survey. This decrease is mainly due to lower levels of satisfaction with the Hutt River Trail, where total satisfaction is 76% compared to 95% in 2012. Rather than being “dissatisfied”, more respondents were neutral. Satisfaction with Wairarapa Moana has also decreased significantly, dropping from 100% to 75%.
Number of people attending Greater Wellington events in regional parks	4,730 (2010/11)	1,100 (Oct-Dec)	Includes Great Outdoors summer events, Buggy Walks, corporate and community events
Number of volunteer hours in regional parks	6,167 (2010/11)	4144 (Oct-Dec)	As at 31 December a total 6,587 volunteer hours have been spent on the regional parks.
Total number of active environmental restoration sites	No baseline	Assess current sites against	Ten sites have been identified and prioritised for the next three

within regional parks (excluding high value biodiversity areas)	exists	<p>objectives and criteria</p> <p>Identify and prioritise new restoration sites</p> <p>Confirm environmental restoration sites</p>	<p>year. They include:</p> <p>Battle Hill</p> <p>Cannons Creek and Hill Road Belmont Regional Park</p> <p>Dune Swamp, Yankee Trail and Whareroa, Queen Elizabeth Park</p> <p>Te Marua, Kaitoke Regional Park</p> <p>Baring Head, Northern Forest and Parangarahu Lakes, East Harbour Regional Park.</p>
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Risk analysis

Fire plans have been updated, otherwise status quo. Working with the Wellington Rural Fire Authority to put in place additional training to upskill staff where required. Investigating options for cutting hay from flatter areas at Whitireia Park to reduce risk of fire.

Outstanding Park Ranger staff have now completed the Compliance and Enforcement Training. Both Summer Rangers and new Maintenance Rangers have received basic training. Ranger controls continue throughout all Parks.

The Parks evens H&S documentation has been reviewed and updated. A workshop was held before the Great Outdoor Summer Events (GOSE) to introduce this documentation and teach the Rangers how to use it. A second workshop was held to assist the Rangers with preparing the required H&S documentation for the 2015 GOSE.

Participated in radio replacement project with ICT - evaluating an alternative from NZ Police. Three new replacement trailers to update Parks fleet and a lightweight power barrow. Maintenance team staff booked on safe lifting/loading and placing training.

Facility improvements have been completed to address public safety concerns: Korokoro Valley track - Baked Beans Bend to Belmont Trig track track realignment complete. Baring Head bridge: costings obtained for replacing this deteriorating bridge with low maintenance concrete bridge with recommendation of replacement in 2015/16 (revised LTP). Otonga track boardwalk replaced. Series of other rationalisation of structures continues, addressing condition and safety risks.

3.3 Wairarapa Water Use Project



Overview

The Wairarapa Water Use Project is two thirds of the way through an 18 month pre-feasibility phase of investigations. This programme will identify the most viable schemes, if any, to progress to a full-feasibility phase. Final investigations will be completed during February and March as part of workstream 5 with final document preparation to follow. The project team turns its focus towards the Multi Criteria Analysis that will assist final decision making of viable schemes as part of workstream 6. Increasingly, WWUP is becoming integrated with the work programmes of the wider Ruamāhanga catchment management activities involving the regional plan, science and whitua programmes of work. The agreement with MPI's Irrigation Acceleration Fund will match funding from GWRC through till the end of the pre-feasibility work programme in June 2015. Funding for the full feasibility phase from GWRC is being considered through the current LTP process, and from MPI as part of Government's budget round.

Key results for the year

Stakeholder engagement

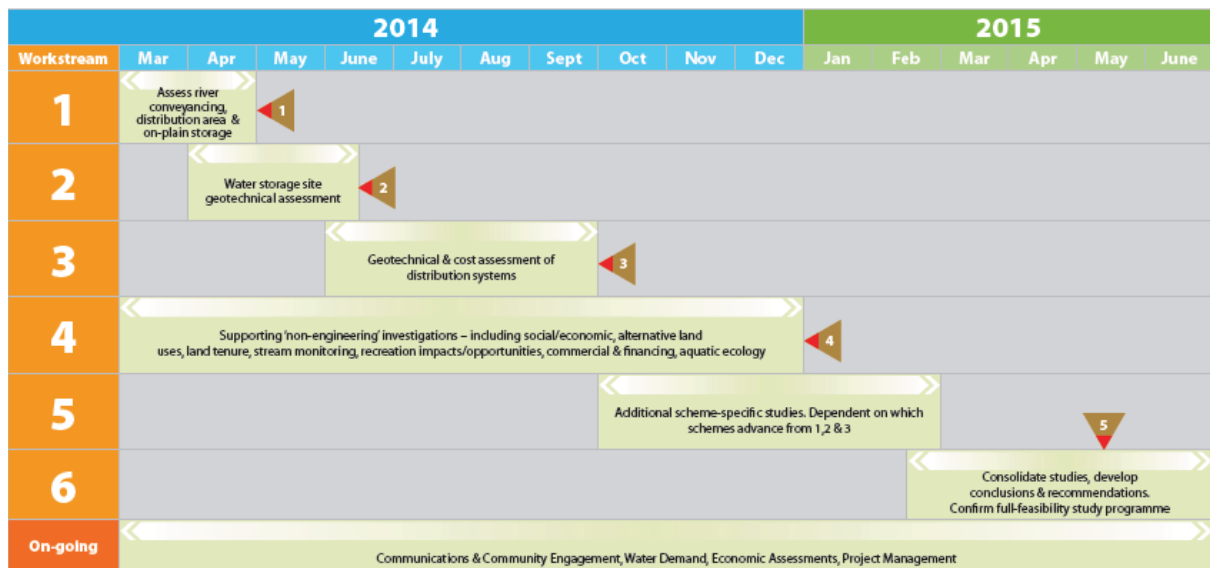
Communications remain a focus for the project team. The indicative pre-feasibility work programme illustrated below has been widely circulated and the project team are committed to meeting the staged timeline of the programme.

The Leadership Group continues to provide oversight and guidance to the project. It will meet again in March, April and May.

The Stakeholder Advisory Group has met every six to eight weeks during 2014 to assist and guide the project and discuss the findings of investigations. This group provides very real input to the project from the perspective of the various organisations that members represent. Feedback from this group will become more important during the first half of 2015 as the project considers which schemes might be most viable for full-feasibility investigations.

Investigation reports are posted on the project website reports page. Media releases and newsletters are widely distributed. Communications will increase during 2015 as the project enters the final stages of the pre-feasibility phase.

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



Technical investigations

Workstream 2 and 3 investigated the dam sites and distribution network designs of the five preferred schemes. They were completed on time at the end of September. Findings were reported as part of review point 3 in October.

Workstream 4 involved a number of non-engineering investigations that included a recreation study, and social and economic impact studies, the results of which have been reported.

The investigations in workstream 5 have focused on determining the most appropriate water service levels for the schemes and adjusting scheme design parameters accordingly so as to optimise appropriate final scheme arrangements and costings. This will allow relative comparison of economic viability.

Scheme Selection – Multi Criteria Analysis

The aim of the pre-feasibility phase of the project is to select the most viable scheme, or schemes, if any, to take through to full-feasibility investigations starting July 2015.

In December the project team started planning for a robust scheme selection process with the assistance of independent consultants.

A Multi Criteria Analysis (MCA) approach similar to that used in the Options Refinement phase of the project will be used. The MCA approach allows for a transparent and methodical appraisal of cultural, social, financial and environmental criteria.

Gradings and commentary of the MCA criteria by relevant experts will be considered by the project team, stakeholder advisory group, leadership group and governance group from February to May with final scheme selections planned for June.

Farmer engagement

Another round of farmer surveys has begun and will continue through early 2015. This will improve irrigation demand profiling, land use modelling and assist educate farmers about the opportunities and challenges that irrigation provides.

Farmer and bank advisor group forums are being held periodically to report progress and seek guidance on relevant issues.

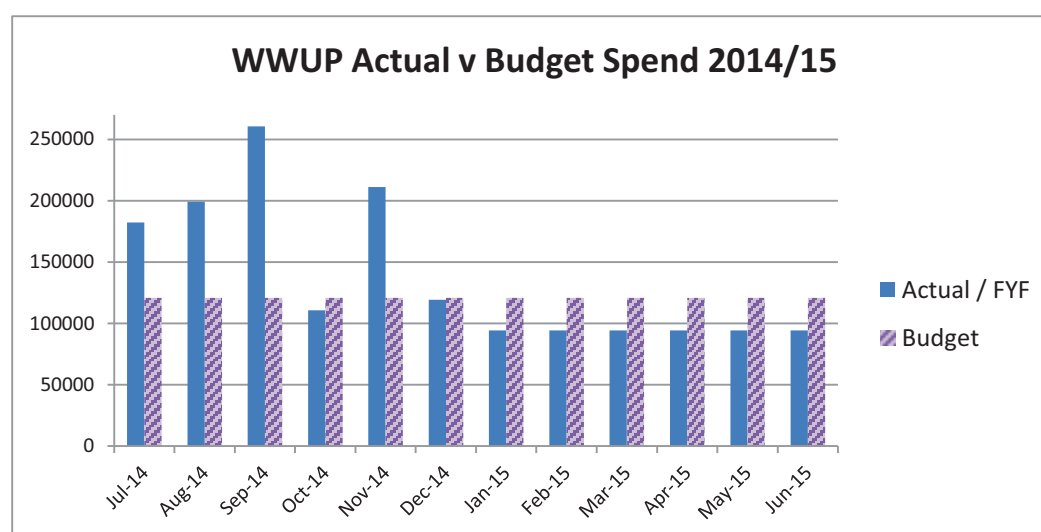
The project team is working with Grow Wellington and various industry organisations including Plant & Food Research and the Foundation for Arable Research to consider potential future land uses for the Ruamahanga valley. This work will continue in parallel with WWUP.

The project team has scoped the potential for a number of on-farm case studies. These will build evidence of good practise farming systems in the Wairarapa with the opportunity to run field day related activity. Funding sources and timing for this work is being assessed.

Financial reports

Wairarapa Water Use Project – Gross Project Expenditure

The table below shows the monthly spend on the project for the 6 months to December 2014 and the forecast spend from January to June 2015.



- ▶ The accounting for the WWUP has both capital and operating elements. The finance costs are rates funded and IAF funding is recorded as operating income
- ▶ The project has spent \$1,083k for the six months to December 2014 which includes \$762k for consultants; \$282k for staff costs and \$39k for other internal costs. The budget for the year is \$1,450k
- ▶ It is expected that a further \$200k will be required to fund the project this year and this is covered by the IAF funding agreement. The forecast has been updated to include an additional \$200k spend and income
- ▶ The total costs of this project over the three financial years are shown in the table below. Total costs to December 2014 are \$3.9m of which IAF have contributed \$1.8m and GW \$2.1m. This is not exactly a 50:50 split because some costs are not claimed as part of the IAF funding agreement

WWUP Summary PTD	Jun-12	Jun-13	Jun-14	YTD	Total
	\$k	\$k	\$k	\$k	\$k
Income (IAF funding)	310,117	442,170	631,735	455,783	1,839,805
Operating costs (IAF funded)	310,117	427,390	626,530	484,317	1,848,354
Capital Costs (Debt funded)	317,864	597,287	627,469	599,043	2,141,663
Total Costs	627,981	1,024,677	1,253,999	1,083,360	3,990,018
Full Year Budget	750,000	1,250,000	1,250,000	1,250,000	4,500,000
Underspend	- 122,019	- 250,000	- 250,000		
Rollover			250,000	200,000	

The YTD column in the above table is for the 6 months to December 2014.

Quarterly Reporting to the Chief Executive						
Project Name	Project Director/ Project Manager	Time – Schedule	\$ – Budget	Quality – Delivery	Risk	Overall
Wairarapa water use Project – to investigate the viability and form of a water infrastructure project for the Ruamāhanga valley.	Michael Bassett-Foss/Bruce Geden	<p>The prefeasibility phase of the project begun in March 2014 and has been widely communicated through key stakeholder forums.</p> <p>Scheme specific studies are currently being undertaken on time as part of workstream 5.</p> <p>The pre-feasibility phase of the project is planned to run through to June 2015 to align with committed funding from GWRC and the Irrigation Acceleration Fun (IAF).</p> <p>The final timing of announcing viable schemes is being considered, complex due</p>	<p>The project budget for the year is \$1,450k which includes a \$200k roll over from last year. The forecast spend to June 2015 has been increased by \$200k to \$1,650k.</p> <p>The total spend on this project for the 3 years to December 2014 is \$3,990k of which \$2,141k is in AUC on the Balance Sheet.</p> <p>2014/15 is the final year of committed funding from GWRC and</p>	<p>Significant consultation with planning the pre-feasibility phase has resulted in good alignment with the key stakeholders.</p> <p>The project has several forums to provide oversight to its progress and delivery, including the governance group and a steering group with IAF.</p> <p>As a priority, the project is being integrated within the wider catchment</p>	<p>GWRC and IAF's funding commitment to the project is until June 2015.</p> <p>A programme of ongoing funding and commercial structuring for the project has been initiated.</p> <p>Engagement with affected landowners and wider stakeholders remains a priority for the project team. The team is endeavouring to deliver on the pre-feasibility timelines to give</p>	<p>The next six months is a critical and busy part of the project as it completes investigations for the pre-feasibility phase and undertakes a robust process to select viable sites for a full-feasibility phase.</p> <p>Ongoing support from GWRC and IAF, and a planned transition from GWRC remain a priority for the project.</p>

		to the range of stakeholder interactions that are required.	IAF at roughly 50/50 contribution	management function of GWRC.	certainty to affected parties.
Code		Meaning			
		On time, on budget, no quality issues			
		Questionable if dates /time/\$/quality will be met – may need to be changed			
		Probable project will not be completed within time/\$/quality – may need to be re-approved/abandoned			



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Public Transport Group

Performance Report ended 31 December 2014



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1 PUBLIC TRANSPORT GROUP REPORT

Summary of progress year to date

Public transport performance

In the year to date there were:

- ▶ 647,000 public transport services delivered
 - » 587,000 bus services
 - » 56,000 rail services
 - » 4,000 ferry services
- ▶ 18.2 million passenger trips, an increase of 2.1% on the same period in 2013/14
- ▶ 140,000 Total Mobility trips, an increase of 2.0% on the same period in 2013/14

Public transport network planning

- ▶ Progress made in the delivery of the Public Transport Operating Model (PTOM) for contracting public transport services
- ▶ Continued targeted community consultation with Khandallah, Ngaio, Broadmeadows, and Churton Park residents, on refining local bus services
- ▶ Continued consultation with users of the Route 18 Campus Connection, on the future of this bus service
- ▶ Reviews of bus timetable reliability using real time information data to make improvements to bus services for :
 - » Route 150 (Kelson - Maungaraki)
 - » Route 23 weekends (Southgate & Houghton Bay)
 - » Route 210 (Johnsonville - Titahi Bay)
- ▶ Continued the Integrated Fares and Ticketing project with a first paper to Council in December 2014, good progress on the investigation phase of the project, and engaging PricewaterhouseCoopers to assist with the development of the Business Case

Rail operations and asset management

- ▶ Rail patronage showed strong growth of 6.0% in the year to date
- ▶ Passenger rail rolling stock improvements:
 - » continuing construction of the second tranche of 35 2-car Matangi 2 trains
 - » software upgrade for Matangi 1 fleet completed
 - » hardware upgrade for Matangi 1 fleet commenced

- » first two installations of auto couplers on the Matangi 1 fleet largely completed
- ▶ Successful prosecutions for vandalism resulting from the new Rail Monitoring Centre, which is now manned 24 hours a day, seven days per week
- ▶ Infrastructure developments:
 - » Trentham pedestrian bridge replaced, after being accidently dropped and damaged during refurbishment
 - » EMU depot reconstitution completed and fully operational
- ▶ Park & Ride developments:
 - » approval obtained to purchase additional land for Park & Ride at Paraparaumu
 - » land purchased at Tawa and Petone stations, to provide 333 additional Park & Ride car parks
 - » 60 additional spaces provided at Outlet City in Tawa for extra parking for commuters at Takapu Road Station
 - » 42 additional car parks added to the Plimmerton Station Domain car park
 - » new Park & Ride at Porirua, providing over 250 car parks and receiving very positive public comment in local media

Bus and ferry operations and asset management

- ▶ Renewal and upgrade of bus stop assets including:
 - » installation of new signage totems for Bunny Street and Stokes Valley
 - » completion of a new shelter concept design for Station Road in Porirua
 - » tender out for Porirua Station Road upgrade work
 - » installation of new bus shelters at Coastlands Shopping Town in Kapiti and New World supermarket in Lower Hutt
 - » completion of road layout concept to improve bus manoeuvres at Kelburn Parade roundabout
- ▶ Disruptions to bus services following a number of street events, such as graduation and Christmas parades

Total Mobility

- ▶ Continued to identify and address fraudulent use of the scheme by taxi drivers

Customer services and information

- ▶ Commenced Metlink web re-design and app project, and made significant progress on the timetable review
- ▶ Contract let for Journey Planner Engine, due to be operational February 2015
- ▶ Contract let for Timetable System (Publication and Planning System), due to be operational April 2015

1.1 Executive Summary

Group Overview

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

Rail patronage has reached an all-time rolling 12 month high of 12.0 million passenger boardings. Overall year-to-date patronage is up 6.0% and the peak is up 6.4%. Particularly pleasing is that the growth is consistent across all lines.

Overall rail reliability and punctuality levels continue to be consistently high. Work completed to improve the network, trains and stations over the last few years, as well as increased capacity in Park & Ride facilities, are making the service an increasingly competitive and attractive option.

Planning for the 2014/15 bus shelter installation programme is complete, and 16 of the 17 shelters have been installed. A new larger shelter design has been installed at Coastlands in Paraparaumu.

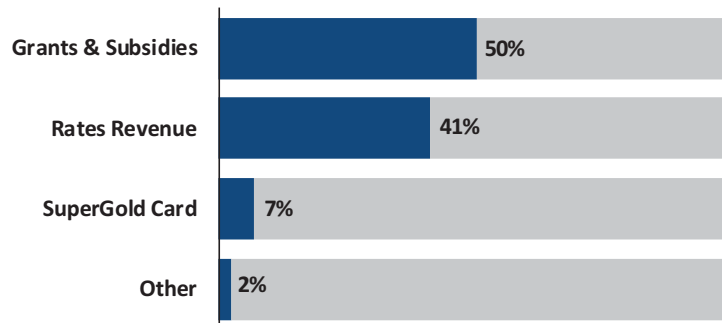
Detail design work for the Porirua Station Road renewal has been completed and a tender has been released for Stage 1 of the project (road and kerbing renewal). Work is planned to commence late February 2015, with bus stops being temporarily located at Lyttelton Avenue during the construction period.

Work on the Public Transport Operating Model (PTOM) for contracting services continued and this remains an area of focus for many staff.

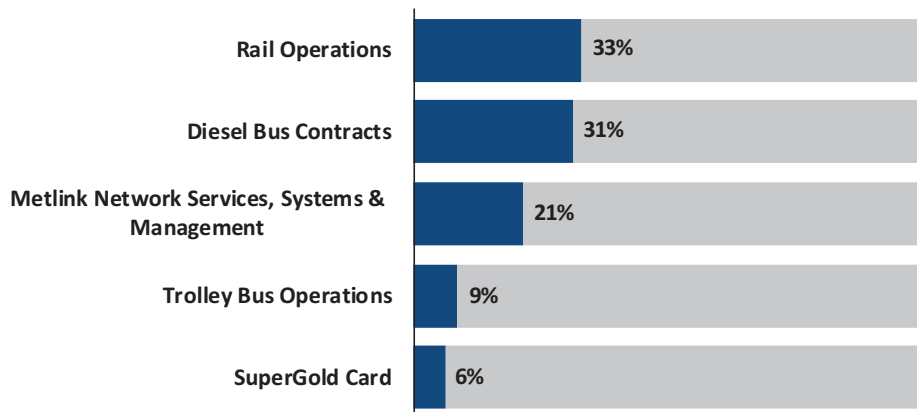
Good progress has been made on the Integrated Fares and Ticketing project, including a paper to Council in December of 2014 and progress on work streams required to complete the investigation phase.

1.2 Financial management

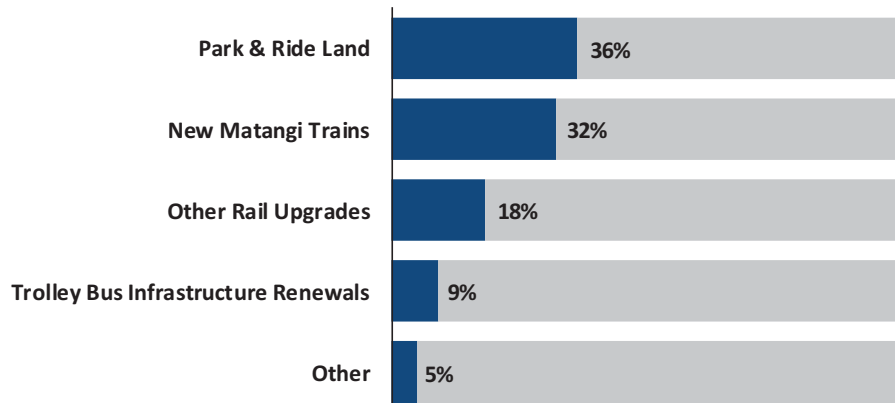
REVENUE FROM OPERATIONS 2014/15 YTD \$48,753,000



EXPENDITURE ON OPERATIONS 2014/15 YTD \$49,777,000



CAPITAL EXPENDITURE 2014/15 YTD \$9,432,000



1.3 Looking ahead

Public transport network planning

Service reviews

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

Integrated fares and ticketing investigation

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

PTOM - future contracting of services

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

Rail operations and asset management

Operating rail services

- ▶ Continuing the procurement process for the PTOM rail contract
- ▶ Developing the use of the Matangi on-board data management system to improve on-time performance on all lines
- ▶ Continuing to monitor and adjust noise mitigation measures on the Johnsonville line
- ▶ Continuing to work with KiwiRail to improve on-time performance for the Wairarapa and Johnsonville lines
- ▶ Negotiating a long term rental agreement for Wellington Station
- ▶ Working with KiwiRail on developing the Network Management Plan as part of the long term access agreement

Rail rolling stock and infrastructure

- ▶ Awarding the contract for Upper Hutt Station replacement
- ▶ Finalising the review of the Asset Management Plan in conjunction with the Long Term Plan

Bus and ferry operations and asset management

Service refinement and monitoring

- ▶ Planning and implementing service improvements
- ▶ Developing methodology and process for measuring the performance of bus services against contract performance indicators, using real time information
- ▶ Monitoring the performance of service changes due in 2015, including Routes 22 (Southgate), 23 (Houghton Bay), 4 (Island Bay), 210 (Johnsonville - Titahi Bay) and 150 (Kelson - Maungaraki)

Events

- ▶ Planning contingencies for changes to services to manage ANZAC Centenary commemorations, with additional services possibly required at times
- ▶ Managing the effects of other major events in 2015, including the Cricket World Cup and Under 20 FIFA World Cup

Infrastructure maintenance and improvements

- ▶ Continuing discussions with WCC and Memorial Park Alliance (MPA) on the upgrade to Victoria Street, including relocation of bus stop infrastructure
- ▶ Installation of bus stops on Burma Road to improve access to school services, Victoria University and Crofton Downs
- ▶ Continuing to work with Hutt City Council on their plans for the redevelopment of the Bunny Street interchange, as part of their Making Places project
- ▶ Releasing the Station Road renewal tender document (Stage 1) in December, with tenders to close mid-January 2015 and work to commence mid-February
- ▶ Continuing to work on the development of Public Transport Infrastructure Guidelines for the Wellington region
- ▶ Continuing to implement infrastructure changes to accommodate the outcomes of the Wellington City Bus Review, including improvements to journey time through the bus stop optimisation project
- ▶ Completing bus stop categorisation and level of service work, to be fed into the Asset Management Plan
- ▶ Completing the Asset Management Plan, which has formed an input into GWRC's new 30 year Infrastructure Strategy and Long Term Plan
- ▶ Continuing to improve bus stop assets through the new maintenance contract and the continued roll out of the new Metlink signage
- ▶ Continuing negotiations with Wellington City Council over the future management and maintenance of bus shelters

Total Mobility

- ▶ Continuing to improve reporting and compliance with contracts and with client and driver terms and conditions of use of the Total Mobility scheme
- ▶ Continuing to monitor individual driver behaviour and suspend driver access to the scheme where necessary
- ▶ Continuing to work with the Transport Agency and other Regional Councils on nationally consistent policy for Total Mobility
- ▶ Progressing the upgrade of the Total Mobility electronic management system to Ridewise, due April 2015

Customer services and information

Real time information

- ▶ Maintaining and supporting the operation of the Real Time Information (RTI) system
- ▶ Developing further processes to monitor and manage RTI system performance
- ▶ Developing reporting and data handling to support operations and planning, maximising the use of RTI and information from other sources, such as the Matangi on-board data system, ticketing and patronage data

Systems improvements

- ▶ Implementing the replacement public transport planning system
- ▶ Implementing the journey planner system, expected to go live in February 2015
- ▶ Replacing the current customer services feedback system, part of a council wide ICT project to centralise customer relationship management
- ▶ Redesigning the Metlink website and developing an app to assist mobile phone users
- ▶ Implementing the timetable review, to improve the effectiveness and efficiency of this service

Service centre

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

1.4 Public transport performance

Services delivered

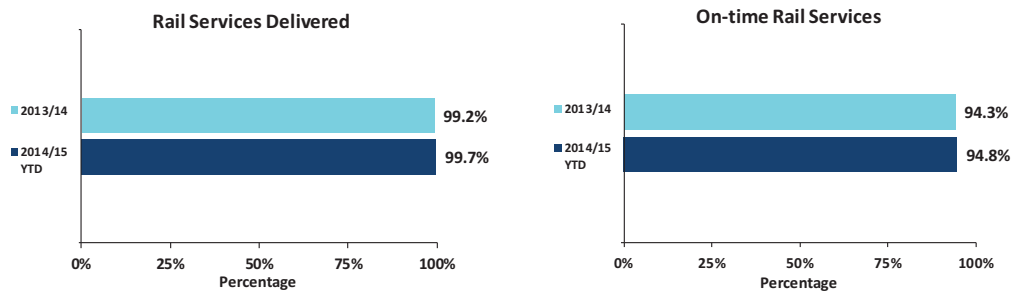
Services delivered (reported by operator)

In the year to date there were 647,000 public transport services delivered (contracted and commercial).

- ▶ 587,000 bus services
- ▶ 56,000 rail services
- ▶ 4,000 ferry services

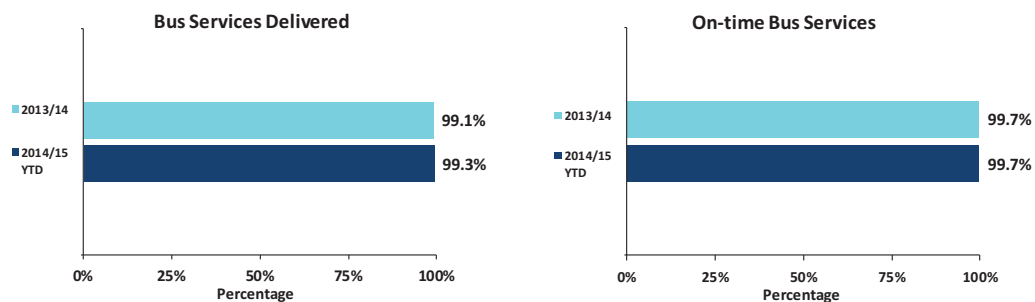
Rail services delivered & punctuality (reported by operator)

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



Bus services delivered & punctuality (reported by operator)

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



NB: results are incomplete as we are yet to receive data for December 2014 from one operator.

Patronage

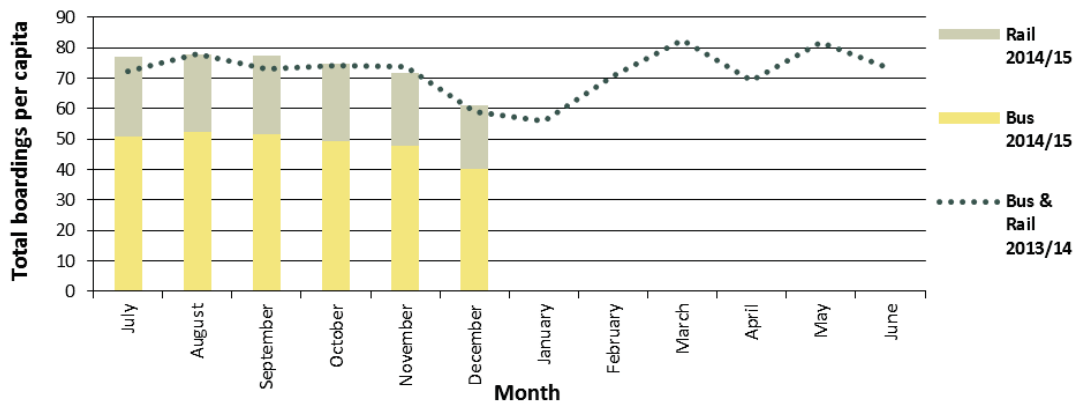
Overall patronage

There were a total of 18.2 million passenger trips in the year to date, an increase of 2.1% on the same period in 2013/14.

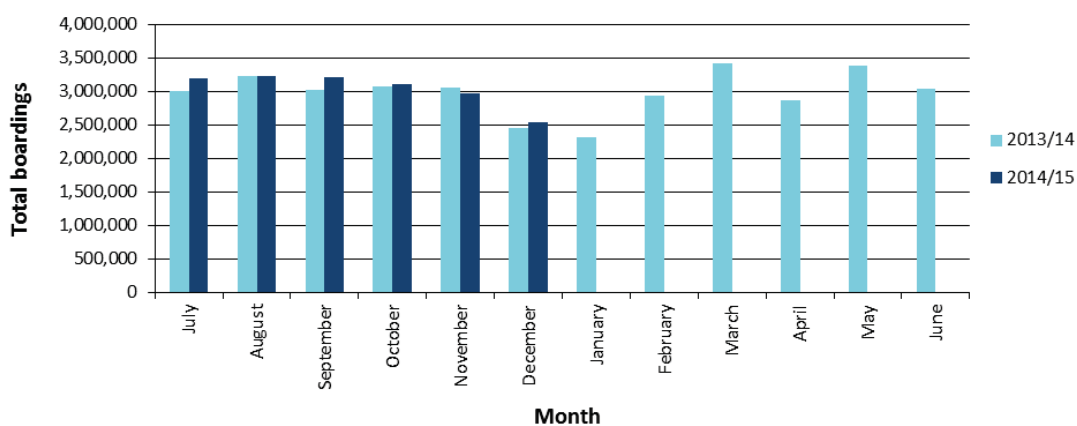
Overall patronage - YTD

	2013/14	2014/15	Increase / - Decrease	% Change
Bus	12,032,706	12,069,382	36,676	0.3%
Rail	5,731,664	6,072,718	341,054	6.0%
Ferry	82,007	85,169	3,162	3.9%
Total	17,846,377	18,227,269	380,892	2.1%

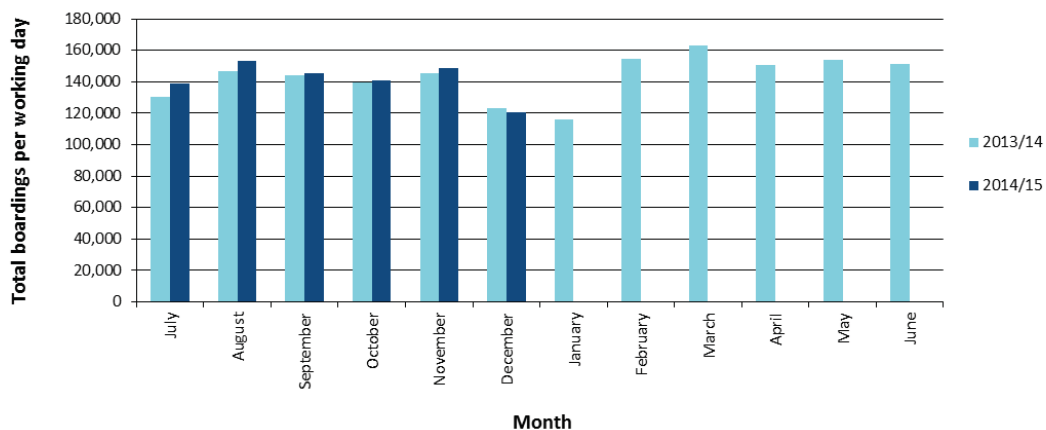
Patronage per capita - bus & rail



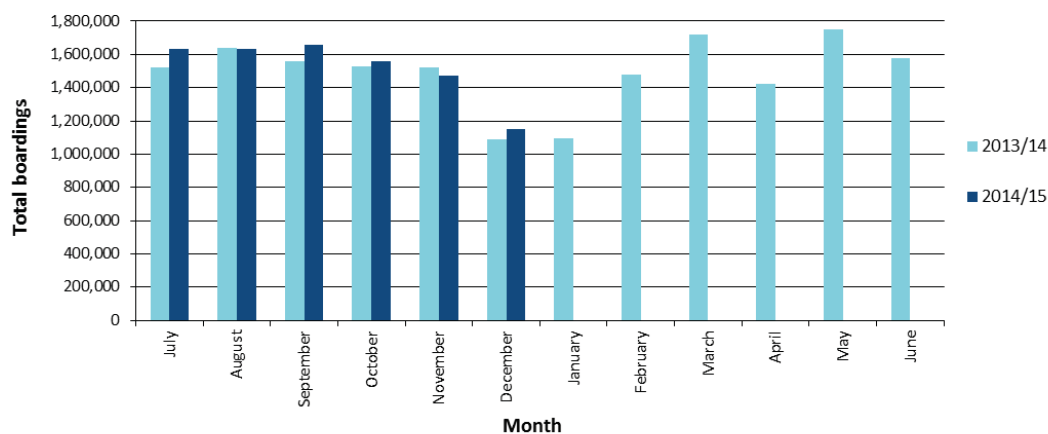
Patronage by month



Patronage per working day



Peak patronage



Passenger kilometres

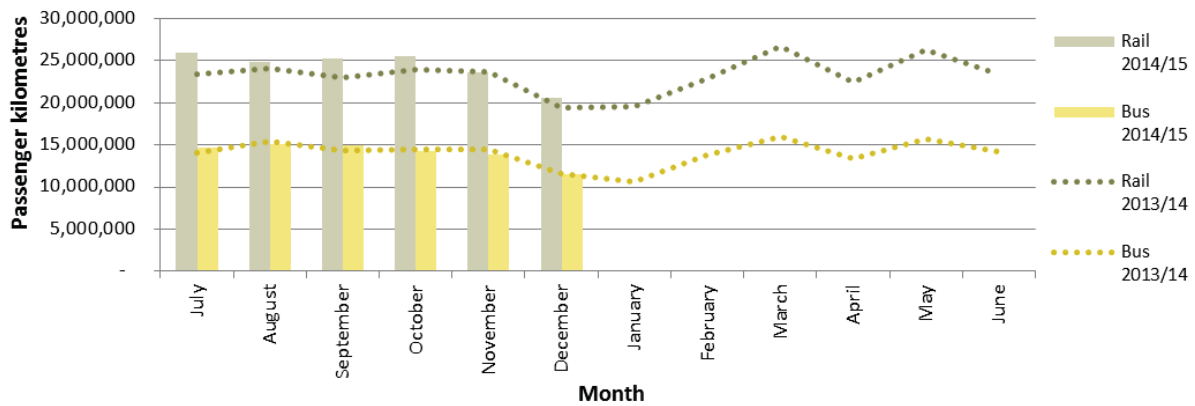
Overall passenger kilometres

There were a total of 231.0 million passenger kilometres in the year to date, an increase of 3.7% on the same period in 2013/14. Rail passenger kilometres show an increase of 6.0% in the year to date.

Passenger kilometres - YTD

	2013/14	2014/15	Increase / - Decrease	% Change
Rail	137,531,962	145,794,824	8,262,862	6.0%
Bus	84,255,936	84,300,392	44,456	0.1%
Ferry	937,839	939,024	1,185	0.1%
Total	222,725,737	231,034,240	8,308,503	3.7%

Passenger kilometres - bus and rail



Total Mobility

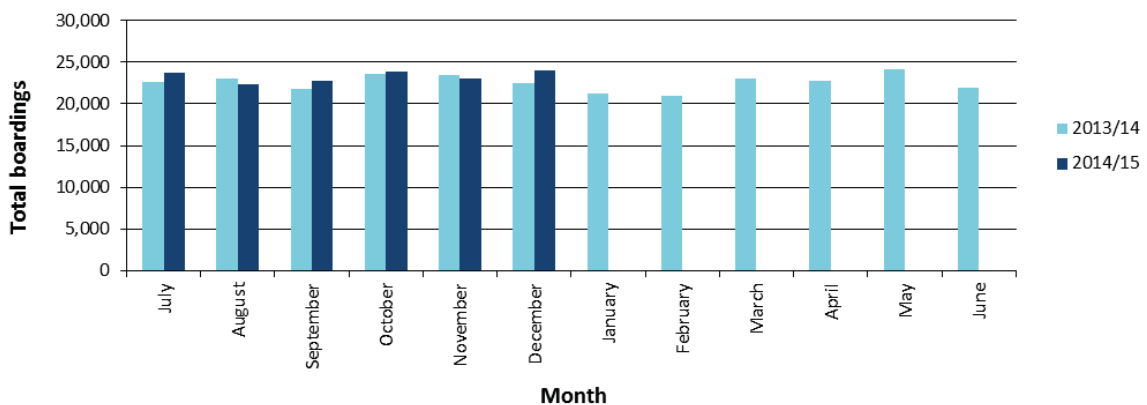
Total Mobility usage

There were 139,717 total mobility trips in the year to date, an increase of 2.0% on the same period in 2013/14.

Total Mobility patronage- YTD

	2013/14	2014/15	Increase / -Decrease	% Change
Total Mobility	136,915	139,717	2,802	2.0%

Total Mobility patronage by month



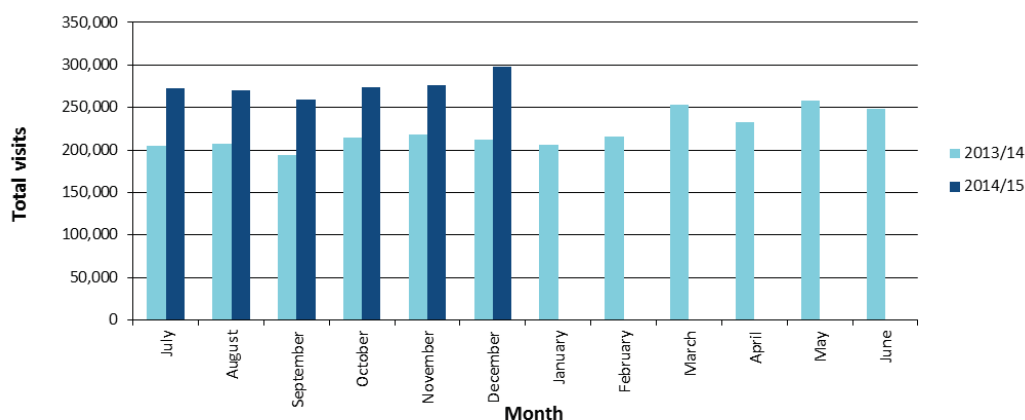
Metlink websites - mobile and main

Use of the Metlink mobile website shows an increase of 31.7% in the year to date, while use of the Metlink main website shows a decrease of 2.1% on the same period in 2013/14.

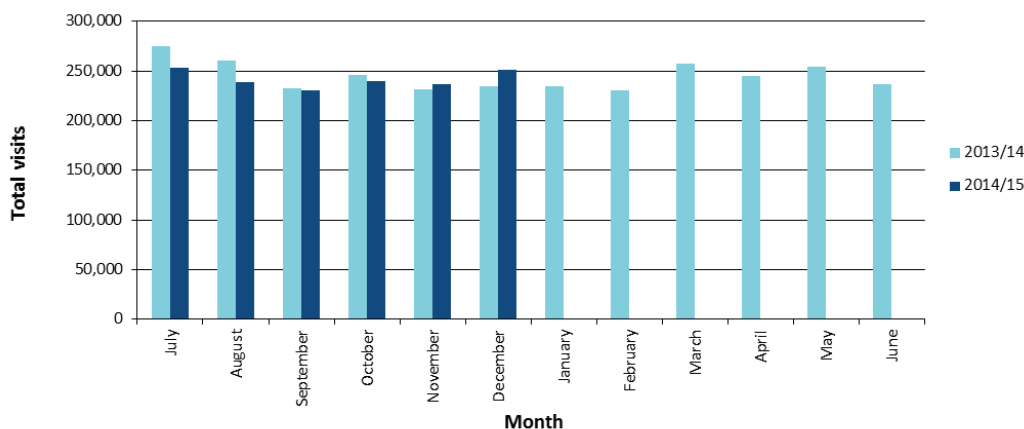
Metlink website visits - YTD

	2013/14	2014/15	Increase / - Decrease	% Change
Mobile website	1,251,989	1,649,186	397,197	31.7%
Main website	1,481,828	1,451,253	-30,575	-2.1%

Metlink mobile website visits by month



Metlink main website visits by month



Metlink service centre call handling

Overall call statistics

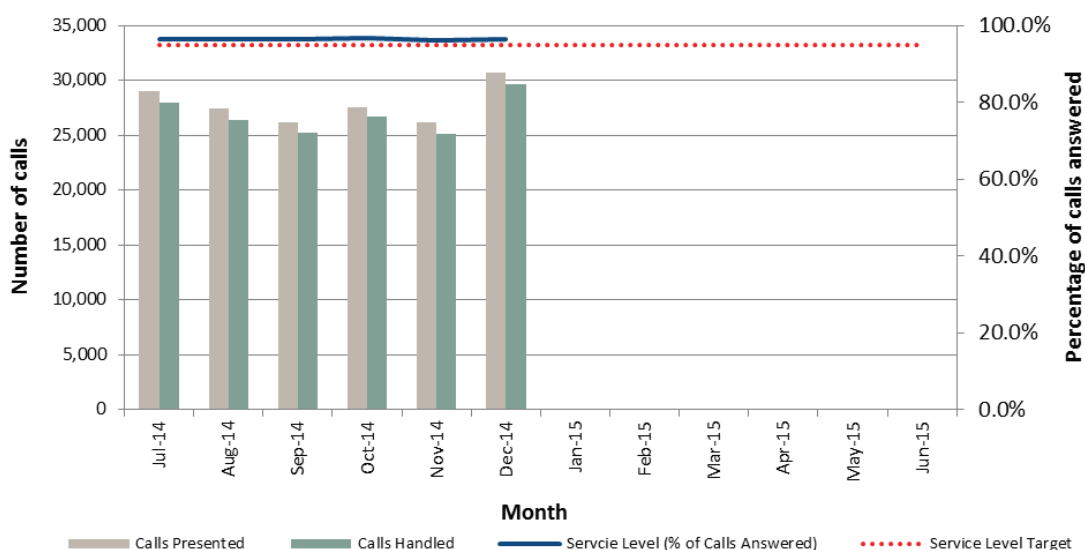
In the year to date 96.5% of all calls presented to the Metlink service centre have been handled, exceeding the target of 95.0%. The number of calls to the centre shows a decrease of 16.3% on the same period last year.

Metlink service centre statistics YTD

	2013/14	2014/15	Increase / -Decrease	% Change
Total calls presented	199,895	167,224	-32,671	-16.3%
Total calls handled	191,628	161,379	-30,249	-15.8%
Service level (% of calls answered)	95.9%	96.5%	0.6%	0.7%

Calls by month

The graph below shows the number of calls to the Metlink service centre each month, the number of those calls that were handled, and the level of service (percentage of answered calls) compared to the target. The level of service given continues to exceed the target level of 95%.

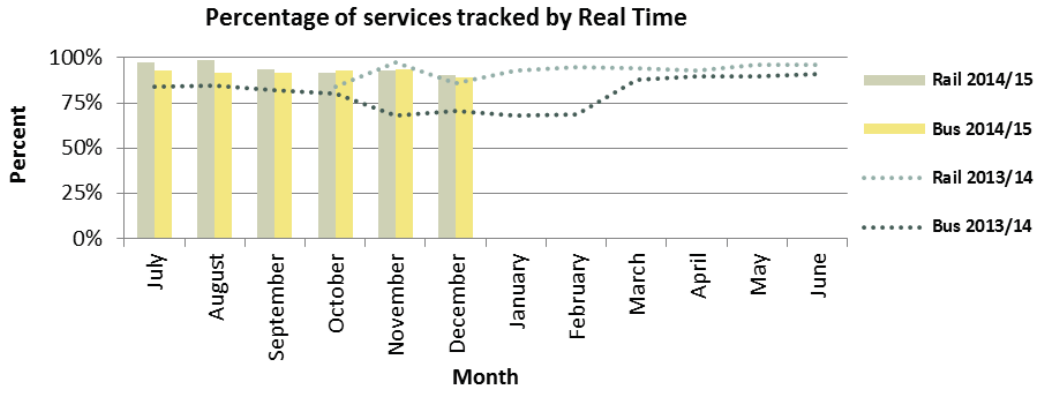


Real Time Information (RTI) - services tracked

In the year to date 94.1% of rail services and 92.2% of bus services were tracked by the RTI system. Rail service statistics are affected whenever trains are replaced by buses, as replacement buses are not tracked in the system.

The graph below shows bus and rail services tracked for the year to date compared with those tracked in the previous year.

Decreases in rail services tracked in September and November were due to trains being replaced by buses during weekend block of lines. Services tracked for rail were also affected in October, and both bus and rail in December, when reporting errors meant that data was not available for one day of each month.



2 DETAILED REPORT BY ACTIVITY

2.1 Metlink public transport network planning

Service planning and reviews

Hutt Valley public transport review

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

The project is running to schedule and the data analysis summary report has been completed. The draft Options and Recommendations Report has now been completed and officers are preparing a report to present this to the Strategy and Policy Committee in February.

Wellington City bus network

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

The communities of Khandallah, Ngaio, Broadmeadows, Churton Park and Glenside were identified as requiring further community consultation. As a result, volunteers from these local communities took part in workshops to co-design bus route options for wider local community consultation.

The workshops were interactive route planning sessions where volunteers from the community helped draft route options for consultation with the wider Churton Park community. These route options were distributed to 5,500 households in Khandallah, Broadmeadows and Ngaio, and 2,200 consultation leaflets to households in Churton Park and Glenside.

Further work has been undertaken on the Route 18 Campus connection. The proposed new Wellington city bus network, as per the Regional Public Transport Plan 2014, includes replacing the current Route 18 with a system of connecting services at hubs. Customers will have the freedom to catch any bus from any suburb heading towards a hub, to then access Victoria University services.

While many would need to change buses to reach Victoria University, overall travel times for many are expected to be reduced by offering the option to use more frequent and direct routes (including express services where available) and minimising the average wait time for a bus.

Investigation of integrated fares and ticketing

The project steering group and working groups involving the Transport Agency continue to meet regularly. The investigation phase will deliver a business case and define the most effective and

efficient way to deliver an integrated fares and ticketing solution for the Wellington region, that will meet regional and national public transport objectives. It will also identify critical success factors to enable the project to be delivered successfully, as well as any risk considerations.

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

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

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

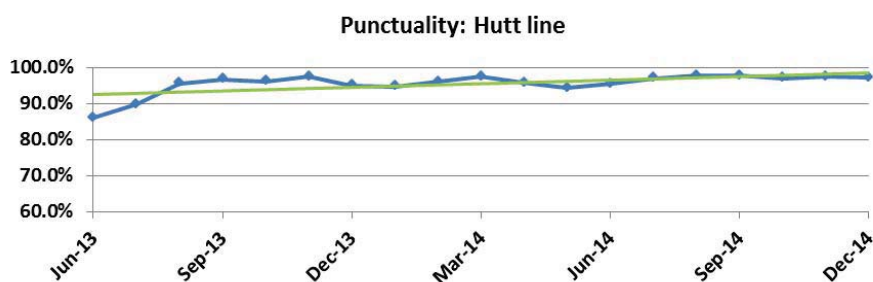
2.2 Rail operations and asset management

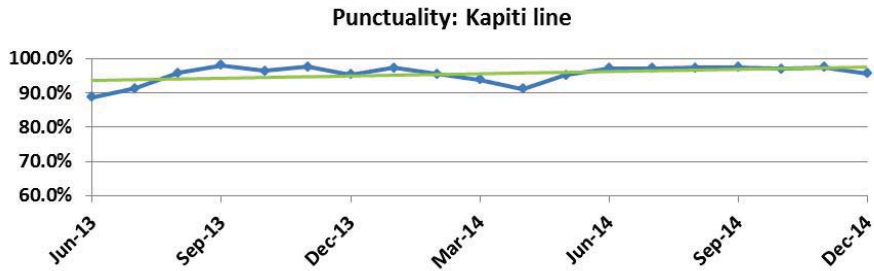
Rail services

Service performance

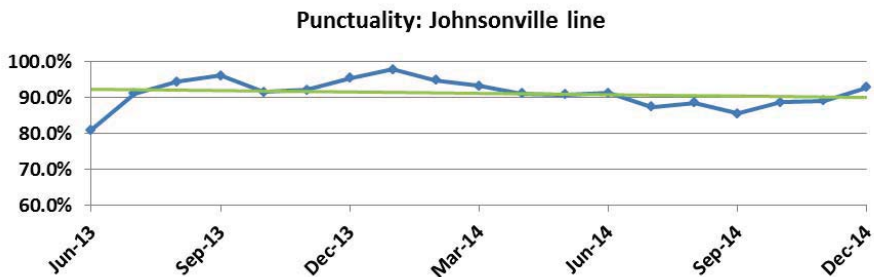
Rail patronage has reached an all-time rolling 12 month high of 12.0 million trips. Overall year-to-date patronage is up 6.0% and the peak is up 6.4%. Particularly pleasing is that the growth is consistent across all lines.

Overall metro service punctuality performance (measured as the percentage of services within five minutes of the scheduled time at the final destination) continues to be strong on electrified services, with consistently high levels of on-time performance especially on the Hutt and Kapiti lines.

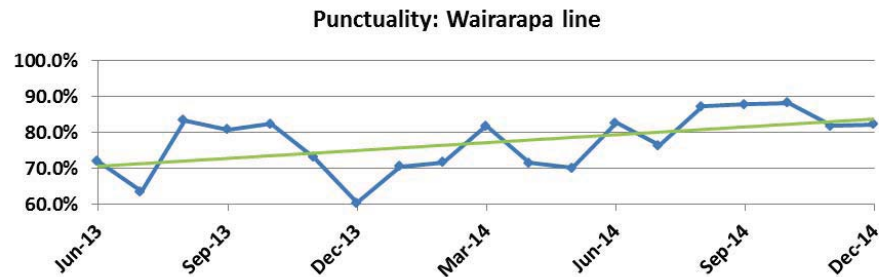




The Johnsonville Line has been affected by slippery track conditions due the application of friction modifier as discussed below.

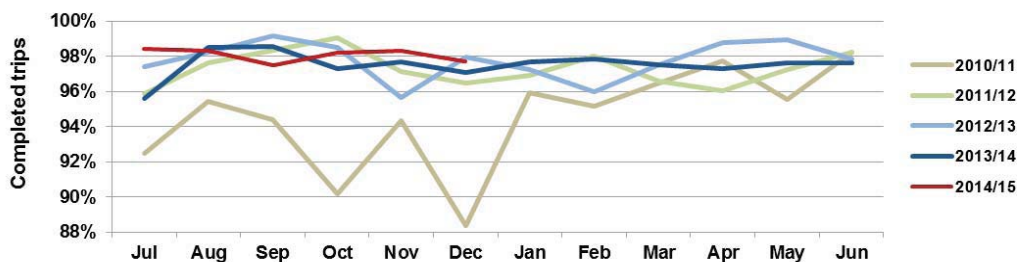


Successful changes have been made on the Wairarapa line, bringing improvements to on-time performance, as shown in the graph below. Analysis of real time data continues, to see if further changes are required.



Network performance

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



Track train interface noise on the Johnsonville line

Efforts continue to reduce the noise on the Johnsonville line. The two friction modification applicators have been concentrated around the Simla Crescent area and the friction modification product is spreading along the line. When working correctly, the friction modifier can significantly reduce noise levels in dry conditions. We continue to work on the noise issue while awaiting the arrival of the new Matangi fleet that have been designed with noise absorbers on the train wheels.

Rail network infrastructure performance and renewal

In early December a traction pole at Ava station failed and fell into the path of a passenger train service. As a consequence of this failure, the rating is being increased of some of the risks assessed when the urgency of a pole replacement is calculated.

Significant progress was made on the Kapiti line during a 10 day block of line over the Christmas period:

- ▶ 110 wooden traction poles were removed - nearly all old poles have now gone north of Kenepuru
- ▶ mast dressing and erection progressed, with 575 of 645 masts now standing
- ▶ 13 tension lengths were run between Kenepuru and Paremata, taking the total run to 38 of 48

Project completion on the Kapiti Line is expected in early April 2015.

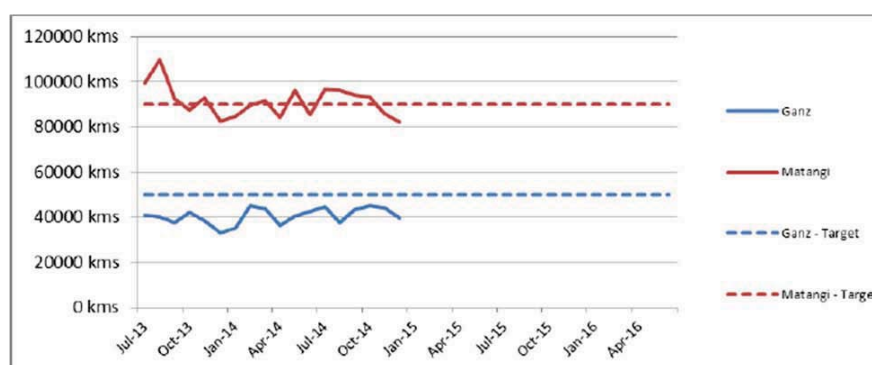
Other works undertaken during blocks of lines were:

- ▶ **Kapiti** – Bridge 20 at Paremata was fully re-sleepered, Bridge 6 at Glenside received structural maintenance work, vegetation was removed across the line, and there were five track renewals between Paremata and McKays Crossing including re-railing, rail transposing, welding and de-stressing
- ▶ **Johnsonville** – work on the Broderick Road bridge continued with a block of line over the Christmas period affecting Khandallah to Johnsonville
- ▶ **Hutt & Wairarapa** – Trentham bridge was reopened and Upper Hutt Station is being redeveloped

EMU fleet utilisation

The utilisation of both the Matangi and Ganz EMU fleets continues to follow targets fairly consistently, as seen in the following graph.

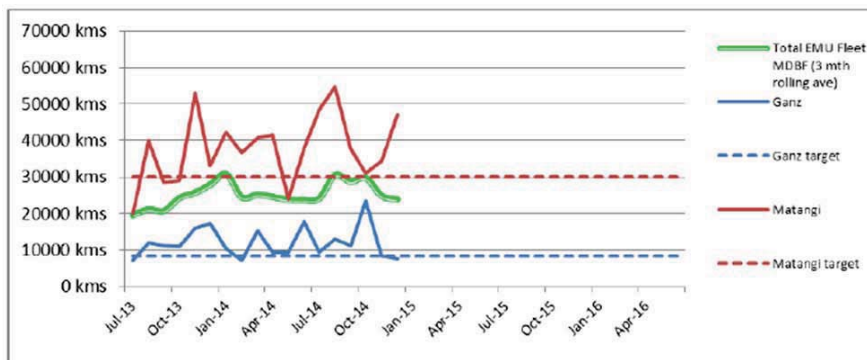
Rolling stock utilisation



Fleet reliability

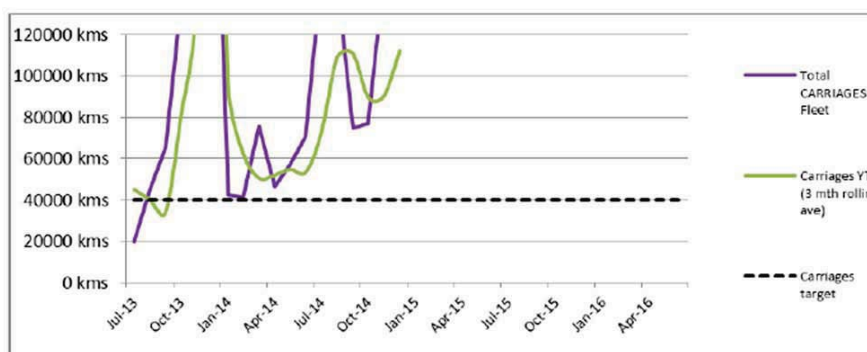
The graphs below show mean distance between failure (MDBF) for the EMU and Carriage fleets. The Matangi fleet reliability has continued an overall upward trend, and continues to exceed the target reliability levels. The Ganz fleet has also continued to perform well.

EMU fleet MDBF



Both the SE and SW carriage fleets have had another period of very good reliability.

Carriage fleet MDBF



Rail rolling stock and infrastructure

Asset management planning

Thirty year maintenance and renewals programmes have been developed and refined in conjunction with the preparation of the Long Term Plan (LTP). The significant update of the 2014/15 Asset Management Plan is being reviewed in conjunction with the LTP, and is expected to be finalised by mid-2015 once LTP consultation has been completed.

Matangi 1 upgrades

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

- ▶ Stage 1 - first unit software development, upload, testing and reports – completed in June
- ▶ Stage 2 - upload of software – largely completed

- ▶ Stage 3 - first unit hardware installation and testing - completed
- ▶ Stage 4 - implementation started in August 2014 but has now been suspended until the stage 5 auto coupler trains and/or the units involved in the Melling and Ava incidents are returned to service. It is expected production roll out will recommence in February/March 2015
- ▶ Stages 5 - auto coupler prototype upgrade and testing has largely been completed. Some design issues, which were identified through the testing stage, are being worked through. Staff training to familiarise operational and maintenance staff with the new equipment is expected to commence mid-January 2015, with the units returned to service around March 2015
- ▶ Stages 6 & 7 - production installation of the auto coupler has not yet started, and will commence upon completion of stage 4, with some preliminary work likely to be carried out during stage 4



First two Matangi 1 trains fitted with auto couplers

Matangi 2 manufacturing

Car bodies are now being manufactured at a rate of three per week. Approximately 54 of the 70 car bodies are fully complete and are entering the pre-outfitting stage (thermal insulation, flooring and air ducting). Outfitting is also advancing with internal wiring, doors, panels, cab, underframe equipment and automatic couplers being fitted, and the manufacturer has commenced testing of the first train.

The project remains on track for delivery of the first train into service in mid-2015.



First Matangi 2 train set coupled and awaiting testing in Changwon

Asset investment priority framework

The third year of the five year infrastructure investment plan (minor improvements and like for like replacement renewals) is underway.

The priorities are:

- ▶ Replace the original Trentham bridge span accidentally broken by sub-contractors earlier in 2014 - this is now completed
- ▶ Major bridge repairs to the Woburn south pedestrian bridge
- ▶ Minor improvements to Ava bridges
- ▶ Light remedial works on subways at Pomare, Eponi and Taita

Silverstream station building

Repairs to the Silverstream station building roof and under ceiling structure have now been approved and work is set to begin in early March. It is expected that with repairs the building can be brought back up to a condition rating of good (score of 2), it currently has a rating of poor (score of 4).

Woburn pedestrian bridge

Officers and engineers continue to work together to obtain estimates for major repairs on the south pedestrian bridge. The bridge received a condition rating of poor (score of 4) indicating that the bridge was suffering severe defects. Repairs are planned to begin in early February, continuing through to late May 2015. Some temporary repairs have been made and the bridge remains safe to use in the interim.

Park & Ride facilities

The Plimmerton car park extension has now been completed and a further 42 spaces have been provided for use by the local community.

Final designs for an extension to the existing car park at Tawa are now complete. Officers and engineers continue to deal with issues of contamination at the site, and once these issues have been resolved construction of the car park extension will commence, to provide an additional 129 car parks.



Design for Tawa Park & Ride extension

Approval has been given to purchase land at Paraparaumu for additional Park & Ride facilities. Development of the land to create parking is planned for the next financial year.



Proposed additional Park & Ride facilities at Paraparaumu

Other station works

Officers are currently working with designers to produce two new generic shelter designs for rail stations. Both Mana and Takapu Road will receive the first of the new shelters early in 2015.

Other works being carried out are:

- ▶ **Trentham** - work replacing rotten window frames and doors is due to start late February. A local community group have also expressed an interest in occupying the building on a long term lease

- ▶ **Paraparaumu** - interior works have now been completed and a new tenant will be given access from January 2015. External repairs and painting of the building are due to start at the end of January. An anti-slip coating is being applied to the concrete stairs leading to the subway, which will give a better walking surface with greater adhesion, reducing the risk of slips and falls
- ▶ **Woburn** - repairs to the exterior of the buildings and a full re-paint are set to start in late February/early March. To save the building from further deterioration a new roof will be installed and the whole building will be re painted in the original heritage colours of red and cream
- ▶ **Paekakariki and Plimmerton** - light paint repairs to station buildings are due to start mid-February

Upper Hutt station

Stage 1 of the Upper Hutt station re-build project is to begin in early January, with the south end of the existing platform to be refurbished. This will involve relocating the cycle lockers, creating an access ramp to the platform and marking out existing and future underground services. Stage 1 is expected to be complete within four months and during this time buses will be replacing trains between 9am and 2.30pm to help speed up the construction works.

Stage 2 of the project is expected to start in late March, involving the major part of the build, and is expected to continue for around eight months. The Expression of Interests process for Stage 2 has been completed, and the successful parties will receive the Request for Tender (RFT) documentation at the end of January 2015.

CCTV and fibre installation

Four further stations are due to receive CCTV monitoring equipment in 2015: Redwood, Kenepuru, Mana and Trentham. It is expected that these new CCTV systems will be operational by the end of May. Contracts have now been signed to enable connection to the fibre optic network of 16 remaining station locations, in readiness to also receive CCTV equipment.

Rail monitoring centre (RMC)

The RMC at Johnsonville provides vital safety and protection for both commuters and property.

From 1st November 2014 the RMC has been manned 24 hours seven days a week, and continues to achieve good results.

Improved platform lighting

Platform lighting replacements are now complete at Kenepuru and Trentham stations. Almost all stations on the rail network now have new light fittings, with the exception of Manor Park, one platform at Paraparaumu, and some local footpaths leading to the station platforms. It is hoped that these remaining works will be addressed next financial year.

Improved station signage

The 'new signage' package introduced last year will now include three more stations: Paraparaumu, Waikanae and Trentham. The package will include totem signs that are aimed at providing

directional information, timetable information and a network area map. Manufacture of the signs is now underway and erection of the signs is expected to be carried out in late February 2015.

EMU depot reconstitution

The EMU depot demolition and reconstitution is now complete and fully operational. The photo below shows the new south end wall and doors, the new inwards/outwards goods shed, and the new overhead and hardstand area where the 1940s section of the building once stood.



Wellington EMU depot

Bridge over Waiohine River

Re-sleepering works were undertaken on Bridge 52 over the Waiohine River on the Wairarapa line. The bulk of work was completed over two weekend block of lines in August. During these blocks Bridge 49, 5km south of Bridge 52, was also re-sleepered. New walkways are being added to both bridges for emergency evacuation and maintenance.



Bridge 52, Waiohine River

Redwood – Muri traction renewals

Two further lengths of new balance-weight tension overhead line were installed and commissioned in July. Note the comparison between the new and old poles in the picture below.



Redwood-Muri traction renewals

2.3 Bus and ferry operations and asset management

Bus services

Bus service reliability

The Metlink website, Twitter and RTI were all used to give customers as much notice as possible of any service disruptions. Events that affected reliability this quarter are reported below (see Event Planning).

Improvements based on RTI data are to be made to Route 150 services (Kelson - Maungaraki) from mid-January 2015, and also to Route 23 weekend services (Southgate & Houghton Bay) and Route 210 (Johnsonville - Titahi Bay) once negotiations with operators are complete.

Hataitai bus tunnel

Wellington City Council (WCC) commenced seismic strengthening works on portals of the Hataitai bus tunnel in November 2014. GWRC officers and NZ Bus will be working closely with WCC throughout the project, with any closure of the bus tunnel carefully managed. Any necessary closures would be expected early to mid-2015.

Event planning

A significant event for November was the Sky Show, with extra bus services provided on demand before and after the event. There were delays to services as expected, due to congestion and to the Oriental Parade to Evans Bay Parade road closure.

December is usually a busy month for street events with numerous weekend Christmas parades across the region and this year was no different. There were events in the Hutt Valley where we had been advised that there would be minimal impact on services, due to rolling road closures, but which in fact had a larger impact than anticipated, with services having to be cancelled. We will use this information to ensure that there is better planning for future disruptions.

The Victoria University Graduation Parade in December proved to be problematic due to the timing of the parade. This is an annual event which usually takes place at lunch times, when NZ Bus is able

to replace trolley buses with diesel buses. This year it was changed to 3pm, without any consultation with GWRC or NZ Bus. This is a peak time for school services when NZ Bus (or any other bus operator) does not have extra diesel buses to replace the trolley buses. A number of services had to be cancelled and there were significant delays to all other services. This information has been fed back to WCC and Victoria University for future parade planning.

Roadworks

There were numerous road works during this quarter, the most significant being the re-sealing of the bus interchange at Wellington Station. This was programmed to start at the end of October over three weekends, but was cancelled at the last minute due to late notification by WCC to nearby residents, businesses and Victoria University.

Once notified, Victoria University advised WCC that there were exams during the scheduled road works and noise had to be at a minimum. The works were then rescheduled for later in November and early December and were completed successfully and within the rescheduled time frame.

This area was also surveyed to see whether buses could be better accommodated when moving through, stopping, or parking in the area. Changes were made as a result of the survey, with new line markings put in place, and buses able to move more safely in the area. The changes were well received by NZ Bus.

Accessibility of bus services

A review of policy for carrying prams on bus services has been completed and feedback was sought from interested parties.

The policy addresses:

- ▶ how to travel safely with a pram
- ▶ how to take a pram onto a bus
- ▶ what to expect from the bus driver
- ▶ customer responsibilities in respect to safety

An immediate improvement was made to the level of service experienced by customers, with bus operators agreeing to automatically lower buses for customers with prams where buses have this function.

The policy is now due to be rolled out early in 2015, in conjunction with a policy for travelling with a pram on rail services.

Bus infrastructure

Asset management plan

The bus stop categorisation methodology has now been completed and was approved by the Strategy and Policy Committee at its December meeting. These categories define GWRC's level of service across the region and provide for the development of assets and budget needs for the future.

GWRC officers continue to work with the Transport Agency on the development of national public transport infrastructure guidelines. Work is also progressing on detailed design guidelines and procedures for the Wellington region's bus stop assets.

Metlink bus shelters

Discussions continued with WCC regarding the transfer to GWRC of the maintenance and repairs of bus shelters in Wellington City.

Planning for the 2014/15 bus shelter installation programme is complete, and 16 of the 17 shelters have been installed. The one shelter still to be installed is in Aotea, and has been delayed due to the siting of the shelters and various utilities that are also in the planned location. It is anticipated this matter will be resolved shortly.

Bus stop renewal programme - 2014/15		Bus stop development programme - 2014/15	
Existing shelter to be replaced with upgraded shelter		New shelter to be installed where no shelter had existed	
Location	Number to be renewed	Location	Number to be developed
Kapiti	1	Kapiti	-
Lower Hutt	3	Lower Hutt	3
Porirua	2	Porirua	1
Upper Hutt	1	Upper Hutt	1
Wellington	5	Wellington	-
Total	12	Total	5

The Kapiti shelter was installed at Coastlands Shopping Town - it is of a new design which is larger and has greater space for service information and maps. The new shelter design was used here as Coastlands is seen as an important public transport destination in the Kapiti district.

This project has been a combined effort between GWRC, Kapiti District Council and Coastlands.



New bus shelter at Coastlands

The Lyttelton Avenue bus stop shelter suffers a significant amount of vandalism, particularly graffiti, which is difficult to remove from the current porous bricks. As a result this shelter is costly to maintain. With the approval of PCC the front shelter will be removed and replaced with a new larger interchange shelter. Talks with PCC have been very positive and we hope to get this approved in early 2015.



Bus shelter at Lyttelton Avenue - for proposed upgrade

Other new and replacement bus shelter installations include the following:



Bus stop 4409 Cockayne Road - old and new shelters



Bus stop 9160 Waterloo Road - bus stop before and after the new shelter installation



Rongotai Road, Kilbirnie - bus stop before and after the new shelter installation

Metlink signage

Four information totems have been installed at Kilbirnie. The table below provides the location of the remaining totems to be installed in this financial year.

Location	Number
Lyttelton Ave (Porirua)	2
Waikanae Station	1
Paraparaumu Station	1
Station Road (Porirua)	3

Station Road, Porirua

This project is primarily focused on the renewal of the road at the bus/rail interchange, but will also provide public transport customers with an improved interchange facility which encourages use of the public transport network. Concept designs for the bus shelters are being developed and the detailed drawings for the road layout and design have been completed. Workshops have been held with Porirua City Council (PCC) to ensure consistency of urban design in the project area. The project has been split into two stages: Stage 1 roading and kerb renewal, Stage 2 footpath and shelter renewal.

A tender for the roading and kerb work has been released and closes in January 2015. Stage 1 should commence in late February and is expected to take three to four months to complete. Temporary bus stops will be established on Lyttelton Ave near to Station Rd while the physical works are being undertaken.

OPUS consultants are managing this project on our behalf and we are also working with PCC to ensure a collaborative approach.

Stage 2 of the project is expected to occur in 2015/16, subject to LTP funding. A concept design of the proposed replacement shelter (pictured below) has been presented to PCC officers for comment.



Concept design, proposed replacement shelter, Station Road, Porirua

Kelburn Parade

Wellington City Council (WCC) has given approval to begin the detailed design for the Kelburn Parade roundabout. This project was initiated as a result of the Wellington Bus Review and will enable buses to manoeuvre more easily around the roundabout, increasing options for different bus types to use this section of road. WCC will be managing these works and it is planned to commence once other construction work in the area has been completed.

Trolley bus overhead network

Work on the trolley bus overhead network is undertaken as a part of Wellington Cable Car Ltd's (WCCL) asset management plan. Work undertaken in the year to date includes:

- ▶ Commencing the Trolley Bus Operation Protection project (TBOP). This will mitigate legislative compliance and health & safety risks by providing an electrical fault protection capability in the highest risk areas identified by a robust HAZOP process (in particular, the Golden Mile within the CBD). A tender for the work was released in October and the contract was awarded in November. The work is intended to commence in March 2015 and be completed by the end of June 2017. Much of the work will be undertaken in the CBD
- ▶ Karori (stage 3) overhead wire renewal project has been completed
- ▶ Karori (stage 2) overhead wire renewal project is underway
- ▶ Ongoing pole replacement and unplanned maintenance

2.4 Metlink customer services and information

Christmas services customer information campaign

Over the two week holiday period, from 25 December 2014 to 4 January 2015, commuter use of public transport in the Wellington region usually decreases. During this time Metlink adjusts services to match the level of demand and also uses it as an opportunity to carry out necessary maintenance on transport routes. This year Metlink developed a simplified timetable for the holiday period, using standard weekend services timetables for weekday travel.

It was also an opportunity to implement a different approach to informing customers of the Christmas services, with a campaign running from 17 November 2014 to 4 January 2015. The aim of the campaign was to ensure that customers were aware of the shift to a holiday timetable and to encourage them to plan their journeys over this period accordingly.

Customers were informed using:

- ▶ Online advertising through Stuff, Dominion Post and NZ Herald websites and mobile sites
- ▶ The Metlink website, with Christmas service information available online from mid-November 2014 onwards
- ▶ A Christmas and New Year services printed paper timetable summary, available at Metlink distribution points
- ▶ Posters on buses, trains and harbour ferry services, and at train stations
- ▶ Adshel posters throughout the Wellington CBD and the Wellington Station subway
- ▶ Advertisements printed in regional newspapers
- ▶ Tweets via the Metlink and Tranz Metro Twitter accounts
- ▶ Messages on the Real Time Information display signs at train stations and major bus stops



Printed timetables and publications

A total of 198,600 timetables have been printed and distributed in the year to date. We are undertaking a review of our timetables which will be completed in the third quarter.

Media releases

There were seven media releases in the quarter. Media analysis shows that these generated 19 positive, four neutral and one negative news stories. Some of the main topics were:

- ▶ Release of the metropolitan rail annual report
- ▶ Matangi and Tawa Station finalists in Engineering Excellence Awards
- ▶ Short list for new rail contract finalised

Twitter

Metlink now has 4,998 followers on Twitter, up 18.3% on the same period last year. A number of our followers re-tweet Metlink messages, extending our reach to public transport users by enabling others (who may not follow us directly) to also see the messages.

Mobile website

The number of visits to the mobile website continues to grow and now accounts for over half of total Metlink web traffic (53.2% based on total page views). There were 1.6 million visits in the year to date, an increase of 31.7% on the same period in 2013/14.

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

Metlink website

The Metlink website received 1.5 million visits in the year to date, a decrease of 2.1% on the same period in 2013/14.

There were 711,000 unique visitors, an increase of 43.0% on the same period in 2013/14.

Direct traffic accounts for approximately 22.3% of the visits, while traffic from search engines and referrals from other sites accounts for 75.7% of the hits.

Systems upgrade

The contracts for the Journey Planner Engine and the replacement Timetable System (Publication and Planning System) have now been agreed. Both systems are expected to be fully operational by April 2015.

Work continues, as part of a council wide ICT project, on the replacement of a Customer Feedback System. Meanwhile a temporary cloud-based arrangement has been established with NZ Bus for reporting complaint resolutions back to GWRC.

Metlink service centre

The Metlink service centre was incorporated into the Service Delivery team in the previous quarter, to improve communication needed between the different customer-facing roles within the wider PT Group.

Incorporation has highlighted the need for improvements to incident escalation processes, service update information, communication with rail and bus operators and complaint filtering and management. Improvements are now being designed for these areas.

Real Time Information System (RTI)

The system's bus priority function is yet to be deployed, as part of a joint project with Wellington City Council. This is dependent on a scheduled upgrade to RTI applications which is due to take place by the end of the 2014/15 year.

2.5 Total Mobility

Wheelchair accessible vehicles

Approval was given to fund the installation of two wheelchair hoists, one each in vehicles from Wellington Combined Taxis and Hutt & City Taxis. These vehicles will be available to customers early in 2015 and are replacements for aging vehicles, rather than additional capacity.

Further applications for installations for this financial year will be considered shortly.

Total Mobility Electronic System (TMES)

The current TMES is to be upgraded to Ridewise, which will include some additional functions requested by GWRC including:

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

The roll-out of Ridewise is now expected to be in April 2015, which is later than originally anticipated, but will allow for the development of improved fraud detection methods.

Environment Canterbury will also use Ridewise, and officers from both organisations are working together towards a consistent approach for use of the system.

Total Mobility Scheme (TM)

GWRC works hard to ensure that fraudulent activity is reduced as much as possible, working with taxi companies over compliance with terms and conditions of access to TM by their drivers, and focusing on individual driver behaviour to ensure that any fraudulent activity is uncovered.

A number of drivers have been investigated, but not all investigations result in the finding of fraud.

3 GROUP FINANCIAL SUMMARY

3.1 Year to date operating result overview

Year to date operating result

The net operating deficit from operations for the Public Transport Group for the period ended 31 December 2014 was \$1.0 million, which is \$1.9 million below budget.

Total expenditure on operations was \$49.8 million, which is \$4.4 million below budget. The most significant variances are:

- ▶ Rail operations expenditure was \$2.9 million below budget
- ▶ Diesel bus operating contracts were \$0.4 million below budget
- ▶ Trolley bus operations expenditure was \$0.3 million below budget
- ▶ Projects and Planning projects were \$0.6 million below budget
- ▶ Metlink network services and systems costs were \$0.4 million below budget

Total revenue from operations was \$48.8 million, which is \$2.5 million below budget because of the reduction in expenditure. The most significant variance is:

- ▶ Grants and subsidies revenue was \$2.5 million below budget

If operating costs and revenues associated with capex are also included, then the overall operating surplus is \$4.4 million compared to the budgeted surplus of \$2.0 million.

Forecast full year operating result

The full year forecast net operating deficit from operations is \$2.9 million, which is \$1.8 million below the full year budget.

The full year forecast expenditure on operations is \$101.1 million, which is \$4.5 million below budget. This is primarily because:

- ▶ Rail operations expenditure is forecast to be \$2.5 million below budget
- ▶ Diesel bus expenditure is forecast to be \$1.4 million below budget
- ▶ Projects and Planning projects expenditure is forecast to be \$0.8 million below budget
- ▶ PTOM expenditure is forecast to be \$0.8 million above budget
- ▶ Metlink network services and systems costs are forecast to be \$0.6 million below budget

The full year forecast total revenue from operations is \$98.2 million, which is \$2.7 million below budget. This is primarily because:

- ▶ Grants and subsidies revenue is forecast to be \$2.5 million below budget



When capital and improvement projects are taken into account, the overall forecast operating position becomes a surplus of \$6.4 million compared to the budgeted surplus of \$4.4 million.

Improvement projects, capital expenditure and investment additions

Improvement project expenditure, capital expenditure and investment additions were \$9.4 million, which is \$2.8 million below budget. This reduction in expenditure primarily relates to changes to the timing of project expenditure. The most significant variances were:

- ▶ Trolley bus infrastructure renewals (underspend of \$1.2 million)
- ▶ Park & Ride land (overspend of \$0.4 million)
- ▶ Customer information systems (underspend of \$0.4 million)
- ▶ New Matangi trains (underspend of \$1.3 million)
- ▶ Station renewals and upgrades (underspend of \$0.7 million)
- ▶ Wellington depot and stabling (overspend by \$0.6 million)

The forecast for improvement project expenditure, capital expenditure and investment additions is \$53.4 million, which is \$4.8 million below budget.

Funding overview

The year to date funding surplus (represented by a reduced transfer from reserves) is \$2.5 million.

The forecast full year funding surplus is \$1.4 million.

3.2 Group financial statements

The financial performance of the group for the period ended 31 December 2014 is shown on the following table.

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

Public Transport Group Income Statement 6 months ended 31 December 2014	31 December 2014			Full Year			Last Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	25,432	25,432	-	50,864	50,864	-	24,368	48,736
Government Grants & Subsidies	31,605	35,452	(3,847)	67,549	69,974	(2,425)	28,388	62,025
External Revenue	937	1,141	(204)	1,883	2,283	(400)	1,101	2,495
Investment Revenue	196	152	44	304	304	-	605	187
TOTAL INCOME	58,170	62,177	(4,007)	120,600	123,425	(2,825)	54,462	113,443
Personnel Costs	2,612	2,738	126	5,507	5,477	(30)	2,568	5,139
Materials, Supplies & Services	1,567	1,265	(302)	2,474	2,642	168	1,219	3,213
Travel & Transport Costs	27	25	(2)	50	50	-	20	45
Contractor & Consultants	1,804	2,687	883	5,604	5,433	(171)	637	2,179
Grants and Subsidies Expenditure	42,332	47,123	4,791	89,108	92,833	3,725	41,886	86,428
Internal Charges	398	389	9	781	779	2	355	691
Total Direct Expenditure	48,740	54,227	5,487	103,524	107,214	3,690	46,685	97,695
Financial Costs	2,617	3,273	656	5,628	6,545	917	2,054	4,422
Bad Debts	-	-	-	-	-	-	(1)	(1)
Corporate & Department Overheads	1,933	1,933	-	3,866	3,866	-	1,728	3,457
Depreciation	512	716	204	1,205	1,431	226	621	1,243
Loss(Gain) on Sale of Assets / Investments	-	(4)	(4)	(4)	(4)	-	-	371
TOTAL EXPENDITURE	53,802	60,145	6,343	114,219	119,052	4,833	51,087	107,187
OPERATING SURPLUS/(DEFICIT)	4,368	2,032	2,336	6,381	4,373	2,008	3,375	6,256
Add Back Depreciation	512	716	(204)	1,205	1,431	(226)	621	1,243
Add Back Gifted Assets	-	-	-	-	-	-	(424)	(1,384)
Other Non Cash	-	(4)	4	-	(4)	-	-	1,931
Net Asset Acquisitions	(3,805)	(3,864)	59	(5,585)	(5,286)	(299)	(611)	(1,091)
Net External Investment Movements	(4,731)	(6,393)	1,662	(41,533)	(47,433)	5,900	(10,197)	(28,041)
NET FUNDING BEFORE DEBT & RESERVES	(3,656)	(7,513)	3,857	(39,532)	(46,919)	7,383	(7,236)	(21,086)
Debt Additions / (decrease)	4,726	6,754	(2,028)	42,140	48,115	(5,975)	10,386	26,953
Debt Repaid	(2,310)	(2,952)	642	(5,903)	(5,903)	-	(2,033)	(4,759)
Net Reserves (Increase) / decrease	1,240	3,711	(2,471)	3,295	4,707	(1,412)	(1,117)	(1,108)
NET FUNDING SURPLUS (DEFICIT)	-	-	-	-	-	-	-	-

Public Transport Group Capital Expenditure Statement 6 months ended 31 December 2014	31 December 2014			Full Year			Last Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	-	40	40	40	40	-	38	38
Capital Project Expenditure	3,805	3,836	32	5,557	5,258	(299)	573	1,829
Asset Disposal Cash Proceeds	-	(12)	(12)	(12)	(12)	-	-	(776)
NET CAPITAL EXPENDITURE	3,805	3,864	60	5,585	5,286	(299)	611	1,091

3.3 Detailed operating result

Public Transport Group

Financial Performance by Programme for the Period Ended 31 December 2014

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Var \$000	Var %	Forecast \$000	Budget \$000	Var \$000	Var %
Revenue from Operations								
Rates Revenue	19,941	19,941	0 F	0%	39,882	39,882	0 F	0%
Grants & Subsidies	24,485	26,965	2,480 U	-9%	49,881	52,355	2,474 U	-5%
Grants & Subsidies - SuperGold Card	3,194	3,043	151 F	5%	6,252	6,085	167 F	3%
External Revenue	937	1,141	204 U	-18%	1,883	2,283	400 U	-18%
Investment & Other Revenue	196	152	44 F	29%	304	304	0 F	0%
Total Revenue from Operations	48,753	51,242	2,489 U	-5%	98,202	100,909	2,707 U	-3%
Expenditure on Operations								
Rail Operations	16,297	19,212	2,915 F	15%	32,814	35,305	2,491 F	7%
Diesel Bus Operating Contracts	15,476	15,835	359 F	2%	30,603	31,953	1,350 F	4%
Trolley Bus Operations	4,220	4,563	343 F	8%	8,917	9,126	209 F	2%
Ferry Operating Contract	150	153	3 F	2%	293	308	15 F	5%
SuperGold Card	3,194	3,043	151 U	-5%	6,252	6,085	167 U	-3%
Bus Shelters & Signage Maintenance	756	660	96 U	-15%	1,321	1,321	0 F	0%
Total Mobility Scheme	1,289	1,344	55 F	4%	2,643	2,592	51 U	-2%
Projects and Planning Projects	411	1,032	621 F	60%	1,300	2,065	765 F	37%
Marketing & Communications	107	172	65 F	38%	405	420	15 F	4%
Systems & Information	619	589	30 U	-5%	1,254	1,315	61 F	5%
PTOM	1,200	1,038	162 U	-16%	2,909	2,074	835 U	-40%
Rail Studies	200	268	68 F	25%	506	535	29 F	5%
Bus Studies	251	240	11 U	-5%	460	480	20 F	4%
Metlink Network Services and Systems	5,607	6,025	418 F	7%	11,416	12,010	594 F	5%
Total Expenditure on Operations	49,777	54,174	4,397 F	8%	101,093	105,589	4,496 F	4%
Net Operating Surplus/(Deficit) from Operations	-1,024	-2,932	1,908 F		-2,891	-4,680	1,789 F	
Revenue associated with Capex								
Rates Revenue	5,491	5,491	0 F	0%	10,983	10,983	0 F	0%
Grants & Subsidies	3,926	5,444	1,518 U	-28%	11,415	11,534	119 U	-1%
Total Revenue associated with Capex	9,417	10,935	1,518 U	-14%	22,398	22,517	119 U	-1%
Expenditure associated with Capex								
Improvement Project Expenditure	896	1,986	1,090 F	55%	6,297	5,492	805 U	-15%
Depreciation	512	716	204 F	28%	1,205	1,431	226 F	16%
Loss / (Gain) on Sale	0	-4	4 U	100%	-4	-4	0 F	0%
Financial Costs	2,617	3,273	656 F	20%	5,628	6,545	917 F	14%
Total Expenditure associated with Capex	4,025	5,971	1,946 F	33%	13,126	13,464	338 F	3%
Net Revenue & Expenditure Associated with Capex	5,392	4,964	428 F	-9%	9,272	9,053	219 F	-2%
Net Operating Surplus/(Deficit)	4,368	2,032	2,336 F		6,381	4,373	2,008 F	

Revenue

Total revenue from operations was \$48.8 million compared to the budget of \$51.2 million. The most significant variances are:

- ▶ Grants and subsidies revenue was \$2.5 million below budget which reflects the reduction in operational expenditure for the year
- ▶ SuperGold card grants and subsidies revenue was \$0.2 million above budget which reflects the increase in operational expenditure for the year
- ▶ External revenue was \$0.2 million below budget. Rail studies and investigation expenditure is no longer reimbursed by Greater Wellington Rail Limited (GWRL), but is directly charged to GWRL

Forecast revenue from operations is \$98.2 million compared to the full year budget of \$100.9 million. The main variances are:

- ▶ Grants and subsidies revenue is forecast to be \$2.5 million below budget because the full year forecast expenditure is expected to be below budget
- ▶ SuperGold card grants and subsidies revenue is forecast to be \$0.2 million above budget because the full year forecast SuperGold card expenditure is expected to be above budget
- ▶ External revenue is forecast to be \$0.4 million below budget because rail studies and investigation expenditure is now being directly charged to GWRL

Expenditure

Rail operations

Public Transport Group

Rail Operations for the Period Ended 31 December 2014

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Var \$000	Var %	Forecast \$000	Budget \$000	Var \$000	Var %
Rail Contract Expenditure	22,679	24,135	1,456 F	6%	45,433	47,051	1,618 F	3%
Less: Rail Contract Fare Revenue	22,428	21,485	943 F	4%	44,699	44,230	469 F	1%
Rail Contract	251	2,650	2,399 F	91%	734	2,821	2,087 F	74%
Network Operations & Maintenance	5,596	5,573	23 U	0%	11,211	11,361	150 F	1%
Network Incident Costs	63	110	47 F	43%	220	220	0 F	0%
Network Renewals	3,448	3,178	270 U	-8%	5,761	5,761	0 F	0%
Leases and Rates	339	380	41 F	11%	760	760	0 F	0%
Train Maintenance	4,586	5,199	613 F	12%	9,762	10,138	376 F	4%
Rail Insurance	592	660	68 F	10%	1,183	1,321	138 F	10%
Station Expenditure	786	887	101 F	11%	1,981	1,773	208 U	-12%
Carpark & Station Security	636	575	61 U	-11%	1,202	1,150	52 U	-5%
Rail Operations Expenditure	16,297	19,212	2,915 F	15%	32,814	35,305	2,491 F	7%

Expenditure on rail operations was \$16.3 million, which is \$2.9 million below budget. The most significant variances are:

- ▶ Rail contract costs were \$2.4 million below budget. The results reported by TranzMetro show that fare revenue was above budget by \$0.9 million and expenditure was below budget by \$0.8 million. A late change in budget phasing by KiwiRail also meant that there was a difference between the TranzMetro and GWRC budgets of \$0.6 million

The full year forecast expenditure is \$2.1 million below budget. Rail contract costs are

forecast to be \$1.6 million below budget and fare revenue is forecast to be \$0.5 million above budget.

- ▶ Network operations and maintenance costs were close to budget

The full year forecast expenditure is \$0.2 million below budget

- ▶ Network renewals costs were \$0.3 million above budget because of increased track maintenance costs, partly offset by traction and civil works costs

The full year forecast expenditure is the same as budget.

- ▶ Train maintenance expenditure was \$0.6 million below budget primarily because there were less staff than budget and less unplanned maintenance. A robust planned maintenance programme has meant lower unplanned maintenance costs on the Matangi and Ganz Mavag trains

The full year forecast expenditure is \$0.4 million below budget.

- ▶ Rail insurance expenditure was \$0.1 million below budget. The insurance premium is lower than anticipated when the budgets were set

The full year forecast expenditure is \$0.1 million below budget.

- ▶ Station expenditure was \$0.8 million, which is \$0.1 million below budget, primarily because of over accruals from last year, as well as a reduction in the year to date expenditure

The full year forecast expenditure is \$0.2 million above budget. Effective from 1 October 2014, station electricity which was originally part of the TranzMetro contract is now paid directly by GWRL.

Diesel bus operating contracts

Diesel bus operations expenditure was \$15.5 million, which is \$0.4 million below budget primarily because bus inflation costs were lower than budgeted, and also cost reductions related to services not run.

The full year forecast expenditure is \$30.6 million, which is \$1.4 million below budget. Forecast bus inflation costs for the year are lower than budgeted and there will be cost reductions related to services not run.

Trolley bus operations

Trolley bus operations expenditure was \$4.2 million, which is \$0.3 million below budget. There were cost reductions from services not run as well as savings in the cost of operating trolley bus services.

The full year forecast expenditure is \$8.9 million, which is \$0.2 million below budget. There will be cost reductions from services not run and savings in costs of operating the trolley bus contract.

SuperGold card

SuperGold card expenditure was \$3.2 million, which is \$0.2 million above budget which reflects the increase in expenditure for the year.

The full year forecast expenditure is \$6.3 million, which is \$0.2 million above budget. The forecast SuperGold card expenditure for the year is higher than budgeted.

Projects and planning projects

Projects and planning expenditure was \$0.6 million below budget. The Integrated Fares and Ticketing Investigation commenced later than expected and Bus Rapid Transit Implementation Planning has commenced later than expected - some of this work is now expected to occur in 2015/16.

The full year forecast expenditure is \$0.8 million below budget reflecting the reduction in expected expenditure on Bus Rapid Transit Implementation Planning this year.

PTOM

Public Transport Operating Model (PTOM) expenditure was \$1.2 million, which is \$0.2 million above budget. The budget has been updated following a detailed project and expenditure review.

The full year forecast expenditure is \$0.8 million above budget. GWRC's share of the project will be funded through reserves because of the one-off nature of the expenditure.

Metlink network services and systems

Metlink network services and systems expenditure was \$5.6 million, which is \$0.4 million below budget. There were lower staff costs and GWRL administration charges (\$0.4 million of rail studies and investigation expenditure is now directly charged to GWRL and excluded from Metlink network services and systems costs).

The full year forecast expenditure is \$0.6 million below budget. There are anticipated to be lower staff costs and GWRL administration charges.

Revenue and expenditure associated with capex

Grant & subsidies (for capex)

Grant & subsidies revenue was \$3.9 million, or \$1.5 million below budget, because of reductions in expenditure on improvement projects and investments (see section 3.4 for more detail).

The full year forecast grant and subsidies is \$0.1 million below forecast.

Depreciation costs

Depreciation costs were \$0.5 million, or \$0.2 million below budget. All property, plant and equipment was revalued at 30 June 2014 and the fixed asset system has now been updated to fully reflect this.

The full year forecast depreciation is \$1.2 million, which is \$0.2 million below budget to reflect the update.

Financial costs

Financial costs were \$2.6 million, or \$0.7 million below budget, because of reductions in expenditure on improvement projects and investments.

The full year forecast financial costs are \$5.6 million, which is \$0.9 million below budget.

3.4 Detailed improvement projects, capital expenditure and investment additions

Actual improvement project expenditure, capital expenditure and investment additions are included in the following table and explanations.

- ▶ Improvement projects include capital improvements where the underlying asset is not owned by GWRC (Trolley bus infrastructure renewals and Porirua station roading improvements)
- ▶ Capital projects are projects that improve (or create) assets owned by GWRC
- ▶ Investment additions relate to capital works where the underlying asset will be owned by our subsidiary Greater Wellington Rail Limited (GWRL)

Public Transport Group

Improvement Projects, Capital & Investment Additions for the Period Ended 31 December 2014

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Var \$000	Var %	Forecast \$000	Budget \$000	Var \$000	Var %
Improvement Projects (Opex)								
Trolley Bus Infrastructure Renewals	827	1,986	1,159 F	58%	5,640	5,492	148 U	-3%
Porirua Station Roothing Improvements	69	0	69 U	0%	657	0	657 U	0%
Improvement Project Expenditure	896	1,986	1,090 F	55%	6,297	5,492	805 U	-15%
Capital Projects								
Real Time Information	43	144	101 F	70%	145	144	1 U	-1%
Integrated Fares and Ticketing	0	0	0 F	0%	0	450	450 F	100%
Porirua Station Roothing Improvements	0	60	60 F	100%	0	250	250 F	100%
Park n Ride Land	3,400	3,000	400 U	-13%	4,075	3,000	1,075 U	-36%
Bus Shelter and Signage Upgrades	164	0	164 U	0%	430	430	0 F	0%
Customer Information Systems	89	477	388 F	81%	620	697	77 F	11%
Wellington Review Interchanges	94	125	31 F	25%	250	250	0 F	0%
Total Mobility Systems	15	30	15 F	50%	37	37	0 F	0%
Capital Expenditure	3,805	3,836	31 F	1%	5,557	5,258	299 U	-6%
Total Asset Acquisition	0	40	40 F	100%	40	40	0 F	0%
Asset Additions	0	40	40 F	100%	40	40	0 F	0%
Investment Additions								
New Trains Matangi 1	16	700	684 F	98%	422	700	278 F	40%
New Trains Matangi 2	2,828	1,208	1,620 U	-134%	27,581	31,701	4,120 F	13%
New Trains Matangi 1 Retrofit	184	2,409	2,225 F	92%	7,228	9,066	1,838 F	20%
Station Renewals & Upgrades	403	1,085	682 F	63%	3,171	3,500	329 F	9%
Security Related Rail Improvements	141	465	324 F	70%	1,500	1,500	0 F	0%
Wellington Depot & Stabling	850	286	564 U	-197%	824	286	538 U	-188%
Train Heavy Maint & Minor Improvemts	309	240	69 U	-29%	807	680	127 U	-19%
Investment Additions	4,731	6,393	1,662 F	26%	41,533	47,433	5,900 F	12%
Improvement Projects, Capital & Investment Additions	9,432	12,255	2,823 F	23%	53,427	58,223	4,796 F	8%

Trolley bus infrastructure renewals

Trolley bus infrastructure renewals are the replacement of poles and overhead wires for the trolley buses. These assets are owned and managed by Wellington Cable Car Ltd (WCCL), a subsidiary of Wellington City Council.

The year to date year expenditure was \$0.8 million, which is \$1.2 million below budget. There has been reduced year to date expenditure on the necessary overhead wire replacement and reduced cost has been incurred on the network wide fault protection safety system.

The full year forecast expenditure is \$0.1 million above budget. The network wide fault protection safety system work has been brought forward slightly to get the full benefit over the remaining life of the network.

Porirua station roading improvements (opex)

This project is for the renewal of the Porirua Station road and facilities. This includes the renewal of the roadway and new kerb line. GWRC will not own the improvements to Station Road.

The year to date expenditure was \$0.1 million, which is \$0.1 million above budget. The budget was originally approved as capex.

The full year forecast expenditure is \$0.7 million above budget.

Integrated fares and ticketing

There is no cost incurred to date on Integrated Fares and Ticketing because the capital project is now not expected to commence this year.

The full year forecast expenditure is \$0.5 million below budget.

Park & Ride land

The year to date expenditure on land for Park & Ride at Tawa and Petone was \$3.4 million, which is \$0.4 million above budget. The price paid for the Tawa land was \$0.1 million more than budgeted (additional land was purchased which will provide extra car parks). Approval was given to purchase additional land in Paraparaumu for Park & Ride. GWRC's share of the Paraparaumu land purchase will be funded through reserves.

The full year forecast expenditure is \$1.1 million above budget primarily because of the additional cost of land for Paraparaumu and Tawa.

Bus shelter and signage upgrades

The year to date expenditure on bus shelters and signage was \$0.2 million, which is \$0.2 million above budget. The work programme for bus shelters is being undertaken earlier in the financial year than stated in the budget.

The full year forecast expenditure is the same as budget.

Customer information systems

The year to date expenditure on customer information systems was \$89,000, which is \$0.4 million below budget. Difficulties with the initial supplier meant that the Timetable System (Publication and Planning System) project was delayed. The project is now underway and is expected to be completed by the end of the year.

The full year forecast expenditure is \$0.1 million below budget because the replacement Call Handling System project is now expected to be completed as part of a corporate initiative.

New Matangi trains

Projects to deliver the new Matangi trains are all running to schedule. The first tranche of 48 Matangi trains are all in service and the second tranche of 35 Matangi trains are expected to start entering service in the 2015/16 financial year.

Matangi 1

This project is for the purchase of 48 new two-car Matangi trains for the passenger rail network. All these trains are now in service but some residual project costs remain.

There is minimal expenditure to date.

The full year forecast expenditure is \$0.4 million, which is \$0.3 million below budget and reflects a minor change to the timing of payments.

Matangi 2

This project is for the purchase of a further 35 new two-car Matangi trains that will replace the aging Ganz Mavag units.

Actual expenditure was \$2.8 million, which is \$1.6 million above budget.

The full year forecast expenditure is \$27.6 million, which is \$4.1 million below budget and reflects some changes to the timing of payments. The total project budget remains at \$159.0 million.

Matangi 1 upgrade

This project is to upgrade the existing Matangi trains to give one homogenous fleet, providing significant operational and maintenance benefits.

Actual expenditure was \$0.2 million, which is \$2.2 million below budget, and reflects a change to the timing of payments.

The full year forecast expenditure is \$7.2 million, which is \$1.8 million below budget and reflects changes to the timing of payments. The total project budget remains at \$11.2 million.

Station renewals and upgrades (opex)

This programme includes improvements to stations, pedestrian overbridges and underpasses, carpark renewals, and improvements to security and lighting. A prioritised improvement programme has commenced to improve the condition of these assets. Also included in this programme are additional minor improvements to the Wellington EMU depot.

Actual expenditure is \$0.4 million, which is \$0.7 million below budget and reflects a change to the timing of payments. The programme of work is underway and the forecast reflects an expectation that the original programme will be fully completed by 30 June 2015.

The full year forecast expenditure is \$3.2 million, which is \$0.3 million below budget. Part of the Porirua station roading improvements project will be funded from this saving.

Security related rail improvements

This programme covers rail related improvements to infrastructure to improve passenger safety and provide more protection against vandalism.

The expenditure to date is \$0.1 million because the work programme has only recently been finalised.

The full year forecast expenditure is the same as budget.

Wellington depot and stabling

This project is to demolish the 1940s section of the Wellington EMU depot and to build a wall at the southern end of the 1970s section of building.

Actual expenditure is \$0.9 million, which is \$0.6 million above budget and reflects some changes to the timing of payments.

The full year forecast expenditure is \$0.5 million above budget and reflects the unspent budget from last financial year.

3.5 Funding position

The year-to-date increase in reserves (represented by an increased transfer to reserves) is \$2.5 million. The full year forecast funding surplus is \$1.4 million above budget.

Funding for the Period Ended 31 December 2014

	Year To Date				Full Year			
	Actual \$000	Budget \$000	Var \$000	Var %	Forecast \$000	Budget \$000	Var \$000	Var %
Net Operating Surplus/(Deficit)	4,368	2,032	2,336 F		6,381	4,373	2,008 F	
Add back								
Non-Cash items	512	712	200 U		1,201	1,427	226 U	
Funds from Operations	4,880	2,744	2,136 F		7,582	5,800	1,782 F	
Less								
Capital Expenditure	3,805	3,836	31 F		5,557	5,258	299 U	
Asset Additions	0	40	40 F		40	40	0 F	
Asset Disposal Cash Proceeds	0	-12	12 U		-12	-12	0 F	
Investment Additions	4,731	6,393	1,662 F		41,533	47,433	5,900 F	
Surplus/(Deficit) before Debt & Reserve Movements	-3,656	-7,513	3,857 F		-39,536	-46,919	7,383 F	
Internal Debt Additions	4,726	6,754	2,028 U		42,140	48,115	5,975 U	
Internal Debt Repayments	-2,310	-2,952	642 F		-5,903	-5,903	0 F	
Decrease / -Increase in Reserves	1,240	3,711	2,471 U		3,299	4,707	1,408 U	
Net Funding Surplus/(Deficit)	0	0	0 F		0	0	0 F	

3.6 Business plan performance indicators

Metlink public transport network planning

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2013/14	Target 2014/15	Actual 2014/15
Prepare and review the Regional Public Transport Plan	Public Transport Plan reviewed and adopted in accordance with the Public Transport Management Act 2008	Regional Public Transport Plan adopted November 2011	The Regional Public Transport Plan 2014 was adopted in June 2014	Regional Public Transport Plan remains operative	The Regional Public Transport Plan 2014 is operative

Rail service delivery and asset management

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2013/14	Target 2014/15	Actual 2014/15
Deliver rail services in accordance with the published timetable	Percentage of scheduled services delivered	99.1% (September 2011)	99.2%	99.5%	YTD: 99.7%
	Percentage of scheduled services on-time to 5 minutes by line	Kapiti Line: 90% Hutt Line: 90% Johnsonville Line: 95% Wairarapa Line: 80% (November 2011)	95.4% 95.3% 93.3% 74.5%	Increase on previous year (all lines)	Kapiti Line YTD: 97.3% Hutt Line YTD: 97.4% Johnsonville Line YTD: 87.8% Wairarapa Line YTD: 84.2%
Maintain and improve rail rolling stock, stations, overbridges, subways and carparks in accordance with rail asset management plans	The percentage of the required fleet that is available to operate scheduled services	99.0% (2011/12)	100.0% (rounded)	99.3%	YTD: 99.8%
	Average condition rating for buildings and structures (1 = very good and 5 = very poor)	3.0	2.9	2.6	The condition rating is an annual measure and is expected to be completed in the last quarter of the financial year
	Average condition rating for carparks (1 = very good and 5 = very poor)	2.9	2.6	2.4	The condition rating is an annual measure and is expected to be completed in the last quarter of the financial year

Bus and ferry operations and asset management

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2013/14	Target 2014/15	Actual 2014/15
Deliver bus and ferry services in accordance with the published timetable	Percentage of scheduled services delivered	99% (September 2011)	99.1%	>99%	YTD: 99.3% NB: results are incomplete as we are yet to receive data for December from one operator
	Percentage of scheduled services on-time to 10 minutes	99.8% (September 2011)	99.7%	>98%	YTD: 99.7% NB: results are incomplete as we are yet to receive data for December from one operator
Maintain and improve bus stop facilities and interchanges	The average condition score of all bus shelters where GWRC is responsible for funding the maintenance (1 = very good and 5 = very poor)	2.8	2.6	2.0	The condition rating is an annual measure and is expected to be completed in the last quarter of the financial year
Improve the quality and accessibility of the bus fleet	Compliance with Transport Agency requirements for urban buses	All buses entering service in the region meet Transport Agency requirements (November 2011)	Two operators signed contract variations in December 2013, and negotiations continue with two more operators	All existing contracted buses in the region meet NZTA requirements for urban buses	Negotiations have not progressed, as it is intended that requirements will be included in a contract variation of wider scope, for initial discussion next quarter

Metlink customer services and information

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2013/14	Target 2014/15	Actual 2014/15
Provide information to the public from a call centre	Percentage of Metlink users who rate the service they receive from the Metlink call centre as excellent or very good (the original measure was described as 'percentage of residents' however the target and actual results were always based on the number of Metlink users)	78% (2011)	61% Note: there was a change in survey methodology in 2013/14. In previous surveys 'very satisfied' was used as a proxy for 'excellent'	90%	Survey is expected to be completed in the last quarter of the financial year
	Number of visits to the Metlink website	1.8 million (2010/11)	2.9 million	Increase on previous year	YTD: 1.5 million
	Number of visits to the Metlink mobile site	143,000 (2010/11)	2.7 million	Increase on previous year	YTD: 1.6 million
Provide a real time information system	Percentage of bus and train services tracked by real time information where the system has been deployed	85% (2011)	Bus: 80% Rail: 93%	90%	Bus YTD: 92% Rail YTD: 94%

Total Mobility

Level of service	Performance measure	Performance targets			
		Baseline	Actual 2013/14	Target 2014/15	Actual 2014/15
Provide a subsidised taxi service for those members of the public unable to use buses or trains	Percentage of scheme users who rate the overall service of the scheme as good or better	97% (2011)	96%	>97%	Survey is expected to be completed by June 2015
	Average time to process an application to join the scheme	15 working days (2010/11)	7 working days	15 working days	YTD: 6 working days

3.7 Specific areas of work

Metlink public transport network planning

Commence detailed planning and design of a Bus Rapid Transit (BRT) system through the Wellington city public transport spine. This work will be completed in conjunction with Wellington City Council and NZTA and will include design of the corridor, network design, vehicle specifications, infrastructure requirements and business case development	A joint Governance Group has been established which includes GWRC, WCC and NZTA. The parties will work together on the delivery of the Ngauranga to Airport (N2A) Corridor Plan which includes the BRT project Work on vehicle specifications has begun
Continue with the Hutt Valley review of public transport services	The review is continuing. A data analysis summary report has been completed this quarter
Undertake a comprehensive review of Metlink services in Kapiti (the timing and extent of this review will be impacted by the progress of the expressway project)	The Kapiti service review is due to commence in 2015
Complete minor service reviews in at least two contract areas to assist with the preparation of new Public Transport Operating Model (PTOM) contract specifications	Route 150 has been reviewed and changes have been implemented Route 210 has also been reviewed, with no changes at this stage
Continue with the operational planning of the Wellington City Bus Review / future network	Operational planning is ongoing as part of the PTOM project
Complete the business case for integrated fares and ticketing and commence implementation	The investigation stage is underway

Rail operations and asset management

Continue to fund rail services	There was expenditure of \$16.3 million on passenger rail services in the year to date
Ensure quality standards are maintained by monitoring service levels	GWRC staff monitor and work with our contractors to ensure service levels are achieved, and/or appropriate action is taken to address any issues
Ensure that rolling stock is maintained in accordance with the Public Transport Asset Management Plan	All rolling stock is maintained in accordance with service levels in the Asset Management Plan, and availability and reliability levels are tracking to target in the year to date
Ensure that rail station buildings, Park & Ride car parks and other fixed assets are maintained in accordance with the rail fixed asset components of the Public Transport Asset Management Plan	All rail infrastructure is maintained in accordance with the levels of service in the Asset Management Plan and condition grading across all lines is tracking to target in the year to date
Continue the procurement of the Matangi 2 train fleet	The project is continuing largely on time and on budget in the year to date

Bus and ferry operations and asset management

Continue to fund bus and harbour ferry services	There was expenditure of \$19.8 million on passenger bus and harbour ferry services in the year to date
Continue to implement the new Public Transport Operating Model (PTOM) for the procurement of bus services including the outcomes of the Wellington City Bus Review	Significant progress has been made on the implementation of the Public Transport Operating Model for bus services. The new PT Plan includes the new units (groups of routes to be contracted) and decisions on the future fleet for Wellington city
When service reviews are completed, implement the agreed changes to routes and timetables	Changes are implemented according to internal processes. Changes due to be implemented by the end of December 2014 have been deferred to January 2015
Ensure quality standards are maintained for public transport users by monitoring service levels	Monitoring of bus and ferry services continues through the use of Real Time Information systems, customer complaints, physical observation and operational audits
Ensure that bus shelters, signage, the Lambton Quay interchange and other fixed assets are maintained in accordance with the Public Transport Asset Management Plan	A maintenance contract is in place and monitoring and auditing of contractors work is ongoing

Metlink customer services and information

Continue providing information on Metlink's public transport services through real-time information, a call centre, timetable production, website and Twitter	Service information was provided to the public via the Metlink and mobile websites, the service centre, the Real Time Information system, Twitter and paper timetables
Conduct the public transport customer satisfaction monitor	The survey is expected to be completed in the last quarter of the financial year

Total Mobility

Continue to fund and administer the Total Mobility Scheme	In the year to date there was expenditure of \$1.3 million on total mobility services, and 140,000 Total Mobility scheme trips taken, an increase of 2.0% over the same period last year
Conduct the annual customer satisfaction survey in conjunction with public transport customer satisfaction monitor	The survey is expected to be completed in the last quarter of the financial year



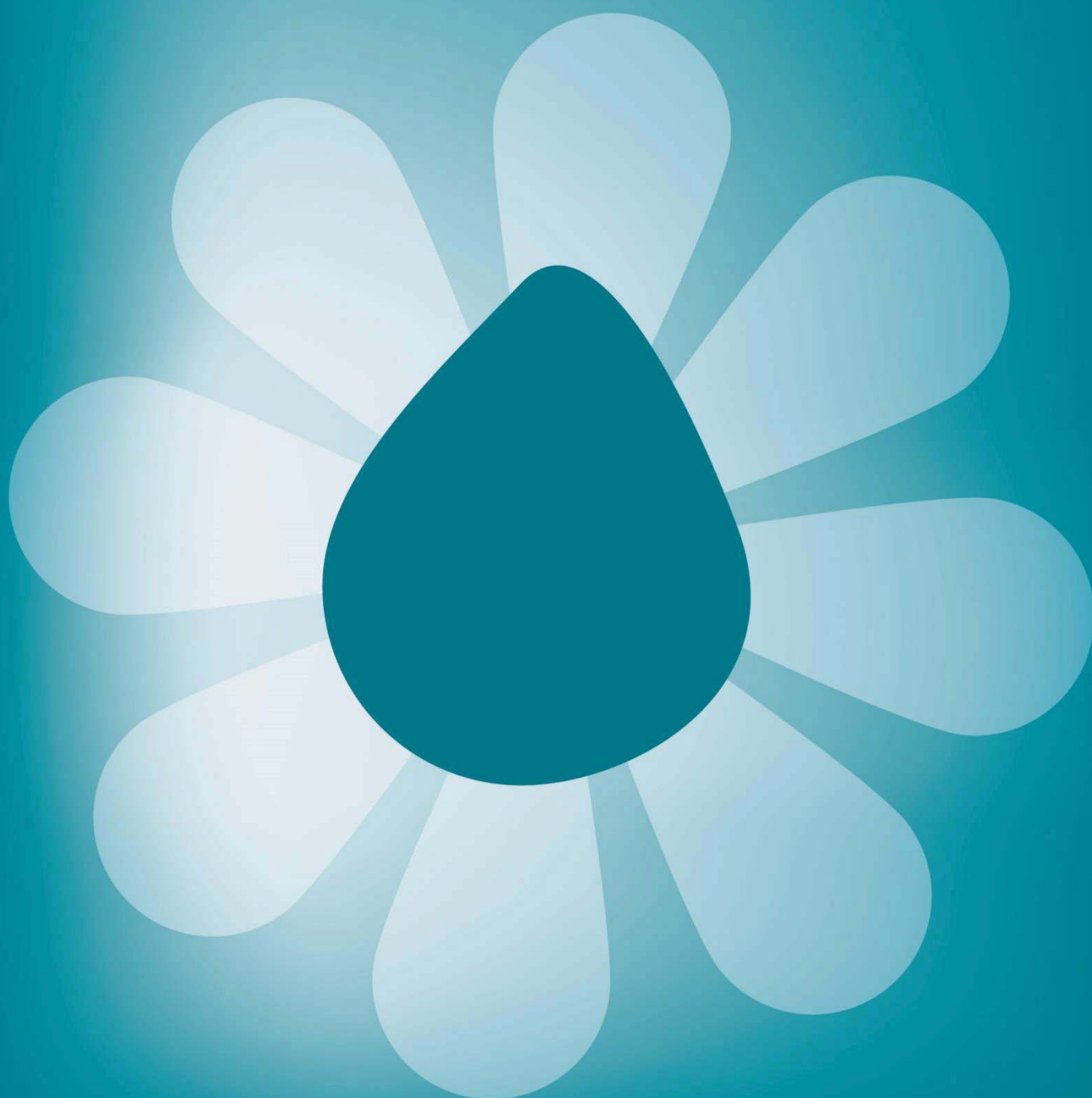
greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Water Supply Group

Performance Report for Council, period ending
31 December 2014



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EXECUTIVE SUMMARY FOR THE POLICY AND STRATEGY COMMITTEE

The integration of the Water Supply group and Capacity Infrastructure Services to form Wellington Water is going to plan with progress closely matching the project schedule as at the end of December. All internal staff placements into the new organisational structure were complete by the end of December and recruitment is underway for 16 vacant positions. In December planning commenced to transition staff into the new structure. The new structure will officially take effect on 2nd March although some staff will transition into new roles earlier or later than this date depending on the extent and complexity of functions that need to be transferred to other staff/teams.

Water demand continued to fall steadily with the lowest supply volume on record (29 years) for the first two quarters. The rolling 12-month supply to 31 December 2014 averaged 134.2 ML/day, 0.9% less than the total for a year earlier (135.4ML/day).

Over winter we drained one of the Stuart Macaskill storage lakes in an attempt to reduce high levels of a taste and odour causing compound called Geosmin. The lake was refilled in November ready for the summer demand. Geosmin levels were reduced after refilling but started to rise slightly by the end of December. We're continuing investigations into the causes of Geosmin and possible preventative solutions, including changes to management of water-flow within the lakes to prevent 'calm' zones.

Plans to combat iron bacteria in one of the Waterloo wells were completed and a cleaning exercise was carried out in January 2015. It is too early to gauge the effectiveness of the cleaning but early signs are promising.

Water Supply group operations expenditure ended the half year with a favourable variance of 1.6% (\$283k) and a favourable operating deficit variance of 1% (\$415k). The unbudgeted contribution of \$700k to Wellington Water overheads has put pressure on expenditure but we plan to be very close to budget in June due to savings and better than budget income.

A number of capital works projects have been deferred and the current end of year forecast is for a 10% underspend of \$764k. There are three main drivers for this forecast: 1) genuine savings on project budgets, 2) reduction in scope of one of our larger projects, 3) deferred projects due to internal resource effort on integration and transitioning to a new structure.

1 OUTCOMES

1.1 Water Quality-Safe to drink

All drinking water compliance standards have been met with the exception of a minor issue with aesthetic criteria in the distribution system. Investigations are underway and it appears to be an error by the testing laboratory. There are no water quality issues other than the iron bacteria and Geosmin as discussed in section 2.6 below.

1.2 Respectful of people and the environment

There have been no serious H&S issues for the period. There were no lost time injuries for the quarter but, due to injuries in previous months, our target rolling average for 'injury severity rate' is still exceeded.

There were no environmental issues for the quarter.

1.3 Resilient networks every day and into the future

The seismic assessment of all critical (Importance Level (IL) 3 and 4) water supply structures against the National Building Standard (NBS) is due to be completed by June 2015. 55 structures have been assessed to date, with a further 17 to be assessed by June. Of the 55 assessed structures; 7 are rated at less than 33% of NBS and a further 22 structures have been assessed at between 33% and 100%.

Of the structures assessed to date, work has been completed on 8 to raise the rating to 100%NBS. The preliminary estimate to strengthen the remaining 21 assessed structures is \$2.5 million. This figure is expected to increase once the remaining 17 assessments have been received. The current seismic strengthening budget within the LTP is \$2million, although a further \$1.6million is available in the network resilience budget between 15/16 and 20/21.

1.4 Key performance indicators

Water quality

No waterborne disease outbreaks	On track	●	No waterborne disease outbreaks
No taste complaints related to the bulk supply	On track	●	No taste complaints related to the bulk supply
<5 complaints from Tas on drinking water clarity	On track	●	
<5 complaints from Tas on drinking water odour	On track	●	No complaints
<5 complaints from Tas on drinking water pressure or flow	On track	●	No complaints
100% compliance with the Drinking Water Standards of New Zealand - P1 Microbiological	On track	●	
100% compliance with the Drinking Water Standards of New Zealand - P2 chemical	On track	●	Fluoride low level alarms (lower than the GV of 0.7 not but higher than the MAV of 1.5)
100% compliance with the Drinking Water Standards of New Zealand - Aesthetic	On track	●	
Te Marua, Wainuiomata and Gear Island plants - A1, Waterloo treatment plant - B, Distribuition sysetm - a1	On track	●	

Health and Safety

There have been two lost time injuries for the quarter which has caused breach of one of our Health and Safety targets. Neither injury was serious harm and both of the affected staff are recovered.

Health and Safety - Ratio of proactive to reactive reports is no less than 2:1	On track	●	Ratio of proactive to reactive reports is no less than 2:1 July = 4.1:1 August = 3.8:1 September = 3.6:1
Health and Safety - Lost time injury frequency rate is less than 1 incident/10,000 hours	On track	●	Lost time injury frequency rate is less than 1 incident/10,000 hours July = 0.29/10,000 August = 0.29/10,000 September = 0.29/10,000
Health and Safety - Lost time Injury severity rate is less than 1 day/10,000 hours	Alarm	●	Lost time Injury severity rate is less than 1 day/10,000 hours. The measure is a rolling average therefore the severity rate is impacted by a lost time injury that occurred in March 2014. July = 1.20/10,000 August = 1.20/10,000 September = 1.21/10,000 There were 4 injuries reported by staff for the period July to September 2014. 2 did not incur lost time. The lost time occurrences (2) were due to; an Operations Technician slipping on stairway at home answering an early morning call out and an Administration Support person being struck on the neck by a falling object from a high shelf at the IBM office. The lost time occurrences were followed up by the appropriate Team Leader / Manager with the falling object incident resulting in an alert being issued to all staff, remedial action being taken throughout the office and a rehabilitation plan developed for the staff member injured.

Environment

HSNO location and stationary container test certificates are current	Concern		An internal audit of performance in meeting HSNO requirements was conducted by a subject-matter expert in September 2014. a number of minor improvements were identified to ensure compliance with HSNO regulations and these will be addressed in the next few months. This has been tagged as a 'Caution' until these actions are complete.
All solid waste to consented landfill	On track		Brian confirmed all solid waste was sent to consented landfill
All liquid waste removed and disposed as per COP. Waste disposal to be reviewed - site to be visited as part of our Enviro Aspects Register	On track		Brian confirmed all liquid waste was disposed of properly
Environmental - No accidental discharges of substances with the potential of harming the environment	Alarm		Accidental discharge of sediment from the Te Marua Lakes into Beard Stream on July 2nd. CA/PA has been logged (CUS12).
Environmental - Annual audit of chemical delivery and discharge procedures. Audits completed for all relevant procedures, i.e. TM6, TM7, WI5, WI6, WL3	On track		WL3 and WI5 are scheduled - the others will be programmed before year end.
Non revenue water is +/- 2% of annual metered production volume	On track		Q1 Non Revenue Water = 0.08%
Environmental - Complete at least 80% of annual test programme for pump efficiency testing	On track		Not started yet. To be kicked off in 9th October 2014
Provide awareness training for all staff and specific training to all staff whose actions have potential environmental impacts – within three months of commencing employment	On track		
Include environmental performance as an attribute when assessing tenders for all sealed contracts (as defined in their contract works procedure)	On track		No sealed tenders/contracts advertised in July, August and September.
An environmental aspect and impact assessment will be completed for all new activities and new construction projects (excludes minor works as defined in the contract works procedure, and excludes equipment replacement projects)	On track		Ben confirmed this has happened. Spot audit will be performed in Q2
Environmental management system ISO certification maintained	Achieved		Achieved 8th of October

Resilience

No shutoffs to bulk water supply network resulting in loss of water or pressure to consumers	On track		No shutoffs to bulk water supply network resulting in loss of water or pressure to consumers
Improve the resilience of the bulk water supply to catastrophic events such as earthquakes by implementing the methodology for assessing improvements to the resilience	On track		Risk assessment review completed in 2013/14. Feasibility and options work in progress by Engineering & Projects team. Deliverables expected through to 30 June 2015.
Modelled probability of annual water supply shortfall is no greater than 2% (calculated annually)	Achieved		Compare population estimate for 30 June 2015 with AMP graph. Note: No further work required until year end. This will be achieved.

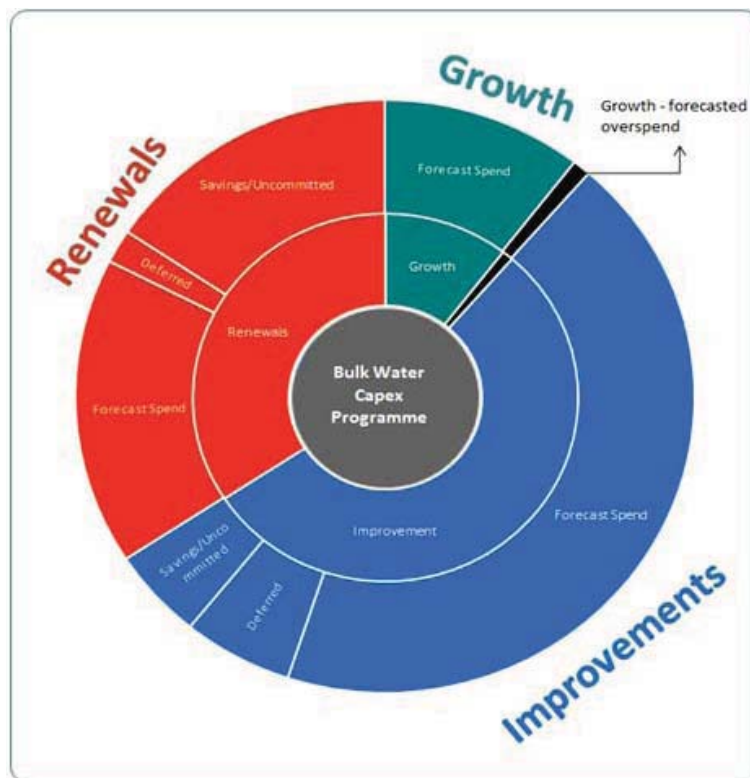
1.5 Work programmes

The capital expenditure programme has been reviewed in its entirety. Some lower priority projects have been deferred due to resource challenges resulting from the integration. There has been scope reduction on one of the significant projects after detailed investigation findings altered our approach and genuine savings found on some of the smaller projects.

Water Supply group operations expenditure ended the half year with a favorable variance of 1.6% (\$283k) and a favorable operating deficit variance of 1% (\$415k). The unbudgeted contribution of \$700k to Wellington Water overheads has put pressure on expenditure but we plan to be very close to budget in June due to savings and better than budget income.

	FY Budget	YTD 31 December 2014	Committed	FY Forecast	FY Forecast Variance \$	Variance %
Capex	\$7,549,500	\$2,180,837	\$1,044,861	\$6,785,230	\$764,270	-10%
Opex	\$35,587,000	\$17,470,000		\$35,587,000	\$0	0%

The chart below reflects the capital expenditure programme by investment type.



- Forecast spend includes work completed, work in progress and planned work.
- Deferred includes projects rescheduled.
- Savings/uncommitted includes identified savings against budget and contingencies for minor works or urgent replacements.

1.6 Risks and issues

Iron bacteria

As reported last quarter a cleaning/disinfection procedure has been developed to try and keep the bacteria in check.

In January the contaminated well pump was removed and the well-cleaning programme was carried out and the initial signs are encouraging. Water from the well is running clear, while before cleaning its clarity wasn't sufficient to meet the drinking-water standard.

This apparent improvement is still to be confirmed by pumping from the well at high flow rates. Production from the Waterloo water treatment plant will have to be restricted for several days to facilitate testing. January's record-dry conditions delayed this work. The effectiveness, frequency and longer term costs associated with this activity are yet to be determined. Investigation of the possible causes of the iron bacteria are continuing.

Stuart Macaskill Lake linings

When draining Lake 2 in May it became evident that the water behind the lining was not draining as fast as the lake level was dropping. This causes a potential risk in that the water pressure builds up behind the liner to an extent where it could cause critical damage to the liner itself. The lake designer has provided design modifications to the liner to reduce this risk. This work was carried out for Lake 2 during the previous quarter as well as the first of two calibration exercises to test the effectiveness of the modifications.

A report has been received from the lake designer that confirmed the elevated pressure problems with the exiting liner. This has generally been remedied through the drainage modifications.

Further issues were identified with the piezometers that require investigation work. This is to be programmed after the summer water demand period.

The lake designer has recommended trials on Lake 1 to test and recalibrate the piezometers. It is also anticipated further work will be required to modify the liner on Lake 1 as was carried out on Lake 2.

The designer has recommended Lake 2 can now be drawn down at full capacity.



The Stuart Macaskill storage lakes were 100% full on 31 December, although Geosmin, a taste-causing compound, remains a concern.

Lake quality

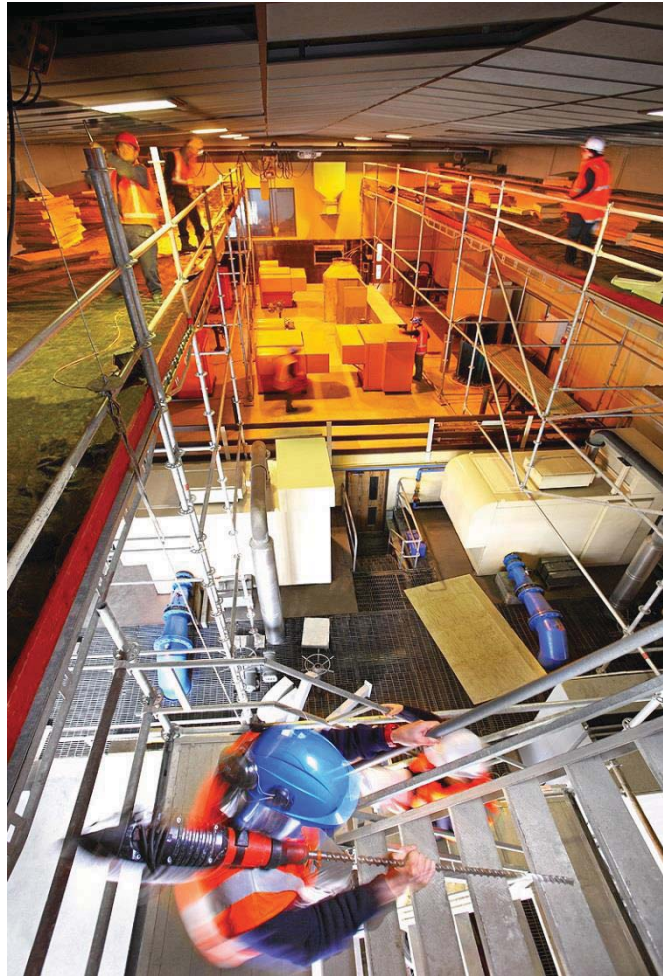
In early May it was decided to drain and then refill one of the storage lakes at Te Marua due to very high levels of a taste and odour causing compound called Geosmin. Emptying the lake took a little longer than expected because of an issue with water retention beneath the newly installed liner. The liner issue has been resolved and the lake was full by the end of November in time for the summer demand period.

Geosmin continues to cause concern in one of the two storage lakes. Water containing Geosmin is safe to drink but can taste and smell 'earthy'.

Geosmin in lake water isn't unusual and is commonly treated with activated carbon. Last quarter we reported having secured a more effective activated-carbon to treat the Geosmin, but this hasn't lived up to the supplier's claims.

Present testing indicates that some level of taste complaints would occur if Lake 2 is used for supply. This scenario remains unlikely in the near future, as the probability of fully using Lake 1's storage in the next three months is low.

We're also continuing investigations into the causes of Geosmin and possible preventative solutions, including changes to management of water-flow within the lakes, to prevent 'calm' zones.



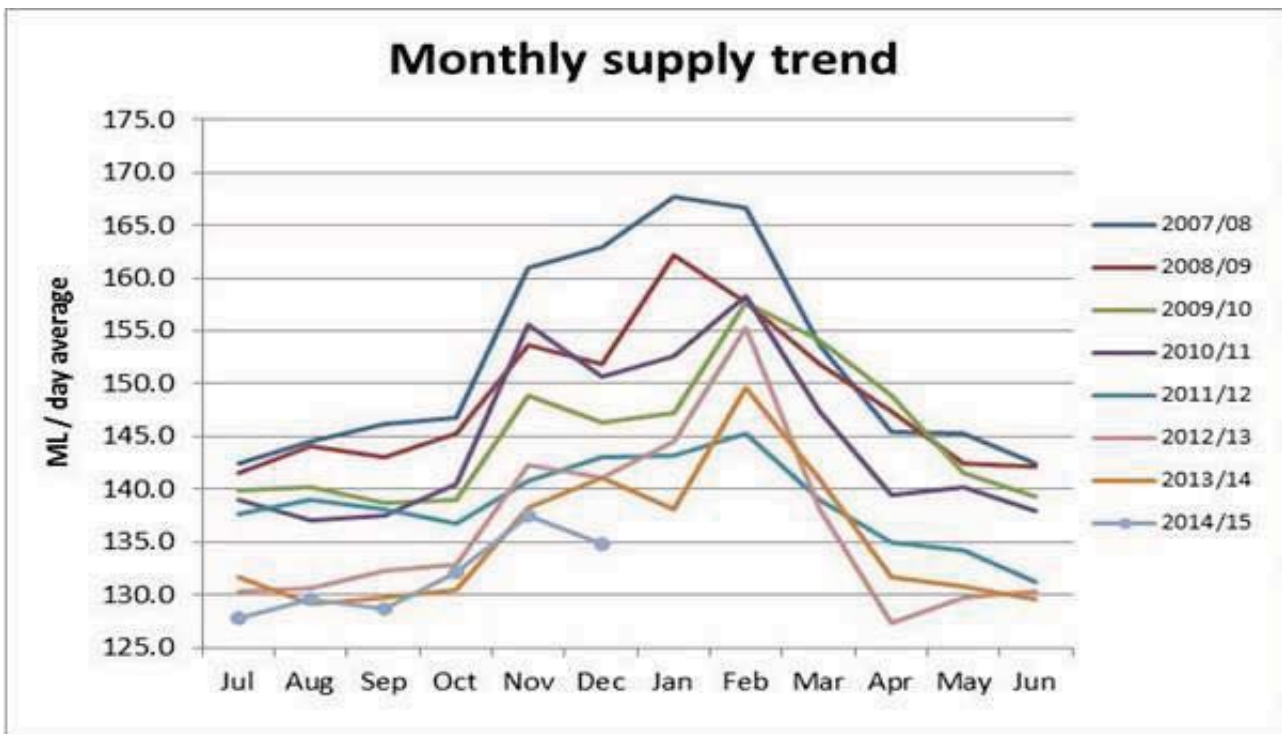
Contractors working on the Waterloo WTP motor hall during seismic strengthening works

Water Supply Volume

Water supply for the period 1 October to 31 December (second quarter) was 12,396.4 million litres (ML), or 134.7ML/day on average.

- ▶ **Lowest December-quarter supply in records to hand, back to 1986/87 (29 years)**
- ▶ **4.7% increase compared with the 1st quarter (winter) of 2014/15**
- ▶ **1.4% decrease compared with the 2nd quarter of 2013/14**
- ▶ **Rolling 12-month supply to 31 December 2014 averaged 134.2 ML/day, 0.9% less than the total for a year earlier (135.4ML/day)**

The following graph shows that month by month, 2014/15 to-date has seen some of the lowest demand over recent years. Likely reasons for the improvement shown are reduced city leakage rates, improving efficiency of new water-using fixtures and appliances, housing and development trends and a response to promotional and communications activity.





Preparations were advanced for our summer water conservation tips campaign. Shown is one of the co-branded posters to appear on UHCC billboards from January

The risks identified in the register below are as per GWRC Risk Management Procedure. As at 31 December 2014 these are deemed to be the highest risks within the Bulk Water Function

QUARTELY RISK REPORT 30 DECEMBER 2014

Overall Risk Ranking by residual score	Risk ID	Risk category(s)	Description	Inherent Risk Classification before Controls	Controls	Residual Risk Classification after Controls	Risk Owner	Status Change since last quarterly review
11	34	Environmental Damage	Environmental damage caused by Operations	High Risk	ISO 14001 system managed through Q-Pulse Water supply operating procedures managed through Q-Pulse	Medium Risk	Erin Ganley	Operating procedures are under review. ISO 14001 recertification was achieved in October 2014. No change to risk profile
28	110	Health & Safety of staff and contractors and volunteers, Physical harm to the general public	Death or severe harm to staff, contractors and/or public resulting from incidents, including asset failure	High Risk	Asset Management System Departmental Hazard Registers Departmental Plans - Maintenance Schedules Health & Safety Plan Insurance is in place	Medium Risk	Erin Ganley	Reviewed, no change to risk profile
34	3	Political, loss failure or damage to assets, Services are severely curtailed	Damage to water supply infrastructure from an event which interrupts supply	Medium Risk	Asset Management Plan Emergency stock on hand Insurance is in place Multiple Sources of Supply Self insurance fund Water supply capital expenditure plan Water supply incident management plan Water supply operating procedures	Low Risk	Erin Ganley	Asset Management Plan was updated and completed on 30 June 2014. No change to risk profile
25	1	Political, loss failure or damage to assets, Services are severely curtailed	Water supply infrastructure capacity insufficient to meet security of supply standard	Very High Risk	Asset Management Plan Modelling and forecasting tools Multiple Sources of Supply Stakeholder & community engagement Water supply capital development plan	Low Risk	Erin Ganley	Asset Management Plan was updated and completed on 30 June 2014. No change to risk profile
41	2	Legislative & Regulatory, Political, Physical harm to the general public	Water supply fails to meet NZ drinking water standards resulting in public health issues	Very High Risk	ISO 9001 Accreditation Management and ownership of water catchments NZ Drinking Water Standards 2008 Water Safety Plans (formerly known as Public health risk management plans)	Low Risk	Erin Ganley	ISO 9001 recertification was achieved in October 2014. Water Safety Plans have been completed and submitted to Drinking Water Assessor. No change to risk profile
47	112	Health & Safety of staff and contractors and volunteers	Death or severe harm to Water Supply staff, contractors & consultants while undertaking work	High Risk	Confined space registers and asset labelling Department Hazard Registers Gas detection equipment, chemical level alarms and automated shutdown Health & Safety procedures Insurance is in place	Low Risk	Erin Ganley	Reviewed, no change to risk profile

2 FINANCIAL SUMMARY

2.1 Operating statement

Water Supply Group Income Statement For the 6 months ended 31 December 20	YTD as at 31 December			Full Year			Last Year		notes
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000	
Rates & Levies	13,138	13,138	-	26,276	26,276	-	12,818	25,635	
Government Grants & Subsidies	-	-	-	-	-	-	-	-	
External Revenue	176	90	86	800	180	620	76	593	1
Investment Revenue	501	451	50	972	902	70	388	926	2
Internal Revenue	-	4	(4)	7	7	-	(11)	-	
TOTAL INCOME	13,815	13,683	132	28,055	27,365	690	13,271	27,154	
less:									
Total personnel costs	1,327	2,883	1,556	1,327	5,766	4,439	2,689	5,415	
Less resource costing	(275)	(345)	(70)	(275)	(345)	(70)	(514)	(1,048)	
Net payroll costs	1,052	2,538	1,486	1,052	5,421	4,369	2,175	4,367	3
Chemicals	698	765	67	1,530	1,530	-	687	1,402	4
Power used in production	1,027	1,237	210	2,474	2,474	-	1,067	2,087	5
Other	2,374	2,406	32	4,811	4,811	-	2,414	4,832	
Total Materials,Supplies & Services	4,099	4,408	309	8,815	8,815	-	4,168	8,321	
Travel & Transport Costs	115	149	34	297	297	-	107	231	
Wellington Water Staff costs	1,664	-	(1,664)	4,547	-	(4,547)	-	-	
Less resource costing	(211)	(345)	(134)	(725)	(1,036)	(311)	-	-	
Wellington Water Overhead contribution	235	-	(235)	705	-	(705)	-	-	
Total net Wellington Water fee	1,688	(345)	(2,033)	4,527	(1,036)	(5,563)	-	-	6
Contractor & Consultants	1,607	1,905	298	3,845	3,809	(36)	1,078	3,187	7
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-	
Internal Charges	422	459	37	927	927	-	278	695	
Total Direct Expenditure	8,983	9,114	131	19,463	18,233	(1,230)	7,806	16,801	
Financial Costs	1,836	1,900	64	3,721	3,801	80	1,650	3,341	8
Bad Debts	-	-	-	-	-	-	-	-	
Corporate & Department Overheads	808	808	-	1,616	1,616	-	722	1,445	
Depreciation	5,776	6,007	231	11,553	12,013	460	7,340	11,453	9
Loss(Gain) on Sale of Assets / Investments	67	(76)	(143)	(76)	(76)	-	(19)	227	10
TOTAL EXPENDITURE	17,470	17,753	283	36,277	35,587	(690)	17,499	33,267	
OPERATING SURPLUS/(DEFICIT)	(3,655)	(4,070)	415	(8,222)	(8,222)	-	(4,228)	(6,113)	

Water Supply ended the half year with a deficit of \$3.7m versus a budgeted deficit of \$4.1m, a better than budgeted result of \$0.4m. The result needs to be adjusted for the non-operational expenditure spent on the integration project. This amounted to \$0.6m reducing the operating deficit to \$3.1m and a better than budget result of \$0.7m. Bulk water initially funded the change process by transferring \$300k to Capacity. Bulk Water, however, continues to absorb change costs. These are mainly management of the change process, with associated external resources, and a project team looking at the rationalisation of various systems and processes across the new organisation, also including outside resources.

Alongside the change process costs, Bulk Water is paying Wellington Water a contribution towards their running costs of \$0.7m during the period of October to June 2015. This contribution will need to be absorbed within Bulk Water's budget for the year. Bulk Water is therefore forecasting its year end result as being on budget.

These additional costs have been funded by putting various improvement projects on hold as the integration has either, greatly reduced their priority, or negated the need for their implementation at all. There has been no reduction in the activities required to produce water.

Water is forecasting to end the year on budget. There are various variances from budget that offset each other. The key features of that result are as follows:

1. **External revenue: \$86k better than budget.** Forecast to be \$620k better than budget by year end due to Water undertaking a large cost recovery project on behalf of Upper Hutt City Council. This will not create a surplus as there are equal offsetting costs.
2. **Investment revenue: \$50k better than budget.** Forecast to be \$70k better than budget by year end. We continue to earn slightly better than budget interest rates on our Asset Rehabilitation Fund. The annual capital contribution to the fund is also higher than originally budgeted, which generates additional above budget income.
3. **Net payroll costs: \$1.5m under budget.** Forecast to be \$4.4m under budget by year end. All Bulk Water staff transferred to Wellington Water (WW) during September 2014. GWRC are paying the remainder of the salaries budget to WW, this is now classified in GW's accounts as external consultants while the budget will remain as staff costs – see note 6
4. **Chemicals: \$67k better than budget.** Chemical use fluctuates with input water quality and demand, as we are entering the high demand summer period we expect the under budget amount to be utilised.
5. **Power used in production: \$210k better than budget.** Electricity use fluctuates with input water quality and the location of peak demand, as we are entering the high demand summer period we expect the under budget amount to be utilised.
6. **Wellington Water net fee.** Not originally budgeted for. This amount is the reclassified people costs plus overhead contribution to WW. The net effect of the two amounts will be an over budget variance of \$1.194m ((\$5.563m) + \$4.369m). The variance is primarily made up of the under budget resource costing of (\$311k) due to less staff time being spent on capital projects than budgeted and the unbudgeted overhead contribution of (\$705k).
7. **Contractors and consultants: \$298k better than budget.** Forecast to be on budget by year end.
8. **Finance costs: \$64k under budget.** Forecast to be \$80k under budget at year end. These savings have occurred due to the timing of the capex programme, Interest was budgeted on an even spread of capital expenditure through the year. Spend is expected to accelerate over the next six months as the majority of the physical works take place.
9. **Depreciation: \$231k under budget.** Forecast to be under-budget by \$460k by year end. Below budget due to timing of new asset creation being behind schedule and adjustment made to asset lives during corrections to the 2013/14 asset revaluation.
10. **Loss/ (Gain) on disposal of assets: \$143k worse than budget.** Water had budgeted to make a gain on the disposal of motor vehicles, offset by the loss on disposal of assets replaced before they are fully depreciated. The vehicles are being replaced later in the year than budgeted and we expect to be on budget.

2.2 Balance sheet

Greater Wellington Water Statement of financial position	YTD as at 31 December			notes
	December 2014	June 2014	Movement \$000	
Bank Accounts and Call Deposits	-	-	-	
Receivables	2,902	2,967	(65)	
Accrued Revenue and Prepayments	115	55	60	
Stocks	2,567	2,492	75	1
Total Current Assets	5,584	5,514	70	
Total Investments	21,844	20,925	919	2
Net Fixed Assets	423,924	429,257	(5,333)	
Capital Works In Progress	13,906	12,191	1,715	
Total Non Current Assets	459,674	462,373	(2,699)	
Total Assets	465,258	467,887	(2,629)	
Payables and Accrued Expenses	1,528	1,714	(186)	
Employee Provisions and Accruals	2	532	(530)	3
Current Liabilities	1,530	2,246	(716)	
Internal Debt	61,536	60,578	958	4
Total Liabilities	63,066	62,824	242	
Total Retained Earnings	183,789	187,307	(3,518)	
Asset Revaluation Reserves	217,617	217,617	-	
Departmental Reserves	-	153	(153)	
Total Ratepayer Funds	401,406	405,077	(3,671)	
Movement in Equity	786	(14)	800	
Total Ratepayer Funds and Liability	465,258	467,887	(2,629)	

1. **Stocks:** This balance will fluctuate depending on the quantity of chemicals held at year end. It also includes our pipe stock (both working and emergency)

2. **Total Investments:**

Greater Wellington Water Movement in Investments - current year 000's	Balances as at 31 December			notes
	2015 Actual	2015 Budget		
Reinstatement fund opening balance	20,772	20,772		
Investment additions	645	450	195	a
Interest on investments	427	226	201	b
Reinstatement fund closing balance	21,844	21,448	396	
Other reserve investments			-	
Closing balance total investments	21,844	21,448	396	

a) Capital additions are ahead of budget due to the decision being made after the budget was set to increase the contributions for \$0.9m to \$1.125 to accelerate closing the gap between the Maximum Probable Loss and the value of the fund.

b) Interest is higher than budget due to:

- i) Higher than budget capital contributions
- ii) Slightly higher than budget interest rates on the invested money

3. **Employee provisions and accruals:** This movement represents the pay out of all leave entitlements on staff transferring to Wellington Water.

4. Internal debt

Greater Wellington Water Movement in debt - current year 000's	Balances as at 31 December			notes
	2015 Actual	2015 Budget		
Internal debt opening balance	60,578	60,578		
Debt additions	2,186	4,229	(2,043)	a
Debt repayments	(1,228)	(1,159)	(69)	b
Net debt movement	958	3,070	(2,112)	
			-	
Internal debt closing balance	61,536	63,648	(2,112)	

a) Debt additions: Behind budget due to the capex programme being behind budget at year to date.

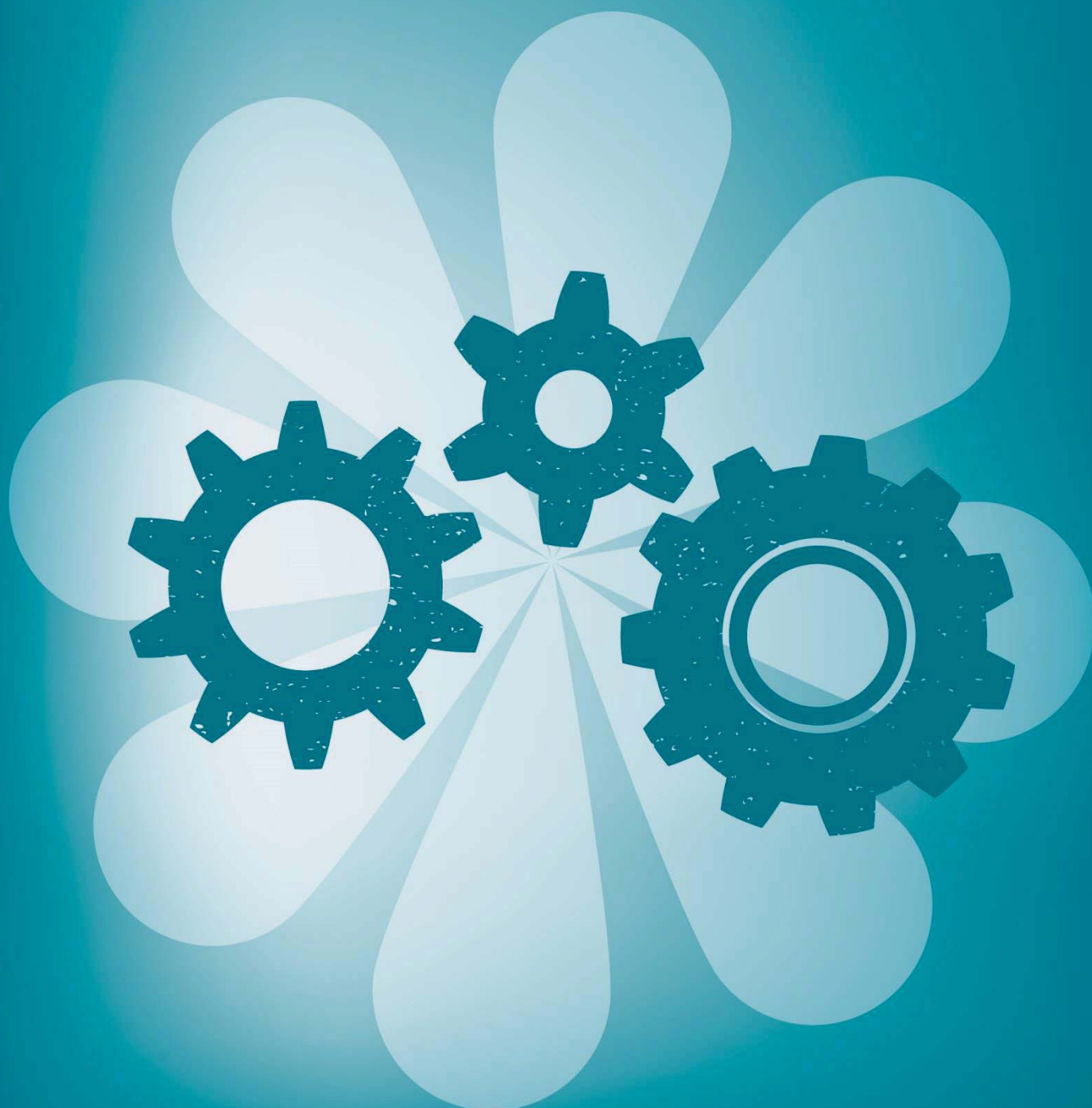
b) Debt repayments: Better than budgeted surpluses have been used to repay debt early

All other variances represent the month to month balances that vary with the level of various business activities.

Strategy and Community

Engagement Group

Performance Review 31 December 2014



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1 STRATEGY AND COMMUNITY ENGAGEMENT GROUP REPORT

1.1 Executive summary for Strategy and Community Engagement Group

Group Overview

Strategy and Policy Committee

Key highlights for the Group for the last quarter were:

- ▶ The Pouhono a Iwi attended an indigenous mapping workshop run by the Google Outreach Team from California.
- ▶ In conjunction with the Flood Protection and Biodiversity departments, a mana whenua walkover of the Ōtaki River was organised and held in November. This is the second time that the walkover has had a full bus of hapū members.
- ▶ Work continued on the draft Maori Engagement Strategy, including presentations to a Council workshop and an Ara Tahi meeting.
- ▶ Ara Tahi held its final meeting of the year with a very full agenda.
- ▶ Te Pou Whakarae Rick Witana left GWRC to pursue other opportunities. Rawiri Faulkner was appointed as our new Te Pou Whakarae.
- ▶ Work to update the Wellington Transport Strategic Model (WTSM) to a 2013 Census year continued. A regional freight matrix and a proposed freight forecast methodology have been developed.
- ▶ A profile of regional rail users was completed and shared with the Public Transport Group, based on rail survey data collected in 2011, for development of the Wellington Public Transport Model (WPTM).
- ▶ To complement the Analysis of Census 2013 Journey to Work information completed in the previous quarter, GIS mapping of Journey to Work information was produced.
- ▶ Five working papers to support the Regional Land Transport Plan (RLTP) development processes and public consultation were completed.
- ▶ Undertook a two-yearly evaluation of Let's Carpool, surveying the full national database. This produced a lot of useful insights into the progress of Let's Carpool and will inform future planning to promote carpooling.
- ▶ Undertook and analysed a staff travel survey for the three district health boards in the region – providing useful information for how the DHBs can improve sustainable travel options for staff.

- ▶ Undertook a staff travel survey with the Energy Efficiency and Conservation Authority (EECA), which led to the promotion of cycle skills training being available to staff.
- ▶ The team attended and presented at the 2014 2 Walk and Cycle Conference in Nelson in October. Staff organised and managed a transport behaviour change workshop at the 2Walk & Cycle Conference.
- ▶ A 'Safe Speeds' video campaign, comprising three videos entitled Sexy Zen Driver, was launched on You Tube. The number of You Tube hits for the first video was 10,900 by the end of 2014.
- ▶ Pedal Ready trained 1244 children in Grade 1 and 2 cycle skills, and 163 adults were also trained in Grade 1 and 2 cycle skills. 133 children attended cycling events which were sponsored by Pedal Ready (White Ribbon kids bike skills and WORD's Bike-a-palooza).
- ▶ 500 students received scooter safety skills training.
- ▶ A Memorandum of Understanding between GWRC, WCC and NZTA on coordinated governance and management of transport projects within the Ngauranga to Airport Corridor was signed, paving the way for improved integration in the delivery of transport projects in central Wellington, including the Bus Rapid Transit implementation project.
- ▶ The draft Regional Land Transport Plan was approved by the Regional Transport Committee for public consultation. This is a major piece of work stretching over an 18 month period. The Plan incorporates a prioritised programme of all the region's transport projects over the next 6 years, along with a new integrated policy framework that provides a 30 year outlook.
- ▶ The first meeting of the reconstituted WRS Committee was held with Mayor Wayne Guppy elected as the chair.
- ▶ WREDA, the region's new economic development agency, was established.
- ▶ The draft Climate Change Strategy was completed and approved by the Council for public consultation.
- ▶ Further information was provided in response to requests from the Local Government Commission as it considered the local government reorganisation applications. Following the release of the Local Government Commission's proposal, information has been provided to the Chair and Councillors as required.

Risk & Assurance Committee

Key highlights for the Group for the last quarter were:

- ▶ S&P Significant progress was made on the development of the Long Term Plan 2015-2025
- ▶ The Significance and Engagement Policy was adopted by Council.
- ▶ Significant progress on made on developing and implementing the Corporate Sustainability Action Plan.
- ▶ Improvements were made to the council's website, including the introduction of a video carousel on the home page and share buttons to better enable sharing through social media.
- ▶ Facebook membership continued to grow, with 87 new members in the quarter to end September, and 169 in the quarter to end December, taking membership up to 1546.
- ▶ Rates News was distributed, with good feedback regarding the new, eye-catching format.
- ▶ Our Region continued to be published in community newspapers and on line, with lead articles pitched at the local community.
- ▶ Media monitoring and analysis of 369 articles continued (79% neutral (290 articles), 12% positive (46 articles), 9% negative (33 articles)).

- ▶ Separate logging and analysis was carried out for media coverage of the Local Government Commission's proposal. This resulted in 68 articles (57% neutral (39 articles), 2% positive (1 article), 41% negative (28 articles)).

1.2 Group financial summary

Net operating surplus for the Strategy and Community Engagement Group for the six months ended 31 December was \$51,000 compared to the budgeted operating deficit of \$551,000.

The main reasons for the favourable variances relate to:

- ▶ Reduced expenditure on consultants, materials and supplies due mainly to timing of projects and payments to external parties.
- ▶ These have been slightly offset by higher personnel costs during the year.
- ▶ The WRS reserve will be spent by Grow Wellington this year as indicated in their business plan.

Further details are signalled in the department summaries.

Capital expenditure to date is \$71,000 more than budget due to the timing of payments in the transport model programme.

2 GROUP CONSOLIDATED FINANCIAL STATEMENTS

Strategy & Community Engagement Group Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	3,247	3,247	-	6,495	6,495	-	3,207
Government Grants & Subsidies	515	444	71	1,418	1,518	(100)	504
External Revenue	93	8	85	16	16	-	159
Investment Revenue	45	40	5	79	79	-	37
Internal Revenue	722	689	33	1,494	1,494	-	707
TOTAL INCOME	4,622	4,428	194	9,502	9,602	(100)	4,614
less:							
Personnel Costs	2,016	1,890	(126)	3,900	3,780	(120)	1,649
Materials,Supplies & Services	247	393	146	758	773	15	222
Travel & Transport Costs	10	16	6	32	32	-	23
Contractor & Consultants	548	1,067	519	1,934	2,134	200	396
Grants and Subsidies Expenditure	2,150	2,022	(128)	4,345	4,045	(300)	1,995
Internal Charges	561	534	(27)	1,067	1,067	-	523
Total Direct Expenditure	5,532	5,922	390	12,036	11,831	(205)	4,808
Financial Costs	14	9	(5)	19	19	-	11
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(1,106)	(1,106)	-	(2,213)	(2,213)	-	(978)
Depreciation	131	155	24	310	310	-	133
Loss(Gain) on Sale of Assets / Investments	-	(1)	(1)	(1)	(1)	-	-
TOTAL EXPENDITURE	4,571	4,979	408	10,151	9,946	(205)	3,974
OPERATING SURPLUS/(DEFICIT)	51	(551)	602	(649)	(344)	(305)	640
Add Back Depreciation	131	155	(24)	310	310	-	133
Other Non Cash	-	(1)	1	(1)	(1)	-	-
Net Asset Acquisitions	(73)	(2)	(71)	(197)	(197)	-	(132)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	109	(399)	508	(536)	(231)	(305)	641
Debt Additions / (decrease)	31	-	31	85	85	-	132
Debt Repaid	(68)	(61)	(7)	(123)	(123)	-	(44)
Net Reserves (Increase) / decrease	152	193	(41)	470	270	200	(190)
NET FUNDING SURPLUS (DEFICIT)	224	(267)	491	(104)	1	(105)	539

Strategy & Community Engagement Group Capital Expenditure Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Total Asset Acquisitions	-	2	2	2	2	-	-
Capital Project Expenditure	73	-	(73)	195	195	-	132
Asset Disposal Cash Proceeds	-	-	-	-	-	-	-
Net Capital Expenditure	73	2	(71)	197	197	-	132
Investments Additions	-	-	-	-	-	-	-
Net Capital and Investment Expenditure	73	2	(71)	197	197	-	132

3 STRATEGY AND POLICY COMMITTEE

3.1 Parks Planning

Key results for the quarter

- ▶ The Parangarahu Lakes Co-Management Plan and linked Amendment to the Parks Network Plan was approved by Council. This sees the successful completion of a major milestone in a significant joint planning exercise and the first formal co-management plan prepared with iwi.
- ▶ Discussions on the operational management of the Parangarahu Lakes were continued with Fish and Game, DoC and neighbouring landowners, with the aim of establishing a suitable regime for allowing duck shooting and weed management.
- ▶ Significant progress was made on the development of a concept plan and design for the future re-use of the Baring Head lighthouse complex.
- ▶ The results from the first stage of public consultation on the Whitireia Park Management Plan have been collated and reported to the Whitireia Park Board.
- ▶ A number of proposals for leases and licences within the regional parks network were processed and decided.

Looking ahead

- ▶ A decision on the Parangarahu Lakes Co-Management Plan will be made by the Port Nicholson Block Settlement Trust.
- ▶ The concept plan and design for the future use of the Baring Head lighthouse compound will be completed.
- ▶ A draft Whiteria Park Management Plan will be developed.

Departmental Summary

The net operating surplus for Parks Planning for the six months ended 31 December is \$11,000 compared to a budgeted operating result of nil.

Financial reports

Parks Planning Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	148	148	-	295	295	-	139
Internal Revenue	-	-	-	-	-	-	-
TOTAL INCOME	148	148	-	295	295	-	139
less:							
Personnel Costs	-	-	-	-	-	-	-
Materials, Supplies & Services	1	14	13	28	28	-	-
Contractor & Consultants	28	27	(1)	53	53	-	10
Internal Charges	57	56	(1)	112	112	-	49
Total Direct Expenditure	86	97	11	193	193	-	59
Corporate & Department Overheads	51	51	-	103	103	-	49
TOTAL EXPENDITURE	137	148	11	296	296	-	108
OPERATING SURPLUS/(DEFICIT)	11	-	11	(1)	(1)	-	31
Add Back Depreciation	-	-	-	-	-	-	-
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	11	-	11	(1)	(1)	-	31
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	40
NET FUNDING SURPLUS (DEFICIT)	11	-	11	(1)	(1)	-	71

Departmental financial summary and variance analysis

The favourable variance in materials and consultants is due to delays with finalising the Parangarahu Lakes Management Plan. Additional time has been required to undertake scientific research, resolve reserve vesting issues with Port Nicholson Block Settlement Trust, and to ensure an agreed joint plan.

Long Term Plan performance measures

Performance Measure		Performance Target	Comment
	Baseline	2014/15	
That the Parks Network Plan is maintained and updated	Parks Network Plan adopted December 2010	Adopt amendments to the Parks Network Plan on: Whitireia Park	This amendment was delayed by the settlement of the Ngati Toa Rangatira Treaty of Waitangi claims. The Whitireia Park Board has now commenced the formal process for the preparation of a management plan.

Specific areas of work 2014/15	Comment
Amendment to Parks Network Plan to include Whitireia Park	As above

Departmental risk analysis

Risks have been reviewed and no new risks have been identified

3.2 Te Hunga Whiriwhiri

Key results for the quarter

- ▶ Four meetings of the Te Awarua o Porirua Project Team were attended, including participation in a collaboration workshop to discuss how the project team will work together.
- ▶ The Pouhono a Iwi attended an indigenous mapping workshop run by the Google Outreach Team from California.
- ▶ Advice and assistance was provided at three Kaitiaki hui, primarily in regard to the Natural Resources Plan but also some other matters pertaining to mana whenua and Greater Wellington.
- ▶ In conjunction with the Flood Protection and Biodiversity departments, a mana whenua walkover of the Ōtaki River was organised and held in November. This is the second time that the walkover has had a full bus of hapū members.
- ▶ The Waiorongomai Iwi Project has met another milestone with the completion of the fence for the stream.
- ▶ The Pouhono a Iwi has been working with the compliance team on accessing Māori land. A FAQ factsheet is being developed as a guide for the team and their contractors.
- ▶ Work continued on the draft Maori Engagement Strategy, including presentations to a Council workshop and an Ara Tahī meeting.
- ▶ Ara Tahī held its final meeting of the year with a very full agenda.
- ▶ At the completion of the last Pakiaka course (staff skills development programme to assist engagement with Maori) we organised the sixth noho marae (a marae stay), which was held in Stokes Valley. Eighteen people completed the course and 11 attended the noho marae.
- ▶ We supported the Port Nicholson Block Settlement Trust with a staff secondment of one day per week.
- ▶ Te Pou Whakarae Rick Witana left GWRC to pursue other opportunities. Rawiri Faulkner was appointed as our new Te Pou Whakarae.

Looking ahead

- ▶ The Pakiaka programme will have its annual review.
- ▶ Tiwai, the intermediate te reo and tikanga programme for staff, will be finalised for inclusion into the wider Te Ara Matua programme this year.
- ▶ Waiata practices continue on with the intention of participating in Konohete, an inter-organisational kapahaka event.
- ▶ The team will continue to support the Whaitua.
- ▶ We will conduct an audit of our statutory Treaty of Waitangi obligations (starting with a stocktake of obligations and current practices) and work with Ara Tahī to determine any changes any of our processes and practices.

Departmental Summary

The net operating surplus for Te Hunga Whiriwhiri for the six months ended 31 December was \$39,000 compared with the budgeted operating deficit of \$3,000.

Financial reports

Te Hunga Whiriwhiri Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year YTD Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Rates & Levies	-	-	-	-	-	-	-
Internal Revenue	431	431	-	862	862	-	431
TOTAL INCOME	431	431	-	862	862	-	431
less:							
Personnel Costs	182	164	(18)	327	327	-	120
Materials,Supplies & Services	16	13	(3)	26	26	-	14
Travel & Transport Costs	5	5	-	10	10	-	5
Contractor & Consultants	137	202	65	405	405	-	143
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	23	21	(2)	41	41	-	20
Total Direct Expenditure	363	405	42	809	809	-	302
Corporate & Department Overheads	26	26	-	53	53	-	26
Depreciation	3	3	-	7	7	-	3
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	392	434	42	869	869	-	331
OPERATING SURPLUS/(DEFICIT)	39	(3)	42	(7)	(7)	-	100
Add Back Depreciation	3	3	-	7	7	-	3
(Loss)/Gain on Assets	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	42	-	42	-	-	-	103
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	42	-	42	-	-	-	103

Departmental financial summary and variance analysis

- Expenditure on contractors and consultants was \$65,000 below budget. This was mainly due to lower expenditure on Iwi projects and capacity training due to timing of payments.

Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
Percentage of mana whenua committee members satisfied that mana whenua are recognised and involved in the decision making process	90%	90%	Survey to be completed at year end

Specific areas of work 2014/15	Comment
Conduct Treaty of Waitangi audit of GWRC	On track to be completed in 2015
Create relationship with non mana whenua Maori of the region	Initial planning is underway with the development of a draft Maori Engagement Strategy

Departmental risk analysis

Risks have been reviewed and no new risks have been identified.

3.3 Strategic Planning – Data and Analysis

Key results for the quarter

- ▶ Work to update the Wellington Transport Strategic Model (WTSM) to a 2013 Census year continued. A regional freight matrix and a proposed freight forecast methodology have been developed.
- ▶ An analysis of the national car pool survey and the annual evaluation of the Spring to the Street programme were undertaken and completed for the Sustainable Transport Team.
- ▶ A profile of regional rail users was completed and shared with the Public Transport Group, based on rail survey data collected in 2011, for development of the Wellington Public Transport Model (WPTM).
- ▶ To complement the Analysis of Census 2013 Journey to Work information completed in the previous quarter, GIS mapping of Journey to Work information was produced.
- ▶ Five working papers to support the Regional Land Transport Plan (RLTP) development processes and public consultation were completed.
- ▶ Modelling work to support the identification of a preferred proposal for Bus Rapid Transit (BRT) in Ruahine Street was completed in December. This work supports the intent of the Public Transport Spine Study (PTSS) and the Mount Victoria and Ruahine Street RoNS.
- ▶ With NZTA we assisted with a series of public transport tests to support the scheme assessment phase of the Petone to Grenada project.
- ▶ We worked with the Sustainable Pathways 2 (SP2) project to compare key inputs to our transport model WTSM with information within SP2. The SP2 project is essentially the development of a spatial planning model for the region. A land use map for 2007 was developed to complement the one for 2012 which already existed. This will be used for backward calibration.
- ▶ We held a series of Investment Logic Mapping workshops to consider the future form of Transport Analysis throughout the region.

Looking ahead

- ▶ We will continue to assistance for the Petone to Grenada project.
- ▶ We will continue to work with NZTA and other partners to review how transport is analysed within the region.
- ▶ We will develop some case studies as part of the Sustainable Pathways (SP2) research project.
- ▶ We will complete the update of WTSM to 2013 by June 2015. This will involve many project components which will be completed by the team.

Departmental Summary

The net operating surplus for the Data and Analysis Department for the six months ended 31 December was \$28,000 compared to a budgeted deficit of \$97,000.

Financial reports

Data and Analysis Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	407	407	-	814	814	-	387
Government Grants & Subsidies	135	151	(16)	326	326	-	166
External Revenue	-	-	-	-	-	-	-
Investment Revenue	7	3	4	7	7	-	3
Internal Revenue	58	25	33	166	166	-	58
TOTAL INCOME	607	586	21	1,313	1,313	-	614
less:							
Personnel Costs	251	235	(16)	470	470	-	226
Materials,Supplies & Services	7	16	9	33	33	-	13
Travel & Transport Costs	1	-	(1)	-	-	-	1
Contractor & Consultants	15	108	93	216	216	-	21
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	30	30	-	61	61	-	28
Total Direct Expenditure	304	389	85	780	780	-	289
Financial Costs	13	9	(4)	19	19	-	11
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	139	139	-	277	277	-	132
Depreciation	123	146	23	292	292	-	123
TOTAL EXPENDITURE	579	683	104	1,368	1,368	-	555
OPERATING SURPLUS/(DEFICIT)	28	(97)	125	(55)	(55)	-	59
Add Back Depreciation	123	146	(23)	292	292	-	123
Net Asset Acquisitions	(73)	-	(73)	(195)	(195)	-	(132)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	78	49	29	42	42	-	50
Debt Additions / (decrease)	31	-	31	85	85	-	132
Debt Repaid	(68)	(61)	(7)	(123)	(123)	-	(44)
Net Reserves (Increase) / decrease	(41)	(1)	(40)	(2)	(3)	1	(139)
NET FUNDING SURPLUS (DEFICIT)	-	(13)	13	2	1	1	(1)

Data and Analysis Capital Expenditure Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Capital Project Expenditure	73	-	(73)	195	195	-	132
Net Capital Expenditure	73	-	(73)	195	195	-	132
Investments Additions	-	-	-	-	-	-	-
Net Capital and Investment Expenditure	73	-	(73)	195	195	-	132

Departmental financial summary and variance analysis

- ▶ Total expenditure is \$85,000 favourable year to date mainly due to \$93,000 variance in consultant expenditure relating to the timing of payments on projects.
- ▶ There are also reduced depreciation charges. This is a result of the transport model costs coming in less than budget last year.

Capital expenditure is \$73,000 above budget as a result of timing of payments.

Departmental risk analysis

Risks have been reviewed and no new risks have been identified.

3.4 Sustainable Transport

Key results for the quarter

- ▶ Spring to the Street was evaluated, and despite lower participation, the mode shifts measured were improved on the year before.
- ▶ Undertook a two-yearly evaluation of Let's Carpool, surveying the full national database. This produced a lot of useful insights into the progress of Let's Carpool and will inform future planning to promote carpooling.
- ▶ Hosted the Let's Carpool annual meeting in Wellington, which included developing plans for the year ahead, discussions with a carpool app developer, and analysis of the survey results.
- ▶ Undertook and analysed a staff travel survey for the three district health boards in the region – providing useful information for how the DHBs can improve sustainable travel options for staff.
- ▶ Undertook a staff travel survey with the Energy Efficiency and Conservation Authority (EECA), which led to the promotion of cycle skills training being available to staff.
- ▶ The team attended and presented at the 2014 2 Walk and Cycle Conference in Nelson in October. Staff organised and managed a transport behaviour change workshop at the 2Walk & Cycle Conference.
- ▶ Flyers of the Time Radius Map at Johnsonville were finalised and distributed.
- ▶ Two of our staff members on the Government's Cycle Safety Expert Review Panel completed their involvement with the Panel. The Panel's report has now been published.
- ▶ A 'Safe Speeds' video campaign, comprising three videos entitled Sexy Zen Driver, was launched on You Tube. The number of You Tube hits for the first video was 10,900 by the end of 2014.
- ▶ One bus driver/cyclist workshop was held at the Kilbirnie Bus Depot.
- ▶ Pedal Ready trained 1244 children in Grade 1 and 2 cycle skills, and 163 adults were also trained in Grade 1 and 2 cycle skills. 133 children attended cycling events which were sponsored by Pedal Ready (White Ribbon kids bike skills and WORD's Bike-a-palooza).
- ▶ 500 students received scooter safety skills training.
- ▶ A special edition of Movin' Magazine was produced for Hutt City which received positive feedback from schools.
- ▶ New Movin' March website was completed and all schools received registration material.
- ▶ The region's School Travel Plan report and the Business and Workplace Travel report were completed and presented to the Regional Transport Committee. An update on the NZTA-funded regional road safety campaigns was also presented.
- ▶ Staff contributed to the design of the QE Park commuter path.
- ▶ We supported NZTA and the region's Road Safety Coordinators to develop a motorcycle resource "Ride the Lower North" including pointers for the particular risks and benefits of riding in the Greater Wellington region.
- ▶ We supported NZTA and the region's Road Safety Coordinators by developing a region-specific "See the Person Share the Road" cycle safety/driver awareness campaign.
- ▶ Participated in NZTA steering group meetings for research project on "Improving safety for people who cycle on rural roads".

- ▶ A Wellington region Summer Cycling Event Guide was completed and distributed.
- ▶ We ran a series of six Big Bike Fix-up events throughout the region, with over 200 bicycles fixed.
- ▶ The Last Choice Crash Car was deployed to the Wellington waterfront to help promote new breath alcohol limits.
- ▶ A new scooter safety guide for footpath riding was developed.

Looking ahead

- ▶ Active a2b and a2b GO will run over the first quarter.
- ▶ We will help promote and organise regional events including Go By Bike Day, Walk 2 Work day and the Ciclovia events.
- ▶ In conjunction with Public Transport Group, we will deliver tertiary-focussed transport options information and incentives campaign using flyers in Orientation Week welcome packs and a social media campaign.
- ▶ We will complete and distribute Waterloo Station Time Radius map by Walk to Work Day 11 March.
- ▶ The delivery of cycle skills training will continue through Pedal Ready to schools, and workplaces, also to tertiary students and community groups. We will continue training Pedal Ready instructors.
- ▶ Under the Pedal Ready programme will:
 - » support the bike track implementation at Pinehaven and Tawhai Schools by taking cycle skills training.
 - » expand the adult cycle skills courses beyond Wellington City.
 - » continue to teach Grade 1 and Grade 2 cycle skills at schools across the region, deliver adults courses to workplaces, and lead a Grade 1 and 2 instructors course.
- ▶ The 2015-18 application for NZTA funding to support our programmes will be completed.
- ▶ We will continue to provide scooter safety training to schools.
- ▶ Pinehaven and Tawhai Schools will be supported with their bike track implementation.
- ▶ The Wairarapa Regional Cycling Map will be printed and distributed
- ▶ Our team will assist with the Wellington region expansion of the "See the Person/Share The Road" campaign
- ▶ Movin' March 2015 will be run.

Departmental Summary

The net operating deficit for the Sustainable Transport Department for the six months ended 31 December was \$69,000 compared to the budgeted operating deficit of \$93,000.

Financial reports

Sustainable Transport Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	158	158	-	316	316	-	133
Government Grants & Subsidies	229	293	(64)	587	587	-	253
External Revenue	89	-	89	-	-	-	90
Investment Revenue	29	27	2	54	54	-	33
Internal Revenue	-	-	-	-	-	-	-
TOTAL INCOME	505	478	27	957	957	-	509
less:							
Personnel Costs	253	261	8	522	522	-	245
Materials, Supplies & Services	97	138	41	274	274	-	106
Travel & Transport Costs	1	-	(1)	-	-	-	3
Contractor & Consultants	82	6	(76)	11	11	-	71
Grants and Subsidies Expenditure	-	23	23	45	45	-	11
Internal Charges	52	54	2	108	108	-	52
Total Direct Expenditure	485	482	(3)	960	960	-	488
Corporate & Department Overheads	89	89	-	177	177	-	84
Depreciation	-	-	-	-	-	-	-
TOTAL EXPENDITURE	574	571	(3)	1,137	1,137	-	572
OPERATING SURPLUS/(DEFICIT)	(69)	(93)	24	(180)	(180)	-	(63)
Net Asset Acquisitions	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(69)	(93)	24	(180)	(180)	-	(63)
Net Reserves (Increase) / decrease	67	92	(25)	181	181	-	64
NET FUNDING SURPLUS (DEFICIT)	(2)	(1)	(1)	1	1	-	1

Departmental financial summary and variance analysis

The year to date favourable variance is due to:

- ▶ External revenue relating to:
 - » Software licensing costs (Let's Carpool) on-charged to eight other Councils around the country, offset by the additional costs of this being hosted by a third party
 - » The Active A2B programme and cycle skills revenue which is offset by the additional costs of this sitting within consultants.

Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
Percentage of stakeholders and partners who rate coordination services and resources satisfactory or higher	90%	87%	To be measured at the end of the year
Number of total annual visitors to selected Greater Wellington sustainable transport web pages	New measure	13,532 visitors	There has been a three-fold increase in visitors to web pages
Mode shift in workplace and school travel plan programmes	New measure	Programme participants increase their use of sustainable transport modes	<p>There has been an increase in active travel trips to school from 32% to 40%. There has been a decrease in travel to school by car from 62% to 56%.</p> <p>Cycling trips for the Active a2b Plus group (who drove to work 3 or more times a week) increased from 2% to 9%. Car trips for the Active a2b Plus group reduced from 91% to 69%.</p>

Specific areas of work 2014/15	Comment
Continue to roll out sustainable transport programmes.	Programmes progressed as planned through the year. Spring to the Street attracted 1,171 participants from 56 workplaces
Walking and cycling initiatives will be facilitated.	A number of initiatives were facilitated through the year, including with schools and the community.
At least one community travel behaviour change project will be supported	A cyclist skills training programme was run. Active a2b, aimed at getting people out of their single occupancy cars, attracted 1,132 participants.
The regional road safety campaign will be supported and reported to the Regional Transport Committee	Road safety campaign initiatives included participation in the "Be safe be seem" campaign.
Public awareness campaigns will be carried out to promote walking, cycling and public transport, and to discourage unnecessary car trips	The numbers participating in Spring to the Street in 2014 were lower than in 2013, but more workplaces were involved. There was a 30% reduction in participants driving alone. The number of cycling trips increased by 10% following the challenge.

Departmental risk analysis

Risks have been reviewed and new risks have been placed in Quantate.

3.5 Transport Planning

Key results for the quarter

- ▶ A Memorandum of Understanding between GWRC, WCC and NZTA on coordinated governance and management of transport projects within the Ngauranga to Airport Corridor was signed. This paves the way for improved integration in the delivery of transport projects in central Wellington, including the Bus Rapid Transit implementation project.
- ▶ The draft Regional Land Transport Plan was approved by the Regional Transport Committee for public consultation. This is a major piece of work stretching over an 18 month period. The Plan incorporates a prioritised programme of all the region's transport projects over the next 6 years, along with a new integrated policy framework that provides a 30 year outlook.
- ▶ Joint investigation and modelling of options for the proposed Petone to Grenada Link Road has been continuing with NZ Transport Agency, to inform consideration of the options by relevant councils and the Regional Transport Committee.
- ▶ Continued involvement in steering groups and working groups for various Wellington RoNS and other state highway projects.

Looking ahead

- ▶ Public consultation on the draft Regional Land Transport Plan will be completed, with the RTC recommending a final Plan to GWRC in April.
- ▶ Coordination with WCC and NZTA on the next steps for the Bus Rapid Transit system will continue.
- ▶ A process may be established to consider options for the Basin Reserve traffic issues.
- ▶ The final regional land transport programme will be submitted to NZTA for inclusion in the National Land Transport Programme.
- ▶ The results of the options assessment for the Petone to Grenada Link Road will be presented back to the relevant councils and RTC.
- ▶ Involvement in investigations will continue for various Wellington RoNS and other highway projects.

Departmental Summary

The net operating deficit for the Transport Planning department for the six months ended 31 December was \$24,000 compared with the budgeted deficit of \$325,000.

Financial reports

Transport Planning Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	218	218	-	436	436	-	232
Government Grants & Subsidies	151	-	151	506	606	(100)	85
External Revenue	-	-	-	-	-	-	61
Investment Revenue	4	1	3	1	1	-	1
Internal Revenue	-	-	-	-	-	-	-
TOTAL INCOME	373	219	154	943	1,043	(100)	379
less:							
Personnel Costs	134	88	(46)	175	175	-	87
Materials,Supplies & Services	5	1	(4)	1	1	-	8
Travel & Transport Costs	-	-	-	-	-	-	3
Contractor & Consultants	96	294	198	387	587	200	29
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	67	66	(1)	132	132	-	68
Total Direct Expenditure	302	449	147	695	895	200	195
Corporate & Department Overheads	95	95	-	189	189	-	91
Depreciation	-	-	-	-	-	-	-
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	397	544	147	884	1,084	200	286
OPERATING SURPLUS/(DEFICIT)	(24)	(325)	301	59	(41)	100	93
Add Back Depreciation	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEM	(24)	(325)	301	59	(41)	100	93
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	24	43	(19)	(58)	42	(100)	(95)
NET FUNDING SURPLUS (DEFICIT)	-	(282)	282	1	1	-	(2)

Departmental financial summary and variance analysis

The year to date favourable variance in operating deficit is due to:

- ▶ Timing of consultant payments relating to the Regional Land Transport Plan.
- ▶ For revenue relating to government grants and subsidies, this variance reflects a timing difference between actual revenue and the phased budgeted over the year, with full year revenue of \$506,000 forecasted.

Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
That the Regional Land Transport Strategy is reviewed, adopted and monitored	Regional Land Transport Strategy adopted 2010	Consult on the Regional Networks Plan	A draft Regional Land Transport Plan (new legislative requirement) has been approved for public consultation

Specific areas of work 2014/15	Comment
Complete the Wellington Public Transport Spine Feasibility Study	The PT Spine Study feasibility study has been completed. A decision on the option was made by the RTC in March 2014.
Review the existing transport plans through the development of a regional transport network plan	A draft Regional Land Transport Plan (new legislative requirement and superseding our previous planning approach) has been approved for public consultation. This incorporates all the previous plans, strategies and actions plans.

Departmental risk analysis

Risks were reviewed and no new risks have been identified

3.6 Strategic Planning – Wellington Regional Strategy

Key results for the quarter

- ▶ The first meeting of the reconstituted WRS Committee was held with Mayor Wayne Guppy elected as the chair.
- ▶ WREDA, the region's new economic development agency, was established.
- ▶ The final WRS evaluation report was presented to council officers. This highlighted areas of activity where Grow Wellington, the WRS Office, and to a lesser degree the councils, had made progress towards WRS objectives. The report also demonstrated areas where further work was required, particularly in relation to the labour market.
- ▶ We conducted a workshop with the WRS Committee on population growth targets as a basis of getting high level agreement on growth measures for regional exercises including the WRS and spatial planning.
- ▶ A pilot project to define and evaluate business sectors was initiated in partnership with Callaghan Innovation and NZ Trade & Enterprise. This follows a workshop session facilitated by the WRS Office that identified national and regional sector investment opportunities using a UK-based market intelligence and data approach.
- ▶ The Genuine Progress Index (GPI) was updated and presented to the WRS Committee and GWRC. A review of the GPI indicators has begun. This included identification of key indicators through understanding causal loops following work by Massey University. GPI presentations were conducted with Treasury and Statistics NZ on harmonising national and regional GPI related indicators.
- ▶ Planning for the development of a migrant attraction and settlement Partnership Agreement with Government was progressed. The WRS Office is facilitating the content of this agreement in partnership with the relevant agencies.
- ▶ A proposal was presented to council officers on collective economic data needs for 2015.
- ▶ We participated in a range of regional and national planning exercises. These included a planning session on “Transforming Gracefield”, a presentation to MBIE on the regional workforce, and a review of national resiliency policy and issues facilitated through the Centre for Advanced Engineering (CAENZ).
- ▶ The business survey component of a joint project with Victoria University was completed. Students have interviewed technology based companies on their HR practices related to attracting and retaining skills in particular. Summary results were presented to a forum in October.
- ▶ A research student was engaged for the summer period to identify success factors for city growth (using international examples) and to benchmark these with the Wellington Region.
- ▶ We participated in a range of regional and national planning exercises. These include the ICT School proposal by Government, Porirua City economic forum, regional infrastructure resiliency session and application of social survey statistics workshop.

Looking ahead

- ▶ The 2014 Wellington Regional Economic Profile will be available in early February 2015. Additional economic and sub-regional data will also be available for use and analysis.
- ▶ A workshop and promotions exercise on the application of digital technologies will be conducted in partnership with the Chambers of Commerce. This builds on previous work on identifying the benefits of faster broadband and use of technology.
- ▶ The application of the 2014 GPI for council planning and reporting processes will continue to be promoted to councils and other agencies.
- ▶ A workshop on migrant attraction and settlement issues will be conducted as a basis for considerations to be included in a Regional Partnership Agreement with Government. A draft agreement will be presented to stakeholders.
- ▶ A report on economic growth factors and how Wellington measures up will be completed. Such information can be used to inform future WREDA activities.
- ▶ Sector definitions and associated metrics will be developed for Creative Industries and High Value Manufacturing based in national agency, regional and business input. The associated metrics can be used at a regional level to inform targeted sector interventions for export growth, R&D investment decision and future skills needs for example.
- ▶ GIS mapping of regional infrastructure as an initial stage of determining growth nodes and future infrastructure demands.

Departmental Summary

The net operating deficit for the Wellington Regional Strategy for the six months ended 31 December was \$31,000 compared to the budgeted operating surplus of \$7,000.

Financial Reports

Wellington Regional Strategy Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	2,316	2,316	-	4,633	4,633	-	2,315
Government Grants & Subsidies	-	-	-	-	-	-	-
External Revenue	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-
TOTAL INCOME	2,322	2,324	(2)	4,650	4,650	-	2,315
less:							
Personnel Costs	105	107	2	214	214	-	107
Materials, Supplies & Services	14	31	17	61	61	-	32
Travel & Transport Costs	-	1	1	2	2	-	1
Contractor & Consultants	72	167	95	334	334	-	80
Grants and Subsidies Expenditure	2,150	2,000	(150)	4,300	4,000	(300)	1,984
Internal Charges	12	11	(1)	22	22	-	15
Total Direct Expenditure	2,353	2,317	(36)	4,933	4,633	(300)	2,219
Financial Costs	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
TOTAL EXPENDITURE	2,353	2,317	(36)	4,933	4,633	(300)	2,219
OPERATING SURPLUS/(DEFICIT)	(31)	7	(38)	(283)	17	(300)	96
Add Back Depreciation	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(31)	7	(38)	(283)	17	(300)	96
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	31	(8)	39	283	(17)	300	(80)
NET FUNDING SURPLUS (DEFICIT)	-	(1)	1	-	-	-	16

Departmental financial summary and variance analysis

Total direct expenditure was \$36,000 more than budget. This was due to:

- ▶ The WRS reserve is being used by Grow Wellington this year.
- ▶ This is offset by reduced use of consultants.

Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2014/15	
Percentage of GDP spent on research and development	1.50% (Average 2005-2010)	1.65%	Measured at year end
Percentage of workforce employed in highly skilled occupations	21.8% (2010)	22.9%	Measured at year end
GDP per capita	\$55,000 (2010)	\$56,900	Measured at year end
Specific areas of work 2014/15		Comment	
Continue to support Grow Wellington, the WRS Office and the Grow Wellington Committee to promote economic growth in the region.		Ongoing work programme.	
Manage and lead key projects relating to the Open for Business and Building World Class Economic Infrastructure focus areas.		Ongoing work programme	
Monitor Grow Wellington, in conjunction with the WRS Committee, to ensure it continues to deliver on its Statement of Intent.		Ongoing work programme	

Departmental risk analysis

Risks have been reviewed and no new risks have been identified.

3.7 Strategic Planning

Key results for the quarter

- ▶ The draft Climate Change Strategy was completed and approved by the Council for public consultation.
- ▶ Attendance and input into the Regional Waste Forum and the Waste Management and Minimisation Plan (WMMP) Steering Group continued.
- ▶ Work on a draft project plan for the regional spatial planning shared service project was continued.
- ▶ Further information was provided in response to requests from the Local Government Commission as it considered the local government reorganisation applications. Following the release of the Local Government Commission's proposal, information has been provided to the Chair and Councillors as required.
- ▶ Regular meetings were held with Wellington City Council and MBIE as part of work on affordable housing for the region.
- ▶ Following a series of workshops, a Significance and Engagement Policy was completed and approved by the Council. This will form part of the Council's Long Term Plan.
- ▶ In conjunction with the Communications Department, an Engagement Strategy was completed and confirmed by the ELT. This follows engagement with staff on the Strategy.
- ▶ Speech notes and information was provided to the Chair for conferences and presentations as required.
- ▶ A meeting was held with the Productivity Commission following the release of its Issues Paper 'Using Land for Housing'. The Commission is focussing on the ten TAs with the largest population increase between 2001 and 2013 and their associated regional councils.
- ▶ A submission on the Productivity Commission's Issues Paper 'Using Land for Housing' was completed and submitted.
- ▶ Two meetings of the Watts Peninsula Advisory Group were attended and input provided.
- ▶ A submission on Wellington City Council's Island Bay Seawall Project was completed and submitted.
- ▶ A submission on Hutt City Council's draft Environmental Sustainability Strategy was completed and submitted.
- ▶ A stakeholder workshop on the development of a Regional Natural Hazards Strategy was attended, with departmental input provided.
- ▶ A cross-agency workshop organised in conjunction with the Ministry for the Environment was held to obtain councils' input into MfE's update of guidance material on climate change adaptation for local government. A GWRC presentation was organised in collaboration with the Flood Protection Department.
- ▶ An interview was given to the University of Auckland's Transforming Cities team to provide GWRC perspectives on climate change mitigation in local government.
- ▶ A meeting was held with the Parliamentary Commissioner for the Environment Climate Team. GWRC input was provided to inform the PCE report 'Changing climate and rising seas', released in November.

- ▶ The Australian National Climate Change Adaptation Research Facility (NCCARF) conference was attended, and a presentation was given by Judy Lawrence of the NZ Climate Change Research Institute, on behalf of NZCCRI, GWRC, and Deltares (Netherlands).
- ▶ The NZ-wide 'Sustainable Cities Network' was attended, and a presentation was given on Hazards and Climate Change Impacts: Insurance and Risk.
- ▶ In partnership with Wellington City Council, three events under the title Wellington Conversations, were organised (led by Melanie Thornton). Two public talks were held where international speakers presented on urban planning and transport issues and one private dinner was organised where the deputy Lord Mayor of London spoke to a group of key personnel on housing affordability.

Looking ahead

- ▶ Work on the Greater Wellington Research Strategy will continue.
- ▶ Work with Sport Wellington and the territorial authorities on a regional sport and recreation strategy will continue.
- ▶ The draft Climate Change Strategy will be released for consultation.
- ▶ Work on the Regional Spatial Plan will continue.
- ▶ Support will be provided to Councillors as required on responding to the Local Government Commission draft proposal.

Departmental Summary

The net operating deficit for the six months ended 31 December was \$32,000 compared to the budgeted operating deficit of \$40,000.

Financial reports

Strategic Planning Other Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Rates & Levies	-	-	-	-	-	-	-
Government Grants & Subsidies	-	-	-	-	-	-	-
External Revenue	4	8	(4)	16	16	-	8
Investment Revenue	-	-	-	1	1	-	-
Internal Revenue	102	102	-	204	204	-	104
TOTAL INCOME	106	110	(4)	221	221	-	112
less:							
Personnel Costs	170	180	10	361	361	-	142
Materials,Supplies & Services	3	4	1	8	8	-	2
Travel & Transport Costs	10	2	(8)	4	4	-	3
Contractor & Consultants	59	71	12	140	140	-	2
Grants and Subsidies Expenditure	-	1	1	-	-	-	-
Internal Charges	130	126	(4)	251	251	-	128
Total Direct Expenditure	372	384	12	764	764	-	277
Corporate & Department Overheads	(238)	(238)	-	(476)	(476)	-	(237)
Depreciation	4	4	-	8	8	-	3
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	138	150	12	296	296	-	43
OPERATING SURPLUS/(DEFICIT)	(32)	(40)	8	(75)	(75)	-	69
Add Back Depreciation	4	4	-	8	8	-	3
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	(28)	(36)	8	(67)	(67)	-	72
Net Reserves (Increase) / decrease	69	69	-	68	68	-	19
NET FUNDING SURPLUS (DEFICIT)	41	33	8	1	1	-	91

Departmental financial summary and variance analysis

Year to date revenue and direct expenditure is in line with budget.

Departmental business plan performance indicators

Specific areas of work 2014/15	Comment
Complete and implement a regional climate change strategy	A draft Climate Change Strategy has been approved by the Council for public consultation.
Undertake investigations and scope the benefits of a regionally integrated planning framework	The regional spatial plan project, on the Mayoral Forum's work programme, continues.

4 RISK AND ASSURANCE

4.1 Communications

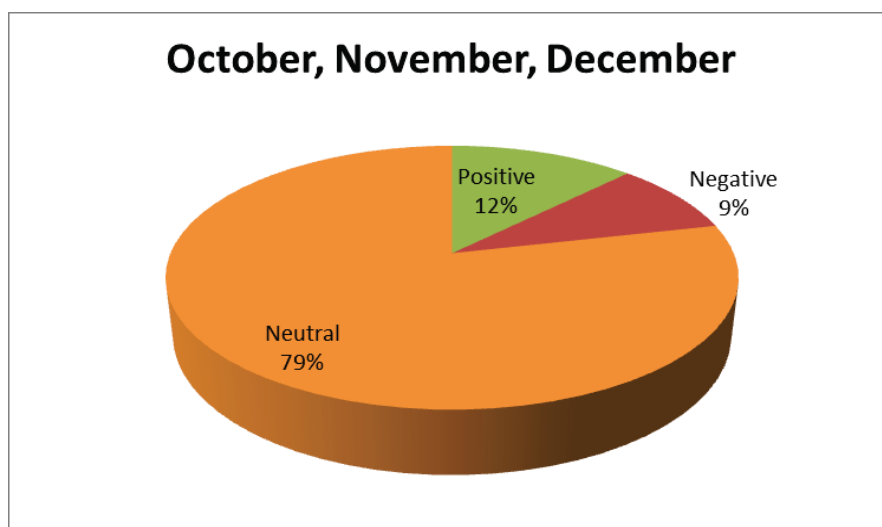
Key results for the quarter

- ▶ Integrated communications continues to be a key deliverable, with the Communications team using a variety of channels, including social media.
- ▶ Improvements were made to the council's website, including the introduction of a video carousel on the home page and share buttons to better enable sharing through social media.
- ▶ Facebook membership continued to grow, with 87 new members in the quarter to end September, and 169 in the quarter to end December, taking membership up to 1546.
- ▶ Rates News was distributed, with good feedback regarding the new, eye-catching format.
- ▶ Our Region continued to be published in community newspapers and on line, with lead articles pitched at the local community.
- ▶ We led the development of a new one-stop information site, Summer Check, which was launched in association with Masterton District Council, Hutt City and Wellington City Councils, providing the latest information on toxic algae and recreational water quality, as well as access to MetService weather, sun protection information, water safety and harbour and boating information.
- ▶ 71 media calls were logged and managed.
- ▶ 27 media releases were distributed which resulted in 68 articles (100% pick-up)
- ▶ Media monitoring and analysis of 369 articles continued (79% neutral (290 articles), 12% positive (46 articles), 9% negative (33 articles))
- ▶ Separate logging and analysis was carried out for media coverage of the Local Government Commission's proposal. This resulted in 68 articles (57% neutral (39 articles), 2% positive (1 article), 41% negative (28 articles))
- ▶ Communications planning/support and design/publication for activities, projects and issues were provided, including:
 - » Transport
 - Regional Land Transport Plan - developed comms for consultation
 - Consultation with bus users and residents re proposed network changes
 - Hutt Valley Public Transport Review
 - Bus Rapid Transport
 - New Upper Hutt Station
 - Integrated fares and ticketing investigation
 - Wellington City Bus Network
 - Matangi brakes (following TAIC report into Melling)
 - Matangi train noise on Johnsonville line

- Short-list for the tendering of new rail contract
- Sustainable Transport activities
- » Regional Parks
 - Forests – woodpecker firewood scheme
 - Great Outdoors Summer Events (GOSE)
 - MacKay's Crossing/Pekapeka cycleway
 - Whitireia Park plan consultation
 - Parangarahu Lakes Co-management plan
 - Whitireia Pou opening
 - West Harbour video
 - Stuart Macaskill memorial
 - Otaki walkover
 - Dotterels
 - Track standards and boardwalk closures
 - Our parks newsletter
- » Environment
 - Te Awarua o Porirua Whaitua Committee
 - Porirua Healthy Harbour
 - Hazard management strategy
 - Regional Plan
 - Recreational water quality, toxic algae (merge with Summer Check campaign)
 - Harbours, including Safer Boating Week
 - LAWA (Land Air Water Aotea)
 - Stormwater discharges and prosecutions (as required)
 - Wainui Stream contamination
 - NZ River Awards
 - Parangarehu Lakes co-management plan
 - Waikanae Environmental strategy
- » Water Supply
 - Wellington Water
 - Water conservation campaign
 - Proposed harbour pipeline
 - Future water storage
- » Catchment Management
 - Hutt River City Centre Upgrade

- Check Clean Dry campaign
 - Wairarapa Moana
 - Waiohine flood management plan
 - Te Kauru/Upper Ruamahanga flood hazard
 - Ruamahanga Whaitua Committee
 - Jim Cooke Park stopbank reconstruction
 - Fresh Start for Fresh Water Field Day
 - Waikanae River flood protection
 - Silverstream flood protection
 - Pest plant awareness
 - Kaitoke/Hutt catchment 1080 aerial drop
 - Akura award winner field day
- ▶ General communications support was also provided for:
- » LTP consultation planning
 - » Local Government Commission proposal
 - » Warm Greater Wellington
 - » Climate Change Strategy
 - » GWRC internal Sustainability Action Plan
 - » ICT shared services
 - » WREMO public information
 - » Appointment of new CE

Media monitoring statistics (369 articles)



Looking ahead

Provide communications planning, support and social media for:

- ▶ Transport related projects including integrated fares and ticketing, Upper Hutt station, new Matangi trains, sustainable transport events, Wellington City bus network, rail contracts
- ▶ Environmental activities and projects including support for Ruamahanga Whaitua Committee and Te Awarua o Porirua Whaitua Committee, hazard management plan, Summer Check site, LAWA, Regional Plan, water quality
- ▶ Catchment management related activities including: Regional Pest Management Strategy, Waiohine/Te Kauru floodplain management, Wairarapa Moana, various flood plain management plans
- ▶ Long Term Plan, including consultation document
- ▶ Great Outdoors Summer Events
- ▶ Climate Change
- ▶ Hutt City Flood Protection Upgrade Project
- ▶ Community engagement
- ▶ Sustainability Action Plan

The Department will also continue to:

- ▶ Manage media issues
- ▶ Produce Our Region
- ▶ Integrate communications including radio advertising, web, social media
- ▶ Develop video for the Wellington region
- ▶ Improve website
- ▶ Develop digital strategy
- ▶ Design collateral as requested

Departmental Summary

The net operating deficit for the Communications department for the six months ended 31 December was \$19,000 compared to the budgeted operating surplus of \$3,000.

Financial reports

Communications Dept Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
External Revenue	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-
TOTAL INCOME	-	-	-	-	-	-	-
less:							
Personnel Costs	503	440	(63)	1,001	881	(120)	407
Materials, Supplies & Services	116	103	(13)	207	207	-	115
Travel & Transport Costs	1	6	5	12	12	-	4
Contractor & Consultants	20	84	64	168	168	-	45
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	68	54	(14)	109	109	-	55
Total Direct Expenditure	708	687	(21)	1,497	1,377	(120)	626
Corporate & Department Overheads	(689)	(689)	-	(1,377)	(1,377)	-	(667)
Depreciation	-	-	-	1	1	-	3
Loss (Gain) on Sale of Assets / Investments	-	(1)	(1)	(1)	(1)	-	-
TOTAL EXPENDITURE	19	(3)	(22)	120	-	(120)	(38)
OPERATING SURPLUS/(DEFICIT)	(19)	3	(22)	(120)	-	(120)	38
Add Back Depreciation	-	-	-	1	1	-	3
Other Non Cash	-	(1)	1	(1)	(1)	-	-
Net Asset Acquisitions	-	(2)	2	(2)	(2)	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	(19)	-	(19)	(121)	(1)	(120)	41
Debt Additions / (decrease)	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(19)	-	(19)	(121)	(1)	(120)	41

Departmental financial summary and variance analysis

Total direct expenditure was \$21,000 unfavourable compared with the budget. The main variances were related to:

- ▶ Personnel costs were slightly higher with a contractor brought on as cover for a short term vacancy, and has subsequently stayed on to help with communications initiatives.

Departmental financial summary and variance analysis

Risks have been reviewed and no new risks have been identified.

4.2 Corporate Planning

Key results for the quarter

- ▶ Significant progress was made on the development of the Long Term Plan 2015-2025, including:
 - » the draft budget
 - » the review of the Revenue and Financing Policy;
 - » the approach to consultation;
 - » the review of the Financial Strategy;
 - » the Infrastructure Strategy;
 - » the form, content and design of the Consultation Document
 - » the content of the LTP Supporting Document
 - » the audit timetable and process.
- ▶ The Significance and Engagement Policy was adopted by Council.
- ▶ Significant progress on made on developing and implementing the Corporate Sustainability Action Plan, including:
 - › Completion of a waste audit across all GWRC premises
 - › Draft monitoring and reporting framework
 - › Contract negotiations for the Follow-Me printing system
 - › Changing our waste supplier to increase recycling and save costs
 - › Purchased and sold 150 reusable cups to staff
 - › Trailed the lunchtime shuttle.

Looking ahead

- ▶ The LTP Consultation document and Supporting Document will be finalised and approved for public consultation. The consultation programme will commence.
- ▶ Audit NZ will issue their opinion on the LTP Consultation document and Supporting Document
- ▶ The monitoring and reporting framework for the Sustainability Action Plan will be finalised and agreed.

Departmental Summary

The net operating surplus for Corporate Planning for the six months ended 31 December was \$130,000 compared to the budgeted deficit of \$8,000.

Financial reports

Corporate Planning Other Income Statement 6 months ended 31 December 2014	YTD			Full Year			Last Year
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	131	131	-	262	262	-	114
TOTAL INCOME	131	131	-	262	262	-	114
less:							
Personnel Costs	201	214	13	428	428	-	162
Materials, Supplies & Services	19	67	48	104	119	15	(72)
Contractor & Consultants	21	101	80	200	200	-	(6)
Internal Charges	100	97	(3)	194	194	-	87
Total Direct Expenditure	341	479	138	926	941	15	174
Corporate & Department Overheads	(340)	(340)	-	(679)	(679)	-	(220)
Depreciation	-	-	-	-	-	-	-
TOTAL EXPENDITURE	1	139	138	247	262	15	(46)
OPERATING SURPLUS/(DEFICIT)	130	(8)	138	15	-	15	160
Add Back Depreciation	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	130	(8)	138	15	-	15	160
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	130	(8)	138	15	-	15	160

Financial summary and variance analysis

The reduced expenditure is related to:

- ▶ 13/14 Annual Report costs still to come in as well as timing of work undertaken by consultants.



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

People and Capability Group

Quarterly Performance Review 31 December 2014



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1 EXECUTIVE SUMMARY FOR RISK AND ASSURANCE COMMITTEE

1.1 Group overview

The key performance indicators for the last quarter were:

Human Resources

- ▶ Developing the scope of the management and leadership development project
- ▶ Undertaking the review of the organisation's administrative functions

Health and Safety

- ▶ Completed field research into use of Crush Protection Devices (CPD's) on quad bikes
- ▶ Examining options in relation to Light Utility Vehicles (LUV's)
- ▶ Running the first workshops on impairment – wellness briefings
- ▶ Continuing to examine the market for health and safety information management systems (HASMIS)

Democratic Services

- ▶ Reviewing Standing Orders
- ▶ Drafting the Significance and Engagement Policy in conjunction with staff in the Strategy & Community Engagement Group

The key performance indicators for the next quarter are:

Human Resources

- ▶ Finalising the scope of the management and leadership development project and commencing the implementation of that project
- ▶ Managing the Gallup engagement survey project
- ▶ Conducting any change management that may result from the administrative functions review

Health and Safety

- ▶ Report of the organisation's approach to Crush Protection Devices on quad bikes
- ▶ Decision on the HASMIS

Democratic Services

- ▶ Amendments to Standing Orders approved by councillors
- ▶ Examining our approach to maintaining privacy in accordance with the Privacy Act

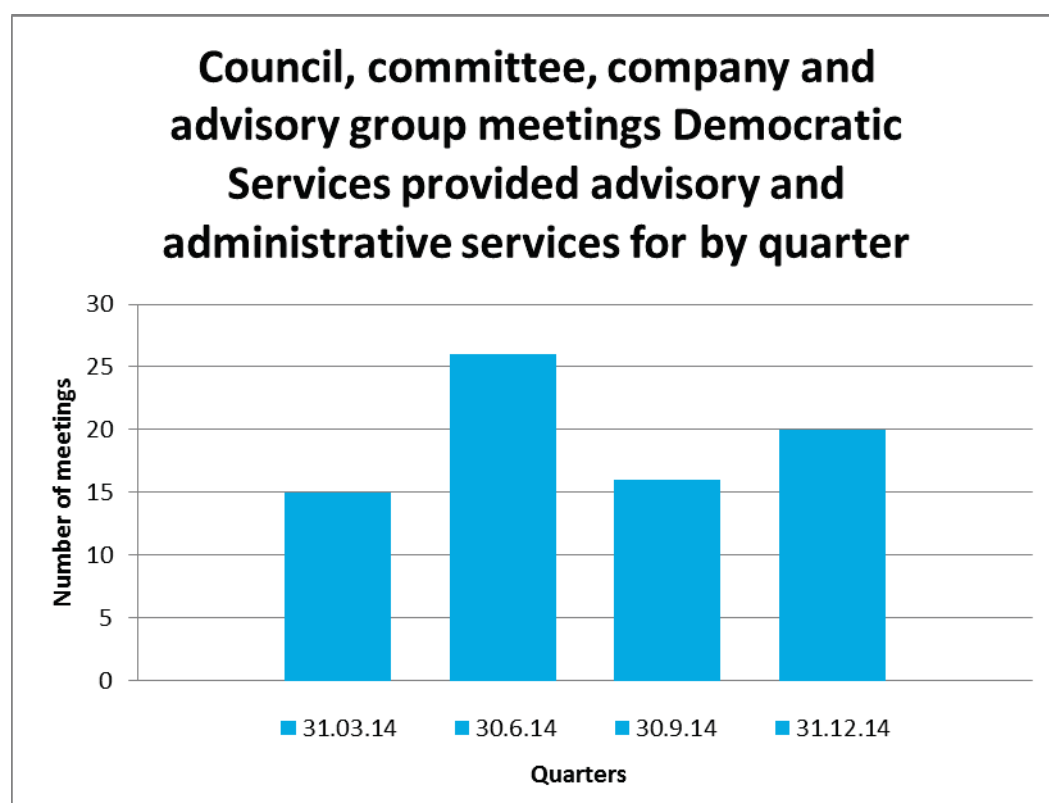
Annual Plan performance measures

		Performance Targets		
Level of Service	Performance Measure	Baseline	2014/15 Planned	2014/15 Actual
Provide information to enable the public to be informed of, and participate in, Council and committee meetings	Percentage of time meeting agenda is available to the public at least two working days prior to each meeting	100%	100%	
	Percentage of residents satisfied that they have had an opportunity to participate in decision making	In 2013/14 eighteen per cent of surveyed residents agreed that they are afforded opportunity to participate, rating their satisfaction 8-10 out of 10 (18%), with a further 45% rating this aspect 5-7 out of 10. A third of residents disagreed that they are provided with sufficient opportunity to participate in Regional Council's decision making (33%), with four per cent of residents unsure how to rate (4% don't know).	Achieve an increase from 18% to 20%.	

1.2 Quarterly Report on Democratic Services

Servicing of meetings

During this quarter Democratic Services provided advisory and administrative services to 20 Council, committee, company and advisory group meetings. The following graph shows the number of meetings serviced by the Democratic Services Department over the past 12 months.



Māori constituencies

At its meeting on 5 November 2014, the Council considered the matter of establishing a Māori constituency for the 2016 triennial elections. After taking into account the view of the region's iwi on this matter the Council received and noted the report.

Review of Standing Orders

Changes to the Local Government Act 2002 enacted in August 2014 empower local authorities to enable remote participation in meetings. Enablement would be provided through incorporating relevant provisions in Council's Standing Orders. Officers discussed this matter in a workshop with Councillors on 15 October, where it is considered that the Standing Orders should be amended to

provide for remote participation. Other technical changes were also discussed at the workshop. Officers are planning to bring draft proposals forward to the Council meeting in February 2015.

Reconstituted Wellington Regional Strategy Committee

At its meeting on 5 November 2014 the Council amended the terms of reference for the Wellington Regional Strategy Committee and appointed the membership of the reconstituted committee. The Committee met for the first time under the new arrangements on 2 December 2014.

Significance and Engagement Policy

The August 2014 amendments to the Local Government Act 2002 required local authorities to each adopt a Significance and Engagement Policy for the first time by 10 December 2014. The Council adopted its policy on 5 November 2014.

Review of rates remission and postponement policies

At the Council workshop on 18 November Councillors discussed the current rates remission and postponements policies. As an outcome of that discussion no significant changes are proposed to the policies.

1.3 Quarterly Report on Human Resources

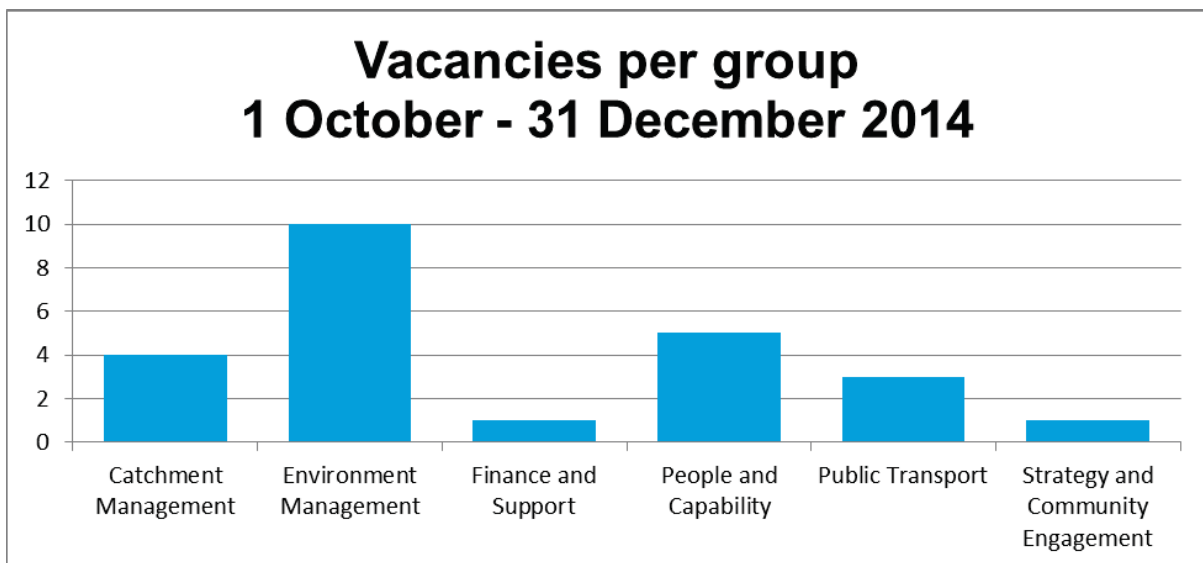
Recruitment

Vacancies

The number of vacancies per group is outlined in the following graph.

The higher than average number of vacancies for the Environmental Management Group was to recruit four Survey Assistants, a Survey Supervisor, Harbour Communications Officer and an Environmental Policy Student – all of which are new fixed term or casual positions. The other two permanent vacancies were due to two resignations.

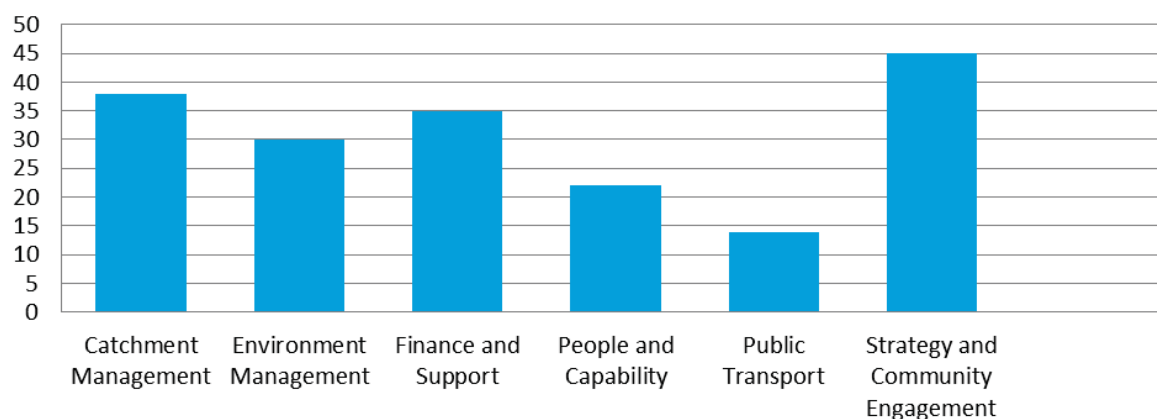
The slightly higher than average number of vacancies for People and Capability were to recruit for two permanent employees not returning from parental leave. The three other vacancies are within WREMO – one fixed term position to provide additional ICT support and two permanent positions as a result of resignations.



Average days taken to recruit

The “Average days to recruit per Group” graph (below) provides an overview of how long it has taken to recruit vacancies within each Group.

Average number of days to recruit 1 October - 31 December 2014



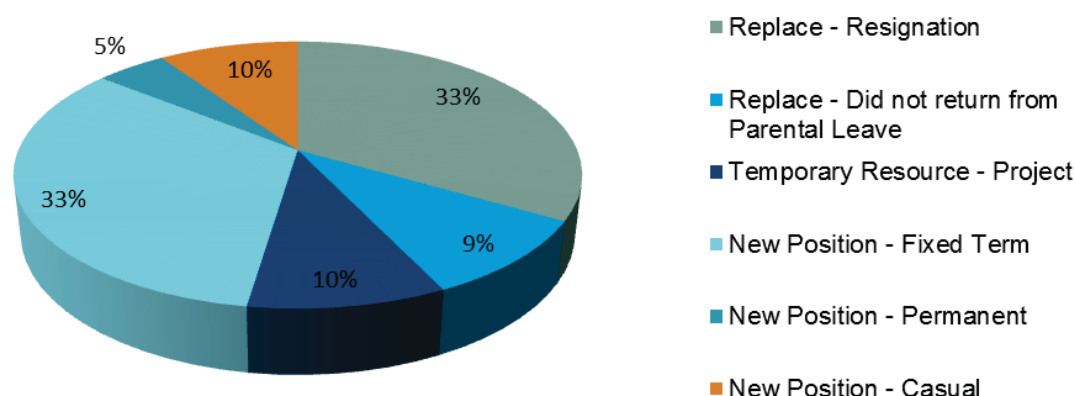
The higher than average number of days to recruit in the Strategy and Community Engagement Group was the recruitment process for the Te Pou Whakarae position. As this is a key role, there were a number of steps in the recruitment process. This involved pre interview meetings with long listed candidates, and two interviews with the successful candidate.

Reason for recruitment

The following chart identifies the reasons for recruitment during the last quarter.

One third of the recruitment was driven from resignations of permanent employees. The other two thirds are fixed term positions in areas such as Environment Management, Public Transport and WREMO who are recruiting either project roles or seasonal roles.

Reasons for Recruitment 1 October - 31 December 2014



Staff turnover

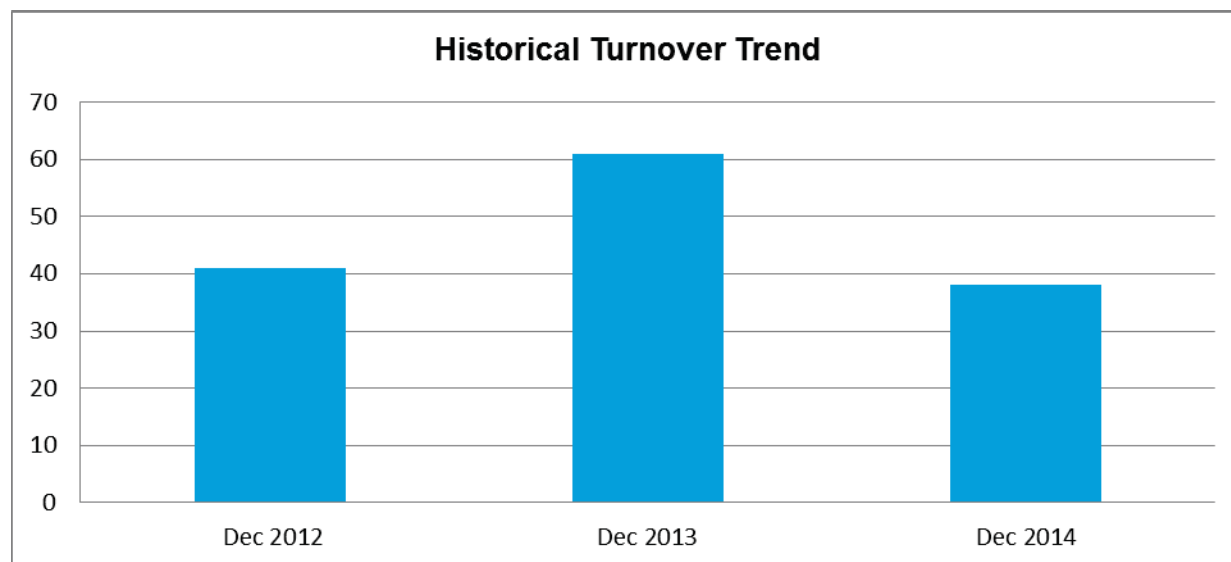
The annual turnover statistic for the last quarter was 9.2%. This has decreased by 3% from September 2014, which had a turnover of 12.1% which incorporated the Water Supply Employees. This turnover figure represents both desirable and undesirable turnover. The annual turnover statistic represents the departure of 38 staff from Greater Wellington Regional Council's employment during the previous 12 months. In addition and not reflected in the turnover data, is the transfer of 57 employees from Greater Wellington Regional Council to Wellington Water.

While it is not unusual to have a slightly lower turnover in the last quarter of the year (due to a less buoyant job market) 9.2% represents the lowest quarterly turnover since December 2009 (which had 8.7% turnover).

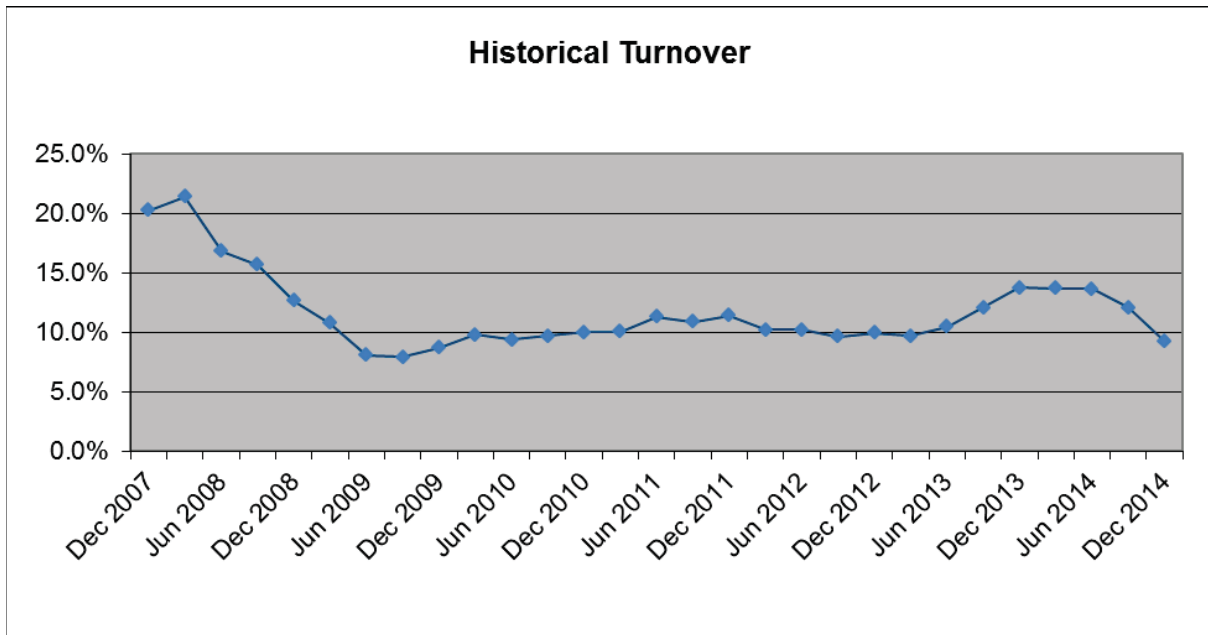
This also represents the fourth quarter of decreasing turnover. The current turnover is 4.5% less than this time last year.

The historical turnover rate for Greater Wellington Regional Council is identified in the following two graphs.

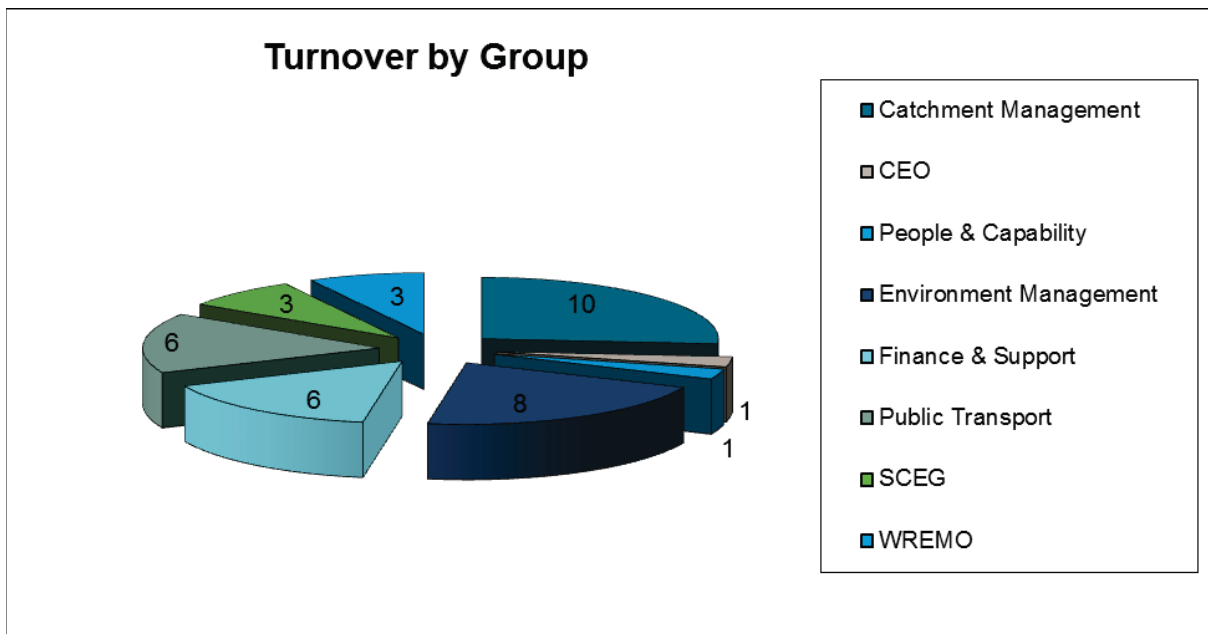
The first graph identifies the turnover trend during the last three years.



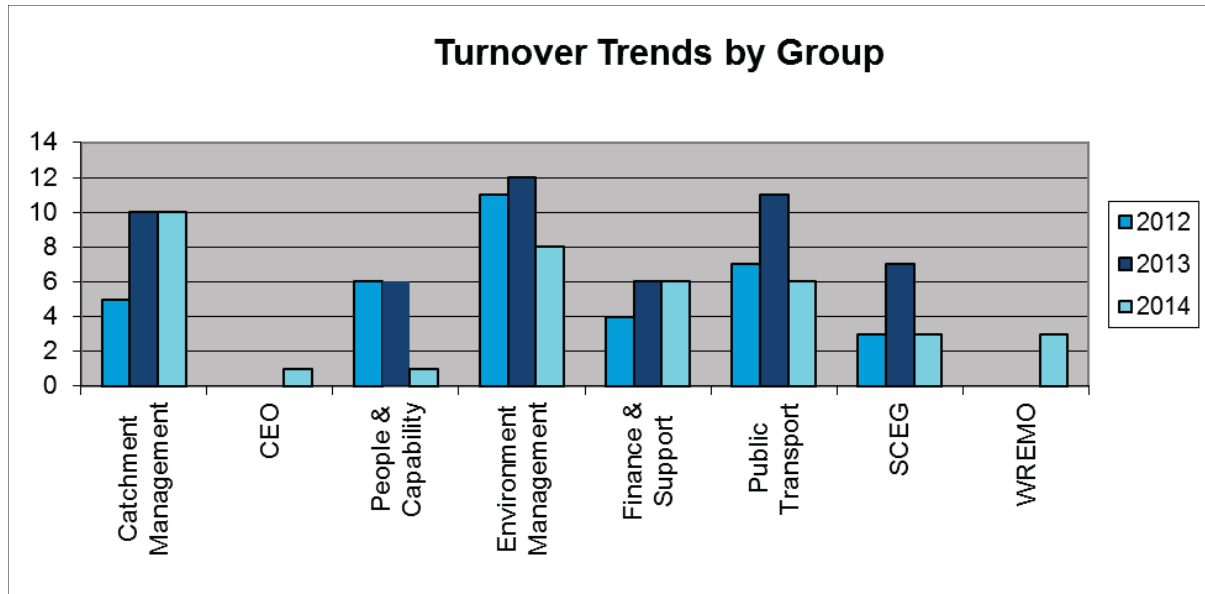
The second graph identifies the historical trend since December 2007. The average turnover rate during this period has been 11.7%, with a high in March 2008 of 21.4% and a low in September 2009 7.9%



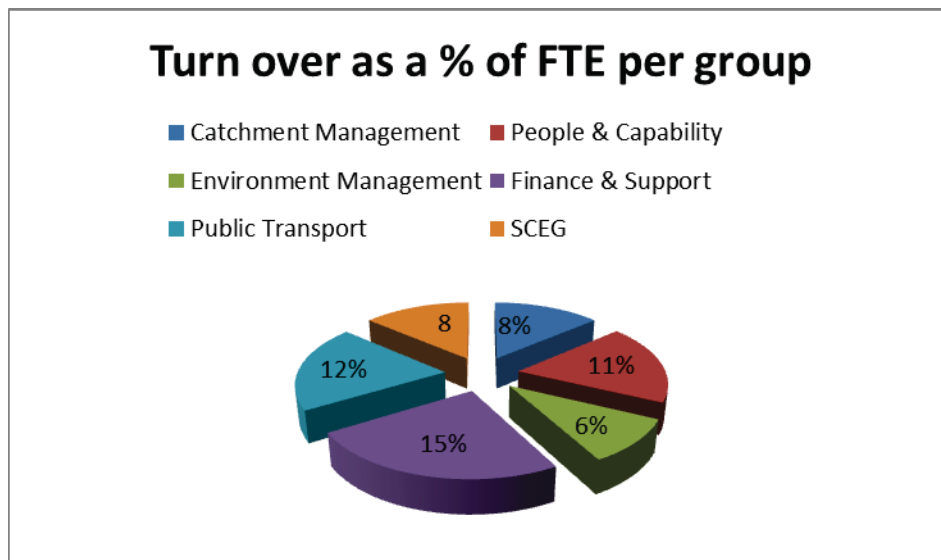
The turnover by Group during the last 12 months is outlined in the following chart. This is the first time we have identified WREMO separately, as turnover within that particular team is quite high and we have made a commitment to report this turnover data to the Chief Executive of Kapiti Coast District Council for his information. Turnover within this team currently sits at 17%.



The following graph shows the historical turnover by Group during the last three years.

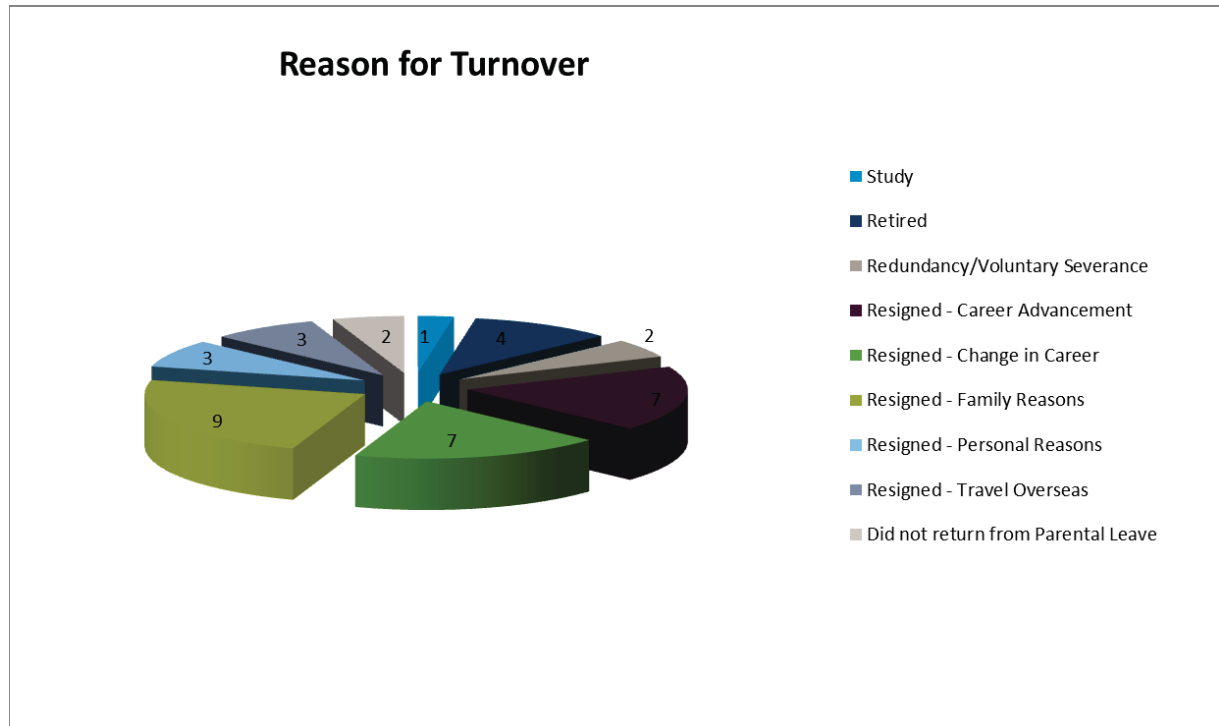


Turnover as a percentage of FTE per group is as follows:

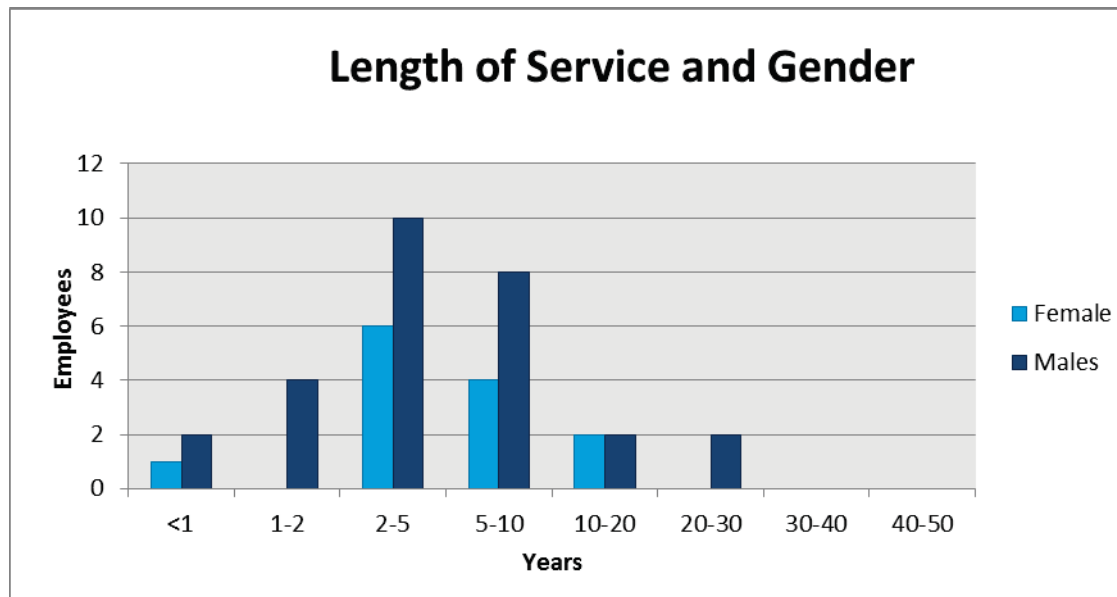


Reasons for Turnover

The reasons for turnover continue to be variable as demonstrated in the graph below. Exit interviews are offered to all staff who leave and individual reports are circulated to managers, as indicated on the exit interview forms.



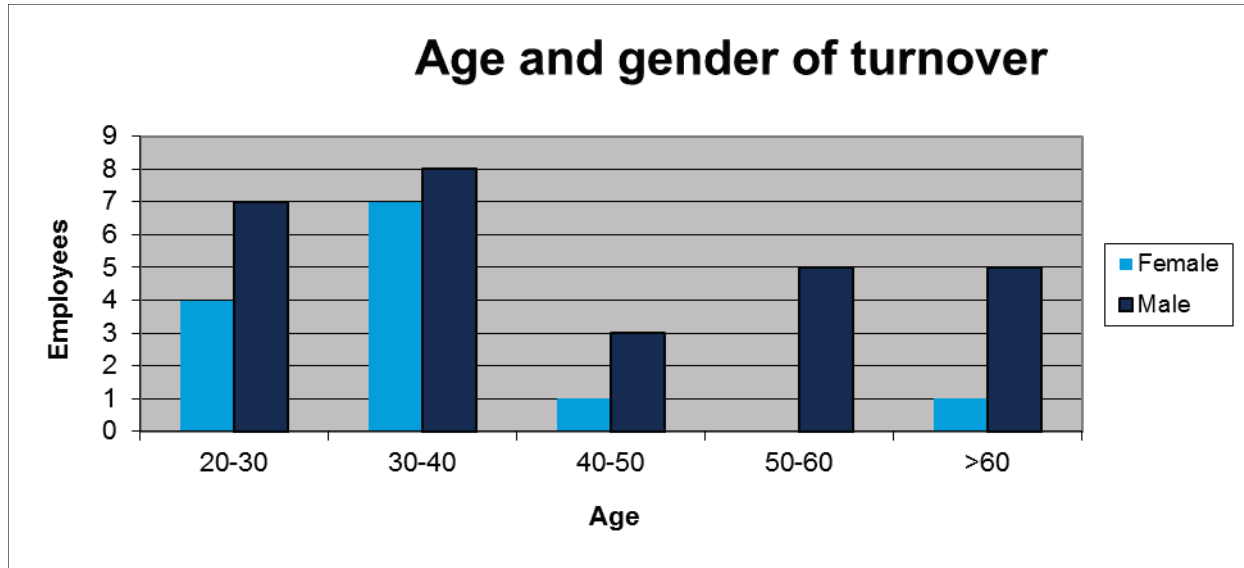
Length of Service and Gender of Staff Leaving



The 38 employees that left in the last 12 months had collectively served 248 years. This represents 7.8% of the total tenure at the Council.

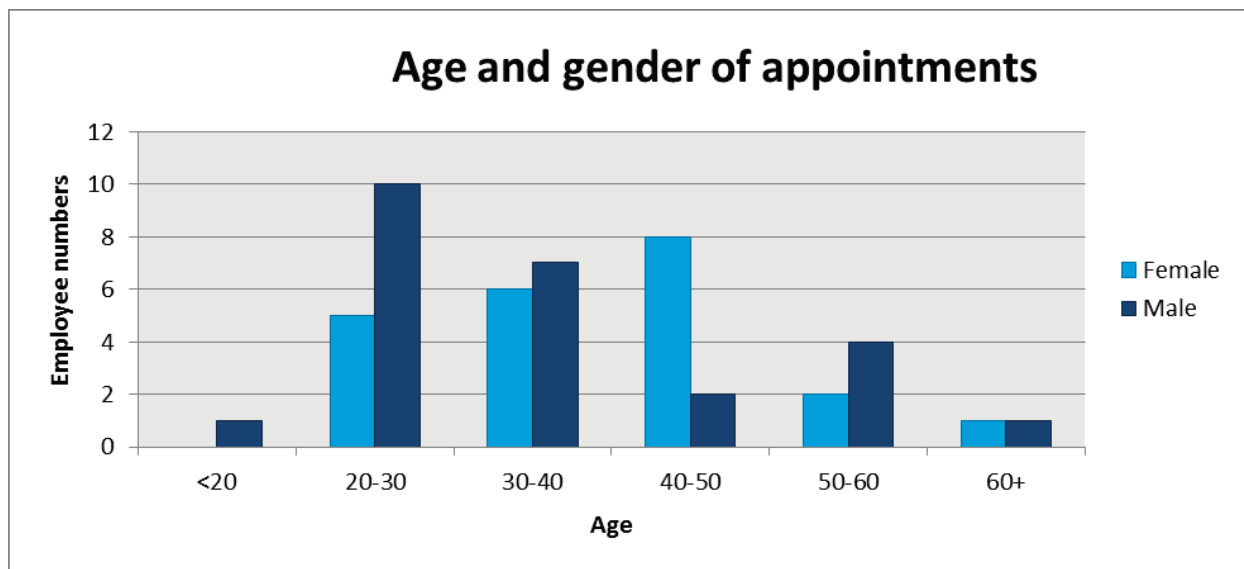
The average length of service of employees leaving was 6.5 years. The average for women was 5.6 years and for men was 6.4 years.

Age and gender of turnover



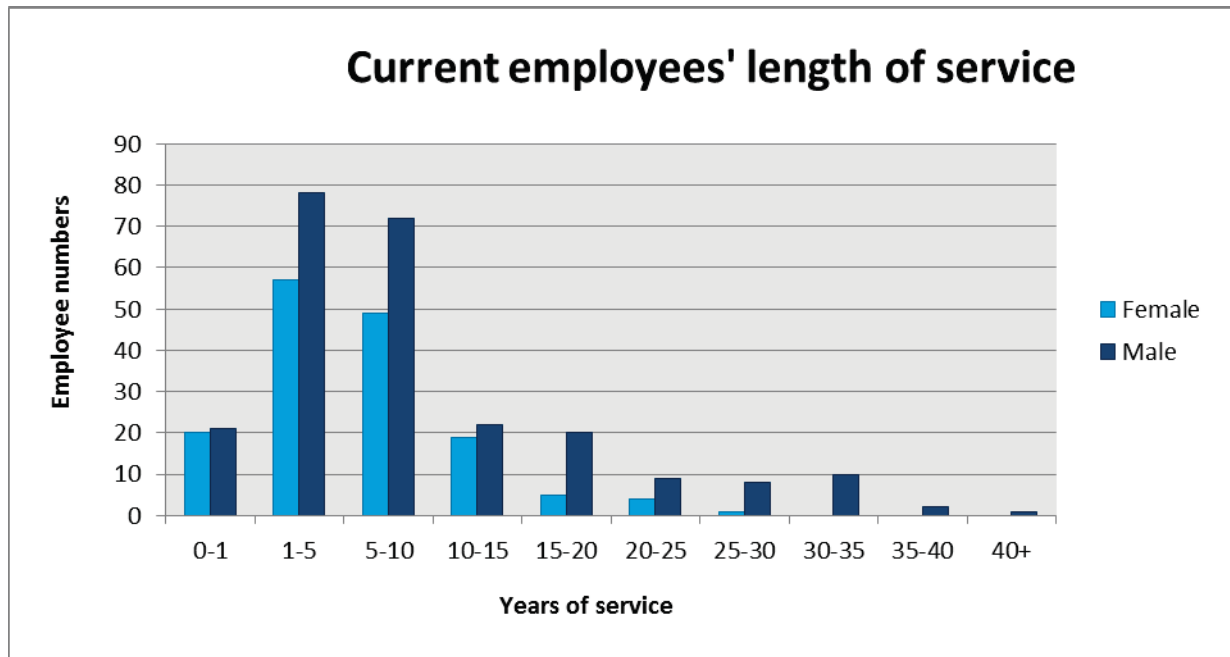
- ▶ The average age of employees leaving was 40 years.
- ▶ The average age of women leaving was 35 years
- ▶ The average age of men leaving was 43 years.

Annual appointments statistics



There were 47 permanent appointments in the year ending 31 December 2014. Twenty two of these appointments were women.

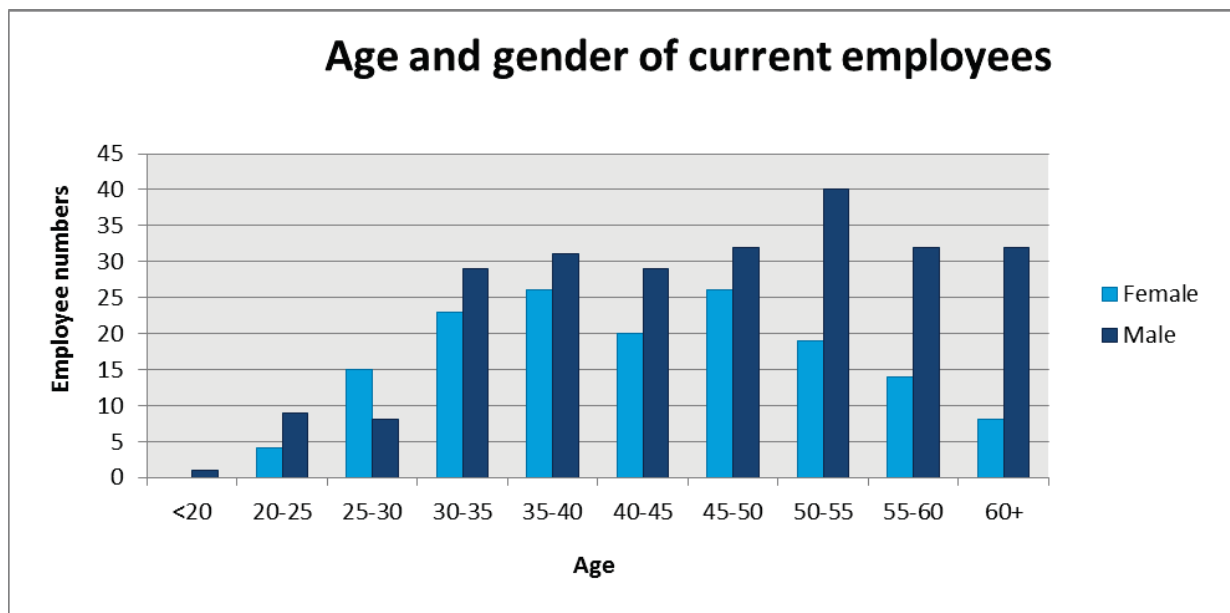
Current permanent employees



There are 41 employees (10.3%) with less than one year's service.

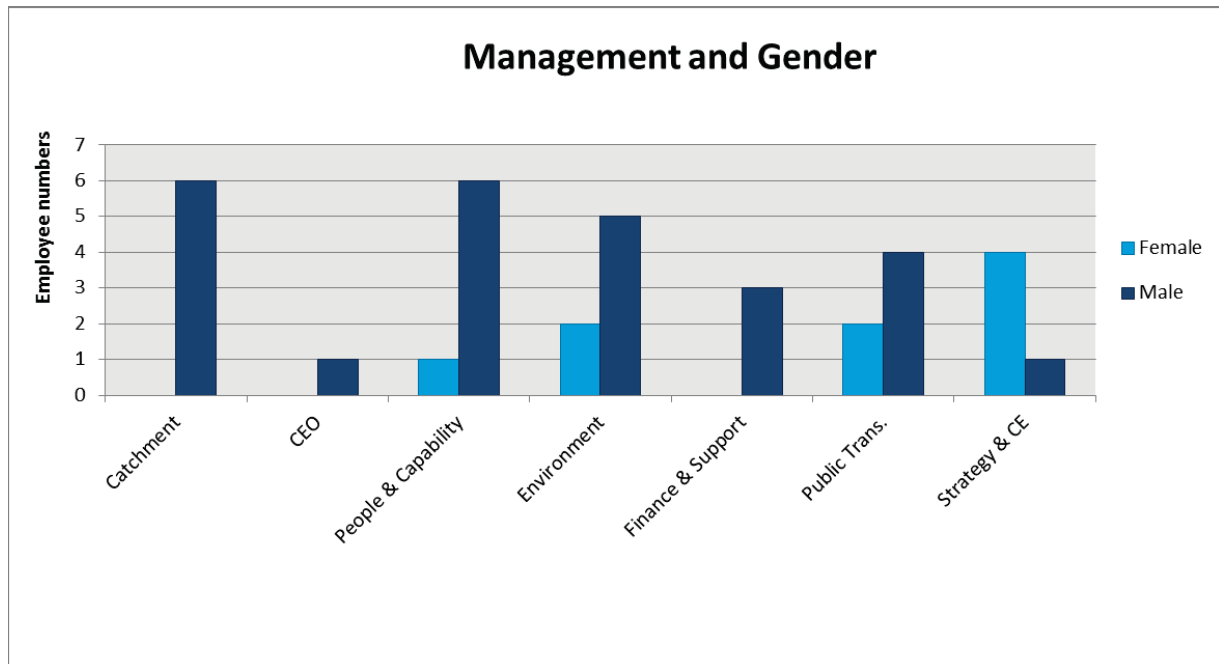
38% of employees are women.

Age and gender of current employees



- ▶ The average age for women is 42 years
- ▶ The average age for men is 46 years

Management and gender

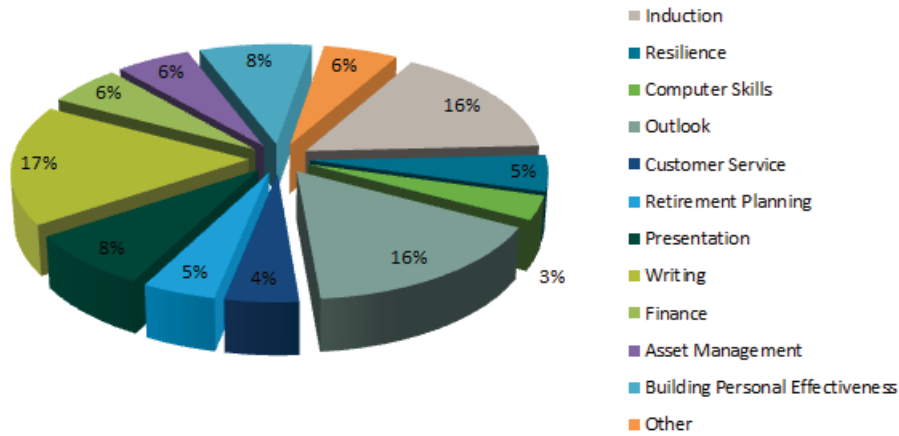


- ▶ 38% of all employees are women
- ▶ 25% of managers are women

Training and Development

Course attendance

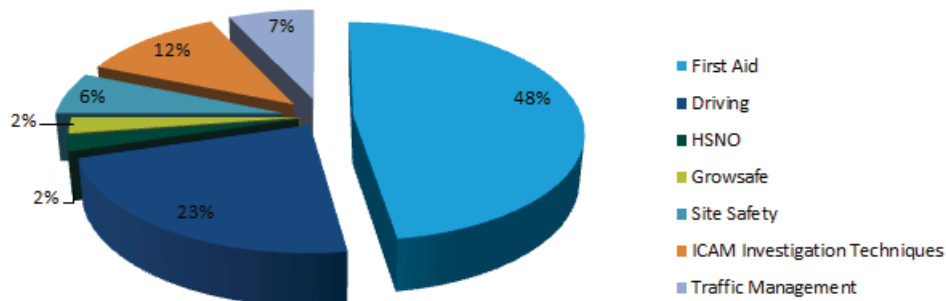
Core Training 1 October - 31 December



The Human Resources Department has continued to run our existing suite of core training.

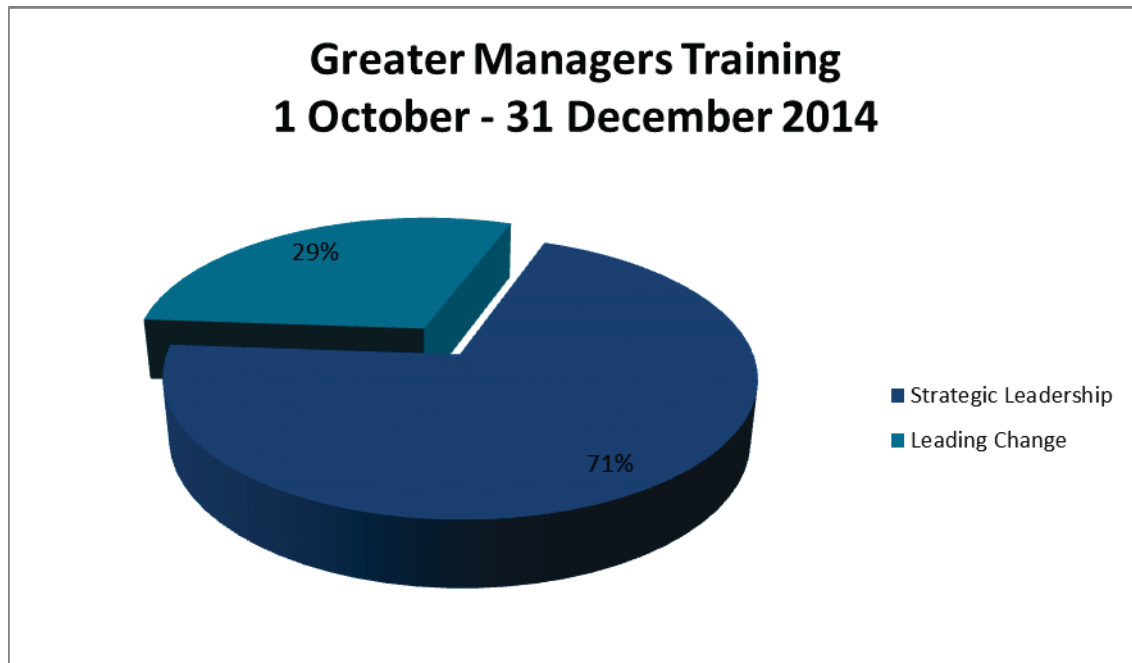
Health and Safety training courses

Health and Safety Training 1 October - 31 December



The Human Resources Department has continued to run a range of health and safety training including the ICAM investigation training.

“Greater Managers” Management Development programme



The Human Resources Department has continued to run the core six modules of the Greater Managers management development programme for new team leaders and managers, and for other staff who have been identified as having the potential to develop into management roles.

Integration of water services project

The transfer of water supply employees to the new entity (Wellington Water) has been completed. Wellington Water finalised their new structure in November 2014. The Human Resources Department continues to provide SAP access support to Wellington Water employees.

Management and Leadership Development Project

In September 2014 the Human Resources Department engaged a consultant (Arch Keenan) to review the current and future management and leadership development requirements of the organisation. Throughout October and November Arch researched the current Greater Managers programme, interviewed forty-one managers and team leaders, looked at likely future training and development requirements and collated the results.

In December 2014 Arch presented these results to ELT and is working on a management and leadership development programme which will initially focus on vision and values, leadership competencies, capability and management competencies.

Engagement survey

The Gallup organisation has been engaged to run an engagement survey in March 2015. As identified in the briefing paper to ELT, the format of this survey is similar to past Gallup engagement surveys with two additional questions, one relating to change management and one relating to supervisor effectiveness. These questions will link in with the management and leadership development project.

1.4 Quarterly Report on WREMO

The quarterly report on WREMO is attached as **Attachment 1**.

1.5 Quarterly Report on Health and Safety

Report on 2014 – 2015 Health and Safety Performance Targets

The following table includes an assessment of progress towards the 2014 – 2015 Health and Safety performance targets agreed by the Executive Leadership Team. The performance measures are colour coded to indicate the trend across the quarter as follows:

Green – positive movement towards, achieved or exceeded the target

Orange – no significant progress towards achieving the target

Red – did not achieve the target and actually went backwards

Performance Measure	Performance Target	2 nd Quarter-end result	Percentage Improvement from 1 July 2014	Comment
Lost time injury frequency rate (LTI/100,000 hours worked)	1.25	0.77	40%	There were two LTI's and three MTI's for the quarter. This has led to a positive decrease with all three performance measures now below their respective performance targets for the 2014-2015 year
Medical treatment frequency rate (MTI/100,000 hours worked)	1.25	1.16	25%	
Total Recordable Rates (TRR) (MTI + LTI/100,000 hours worked)	2.50	1.93	32%	

Injury Lost Days / Severity Rate (SR) (days lost due LTI's/100,000 hours worked)	7.5	9.40	19%	The Injury Days Lost / Severity rate continues to drop with the two LTI's this quarter only requiring the injured staff member to take a single day off work. There were only 2 days lost due to a LTI recorded this quarter.
Proactive vs. Reactive Ratio	2.00	1.38	-27%	The Proactive vs. Reactive Ratio has decreased over this quarter. There are still more proactive (potential risk) occurrences reported than reactive (realised) risk occurrence reported.
Corrective Action Ratio	0.40	0.11	60%	The Corrective Action ratio has remained constant across this quarter. Direct communication with business areas continues to identify additional implemented corrective actions associated with reported occurrences have been identified.
Incident Reporting & Recording	95% of all incidents reported and recorded in the GWRC incident data base within 2 working days	65%	5%	This remains at a similar percentage as the previous quarter. December was a very good month with 81% of occurrences recorded into the system within two working days.





2014 - 2015 Health and Safety Action Plan Scorecard

The key components of the five year GWRC Health and Safety Strategy are:

- ▶ Safe people
- ▶ Safe workplace
- ▶ Safe systems








Below are the Health and Safety targets and actions for 2014 -2015. A summary of progress against each target is indicated by the traffic light in the final column. A descriptor for each of the traffic lights follows this table.




Actions score card key	
	Completed action point. Target achieved
	On track with action point. Target on track.
	Behind with action point but able to be resolved without management intervention. Target behind, but still within reach.
	Behind with action point and unable to be resolved without management intervention. Target unlikely to be met.



Strategic aims 2014-2019	Actions 2014-2015	Targets	status	
Safe People				
INSPIRED	Build health and safety leadership capability by embedding health and safety within the Greater Managers programme	Leadership competencies identified for H&S Advisors used to inform development activity for leaders		
		H&S is included in the Greater Managers leadership development programme		
		100% of leaders have received H&S leadership basics training		
CAPABLE	Develop tools, templates and critical risk related guidance material (including SOPs) to support our people to consistently and safely perform their activities and tasks	H&S representatives and people leaders confirm that those they manage / represent have access to relevant tools, templates and critical risk related guidance material and SOPS		
		Provide health and safety basics training for all of our people	All of our people are able to articulate their role and responsibilities for health and safety management when questioned	
		Health and safety basic's training is included in our core training programme		
INFORMED	Develop a new, revitalised and technology supported health and safety induction programme that has regular refresher requirements	All of our people have received a health and safety induction		
		Provide our people with accessible, clear and practical health and safety information relevant to their activities, roles and responsibilities	GWennie has current, engaging health and safety information readily available	
		A communications plan for health and safety information is available and has been implemented		

Safe Workplace

PLANNED	Embed health and safety into procurement practices, design and planning activities	Evidence of safety integration into procurement and design decisions is available	
	Support the organisation to conform to the requirements of the contractor safety management policy	A sample audit of contractors organisation wide demonstrates that all contractors meet our requirements and are working safely	
		Contractor monitoring inspections and audits confirm contractor safety capability has been verified by our people prior to work engagement	
MANAGED	Analyse and standardise all methodologies across the organisation for the inspection, maintenance and monitoring of our workplaces	Spot check audit of assets and workplaces across the organisation demonstrate compliance standards met	
COORDINATED	Determine the key organisations that we need to coordinate health and safety activity with and implement a framework to ensure effective coordination and communication practices	All business areas have identified the key stakeholders at each workplace and they are cooperating and communicating with these stakeholders in respect of health and safety management activity	

Safe Systems

TARGETTED	Identify, assess and manage the risks in our activities. To include evaluation of existing control gaps, and action required to improve risk management	We have an organisational risk profile that clearly defines our critical risks. Control of these risks is communicated to the Council Risk and Assurance Committee quarterly	
		Spot check review shows that risk assessments have been undertaken for all of our activities and workplaces	
IMPROVING	Identify, acquire, configure and implement a health and safety management information system to	A system obtained via RFP has been configured for GWRC and implemented. Subject matter experts have been	

	support our health and safety activity	trained and data entry has commenced	
	Revitalise the organisations reporting framework for health and safety practice and performance metrics and information. This should align with due diligence obligations	Councillors and our people receive health and safety performance information relevant to their role	
ALIGNED	Reorient and rationalise the health and safety management system process and policy documentation to meet the requirements of the new legislative and levy incentive frameworks and to fit with the new HASMIS work flows	All policies have been reviewed in light of the proposed regulatory framework	
		All process documentation has been reviewed and rationalised to align with the work flows in the future HASMIS	

Greater Wellington Regional Council health and safety activity

In addition to business as usual, key health and safety activity that occurred during the last quarter included:

- ▶ On Tuesday 18 November 2014 several staff and a variety of quads, some fitted with crush protection devices (CPD's), came together at the Waiohine Gorge. The purpose of this day was to understand the various use of quad bikes throughout the organisation and to gather evidence on whether the organisation considered CPD's to be a safety feature of quad bikes or not. A report is currently being prepared and will be presented to ELT in the New Year to help inform the organisation's decision about our approach to CPD's.



- ▶ Two light utility vehicle (LUV) training days were held at Battle Hill on the 8th and 9th of December 2014. The opportunity was taken to incorporate a new small Honda and Polaris LUV's demonstrator into the training fleet for the day to gauge their potential suitability for GWRC. Feedback from staff will be incorporated into the quad/LUV profile library.



- ▶ Two Work Related Impairment – Wellness briefings by Dr Simon Ryder-Lewis (GWRC's occupation physician) were held in December in Upper Hutt depot and Shed 39. Further additional briefings are scheduled for February 2015 for Masterton and an additional Shed 39 session. These briefings presented information about a variety of potential impairment sources including:

- › Fatigue
- › Dehydration
- › Metabolic
- › Prescribed medication
- › Pre-existing health condition
- › Aging
- › Alcohol and other drugs

It is hoped that on-going discussion across the organisation will help inform how GWRC can best manage the risks associated with these issues.

Health and Safety Database Project (HASMIS)

After an extensive review of health and safety management information systems in New Zealand and internationally (Australia, UK/European markets) the project team are not able to confirm a preferred vendor who has the capability to meet the requirements for managing GWRC's health and safety.

What we have done so far

- ▶ Been through a comprehensive RFP process and shortlisted 3 potential vendors
- ▶ Identified the current market maturity and capability for health and safety systems we are aware of, both through the RFP process and other methods of research
- ▶ Identified wide variances in system capability, configuration and ability to meet GWRC's requirements
- ▶ Gained an understanding of pricing structures, service support and overall costs for various vendors
- ▶ Gained an understanding of the requirements for storage of data, mobile solutions and communication channels
- ▶ Reviewed several vendor organisations and potential contractual relationships to assess how vendors (particularly overseas vendors) would support GWRC with the transition, training and any future system developments

Next steps (January – March)

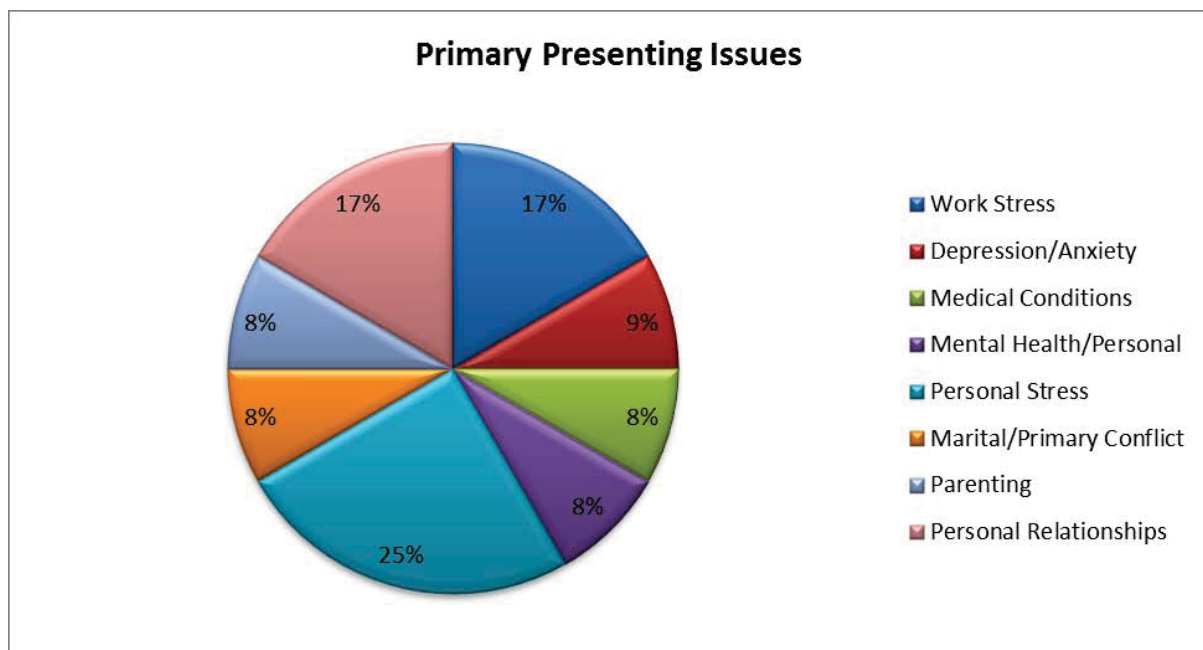
- ▶ Further detailed research into two vendors, who did not respond to the RFP process, to understand their health and safety management systems
- ▶ Examination of the options going forward and determining a course of action

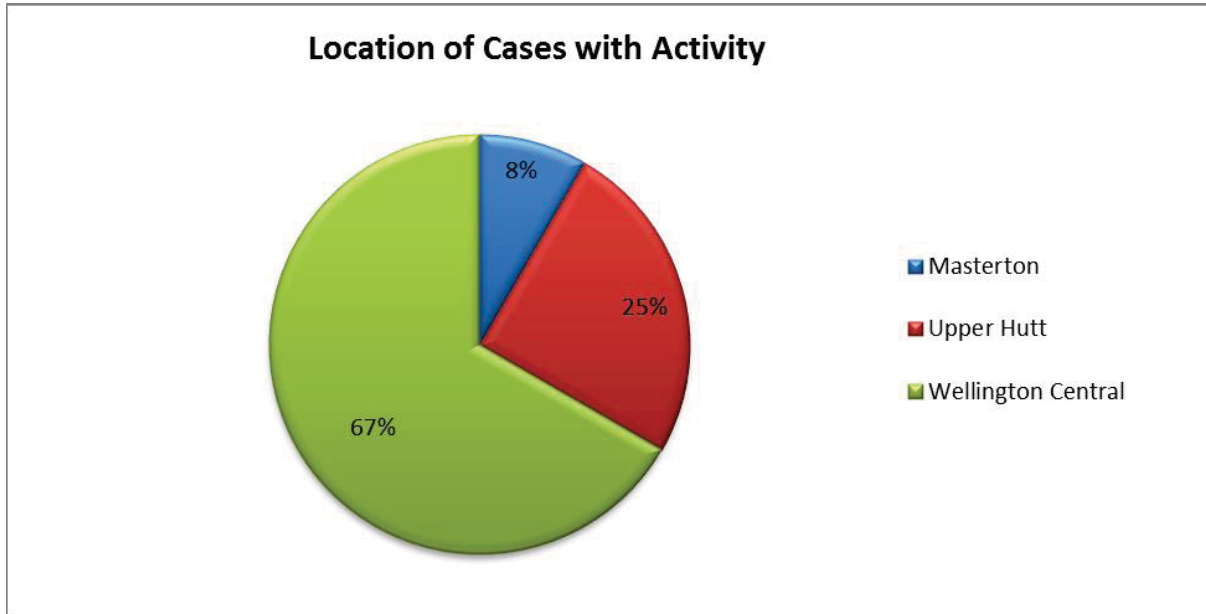
Employee Assistant Programme (EAP)

During the quarter, there were 12 EAP cases. This figure is made up of five new cases, one reopened and six pre-existing. This level of activity is 30% lower than the July – September quarter which saw 20 total active cases, but similar to the April – June 2014 quarter which finished with 15 active cases.

The most common triggers for entry into EAP continue to be Work and Personal Stress, Work Stress, Depressions/Anxiety and Divorce/Separation/custody. Our EAP provider, Instep, have analysed our data over the last four years and have concluded that since 2012 there has been a decrease in cases related to workplace stress. However, there continues to be an increase in cases related to matters outside of work including personal stress, parenting, relationship issues, and increased usage with respect to health (including medical conditions and mental health).

The figure below identifies the primary presenting issue of each case. The ‘primary’ presenting issue is the one viewed most salient by the EAP professional handling the case.





Business group health and safety performance summary

The following graphs summarise GWRC's health and safety performance over the last 12 months.

Figure 1: Lost Time, Medical Treatment & Total Recordable Injury Frequency Rates

(Rolling 12 month frequency rates as of December 2014)

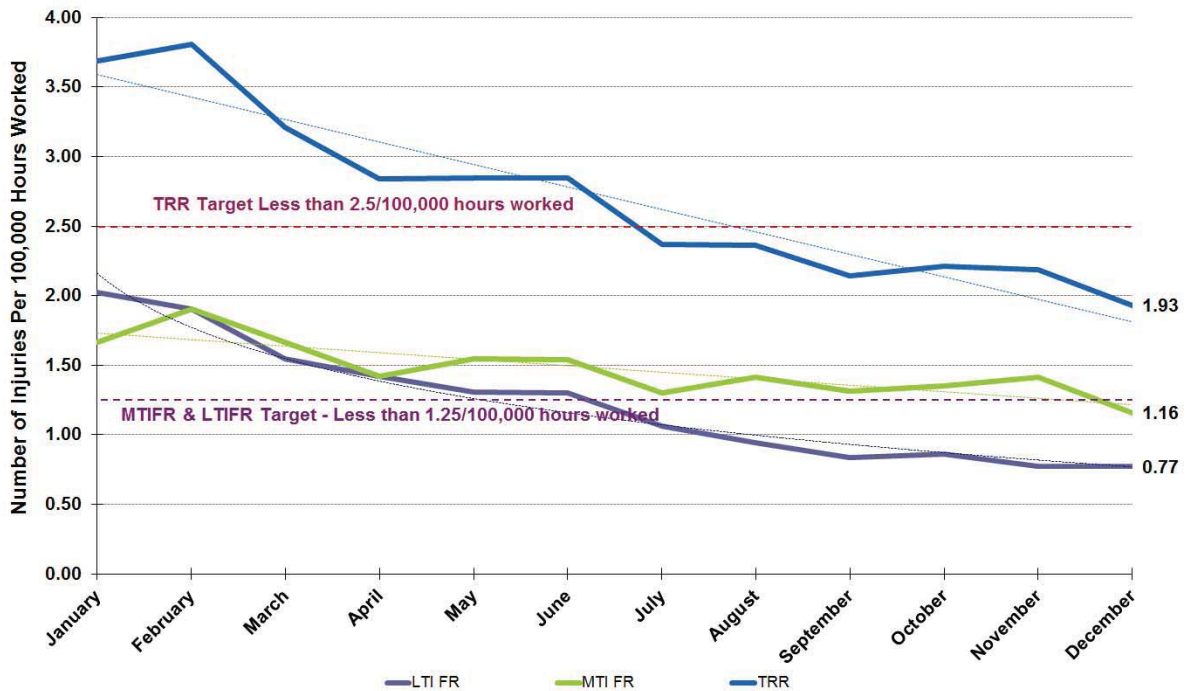


Figure 1 shows the relationship between frequency of Lost Time Injuries which result in time off work (LTIFR) and Medical Treatment Injuries which require treatment by a registered medical practitioner (MTIFR). The Total Recordable Rate (TRR) is the combination of the LTIFR and MTIFR.

The graph shows that our TRR has continued to decrease over this quarter with two LTI's and three MTI's. The performance target for TRR is 2.5 TRR occurrences/100,000 hours worked. The TRR has ended the quarter under the target at 1.93/100,000 hours worked.

The LTIFR target is 1.25/100,000 hours worked. With two lost time injuries in this quarter the LTIFR has decreased from 0.83 to 0.77 LTIs/100,000 hours worked over the quarter.

The MTIFR target is 1.25/100,000 hours worked. There were three MTI's to staff this quarter which means that the MTIFR decreased from 1.31 to 1.16 MTIs/100,000 hours worked and now sits below the performance target set.

Figure 2: Injury Days Lost / Severity Rate
(Rolling 12 months frequency rate as of December 2014)

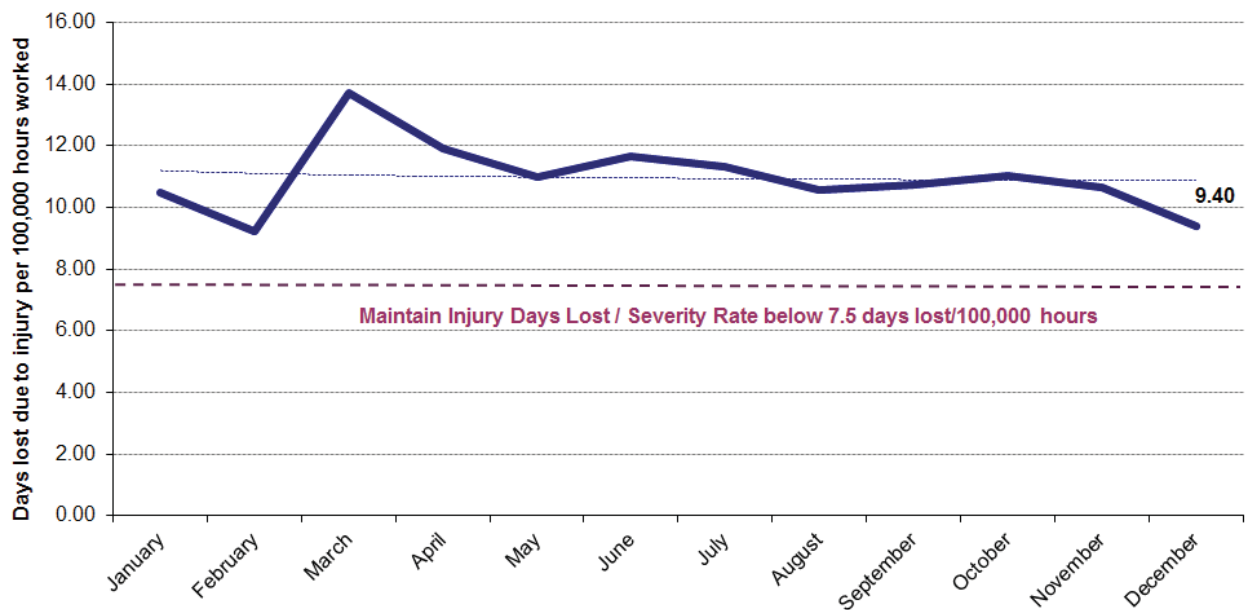


Figure 2 shows the days lost per 100,000 hours worked due to work related injuries. The Injury Days Lost / Severity Rate performance target is currently 7.5 days lost/100,000 hours worked.

This graph shows that our Injury Days lost / Severity Rate decreased from 10.73 to 9.40 days lost due to injury/100,000 hours worked over this quarter. During the last quarter there were only 2 recorded days lost across the business due to LTIs.

Quarterly Report on Project Management

Health and Safety Management Information System Project

This project is running behind time as our investigation of the market has demonstrated that there are no systems which closely meet our requirements. Investigations are continuing on two further vendors.

2 GROUP FINANCIAL SUMMARY

2.1 Financial summary

The Group results exclude the autonomous Wellington Regional Emergency Management Office (WREMO) which is reported separately in this section.

The group has a budget of \$2.5 million of direct operational costs for the first quarter. Expenditure for the year was \$22k less than expected.

All operational budgets are running within expectations.

2.2 Group consolidated financial statements

People & Capability Group (ex WREMO) Financial Performance Statement 6 Months ended 31 December 2014	Year to date			Full Year			Last Year FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Rates & Levies	1,495	1,495	-	2,990	2,990	-	3,144
External Revenue	19	9	10	18	18	-	32
Investment Revenue	5	1	4	3	3	-	8
Internal Revenue	126	126	-	252	252	-	252
TOTAL INCOME	1,645	1,631	14	3,263	3,263	-	3,436
less:							
Personnel Costs	948	983	35	2,019	1,967	(52)	1,783
Materials,Supplies & Services	716	720	4	1,439	1,439	-	1,391
Travel & Transport Costs	27	65	38	129	129	-	63
Contractor & Consultants	195	142	(53)	344	344	-	418
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	558	556	(2)	1,287	1,287	-	1,464
Total Direct Expenditure	2,444	2,466	22	5,218	5,166	(52)	5,119
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(1,010)	(1,010)	-	(2,021)	(2,021)	-	(1,764)
Depreciation	23	15	(8)	29	29	-	97
Loss / (Gain) on Sale of Assets / Investments	(3)	(4)	(1)	(4)	(4)	-	(2)
Total Indirect Expenditure	(990)	(999)	(9)	(1,996)	(1,996)	-	(1,669)
TOTAL EXPENDITURE	1,454	1,467	13	3,222	3,170	(52)	3,450
OPERATING SURPLUS / (DEFICIT)	191	164	27	41	93	(52)	(14)
Add Back Depreciation	23	15	8	29	29	-	97
Other Non Cash	(3)	(4)	1	(4)	(4)	-	(2)
Net Asset Acquisitions	(31)	(35)	4	(35)	(35)	-	(31)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	180	140	40	31	83	(52)	50
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	(5)	(1)	(4)	(83)	(83)	-	56
NET FUNDING SURPLUS (DEFICIT)	175	139	36	(52)	-	(52)	106

6 Months ended 31 December 2014 Capital Expenditure Statement People & Capability Group (ex WREMO)	Year to date			Full Year			Last Year FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	40	45	5	45	45	-	51
Capital Project Expenditure	-	-	-	-	-	-	-
Asset Disposal Cash Proceeds	(9)	(10)	(1)	(10)	(10)	-	(20)
Net Capital Expenditure	31	35	4	35	35	-	31
Investments Additions	-	-	-	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	31	35	4	35	35	-	31

2.3 Group financial summary for Risk and Assurance

Human Resources department financial report

Human Resources Financial Performance Statement 6 Months ended 31 December 2014	Year to date			Full Year			December FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	-	-	-	-	-	-	-
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-
TOTAL INCOME	-	-	-	-	-	-	-
less:							
Personnel Costs	696	685	(11)	1,423	1,371	(52)	1,298
Materials,Supplies & Services	29	20	(9)	39	39	-	47
Travel & Transport Costs	9	7	(2)	13	13	-	11
Contractor & Consultants	181	112	(69)	284	284	-	145
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	72	65	(7)	128	128	-	128
Total Direct Expenditure	987	889	(98)	1,887	1,835	(52)	1,629
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(932)	(932)	-	(1,865)	(1,865)	-	(1,656)
Depreciation	4	3	(1)	5	5	-	7
Loss / (Gain) on Sale of Assets / Investments	(3)	(4)	(1)	(4)	(4)	-	-
Total Indirect Expenditure	(931)	(933)	(2)	(1,864)	(1,864)	-	(1,649)
TOTAL EXPENDITURE	56	(44)	(100)	23	(29)	(52)	(20)
OPERATING SURPLUS / (DEFICIT)	(56)	44	(100)	(23)	29	(52)	334
Add Back Depreciation	4	3	1	5	5	-	7
Other Non Cash	(3)	(4)	1	(4)	(4)	-	-
Net Asset Acquisitions	(31)	(30)	1	(30)	(30)	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(86)	13	(97)	(52)	-	(52)	341
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(86)	13	(97)	(52)	-	(52)	341

6 Months ended 31 December 2014 Capital Expenditure Statement Human Resources	Year to date			Full Year			December FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	40	40	-	40	40	-	-
Capital Project Expenditure	-	-	-	-	-	-	-
Asset Disposal Cash Proceeds	(9)	(10)	(1)	(10)	(10)	-	-
Net Capital Expenditure	31	30	(1)	30	30	-	-
Investments Additions	-	-	-	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	31	30	(1)	30	30	-	-

Human Resources department financial summary

The department has spent \$987k in direct operational expenditure.

The department has engaged additional resource for Health and Safety, adding to the unfavourable variance. Work in this area is essential to the HASMIS and HSE general work programme. The CFO department has matched the additional \$52k expenditure from its accounts. In addition, additional consultancy resource has been engaged to develop the management and leadership development programme.

Democratic Services department financial report

Democratic Services Financial Performance Statement 6 Months ended 31 December 2014	Year to date			Full Year			Last Year FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	8	8	-	15	15	-	14
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	126	126	-	252	252	-	252
TOTAL INCOME	134	134	-	267	267	-	266
less:							
Personnel Costs	244	276	32	551	551	-	459
Materials,Supplies & Services	3	14	11	29	29	-	23
Travel & Transport Costs	4	4	-	7	7	-	9
Contractor & Consultants	1	20	19	40	40	-	7
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	34	36	2	71	71	-	65
Total Direct Expenditure	286	350	64	698	698	-	563
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(216)	(216)	-	(431)	(431)	-	(354)
Depreciation	2	2	-	5	5	-	13
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
Total Indirect Expenditure	(214)	(214)	-	(426)	(426)	-	(341)
TOTAL EXPENDITURE	72	136	64	272	272	-	222
OPERATING SURPLUS / (DEFICIT)	62	(2)	64	(5)	(5)	-	44
Add Back Depreciation	4	(2)	6	(5)	(5)	-	13
Other Non Cash	-	-	-	-	-	-	-
Net Asset (Acquisitions)/disposals	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	66	(4)	70	(10)	(10)	-	57
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	66	(4)	70	(10)	(10)	-	57

Democratic Services department financial summary

The department currently has a \$64k favourable variance. Expenditure is on budget, with the exception of consultants and contractors.

Elected members financial report

Elected Members Financial Performance Statement 6 Months ended 31 December 2014	Year to date			Full Year			Last year FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	11	2	9	3	3	-	18
Investment Revenue	5	1	4	3	3	-	8
Internal Revenue	-	-	-	-	-	-	-
TOTAL INCOME	1,511	1,498	13	2,996	2,996	-	3,170
less:							
Councillor costs	8	22	14	44	44	-	27
Materials, Supplies & Services	684	686	2	1,371	1,371	-	1,322
Travel & Transport Costs	15	54	39	109	109	-	44
Contractor & Consultants	14	10	(4)	20	20	-	266
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	452	456	4	1,089	1,089	-	1,271
Total Direct Expenditure	1,176	1,240	64	2,656	2,656	-	2,941
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	138	138	-	275	275	-	246
Depreciation	15	14	(1)	29	29	-	77
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	(2)
Total Indirect Expenditure	153	152	(1)	304	304	-	321
TOTAL EXPENDITURE	1,329	1,392	63	2,960	2,960	-	3,262
OPERATING SURPLUS / (DEFICIT)	182	106	76	36	36	-	(92)
Add Back Depreciation	15	14	1	29	29	-	77
Other Non Cash	-	-	-	-	-	-	(2)
Net Asset Acquisitions	-	(5)	5	(5)	(5)	-	(31)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	197	115	82	60	60	-	(48)
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	(5)	(1)	(4)	(83)	(83)	-	56
NET FUNDING SURPLUS (DEFICIT)	192	114	78	(23)	(23)	-	8

Elected Members Capital Expenditure Statement 6 Months ended 31 December 2014	Year to date			Full Year			Last year FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	-	5	5	5	5	-	51
Capital Project Expenditure	-	-	-	-	-	-	-
Asset Disposal Cash Proceeds	-	-	-	-	-	-	(20)
Net Capital Expenditure	-	5	5	5	5	-	31
Investments Additions	-	-	-	-	-	-	-
Net Capital and Investment Expenditure	-	5	5	5	5	-	31

Elected members financial summary

The Elected Members budget has spent \$1.2m of total direct operating expenditure. All costs are in line with expectations.

Election Reserves as at 31 December 2014

				Full Year		
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000
Opening balance	195	195	0 F	195	195	0 F
Transfers to reserves	0	0	0 F	80	80	0 F
Transfers to reserves - interest	6	1	5 F	3	3	0 F
Transfers from reserves	0	0	0 F	0	0	0 F
Closing Balance	201	196	5 F	278	278	0 F

Represented by:

	Actual \$000	Forecast \$000
ICT reserve	201	278
Closing Balance	201	278

Notes

Variations are stated favourable or unfavourable depending on their effect on the reserve balance

WREMO Reserve as at 31 December 2014

				Full Year		
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000
Opening balance	571	563	8 F	571	563	8 F
Transfers to reserves	0	0	0 F	0	0	0 F
Transfers to reserves - interest	9	6	3 F	13	13	0 F
Transfers from reserves	0	0	0 F	-353	-353	0 F
Closing Balance	580	569	11 F	231	223	8 F

Represented by:

	Actual \$000	Forecast \$000
WREMO (TA contributions) reserve	580	231
Closing Balance	580	231

Notes

Variations are stated favourable or unfavourable depending on their effect on the reserve balance

WREMO financial report

WREMO Income Statement For the 6 months ended 31 December 2014	YTD as at 31 December			Full Year		
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000
Rates & Levies	393	393	-	786	786	-
Government Grants & Subsidies	-	-	-	-	-	-
External Revenue	1,278	958	320	1,917	1,917	-
Investment Revenue	8	6	2	13	13	-
Internal Revenue	-	-	-	-	-	-
TOTAL INCOME	1,679	1,357	322	2,716	2,716	-
less:						
Personnel Costs	1,001	1,079	78	2,157	2,157	-
Materials,Supplies & Services	161	256	95	512	512	-
Travel & Transport Costs	50	51	1	101	101	-
Contractor & Consultants	15	54	39	107	107	-
Grants and Subsidies Expenditure	-	-	-	-	-	-
Internal Charges	42	55	13	109	109	-
Total Direct Expenditure	1,269	1,495	226	2,986	2,986	488
Financial Costs	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-
Transition Costs - operational	-	-	-	-	-	-
Depreciation	31	33	2	66	66	-
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-
TOTAL EXPENDITURE	1,300	1,528	228	3,052	3,052	-
OPERATING SURPLUS/(DEFICIT)	379	(171)	550	(336)	(336)	-
Add Back Depreciation	31	33	(2)	66	66	-
Other Non Cash	-	-	-	-	-	-
Vehicles and other plant purchases	(67)	(70)	3	(70)	(70)	-
Net External Investment Movements	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	343	(208)	551	(340)	(340)	-
Debt Additions / (decrease)	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-
Reserve Investments Interest	(8)	(6)	2	(13)	(13)	-
Reserve Investments Transfer Out	-	-	-	353	353	-
NET FUNDING SURPLUS (DEFICIT)	343	(214)	545	-	-	-

WREMO Capital Expenditure Statement For the 6 months ended 31 December 2014	YTD as at 31 December			Full Year		
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000
Total Asset Acquisitions	67	70	3	70	70	-
Capital Project Expenditure	-	-	-	-	-	-
Asset Disposal Cash Proceeds	-	-	-	-	-	-
Net Capital Expenditure	67	70	3	70	70	-
Investments Additions	-	-	-	-	-	-
Net Capital and Investment Expenditure	67	70	3	70	70	-



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Wellington Region Emergency Management Office

Quarterly Report

1 October – 31 December 2014.



Executive Summary

Overview

A relatively quiet quarter from an operational perspective with few EOC activations; however what is not visible, is the monitoring, analysis, consultation, and sometimes pre-emptive measures that occur in the background – during 2014 no less than 350 weather warnings/watches were received.

Wins

- 1. EOC Technology Upgrades.** Good progress was made with planned technology enhancements designed to facilitate greater connectivity and situation awareness. This task is now largely complete (in five of the 6 EOCs) with work beginning on completing the associated user documentation .
- 2. Community Response Planning (CRP).** Good progress occurred engaging with key members of our communities to produce Community Response Plans. The process itself is under review and future planning will enhance the scope from mere response, to wider community resilience initiatives, such as community visioning and community driven projects that help maintain community relationships. The Group resilience strategy and CRP process continues to generate enquiries/requests to utilise our material, both within NZ and internationally (eg. Great Yarmouth UK, Melbourne Australia, Seattle USA)
- 3. Visual Workplace.** Feedback on the new style reports has been positive. Based on the Kaizen methodology, we now display hard copy material on EOC wall boards. The intention is to be able to project the information electronically.

Executive Summary

Developments

The more notable activities progressed throughout the quarter include:

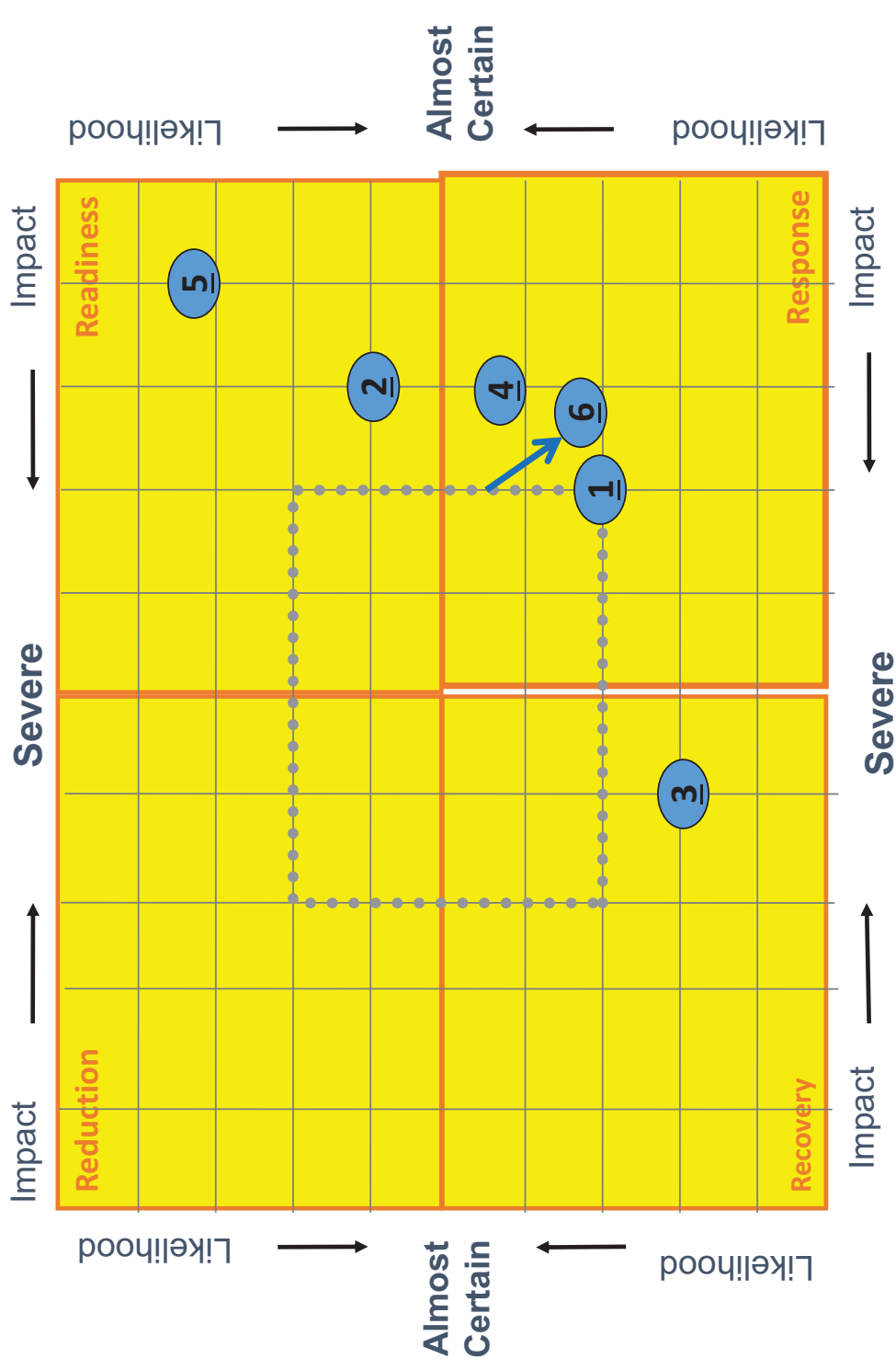
1. **MCDEM Monitoring and Evaluation Assessment.** Considerable preparatory work occurred in advance of the Monitoring and Evaluation assessment scheduled for January – March 2015. Areas we believe to be strong include readiness activities including resilience building activities in the community. Areas which continue to represent opportunities for improvement include operational structures and recovery planning;
2. **Staff.** Some staff turbulence occurred during the period of the report. It was pleasing to note that two of the current WREMO team members gained enhanced roles as a result of the subsequent selection process, while WREMO volunteers secured the remaining permanent roles;
3. **WREMO Projects.** The following projects were advanced during the reporting period:
 - a. Tsunami Planning – Group-wide plan that will see the region better prepared to respond to a tsunami threat (from warning to 72 hours after arrival);
 - b. Regional Fuel Planning - one of several projects arising from the Lifelines transport accessibility report;
 - c. Communications review – the future rationalisation of communications networks and support arrangements throughout the region ;
 - d. Pre-Disaster Recovery Planning – developing a framework that will guide those decisions/plans that will promote a speedy and effective recovery. The key to this is better understanding the dynamics of the Christchurch recovery.

Executive Summary

31 Dec 2014

Risk Matrix

1. Current response structures unsustainable
2. Waning community interest in resilience building initiatives
3. Lack of an effective Recovery Framework
4. Switch to digital ES communications
5. The challenge in implementing MCDEM initiatives
6. Inadequate operational connectivity



Executive Summary

Risk treatment

1. Current response structures may be unsustainable, particularly given the challenging training load and the time available to conduct this. The Response Structure Review has been launched to investigate more appropriate models for delivering response, to take account of emerging technologies and a more collaborative approach across the region. The current model for delivering training is under review. Indications are that future training should be scenario based.
2. As time passes since our last major emergency, public interest in resilience building initiatives wanes. Projects in this space need to be part of a rolling programme with constant refreshes to take account of emerging knowledge as well as utilising innovative means to empower people to take ownership of their circumstances.
3. The lessons arising from Christchurch's recovery programme must be incorporated into a framework tailored for the Wellington region. Pre-disaster Recovery Framework project launched May 14 – progress is slow owing to the lack of dedicated resource and there being no existing framework of this nature.
4. Analogue CDEM VHF radios and repeaters are required to be replaced by digital sets by 2018. Project launched to achieve this. A budget for this purpose has been factored into the LTP process. Based on current arrangements across the region, this could require funding of \$2m. The current plan to rationalise repeaters and radio sets could see this reduced to \$1m. Further investigation is required to refine the strategy and resulting costs. The latest development currently being investigated might see the Group partner with NZ Police who operate a very robust, technology future-proofed network in the region.
5. Challenges in implementing recent MCDEM initiatives. The need for up-skilling and a more rigorous national approach to Welfare has driven a need to recruit an in-house Welfare specialist and will require councils to commit to developing more comprehensive welfare support networks. The new 2 year training regime for Controllers will likely require a revised strategy for the provision of controllers throughout the region. The new Group Welfare Manager is in the process of being appointed. The Group Controller participated in the inaugural national training course with further controllers to be included in the 2015 programme.
6. The previously reported risk has been downgraded. One EOC remains to be upgraded and when the supporting documentation is complete, the risk will be removed from the matrix.

WREMO Reserve as at 31 December 2014

	YTD as at 31 December			Full Year		
	Actual \$'000	Budget \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000
Opening balance	571	563	8 F	571	563	8 F
Transfers to reserves	0	0	0 F	0	0	0 F
Transfers to reserves - interest	9	6	3 F	13	13	0 F
Transfers from reserves	0	0	0 F	-353	-353	0 F
Closing Balance	580	569	11 F	231	223	8 F

Represented by:

	Actual \$'000	Forecast \$'000
WREMO (TA contributions) reserve	580	231
Closing Balance	580	231

Notes

Variances are stated favourable or unfavourable depending on their effect on the reserve balance

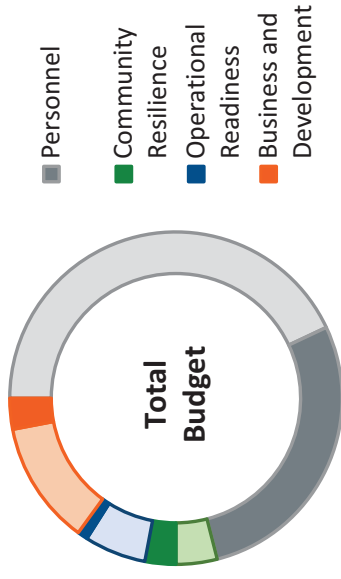
Financial Summary as at 31 December 2014

Income Statement For the 6 months ended 31 December 2014	YTD as at 31 December			Full Year		
	Actual \$'000	Budget \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000
Rates & Levies	393	393	-	786	786	-
Government Grants & Subsidies	-	988	320	1,917	1,917	-
Investment Revenue	8	6	2	13	13	-
Internal Revenue	-	-	-	-	-	-
TOTAL INCOME	1,679	1,357	322	2,716	2,716	-
less:						
Personnel Costs	1,001	1,079	78	2,157	2,157	-
Materials, Supplies & Services	161	256	95	512	512	-
Travel & Transport Costs	50	51	1	101	101	-
Contractor & Consultants	15	54	39	107	107	-
Grants and Subsidies Expenditure	-	-	-	-	-	-
Internal Charges	42	55	13	109	109	-
Total Direct Expenditure	1,269	1,495	226	2,986	2,986	488
Financial Costs	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-
Transition Costs - operational	-	-	-	-	-	-
Depreciation	31	33	2	66	66	-
Loss/(Gain) on Sale of Assets / Investments	-	-	-	-	-	-
TOTAL EXPENDITURE	1,300	1,528	228	3,052	3,052	-
OPERATING SURPLUS/(DEFICIT)	379	(171)	550	(336)	(336)	66
Add Back Depreciation	31	33	(2)	66	66	-
Other Non Cash	-	-	-	-	-	-
Vehicles and other plant purchases	(67)	(70)	3	(70)	(70)	-
Net External Investment Movements	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	343	(208)	551	(340)	(340)	-
Debt Additions / (decrease)	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-
Reserve Investments Interest	(6)	(6)	2	(13)	(13)	-
Reserve Investments Transfer Out	-	-	-	-	-	-
NET FUNDING SURPLUS/(DEFICIT)	343	(214)	545	-	-	353

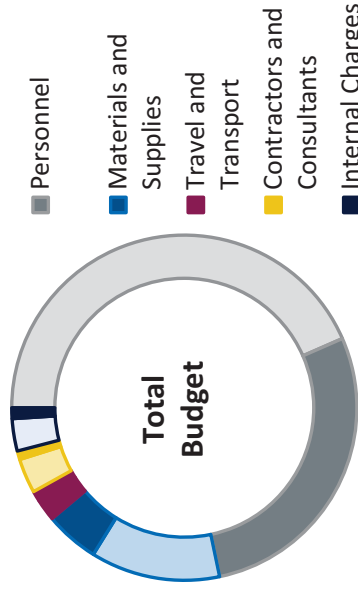
Personnel is marginally underspent which will gradually reduce as the effect of 1 September 2014 pay increases. Materials is \$54k underspent, largely as a result of timing variances. Internal charges are artificially low owing to a credit from GW during the period.

WREMO Capital Expenditure Statement For the 6 months ended 31 December 2014	YTD as at 31 December			Full Year		
	Actual \$'000	Budget \$'000	Variance \$'000	Forecast \$'000	Budget \$'000	Variance \$'000
Total Asset Acquisitions	67	70	3	70	70	-
Capital Project Expenditure	-	-	-	-	-	-
Asset Disposal Cash Proceeds	-	-	-	-	-	-
Net Capital Expenditure	67	70	3	70	70	-
Investments Additions	-	-	-	-	-	-
Net Capital and Investment Expenditure	67	70	3	70	70	-

Portion of budget spent by team



Portion of budget spent by category



Current reserve balance is \$225,000. A total of \$353,000 has been transferred into the WREMO budget for the 2014/2015 year. This is to off-set the Councils funding (\$113,000), funds tagged for the EOC Upgrade (\$100,000) and additional staff costs (\$140,000).

Community Resilience

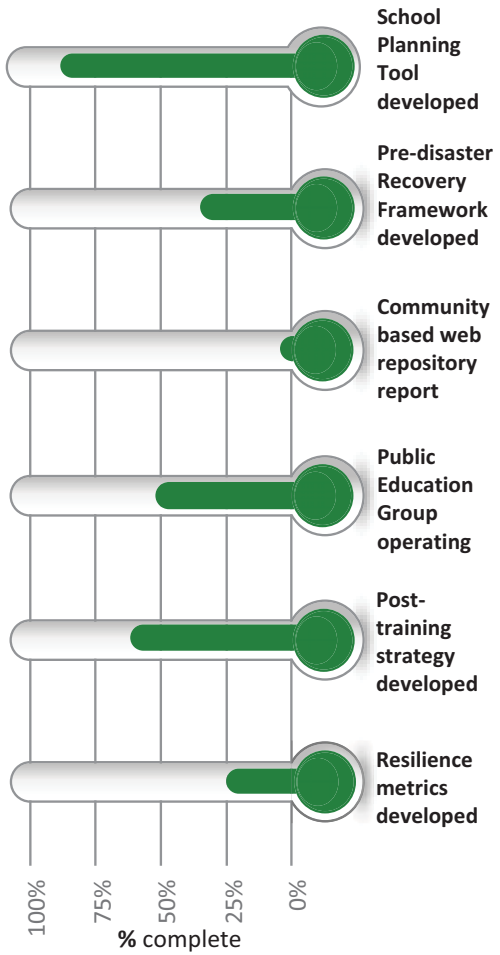
Areas of progress:

- Ran a very successful 1st workshop for the ICoE with approximately 50 people in attendance. Great dialogue and from across policy, practitioners and community leaders on the topic of "how to make cities resilient to future disasters". Nearly half the attendees were still in attendance discussing the topic 30 minutes after the workshop ended. A whitepaper will come out early next year;
- Worked with NZ Inc working group for contributions to the upcoming Hyogo Framework for Action in Japan, March 2015. Two of the three representative examples from Wellington will be WREMO led projects – Tsunami Blue Lines and Community Response Plans;
- CR Team's innovative approaches were recognised in the Australian Journal for Emergency Management with an article and front page promotion. - https://ajem.info/services.com.au/items/AJEM_29-04-12
- Revamped the CD Volunteer course to attract a wider audience. Now, anyone can attend and then choose to become a volunteer at the end of the course. The Team is also in discussions with NZ Red Cross about creating a "passport system" where volunteers cross-train and organisations share existing volunteers;
- Discussions held with Red Cross to explore a collaborative approach to their Hazard App as another tool for emergency alerting. These discussions are taking place alongside GNS with a wider view of the national programme on public alerting;
- Team asked to present on its resilience work and philosophies with a goal to inspire other organisations to adopt similar approaches. Invites received to attend programmes in Australia and Colombia (staff chose to take leave to attend these);
- Support provided to the Kapiti Lions to launch and conduct the "Long Walk Home", a two day event that demonstrated what is involved for people to walk from Wellington City to Kapiti in the event of a loss of transport options. Approximately 120 people participated;
- An initiative arising from the Waikanae Community Response Plan has helped Kapiti MenzShed win a Wellington Airport Regional Community Award in early November;
- Several Honours and Masters students are working on research projects the team is involved with evaluating the impact of the work in the community as well as the methodologies as an example for other organisations to model;
- The Team is working with a Master's student intern in Urban Design to develop a methodology for evaluating the best use of open spaces pre and post earthquake event ; and,
- Work is advancing on the development of a Pre-disaster Recovery Framework

Areas of concern:

- Overall, the Team is tracking well on their primary targets of social agencies and Community Response Planning. However, a few areas have not gained traction as programmed (eg. school KPIs). Specific emphasis will be on these areas in the third quarter and particular emphasis will be applied in the lead-up to Shakeout 2015.

Community Resilience



- The development of resilience metrics are on hold until the Pre-disaster Recovery Framework is further advanced.
- School Planning Tool is developed and we are working with Ministry of Education to potentially make this a national tool.
- Community based web repository has now received approval and funding via a Resilience Fund application.

Community Based Organisations



Schools



Volunteer Programme



Trained volunteers



Community Response Plans



Tsunami Blue Lines







* Totals shown above are annual totals per area as set in the WREMO Annual Plan






Community Resilience



Volunteers

-  Volunteer contact details and training records are up-to-date.
-  Monthly newsletter sent to all volunteers.
-  Recommendations for optimisation of volunteers are identified.
-  Recommendations for optimisation of volunteers are incorporated into volunteer programme and post training engagement strategy.

Communication

-  New technologies for communicating to the public are provided to the Leadership Team as required.
-  Newspapers are utilised as required.
-  Regional radio advertisements and interviews are conducted monthly.

Preparedness enablers

-  Water tanks will remain on sale across the region.
-  Other enablers are investigated and forwarded for approval as required.

- Currently revamping the CD Volunteer course to attract a wider audience. Now, anyone can attend and then choose to become a volunteer at the end of the course. The Team is also in discussions with NZ Red Cross about creating a "passport system" where volunteers cross-train and organisations share existing volunteers. For example, this would enable CD Volunteers to do Red Cross training in Emergency Welfare with Red Cross and Red Cross Volunteers to do Emergency Preparedness training with WREMO. The Team plans to expand the programme to include additional organisations.
- Investigating a newer and more professional format for the CD Volunteer newsletter.

WREMO Volunteer Christmas Party 2014

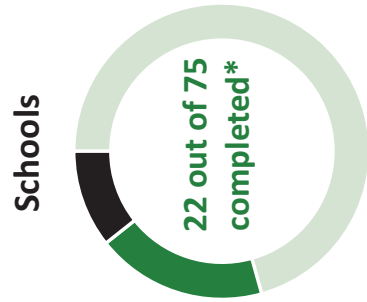
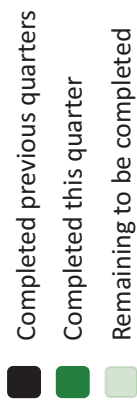
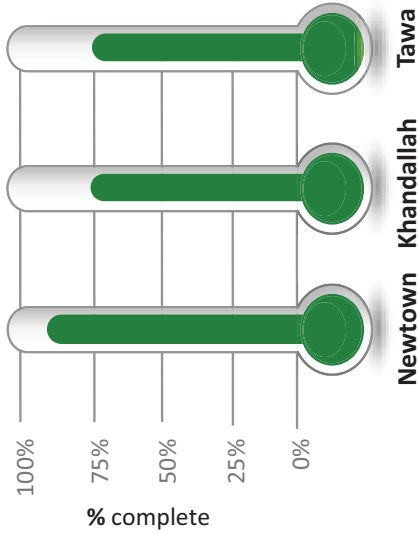
*“Had a great time
connecting with other
volunteers and staff at
Christmas function.
Thanks for organising.
You're an awesome
team!”*

Kaushiki Roy



Wellington City

Community Response Plans



Completed CRPs: Thorndon

- Thorndon CRP – completed and awaiting final community input for signoff.
- Meetings with Our CBD – group working to bring CBD business owners together.
- Ongoing involvement of Neighbour Support for CBD apartment dwellers
- Continued involvement through Volunteer Wellington’s volunteer managers’ peer support group involving the sharing of ideas, networking, understanding how each other’s volunteers programmes could work better, what works well, learning off each others ideas, ways to measure impact, etc.
- Invited to attend the first Civic Hackathon in Wellington, focusing on transport issues for the Miramar Peninsula. A second hackathon is planned for March 2015 and will be focusing on empowering communities and building resilience. WREMO will be helping facilitate this session.
- Connected Newtown Residents Association president with the community planning team at WCC to ensure robust community-driven empowered outcomes similar to those started in Brooklyn. Sounds like great things will be happening there next year.
- Ran a public session for the Newtown and Berhampore Community Response Plan, making the plan truly community-driven, with over 50 people participating and contributing ideas and solutions for the challenges during an earthquake, and visioning for their community.

* Totals shown above are annual totals per area as set in the WREMO Annual Plan

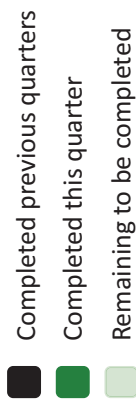
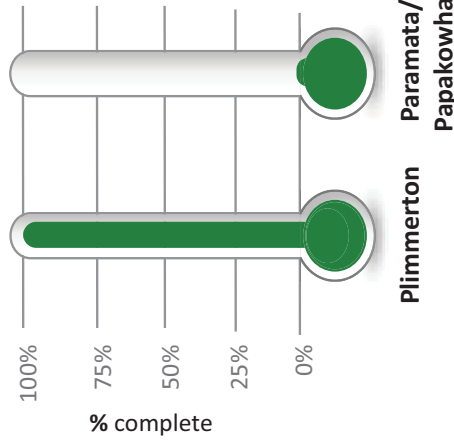
The WREMO team offered to support LifeFlight Trust by advertising their charity movie screening of The Hobbit to our Facebook audience

Their response said it all –

"That would be absolutely wonderful. This was such a lovely email to get today. To have the event sell out again would be amazing. Thank you so much for your support, it is greatly appreciated. On behalf of Catherine and the rest of us at Life Flight, I would just like to say thank you."

Porirua City

Community Response Plans



Community Based Organisations



Schools



Volunteers trained



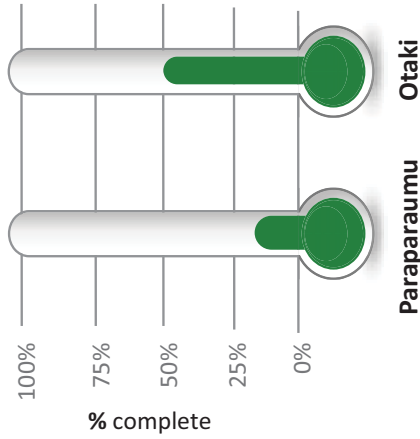
* Totals shown above are annual totals per area as set in the WREMO Annual Plan

- As a result of the Plimmerton-Mana-Cambourne CRP, community members have developed an initiative for teachers and students to "talk" between CDCs, using the CDC radio equipment, to practice and develop their skills on radio communications.
- Pukerua Bay WREMO Volunteers have approached with a request to conduct a Porirua City wide CDC activation. We are currently collaborating to implement this CDC activation in early April 2015.
- Have been supporting Partners Porirua with their Teen Parenting courses, giving ½ hour talks on preparedness with a young baby.
- Working with North City Plaza – to strengthen their emergency plans. They are keen to have on-going engagement.
- As a result of meeting with some Early Childhood Centres they are planning to hold 'Open Days' to get to know the community, and so the community can get to know them.
- Have had initial positive talks with Wgtn Combined Taxis on their emergency plans for special needs students, and Whitireia Polytech on how they can support some of the special needs schools in Porirua.

Kapiti Coast District

- Completed previous quarters
- Completed this quarter
- Remaining to be completed

Community Response Plans



Completed CRPs: Waikanae

Community Based Organisations



Schools



Volunteers trained



* Totals shown above are annual totals per area as set in the WREMO Annual Plan

An initiative started from the Waikanae Community Response Plan has helped Kapiti MenzShed win a Wellington Airport Regional Community Award in early November. To view their winning video submitted to the award panel go to: <https://www.youtube.com/watch?v=bjCrijjM4s3g&list=UU56cIHBoVKfH8Biesrib-pA>

WREMO & Greener Neighbours Programme

In October the Kapiti WREMO office and KDCDC's Greener Neighbourhood Programme teamed up as part of Get Ready Week to raise awareness of what it would be like to go without power and water. Over two days neighbourhoods involved elected to go without power or water (or both) and produced a video of their experiences: <https://www.youtube.com/watch?v=P9zLA0lJOjM&feature=youtu.be>

Menzshed wins regional community award

“Amongst the many things the Menzshed did for their community to win this award, they offered to help local residents install WREMO emergency rainwater tanks in their homes. With the MenzShed’s help Kapiti has recorded the highest number of water tanks sold in the Region at just on 1300 tanks”.



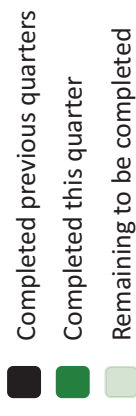
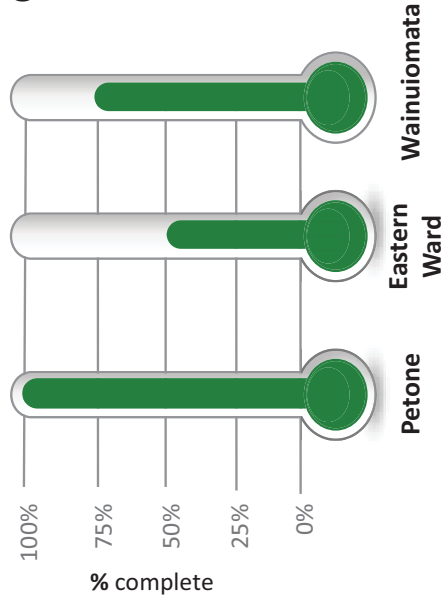
Lions Long Walk Home

“Despite some very windy weather the event was a resounding success and involved over 120 participants walking from Wellington Railway Station to Marine Gardens in Kapiti. The Mayors of Wellington, Porirua & Kapiti Councils either actively walked with or encouraged the participants along the way. The event was deemed such a success Lions hope to repeat the event in another couple of years (with even more participants), and also want to encourage Lions Clubs in the Hutt to do something similar”.



Hutt City

Community Response Plans



Community Based Organisations



Schools



Volunteers trained

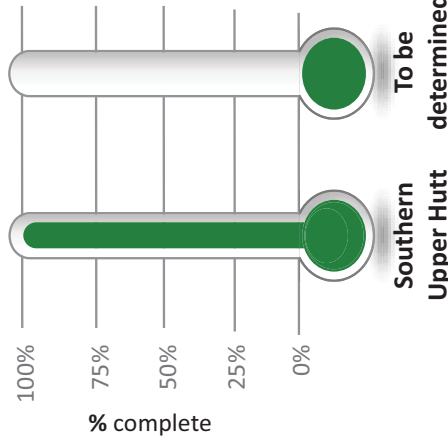


* Totals shown above are annual totals per area as set in the WREMO Annual Plan

- First meeting for review of Wainuiomata CRP resulted in a re-evaluation of the CDCs in the area and the need for a central coordination point for Wainuiomata back to the EOC.
- Volunteer course held in Wainuiomata to gain a pool of volunteers for the area. We now have 8 fully trained volunteers in Wainuiomata.
- Te Tatau O Te Po Marae ran a welfare exercise that WREMO were invited to attend
- Eastern Ward CRP first review meeting held and a wider network of agencies were invited and involved.
- Petone CRP completed. Flyers are ready for distribution early 2015
- Easbourne and the Bays CRP reviewed for the second time -much larger stakeholder group than we originally began with which shows how many more people want to be involved.
- Presentation held in the Hutt in conjunction with Deaf Aotearoa, using a sign language interpreter to cater to a vulnerable part of the community who often feel left out of our messaging.
- WREMO stall at Eastbourne Carnival.
- Talks with Birthright – vulnerable agency project re. how we can support their clients, as well as themselves as an agency through BCP, etc

Upper Hutt

Community Response Plans



- Completed previous quarters
- Completed this quarter
- Remaining to be completed

Community Based Organisations



Schools



Volunteers trained



* Totals shown above are annual totals per area as set in the WREMO Annual Plan

- Upper Hutt will hold it's first ever Civil Defence volunteer course scheduled for February 12th – March 5th. We hope to draw in a pool of Civil Defence volunteers who live in the Upper Hutt area.
- WREMO participated in a neighbourhood support evening for Upper Hutt coordinators along with Police and Fire. There was a good turn out of Upper Hutt residents involved and there was positive feedback for having a volunteer course.
- Have been building our relationship with Orongomai Marae in Upper Hutt and have scheduled a volunteer course specifically for the Marae in the New Year before Waitangi Day.
- Working with Civil Defence Centres in the area on their emergency planning including Oxford Crescent and Tui Glen School which are going to send some of their teachers, parents and BOT through the volunteer course in the New Year.
- Retirement villages in the area have been working on their emergency plans, including Hutt Gables Village and Elderslea Retirement Village. They are looking into getting another generator to support other wings of the building. All staff have been talked to about their own emergency plans.
- Flyers for Southern Upper Hutt Community Response Plan have been printed and are ready for distribution in the New Year. The stakeholder group has decided these will be distributed through the Lions Club, Pharmacy, New World and Schools.

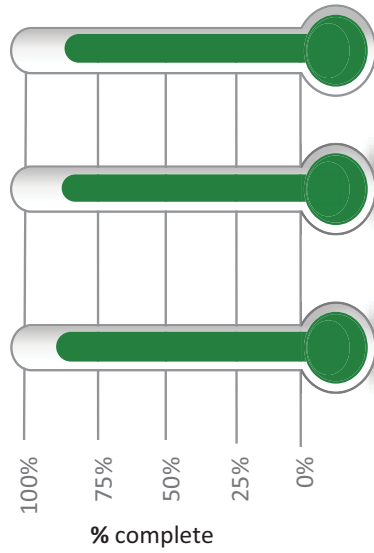
“Through our relationship with Neighbourhood Support we were able to display our messaging for Christmas shoppers in Upper Hutt.”



Wairarapa Districts

- Completed previous quarters
- Completed this quarter
- Remaining to be completed

Community Response Plans



Community Based Organisations



Schools



Volunteers trained



Greytown Featherston Martinborough

* Totals shown above are annual totals per area as set in the WREMO Annual Plan

- The highlight of the quarter was 21 people completing the inaugural Wairarapa Civil Defence Training held in South Wairarapa with a further 7 completing some of the modules and targeting the March course to complete the programme. 10 people have already registered for the March Course to be held in Masterton. Advertising will get underway in the new year.
- CRPs are progressing well with sign off targeted for February for all three. Carterton will get underway in March and we will look to start a Rural Coastal CRP for Castlepoint in Q4.
- Out in the community we have attended the South Coast Emergency Preparedness day in Pirinoa, the Aged Concern Expo in Masterton, Martinborough Lions, the Aged Concern meetings in each town and continued Residential care, School and ECC visits.
- The rural resilience research continues with discussions with Young Farmers and a survey being compiled.

“We provide ongoing support of WFA. Here is a photo of WREMO staff at a recent fundraiser they held. We regularly push their messages out through our Facebook page”.



Operational Readiness

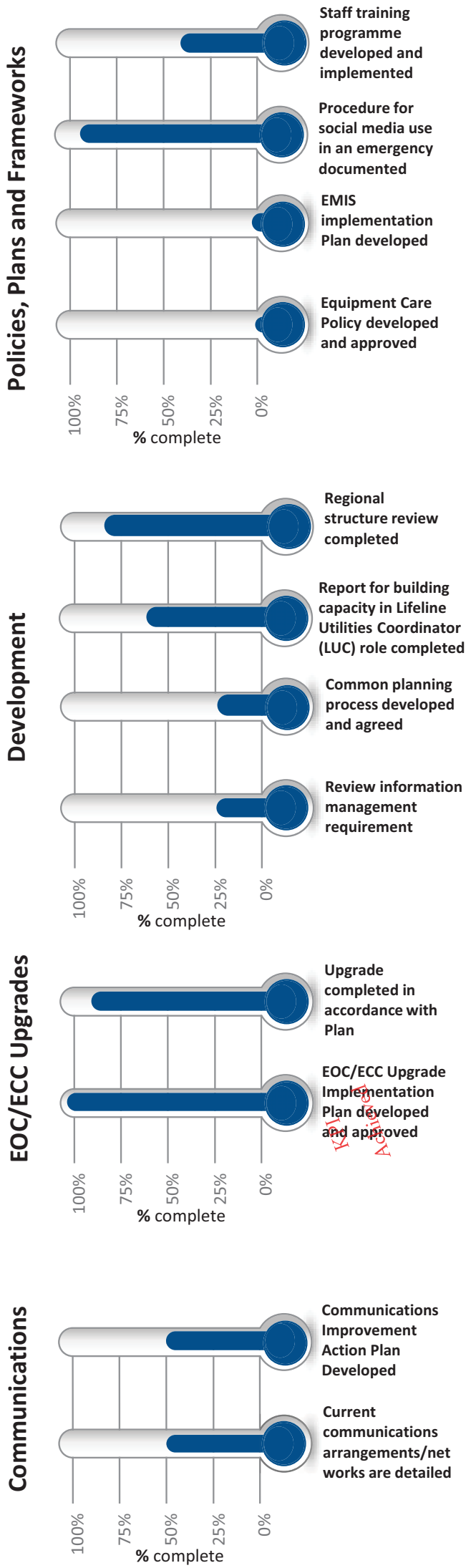
Areas of Progress:

- 5 out of 6 EOCs are upgraded with projectors and screens. Laptops are on order and work continues with Council ICT regarding configuration. Next major step is the production of documentation to support equipment use.
- EOC consistency prioritised task list has been developed to bring about and manage changes to equipment, documentation and process consistency.
- Final report for Eketahuna Earthquake has been completed with a Corrective Action Plan and socialised at Governance level.
- Wairarapa Concept of Operation progressed with a view to gaining sign-off by the councils concerned.
- Lifeline response protocols and work to establish LUC has progressed with draft protocols under review and negotiations with lifeline sector representatives underway to build capacity in LUC function.

Areas of Concern:

- Integrated Training Framework (ITF) by developed by the Waikato Group has been delayed until at least February 2015. All EOC training has been placed on hold whilst current training model and material is re-assessed for effectiveness. Training will resume March 2015
- New communications maintenance contract on hold whilst proposal from NZ Police for use of their P25 network is evaluated.
- Working groups for Logistics, Planning & Intelligence and Operations will not be established this financial year. This concept requires multi-agency support, including Council participation. At this stage energy will be spent on establishing capability within Council and consistency of EOCs.
- Existing OR work programme currently being reprioritised. Original programme is now considered to have been too ambitious.

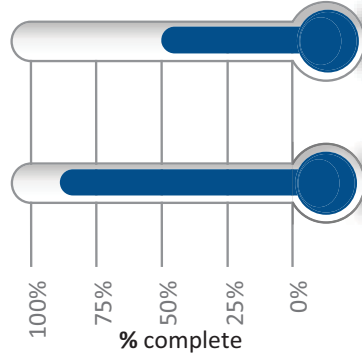
Operational Readiness



- Options regarding proposed response structure review are being considered.
- ECC and Hutt City EOC participated in the Exercise Resolution (Counter Terrorism) albeit at a low level. Debrief completed and Corrective Action Plan to be developed and cross referenced against existing work programmes.
- Kapiti Coast activated for flooding event on 10 December. Debrief and Corrective Action Plan to be developed.

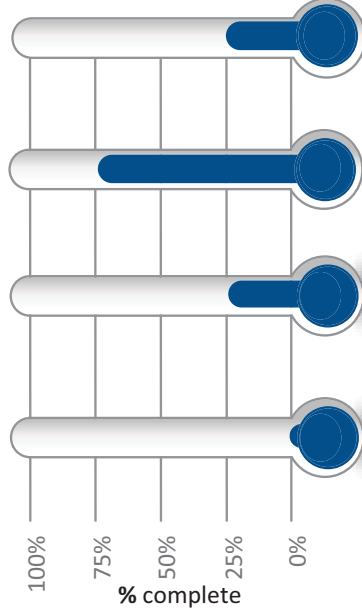
Operational Readiness

Concept of operations



Developed and implemented - Wairarapa

Plan reviews



Bulk liquid distribution plans updated

Flood response plans updated

Tsunami response plans updated

Welfare response plans updated

Lessons learnt



All events are subject to a debrief.

Corrective action plans are developed to incorporate results of debriefs.

Corrective actions monitored to ensure completion.

Stakeholder engagement



Support the council planning and budgeting process in relation to emergency management as required.



Provide emergency management advice to interagency partners, response teams, council contractors and elected officials across the region as required.



Recommendations for rationalisation of working groups completed.



Two WREMO operations training days are held annually.



Logistics, Planning/Intel, Operations, Controllers and Recovery Managers working groups have been established.



Support all projects and activities included in the Wellington Lifelines Group (WELG) Action Plan.

Communications



Communications equipment checks and maintenance occurs in accordance with the relevant Communication Plan and Equipment Care Policy.

Response teams



NZRT 18 and NZRT8 are self-managing.



Secondary schools programme completed by 30 May involving 80% of all secondary schools in Hutt Valley.

Emergency Coordination Centre (ECC) - GWRC

Completed previous quarters
 Completed this quarter
 Remaining to be completed

Personnel



IMT roles



Recovery Roles



Audit

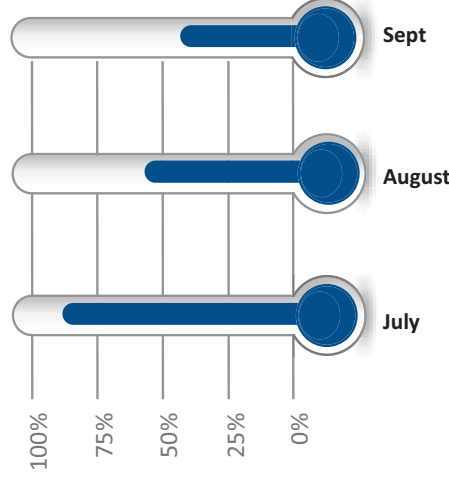


Training sessions



34 out of 36 staff have attended at least 1 training session

Training attendance



Personnel

- Recruitment of Group Welfare Manager is underway

Infrastructure /Infrastructure /Equipment

- Exercise of equipment setup held 24 October. Set up generally worked well.
- All Equipment boxed and cased ready for activation

Other measures

- ✓ Maintain ECC contact list/resource register.
- ✓ Remediation Plans are developed and implemented for identified shortfalls.
- ✓ Infrastructure and equipment records are correct and up-to-date.
- ✓ Chair Regional Welfare Coordination Group
- ✗ Attend all Regional Inter-Agency Committees.
- ✗ Up-to-date suite of response documents are in EOC/ECC.
- ✓ Maintenance checks are conducted according to policy.

* Totals shown above are annual totals per area as set in the WREMO Annual Plan

Wellington City

Completed previous quarters
 Completed this quarter
 Remaining to be completed

Personnel



IMT roles



Recovery Roles



Audit

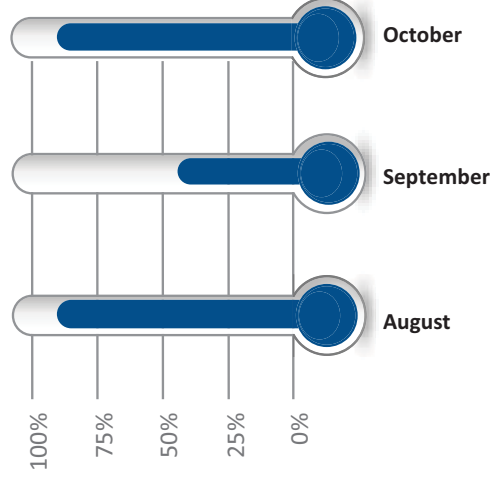


Training sessions



All staff have attended at least 1 training session

Training attendance



Personnel

- New controllers appointed and inducted.
- Training well attended.

Infrastructure / Equipment

- The EOC has now been upgraded with 3 new projectors & screens, an interactive screen, new large monitors for the GIS team, 16 new laptops and additional mobile phones for each operational desk. The next stage of this program is to produce documentation and roll out training, this is expected in Q3.
- Awaiting WCC IT to configure computers.

Other measures

- ✓ Maintain local EOC contact list/resource register.
- ✓ Remediation Plan are developed and implemented for identified shortfalls.
- ✓ Infrastructure and equipment records are correct and up-to-date.
- ✗ Attend all local welfare committees.



Attend all local Emergency Services Coordinating Committees.



Up-to-date suite of response documents are in EOC/ECC.



Maintenance checks are conducted according to policy.

* Totals shown above are annual totals per area as set in the WREMO Annual Plan

Porirua City

Completed previous quarters
 Completed this quarter
 Remaining to be completed

Personnel



IMT roles



Recovery Roles



Audit

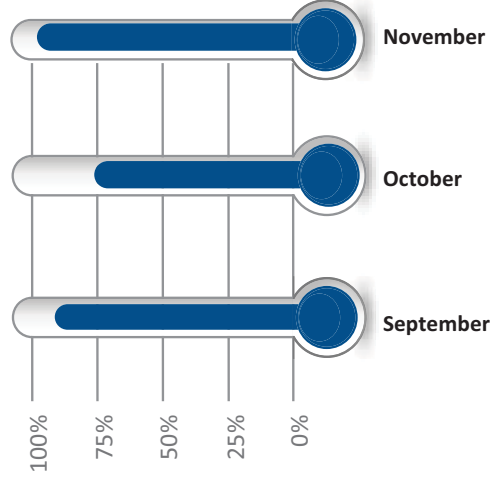


Training sessions



All staff have attended at least 2 training sessions

Training attendance



- PCC has maintained a high attendance at IMT training both at the desk and leadership sessions.
- Porirua Emergency Services Coordinating Committee is active with 2 desktop support sessions being run in this quarter.
- PEOC as a building and its location are known risks to Council and work is progressing on a relocation plan.

Other measures

- ✓ Maintain local EOC contact list/resource register.
- ✓ Remediation Plan are developed and implemented for identified shortfalls.
- ✓ Infrastructure and equipment records are correct and up-to-date.
- ✗ Attend all local welfare committees.

✓ Attend all local Emergency Services Coordinating Committees.

✓ Up-to-date suite of response documents are in EOC/ECC.

✓ Maintenance checks are conducted according to policy.

* Totals shown above are annual totals per area as set in the WREMO Annual Plan

Kapiti Coast District

Completed previous quarters
 Completed this quarter
 Remaining to be completed

Personnel



IMT roles



Recovery Roles



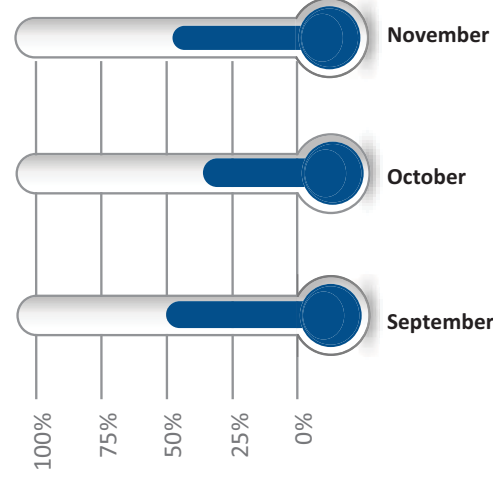
Audit



Training sessions



Training attendance



EOC Upgrade
 In early December the Kapiti EOC completed an upgrade bringing it up to level consistent with other EOC's in the District. The upgrade over recent months has included new Wifi, Screen projectors, and a large electronic display screen.

Surplus MBIE Emergency Equipment
 The WREMO Kapiti Office took advantage of an opportunity to acquire some additional emergency management equipment surplus to requirements as a result of MBIE moving premises. Key items obtained include four CD cabinets and some first aid kits for community CDC's, stretchers, ropes, axes, blankets, gloves, face masks etc. for council's welfare trailer, plus some older stretchers that will be donated to local schools and community groups.

Other measures

- ✓ Maintain local EOC contact list/resource register.
- ✓ Remediation Plan are developed and implemented for identified shortfalls.
- ✓ Infrastructure and equipment records are correct and up-to-date.
- ✓ Attend all local welfare committees.
- ✗ Attend all local Emergency Services Coordinating Committees.
- ✓ Up-to-date suite of response documents are in EOC/ECC.
- ✓ Maintenance checks are conducted according to policy.

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Hutt City

Completed previous quarters
 Completed this quarter
 Remaining to be completed

Personnel



IMT roles



Recovery Roles



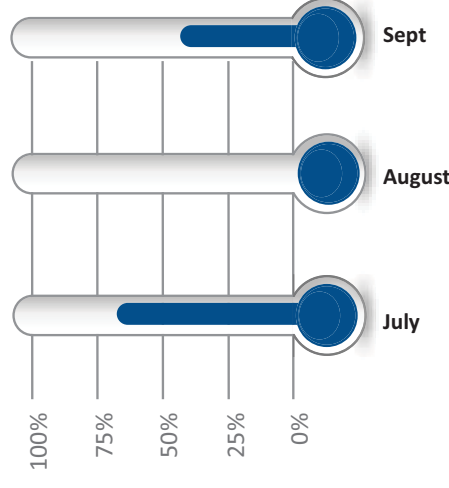
Audit



Training sessions



Training attendance



All staff have attended at least 1 training session.

Personnel

An interim Controller has been appointed until a permanent replacement is selected

Operational Readiness and Community Resilience personal are working with the Collective Marae Civil Defence Centre Group on welfare training exercises held at marae in Upper Hutt, Lower Hutt and Newlands

Inspector Sean Hansen has commenced as Hutt Valley Police Area Commander and a meeting of the Emergency Services Coordinating Committee was held on 24 November 2014.

Procedures and Plans

Working with the HCC Risk Management Working Group reviewing the Crisis Management Plan and processes

Local EOC contact list / resource register is in the process of being reviewed

Other

Hutt City Response Team were deployed to check a vehicle stuck in the Hutt River

Other measures



Maintain local EOC contact list/resource register.



Remediation Plan are developed and implemented for identified shortfalls.



Infrastructure and equipment records are correct and up-to-date.



Attend all local welfare committees.



Attend all local Emergency Services Coordinating Committees.



Up-to-date suite of response documents are in EOC/ECC.



Maintenance checks are conducted according to policy.

* Totals shown above are annual totals per area as set in the WREMO Annual Plan

Upper Hutt City

Completed previous quarters
 Completed this quarter
 Remaining to be completed

Personnel



IMT roles



Recovery Roles



Audit

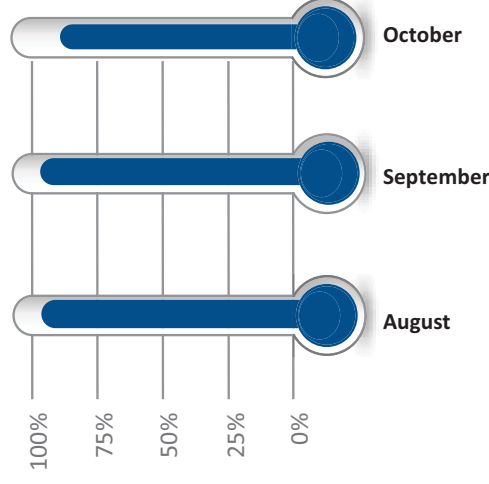


Training sessions



All staff have attended at least 1 training session

Training attendance



Personnel

Operational Readiness and Community Resilience personal are working with the Collective Marae Civil Defence Centre Group on welfare training exercises held at Marae in Upper Hutt, Lower Hutt and Newlands Inspector Sean Hansen has commenced as Hutt Valley Police Area Commander and a meeting of the Emergency Services Coordinating Committee was held on 24 November 2014.

Infrastructure / Equipment

The audit of communications equipment held in Civil Defence Centres has been completed
 ICT and audio visual equipment for the UHCC EOC has been installed.
 Documentation for ease of use to follow.

Procedures and Plans

Local EOC contact list / resource register is in the process of being reviewed.

Other measures



- ✓ Maintain local EOC contact list/resource register.
- ✓ Remediation Plan are developed and implemented for identified shortfalls.
- ✓ Infrastructure and equipment records are correct and up-to-date.
- ✓ Attend all local welfare committees.

- ✓ Attend all local Emergency Services Coordinating Committees.
- ✓ Up-to-date suite of response documents are in EOC/ECC.
- ✓ Maintenance checks are conducted according to policy.

* Totals shown above are annual totals per area as set in the WREMO Annual Plan

Wairarapa

Completed previous quarters
 Completed this quarter
 Remaining to be completed

Personnel



IMT roles



Recovery Roles



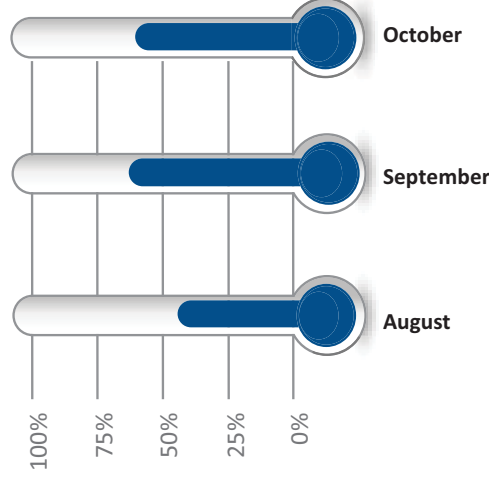
Audit



Training sessions



Training attendance



- The EOC has now been upgraded with Projector and large motorised screen installed, laptops have been delivered and will be in the EOC Jan 15. Work is underway to obtain a new Fibre Optic Broadband internet connection exclusively for EOC/WREMO use.
- Worked with Lake Ferry Rate Payers Association and Castlepoint to strengthen tsunami response.
- Working with Rural Fire to establish a common approach to tsunami response in our coastal communities. The enhances our interagency inter-operability. Using each agencies tools to collectively better service the communities.
- A concept of operation has been agreed.
- Positive discussions around resourcing a Local Welfare Manager.
- During Nov/Dec 14, the Area Advisor doubled as a the acting Manager Operational Readiness

Other measures

- ✓ Maintain local EOC contact list/resource register.
- ✓ Remediation Plan are developed and implemented for identified shortfalls.
- ✓ Infrastructure and equipment records are correct and up-to-date.
- ✗ Attend all local welfare committees.

Attend all local Emergency Services Coordinating Committees.

Up-to-date suite of response documents are in EOC/ECC.

Maintenance checks are conducted according to policy.

* Totals shown above are annual totals per area as set in the WREMO Annual Plan

Business and Development

Areas of progress:

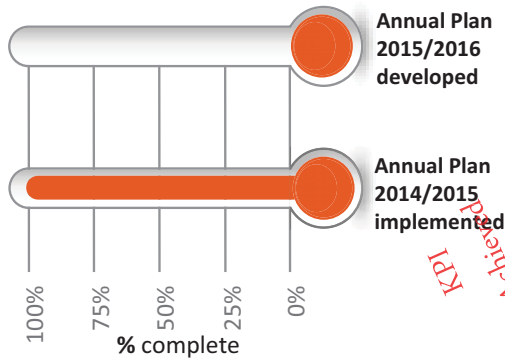
- Improved management of WREMO financial system. Continuing to develop this further and look at ways to merge more of the council/WREMO budgets
- Development of WREMO policies (procurement, vehicles and contracts).
- Enhancing WREMO's visual workplace (introducing Kaizen displays and personal boards).
- Enhancing ICT systems (new computers, phones, support).
- Project support to other WREMO teams (e.g. Fuel supply project, Tsunami Plan and EOC Upgrades).
- Engagement with hazards planning and risk management stakeholders.
- Commencement of the MCDEM Monitoring and Evaluation Programme.

Areas of concern:

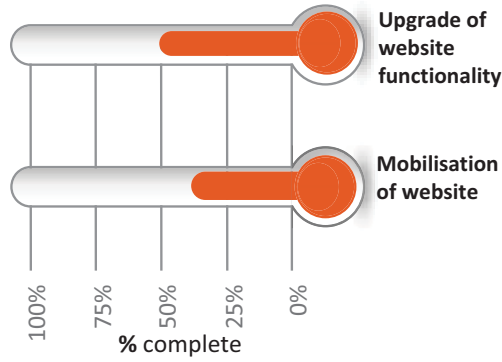
- Support for ICT work. Currently there is one staff member and the workload is very high. We are now recruiting for an IT Support person for a twelve month contract.

Business and Development

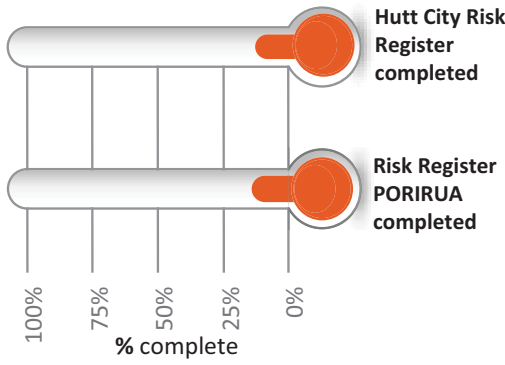
Strategic Planning



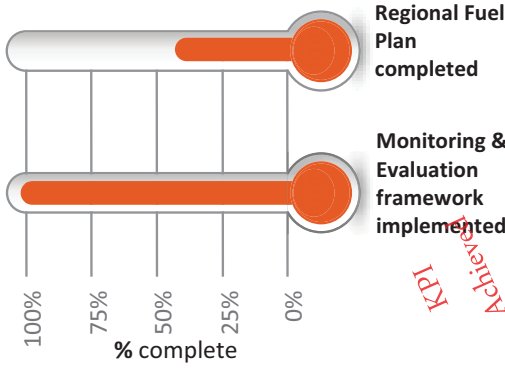
Website



Risk Registers



Policies, Plans and Frameworks



Scientific Information Lunchtime Seminars



WREMO information sharing seminar



Website





- Training provided to Public Information Managers on the updated website
- Emergency section of the website was successfully activated in the Waikanae Flood (10 December 2014)

- Completed previous quarters
- Completed this quarter
- Remaining to be completed




* Totals shown above are annual totals per area as set in the WREMO Annual Plan

Business and Development

Administration

-  All administrative requirements of the CDEM Group Joint Committee are met.
-  All administrative requirements of the CDEM committees are met.
-  A centralised library at Thorndon is maintained.
-  The following registers are regularly updated: Interagency contact list, and procurement registers.

Finance

-  WREMO budget setting, reporting and processing of expenditure is managed.
-  Support is provided to Community Resilience and Operational Readiness on budgetary matters.
-  Petty cash is reconciled as required and correctly administered.

Health and Safety

-  A WREMO staff member attends the Greater Wellington Health and Safety Committee meetings.
-  Any incidents are logged as per Greater Wellington Policy.

- We are currently exploring options for further merging of local council budgets with WREMO.
- Currently supporting both the CR and OR teams on various projects.

Business and Development

Professional Development



All staff have the opportunity to attend at least one suitable professional development opportunity.

Values



Have the WREMO mission, vision and values visible to all WREMO staff.



One team building event for all WREMO staff.

Website



The content on the website is up-to-date.

IT



IT support is provided to WREMO staff.



Technical support required for the development and implementation of EMIS is provided.

Planning Managers Group



Planning Managers Group meetings are attended by a WREMO representative.



Input is provided on behalf of WREMO.

Professional Development

- Staff have had the opportunity to attend several conferences this quarter:
 - Media, disasters and the public workshop and Planning for a volcanic eruption
- Participating in a Counter Terrorism Exercise (November 2014)
- Better by Design Workshop for all WREMO Staff (November 2014)

Values

- WREMO Christmas function held 19 December 2014

Planning Managers

- Contributing to the Regional Natural Hazards Management Strategy

Finance and Support Group

Performance Report ended 31 December 2014



1	Executive summary for Risk and Assurance Committee	3
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1.3	Group consolidated financial statements	5
1.4	Department overviews	6

1 EXECUTIVE SUMMARY FOR RISK AND ASSURANCE COMMITTEE

1.1 Group overview

The key performance indicators for the last quarter were:



Finance, Treasury and Support

- ▶ Finalise the Annual Report and tax returns
- ▶ Update Essbase financial model to enable the 2015-25 LTP and 2015-45 Infrastructure Strategy to be compiled
- ▶ Manage and lead the financial budgeting process through to December draft council approval
- ▶ Manage the Asset Management development group, including the update of the Asset Management plans to ensure they are all up to a consistent standard to support the LTP
- ▶ Manage the WRCH Group, and Treasury portfolios, including dealing with PHL options
- ▶ Managed the Warm Wellington programme including the initiative to bring Clean Heat back to Masterton
- ▶ Manage the Wellington Water customer relationship and bulk water budget integration with the 4 metropolitan councils
- ▶ *Working with the new CEO to understand GWRC's financial processes and position whilst preparing for his first LTP with council*

ICT

- ▶ Redundant network connection – following a network outage at Shed 39, it was discovered that the proposed redundant network connection through WCC was not configured. This has now been configured correctly and been 'tested' on several occasions since the outage.
- ▶ VDI project – the remote desktop project is ready for widespread use and the first group of users will be those from WREMO. The VDI platform will allow the existing Citrix platform to be decommissioned and retired. It has been agreed that the VDI will predominantly be used for remote access and for business continuity needs.
- ▶ VC Bridge – two virtual meeting rooms (VMR) have been configured and are accessible from the new audio/visual equipment in each meeting room. The VMR's allow multiple (3 or more) meeting rooms to be connected together plus external parties using either a web client or a Skype client to participate in a meeting.
- ▶ Office 365 – the project to migrate email to the 'cloud' began late in 2014 and the initial pilot programme of 10 mailboxes plus two resource mailboxes (such as a meeting room or vehicle) is complete. Although the project has uncovered some issues which need fixing before it proceeds, the next step is to move the WREMO group across as one team. This is scheduled for February 2015.

The key performance indicators for the next quarter are:

Finance, Treasury and Support

- ▶ Complete the draft LTP and financial budgeting processes
- ▶ Improving relationship and trust through the Wellington Water customer group
- ▶ Review and update purchasing card proposal for ELT consideration
- ▶ Roll out on-line travel booking
- ▶ Develop and implement the Masterton clean heat add-on
- ▶ Start development of Insurance Strategy

ICT

- ▶ Shared ICT Infrastructure programme - A revised timeline has been issued by the SIIP project team indicating that the next milestone for the project is the Chief Executives' meeting in late February 2015. If the Chief Executives decide to proceed with the project, the project moves into a due diligence phase where the competing vendors – Datacom and Dimension Data – will hold sessions with the ICT units of each council. This is scheduled to take most of March 2015 and into April.
- ▶ In parallel to this, contract negotiations will commence and run through to mid May 2015.
- ▶ A further milestone is set for mid-May 2015 when the final service delivery model needs to be approved by the CE's.
- ▶ The latest proposal for transitioning to the shared services model shows a two year time period.

1.2 Group financial summary

Financial summary

Total direct expenditure of \$5.7 million is \$65k more than budget. Rent costs were also ahead of budget as rent is being incurred on both Regional Council Centre (RCC) and more recently Shed 39. This makes up the majority of the Materials, Supplies and Services unfavourable variance.

External revenue is largely in line with expectations.

Capital expenditure is below budget by \$531k. All projects are in their starting phase and we expect them to be completed by June 30. The majority of capital expenditure is in the ICT department and further explanation follows in that section.

The Financial forecast has been updated to reflect RCC costs; funds transferred to People and Capability for health and safety initiatives and capex to include enhancing reporting tools and the start of the upgrade to digital radios has been brought forward to coincide with the NZ Police digital radio upgrade programme.

1.3 Group consolidated financial statements

Finance and Support group Income Statement For the 6 months ended 31 December 2014	Year to Date			Forecast \$000	Full Year		31 Dec 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000		Budget \$000	Variance \$000	
Rates & Levies	-	-	-	-	-	-	1,150
External Revenue	467	458	9	916	916	-	887
Investment Revenue	53	59	(6)	117	117	-	144
Internal Revenue	2,684	2,597	87	5,194	5,194	-	4,745
TOTAL INCOME	3,204	3,114	90	6,227	6,227	-	6,926
less:							
Personnel Costs	1,744	1,894	150	3,742	3,794	52	3,253
Materials, Supplies & Services	1,878	1,658	(220)	3,436	3,316	(120)	3,569
Travel & Transport Costs	11	12	1	24	24	-	12
Contractor & Consultants	1,559	1,555	(4)	3,490	3,470	(20)	3,465
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	471	479	8	946	946	-	937
Total Direct Expenditure	5,663	5,598	(65)	11,638	11,550	(88)	11,236
Financial Costs	84	119	35	237	237	-	120
Bad Debts	-	-	-	-	-	-	363
Corporate & Department Overheads	(2,637)	(2,637)	-	(5,274)	(5,274)	-	(4,863)
Depreciation	486	595	109	1,189	1,189	-	1,090
Loss / (Gain) on Sale of Assets / Investments	-	(2)	(2)	(2)	(2)	-	2
TOTAL EXPENDITURE	3,596	3,673	77	7,788	7,700	(88)	7,948
OPERATING SURPLUS / (DEFICIT)	(392)	(559)	167	(1,561)	(1,473)	(88)	(1,022)
Add Back Depreciation	486	595	(109)	1,189	1,189	-	1,090
Other Non Cash	-	(2)	2	(2)	(2)	-	2
Net Asset Acquisitions	(198)	(729)	531	(1,908)	(1,504)	(404)	(2,420)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(104)	(695)	591	(2,282)	(1,790)	(492)	(2,350)
Debt Additions / (decrease)	167	700	(533)	1,879	1,475	404	2,134
Debt Repaid	(257)	(389)	132	(808)	(778)	(30)	(549)
Net Reserves (Increase) / decrease	551	546	5	1,062	1,092	(30)	1,143
NET FUNDING SURPLUS (DEFICIT)	357	162	195	(149)	(1)	(148)	378

Finance and Support group Capital Expenditure Statement For the 6 months ended 31 December 2014	Year to Date			Full Year			31 Dec 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	37	39	2	39	39	-	1,573
Total Capex (AUC movement)	167	700	533	1,879	1,475	(404)	-
Asset Disposal Cash Proceeds	(7)	(10)	(3)	(10)	(10)	-	(19)
Net Capital Expenditure	197	729	532	1,908	1,504	(404)	1,554
Investments Additions	-	-	-	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	197	729	532	1,908	1,504	(404)	1,554

1.4 Department overviews

1.41 ICT Summary



In August 2014, Tim John was employed on a six month fixed term agreement to support Fran Hyland in the management of the Department due to Fran's ongoing involvement with the Shared Services project. A subsequent realignment of reporting was set up with Tim managing the Network Services team, the application support team and the Information Services team. Fran continued to lead the Business Analyst's team.

Tim has been busy working with the network services team to improve BAU practises and tidy up some loose ends from previous projects. Tim has also taken a lead role in several new projects such as Office 365 (email migration) and Project: SPIEDO, the introduction of SharePoint and replacement of eDocs / Hummingbird.

Fran continues to plan future projects including Business Information or BI, a biosecurity management software solution and the land mobile radio project which incorporates using the existing Police radio spectrum.

The ICT department has gained one extra person by the name of Ava Yang (12 month fixed term) who has joined the network services team as a network engineer. Ava's main tasks are to manage the completion of the HAWAN project and the full rollout of wireless access points at all GWRC locations.

Gareth Palmer, a fixed term employee in the GIS team, has accepted a permanent role in that team. Feedback from his 'customers' shows that he's a very capable and skilled operator and we're glad to have him on board full time.

Blair Coleman, our incumbent database administrator has had an extension to his agreement as the resource is still required for SharePoint, BI, Hydrotel and other projects across the organisation.

Finally, the new and long awaited update to Gwennie was launched over the holiday period. A far more functional and user friendly interface will hopefully see more people interacting with the Intranet – <http://gwennie>.

ICT financial reports

ICT Department Financial Performance Statement 6 Months ended 31 December 2014	Year to date			Full Year			31 Dec 13 YTD Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	-	39	(39)	79	79	-	-
Investment Revenue	53	59	(6)	117	117	-	72
Internal Revenue	1,412	1,292	120	2,583	2,583	-	1,097
TOTAL INCOME	1,465	1,390	75	2,779	2,779	-	1,169
less:							
Personnel Costs	1,008	1,063	55	2,126	2,126	-	691
Materials,Supplies & Services	830	820	(10)	1,640	1,640	-	1,143
Travel & Transport Costs	3	4	1	8	8	-	3
Contractor & Consultants	210	217	7	433	433	-	135
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	94	103	9	204	204	-	116
Total Direct Expenditure	2,145	2,207	62	4,411	4,411	-	2,088
Financial Costs	83	119	36	237	237	-	46
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(792)	(792)	-	(1,585)	(1,585)	-	(626)
Depreciation	477	572	95	1,144	1,144	-	331
Loss / (Gain) on Sale of Assets / Investments	-	(2)	(2)	(2)	(2)	-	-
TOTAL EXPENDITURE	1,913	2,104	191	4,205	4,205	-	1,839
OPERATING SURPLUS / (DEFICIT)	(448)	(714)	266	(1,426)	(1,426)	-	(670)
Add Back Depreciation	477	572	(95)	1,144	1,144	-	331
Other Non Cash	-	(2)	2	(2)	(2)	-	-
Net Asset Acquisitions	(196)	(729)	533	(1,908)	(1,504)	(404)	(717)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(167)	(873)	706	(2,192)	(1,788)	(404)	(1,056)
Debt Additions / (decrease)	-	700	(700)	1,879	1,475	404	735
Debt Repaid	(257)	(389)	132	(808)	(778)	(30)	(131)
Net Reserves (Increase) / decrease	551	546	5	1,062	1,092	(30)	738
NET FUNDING SURPLUS (DEFICIT)	127	(16)	143	(59)	1	(60)	286

ICT Department Capital Expenditure Statement 6 Months ended 31 December 2014	Year to date			Full Year			31 Dec 13 YTD Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Total Asset Acquisitions	37	39	2	39	39	-	-
Capital Project Expenditure	166	700	534	1,879	1,475	(404)	735
Asset Disposal Cash Proceeds	(7)	(10)	(3)	(10)	(10)	-	-
Net Capital Expenditure	196	729	533	1,908	1,504	(404)	735
Investments Additions	-	-	-	-	-	-	-
NET CAPITAL AND INVESTMENT EXPENDITURE	196	729	533	1,908	1,504	(404)	735

ICT financial summary and variance analysis

Total Direct Expenditure for the ICT department is \$2.1million, which is slightly below budget.

External revenue has been budgeted in place of internal revenue where desktop recharges are traditionally more than the business budgets for. The result is that the variance in external revenue offsets the positive variance in internal revenue.

Capital projects include:

- ▶ The Portal upgrade project is postponed until further decisions about future delivery of services are made.
- ▶ The SAP mobile plant maintenance project has been delayed pending further analysis of the market solution.
- ▶ Reporting tools upgrade with Office 2013 and Office 365
- ▶ Digital Radios progressing with NZ Police.

ICT risk analysis

We are consistently reviewing the risks associated with the loss of the provision of continuity of IT services as part of our business continuity planning. The implementation of the virtual desktop (VDI) project means that we can facilitate 400 users accessing the network from remote locations. The new Office365 email project will provide full email redundancy by storing and delivering email directly from a cloud-based service.

1.42 Finance and Support

Finance and Support summary

The second quarter of the year has primarily been taken up with managing the budget process, LTP development and integration of the new Wellington Water Limited for GWRC's bulk water staff.

A number of new requirements have been introduced with this year's LTP including greater emphasis on Assets through updated asset management plans and the new infrastructure strategy. Mike Timmer led the Asset Management group and has worked with SCEG to finalise the infrastructure strategy. The Essbase modelling system was successfully developed to cater to the new 30 year requirements by Kevin Joe. Chris Gray and Mike Timmer also reviewed and updated the Financial Strategy and managed the financial implications of the current plan with councillors.

The Audit Management letters were received with no substantive comment for council or the WRCH Group. With the LTP audits this year auditors will be on a tighter timeframe and we will be working closely with them to ensure a smooth process is achieved.

The Finance Manager has been co-opted as the shareholders representative for Wellington Water's Chief Executive's customer forum alongside the four city council representatives and is working closely with them to ensure GWRC's bulk water requirements are met. The main emphasis in this quarter was to manage the bulk water budget process with the four cities especially in the more challenging time of capital investment and therefore an increasing levy requirement.

We will be working with the four cities over next 12 months to see what processes and practices can be simplified and streamlined both within Wellington Water and between the five councils.

Our new Financial Accountant will be reigniting the purchasing card project and rolling out the new electronic travel booking programme.

In December council approved the introduction of heating appliances into the Masterton Air Shed zone. This product and process needs designing and rolling out before the end of March. We will be working with some suppliers to get some discounts in place and ideally Masterton District Council can offer discounted or free consents as part of a launch initiative.

For the full report please see the see the full Warm Greater Wellington Report.

Finance and Support financial reports

Finance Income Statement For the 6 months ended 31 December 2014	Year to Date			Forecast \$000	Full Year		31 Dec 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000		Budget \$000	Variance \$000	
External Revenue	50	50	-	100	100	-	110
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	85	115	(30)	230	230	-	163
TOTAL INCOME	135	165	(30)	330	330	-	273
less:							
Personnel Costs	519	506	(13)	1,012	1,012	-	1,011
Materials,Supplies & Services	75	51	(24)	102	102	-	131
Travel & Transport Costs	-	2	2	4	4	-	1
Contractor & Consultants	7	55	48	470	470	-	297
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	87	85	(2)	168	168	-	171
Total Direct Expenditure	688	699	11	1,756	1,756	-	1,611
Financial Costs	-	-	-	-	-	-	2
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	(713)	(713)	-	(1,426)	(1,426)	-	(1,202)
Depreciation	3	3	-	6	6	-	21
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	(22)	(11)	11	336	336	-	432
OPERATING SURPLUS / (DEFICIT)	157	176	(19)	(6)	(6)	-	(159)
Add Back Depreciation	3	3	-	6	6	-	21
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	160	179	(19)	-	-	-	(138)
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	160	179	(19)	-	-	-	(138)

Finance and Support financial summary

Total Direct Expenditure of \$688k compares favourably with a budget of \$699k.

Finance and Support risk analysis

As part of our regular reviews of our processes and systems we highlighted the on-going need to ensure all staff remain up-to-date and appropriately trained in all aspects of our business. With Staff turnover it is essential that key systems knowledge can be captured and transferred. A review of our processes around asset and insurance valuations is underway.

As part of the council wide review of the risk register it was agreed that the only underlying risk on the high level council register would be for financial fraud, as despite many mitigating actions the outcome of any actual fraud is highly damaging to the organisation.

1.43 Treasury

Treasury Summary

This department includes the staff and administration costs of running the Investment Management department. The full report on the Investment Management business area is reported separately.

The Treasurer is presently Acting as CFO and attending to those responsibilities.

Treasury financial reports

Treasury & Investments. Income Statement For the 6 months ended 31 December 2014	Year to Date			Full Year			31 Dec 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
External Revenue	38	38	-	75	75	-	69
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	134	134	-	267	267	-	257
TOTAL INCOME	172	172	-	342	342	-	326
less:							
Personnel Costs	177	151	(26)	319	308	(11)	286
Materials, Supplies & Services	2	2	-	3	3	-	4
Travel & Transport Costs	2	3	1	7	7	-	4
Contractor & Consultants	-	-	-	-	-	-	-
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	14	12	(2)	24	24	-	24
Total Direct Expenditure	195	168	(27)	353	342	(11)	318
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	-	-	-	1	1	-	-
Depreciation	3	3	-	7	7	-	7
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	198	171	(27)	361	350	(11)	325
OPERATING SURPLUS / (DEFICIT)	(26)	1	(27)	(19)	(8)	(11)	1
Add Back Depreciation	3	3	-	7	7	-	7
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(23)	4	(27)	(12)	(1)	(11)	8
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(23)	4	(27)	(12)	(1)	(11)	8

Treasury financial summary and variance analysis

The Treasury department has \$195k of total direct expenditure, which is in line with budget. Personnel costs are unfavourable by \$26k which is mainly due to an FBT adjustment from the previous financial year. The overall personnel expenditure will be in-line with budget by year end. The department is attracting additional costs due to the vacant CFO position.

Treasury risk analysis

The treasury risks are reviewed as part of the investment management report.

1.44 Rates

Rates department financial reports

Rates Dept Income Statement For the 6 months ended 31 December 2014	Year to Date			Full Year			31 Dec 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	
Rates & Levies	-	-	-	-	-	-	1,150
External Revenue	381	294	87	588	588	-	626
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	27	27	-	54	54	-	54
TOTAL INCOME	408	321	87	642	642	-	1,830
less:							
Personnel Costs	5	-	(5)	-	-	-	-
Materials, Supplies & Services	1	-	(1)	-	-	-	7
Travel & Transport Costs	-	-	-	-	-	-	-
Contractor & Consultants	1,176	1,155	(21)	2,310	2,310	-	2,381
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	50	50	-	100	100	-	80
Total Direct Expenditure	1,232	1,205	(27)	2,410	2,410	-	2,468
Financial Costs	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	363
Corporate & Department Overheads	(884)	(884)	-	(1,768)	(1,768)	-	(1,816)
Depreciation	-	-	-	-	-	-	-
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	348	321	(27)	642	642	-	1,015
OPERATING SURPLUS / (DEFICIT)	60	-	60	-	-	-	815
Add Back Depreciation	-	-	-	-	-	-	-
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	60	-	60	-	-	-	815
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	60	-	60	-	-	-	815

Rates department financial summary

Total Income of \$408k is \$87k more than expected. This relates to penalties on rates and rates remissions. The timing of this revenue is variable year to year. While we expect to hit budget, the result is ultimately out of the Council's control.

Rates collection costs were \$21,000 more than budgeted with some additional valuation costs incurred this year.

Rates department risk analysis

Risks have been reviewed, and after a review of rates processes in 2013/14 the risk remain low in this area.

1.45 Chief Financial Officer (CFO)

CFO financial reports

CFO Support Income Statement For the 6 months ended 31 December 2014	Year to Date			Full Year			31 Dec 13	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
External Revenue	(1)	38	(39)	75	75	-	33	83
Investment Revenue	-	-	-	-	-	-	-	-
Internal Revenue	23	23	-	45	45	-	23	45
TOTAL INCOME	22	61	(39)	120	120	-	56	128
less:								
Personnel Costs	36	174	138	285	348	63	167	331
Materials, Supplies & Services	16	7	(9)	15	15	-	7	28
Travel & Transport Costs	(1)	3	4	5	5	-	1	1
Contractor & Consultants	110	110	-	220	220	-	52	320
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	12	14	2	28	28	-	12	24
Total Direct Expenditure	173	308	135	553	616	63	239	704
Financial Costs	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	(248)	(248)	-	(496)	(496)	-	(296)	(592)
Depreciation	-	1	1	2	2	-	2	4
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	2	2
TOTAL EXPENDITURE	(75)	61	136	59	122	63	(53)	118
OPERATING SURPLUS / (DEFICIT)	97	-	97	61	(2)	63	109	10
Add Back Depreciation	-	1	(1)	2	2	-	2	4
Other Non Cash	-	-	-	-	-	-	2	2
Net Asset Acquisitions	-	-	-	-	-	-	19	19
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	97	1	96	63	-	63	132	35
Debt Additions / (decrease)	-	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	97	1	96	63	-	63	132	35

CFO financial summary and variance analysis

The CFO department total direct expenditure of \$135k under budget due to the vacant CFO position. The department has allocated \$52k of this forecast savings to fund HSE work in the People and Capability department. P&C will show a corresponding adverse variance. The CFO is planning to fund some additional Asset Management resource which will be contained under the existing budget.

We expect the payroll savings to be reallocated as consultant expenditure for corporate projects, primarily the completion of the Asset Management plans and procedures.

1.46 Property services

Property Services Summary

The Property services department covers Shed 39 costs and reallocation to groups. The outsourced property team assists with building advice across the council.

Property Services financial reports

Property Services Income Statement For the 6 months ended 31 December 2014	Year to Date			Forecast \$000	Full Year		31 Dec 13 FY Actual \$000
	Actual \$000	Budget \$000	Variance \$000		Budget \$000	Variance \$000	
External Revenue	-	-	-	-	-	-	-
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	1,004	1,008	(4)	2,015	2,015	-	2,015
TOTAL INCOME	1,004	1,008	(4)	2,015	2,015	-	2,015
less:							
Personnel Costs	-	-	-	-	-	-	-
Materials, Supplies & Services	955	778	(177)	1,677	1,557	(120)	1,760
Travel & Transport Costs	7	-	(7)	-	-	-	-
Contractor & Consultants	56	19	(37)	57	37	(20)	45
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	214	214	-	421	421	-	414
Total Direct Expenditure	1,232	1,011	(221)	2,155	2,015	(140)	2,219
Financial Costs	-	-	-	-	-	-	1
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	-	-	-	-	-	-	-
Depreciation	3	15	12	31	31	-	141
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
Total Indirect Expenditure	3	15	12	31	31	-	142
TOTAL EXPENDITURE	1,235	1,026	(209)	2,186	2,046	(140)	2,361
OPERATING SURPLUS / (DEFICIT)	(231)	(18)	(213)	(171)	(31)	(140)	(346)
Add Back Depreciation	3	15	(12)	31	31	-	141
Other Non Cash	-	-	-	-	-	-	-
Net Asset Acquisitions	(1)	-	(1)	-	-	-	(139)
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(229)	(3)	(226)	(140)	-	(140)	(344)
Debt Additions / (decrease)	-	-	-	-	-	-	-
Debt Repaid	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	(229)	(3)	(226)	(140)	-	(140)	(344)

Property Services financial summary and variance analysis

Direct Expenditure of \$1.2m is \$221k more than budgeted. \$120k relates to payment of rent for both the Regional Council Centre (RCC) and Shed 39. Power costs of Shed 39 are \$20k more than budget.

We are reviewing this area's cost allocation and have updated the forecast outcome to cover the RCC.

Property Services risk analysis

Review and remedy of earthquake resilience of all buildings is continuing.



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Investment Management

Performance Report ended 31 December 2014



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1 EXECUTIVE SUMMARY FOR RISK AND ASSURANCE COMMITTEE

1.1 Group overview

Business as usual activities and functions carried out by the Investment Management Group included:

- ▶ Investing surplus funds and contingency funds
- ▶ Managing GWRC's debt portfolio and interest rate risk, ensuring adequate cash is available, relationships with bankers and rating agencies
- ▶ Monitoring CentrePort and the Stadium Trust and completing the WRC Holdings Group Statement of Intent and reporting to its Board
- ▶ Managing the Council's Treasury function, interest rate risk and FX risk
- ▶ Co-ordinating the Council's risk management, and management of the policy on project management
- ▶ Managing and coordinating the Council's Insurance programme.



1.2 Key results for the quarter

Investment Management has seen the 90 day interest rate increase by 25 points (0.25%) since the beginning of the financial year. The long term interest rates however declined which has enabled us to add additional long term hedges to our portfolio.

During the quarter we took out a total of \$100 million of swaps. These ranged from 7 to 11 years and extended existing swaps. The rates were around 4.60% with the swaps starting in 2017. These swaps are to provide a base level of protection for Council against rising interest rates in the years to come.

Work has begun on developing our Insurance Strategy. Valuations of assets and Maximum Probable Loss calculations are underway ready for the 2015/16 year.

1.3 Achievement/s during the quarter

Market rates and hedging – Changes during the quarter

The Official Cash Rate (OCR) was increased by the Reserve Bank of New Zealand on 24 July 14 by 0.25% to 3.50% and is expected to stay at that level for some time. The next move could be either down or up depending on the economic data, as presently it is evenly balanced between low inflation now on one hand and strong economic growth leading to higher inflation on the other. The 90 day rate ranged from 3.65% to 3.70%, currently it is at 3.64%.

The 5 year interest rate swap ranged from 4.03% to 4.31% and is currently at 3.70%.

The 10 year swap ranged from 4.05% to 4.53% and is currently at 3.80% as of mid February.

The valuation of swaps was \$14.2 million negative (June 2014: \$137,000 negative) in the Council and about \$25,000 negative (June 2014: \$73,000 positive) in WRC Holdings (WRCH).

The negative valuation is due to our contract swap rates being higher than the equivalent actual market rates. Our average borrowing swap rate per end of December is 4.80% for all the Council swaps currently being used.

The big movement in the valuation reflects the continued downward trend in long term interest rates, during the last quarter.

The medium and long term interest rates continued to decline significantly to historical lows in January. The main contributors were the large drop in the price of oil, continued issues in both Ukraine and Greece with the EU announcing a Quantitative Easing programme of around US\$60 billion per month. This was offset to some extent by a stronger US economy lead by increasing employment and low inflation, which in turn is expected to see a rise in US interest rates by the Federal Reserve this year. US interest rates are a key driver of New Zealand long term rates.

During the quarter with advice from PWC we entered in the following borrower swaps:

\$10 million @ 4.7675% from 15.06.17 to 15.06.26 (9.0 years) with BNZ

\$10 million @ 4.7650% from 15.06.17 to 15.06.27 (10.0 years) with ANZ

\$20 million @ 4.7125% from 15.09.17 to 15.12.25 (7.25 years) with Westpac

\$20 million @ 4.4475% from 15.12.17 to 15.06.26 (8.5 years) with ANZ

\$20 million @ 4.4950% from 15.03.18 to 15.03.25 (7.0 years) with ANZ

\$10 million @ 4.5100% from 15.02.18 to 15.02.29 (11.0 years) with BNZ

\$10 million @ 4.4600% from 15.02.18 to 15.02.29 (11.0 years) with BNZ

We continue to look for opportunities to add some additional cover and are in compliance.

In recent weeks the cost of forward starting swaps has decreased significantly. We continue to add new swaps in line with our advisor's recommendations to bring our long term cost of funds down, given the historically low interest rate environment.

We remain fully compliant with our with our debt interest rate parameters as per our Treasury Management Policy.

Investments

The \$33 million liquid deposits were invested during the quarter on average at about 4.74%.

The \$21.7 million contingency funds for the water group are invested at an average rate of 4.70% and the \$4.9 million contingency funds for the flood division are invested at 4.50%.

The recently established Material Damage Business Interruption Contingency fund of the council is now \$7.9 million and is invested at an average rate of 4.77% as at 31 December 14.

The Council MDBI fund was established to cover the Council Insurance excess in case of a seismic event. We had previously increased the Council's excess from \$10 million to \$20 million, saving in the vicinity of \$300k per year on insurance premiums.

The MDBI property contingency fund complements an earlier fund set up which banked the above mention insurance premium saving from increasing the excess from \$10m to \$20m. This fund has merged in with MDBI property contingency fund, with the exception of the water contribution which remains and its balance was \$195,000 at 31 December earning 4.55%.

Water continues to add to this fund, but Council's contribution has ceased, given the forestry proceeds injection.

Debt

The Gross Debt Level of GWRC including WRC Holding's \$44million stood at \$265.3 million at 31 December (June 2014: \$245.6 million). After deducting money market and short term investments, as well as \$33 million Liquid Financial Deposits, but not the contingency investments and LGFA borrower notes, the Net Debt was \$192.3 million (June 2014: \$212.6 million). This is a decrease of \$20.3 million when compared to 30 June 2014. The decrease is due to the forestry cutting rights receipts, offset by capital expenditure and debt reduction during the first half year.

During the quarter were only minor transactions in our debt portfolio which consisted of rolling maturing Commercial Paper.

The \$44 million of WRC Holdings debt was rolled over at a margin of 10 points (0.10%). WRC Holdings received \$125.0 million in bids (September 14: \$71.0 million) and settled with a weighted average interest cost of 3.826%, which is \$220,000 per annum cheaper than direct bank borrowing.

We have our \$25 million of debt maturing on 15 April which is the sectors first LGFA debt maturity. We are intending to refinance this with the LGFA on this date and at considerably lower credit margins.

Local Government Funding Agency (LGFA)

The LGFA has just completed its twenty fifth debt issuances since its inaugural issuance in February 2012, bringing its total bonds on issue to around \$5.55 billion.

Historically the LGFA only offered lending on specified tender dates with a limited number of standard LGFA debt maturities. From 4th February onwards they additionally offer bespoke lending to Councils. This means that Councils can have a choice of the timing of their borrowing from the LGFA and can borrow to their preferred maturity date.

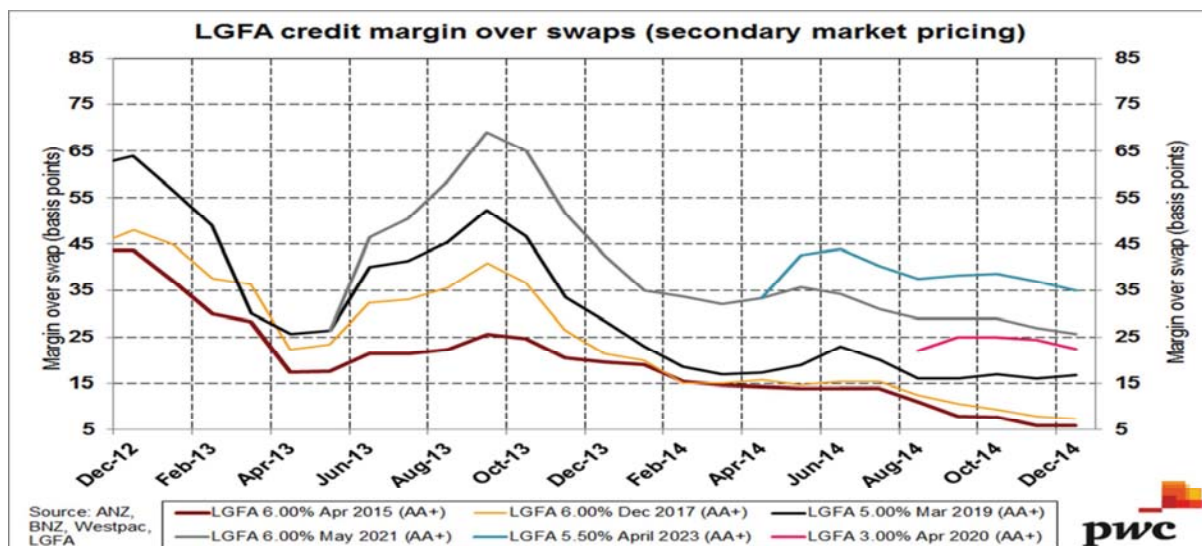
The LGFA is also looking to issue commercial paper to the market, which will provide Councils with further borrowing option. Operationally the LGFA is in the process of implementing a new Treasury Management and Settlements Systems, as the DMO as their current provider will stop supporting the current system.

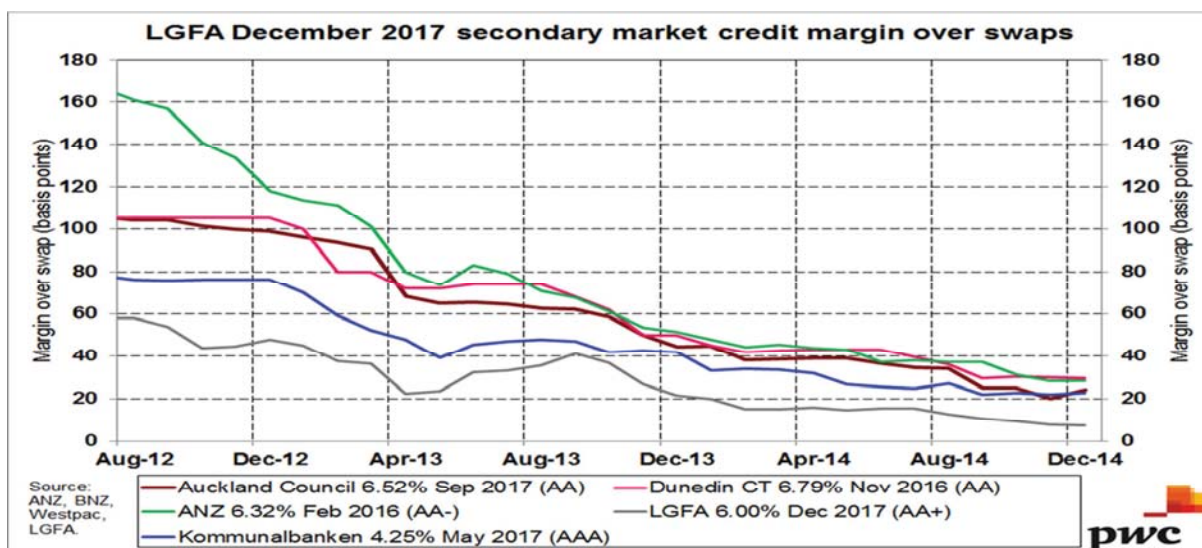
These changes were in response to the Shareholders Council and the work we have been doing to assist borrowers and steer the LGFA. The Shareholders Council will receive the SOI 2015/16 from the LGFA in the latter part of February.

The debt margins have been grinding lower for some time now as can be seen from the two attached charts. We are looking to take advantage of this and will be refinancing our April 2015 Debt maturity from the LGFA.

Overseas investors have been specifically targeted by the LGFA which is assisting with the LGFA margin reduction. Overseas investors now make up around 20% of their lenders.

As the volume of LGFA bonds increases, the more attractive they become to these investors, as the liquidity in the bonds increases. This in turn is making it easier for Investors to move large volumes of bonds without significant price movement.





Insurance

Local Government New Zealand is progressing work with a sector approach to potentially buy insurance collectively and dealing with related issues such as Government support and risk management strategies around a seismic response.

The Treasurer and acting CFO is providing input into the Insurance Market Working Group which has met four times since its establishment. It has heard from a number of presenters including Transpower, BOP Insurance Collective, Waimakariri DC, General Manager LAPP, and Risk Pool Chair.

Recent work has focused on risk management in the sector and how this might be improved and progressed as improving on this will lessen the need for Insurance and or reduce the cost of insurance.

John Sloan of Sloan Risk Management has been appointed to assist us with the development of an Insurance strategy. This work is presently underway and includes a brief review of our insurance policies.

We have appointed Aon assisted by Tonkin&Taylor to provide a Maximum Probable Loss calculation for above ground assets including water treatment plants, buildings and structures.

We have also appointed Aon to provide a Maximum Probable Loss for of Flood Protection assets i.e. stop banks and the like. This will assist us with determining the level of funds we should retain in case of a major event.

An insurance valuation is presently underway on our above ground assets to inform our Insurance value for our Material Damage Insurance premium.

Risk Management

During the quarter we updated the Risk and Assurance Committee on the Council's risks with a detailed presentation from the Flood Protection Group on their risks and the strategies they adopt to mitigate them.

Subsidiary companies

A Draft Statement of Corporate Intent (SOI) for the WRCH Group of companies is currently been prepared for the WRCH Board. This will also inform the LTP.

2 GROUP FINANCIAL SUMMARY

2.1 Financial summary to date



Investment Management delivered a \$4.75 million surplus, which is \$68,000 favourable to budget.

Total income is \$22,000 unfavourable to budget, mainly due to \$874,000 lower interest revenue from internal loans which is offset by \$852,000 higher investment revenue.

Total direct expenditure is \$2,000 above budget which is mainly due to some late costs relating to the moving of the generator from Pringle House to Shed39.

Total indirect expenditure is \$93,000 below budget due to having borrowed less debt than budgeted resulting in lower finance costs.

The above consolidate in an operating surplus which is \$68,000 above budget.

2.2 Group consolidated financial statements

Investment Management Income Statement For the 6 months ending 31 December 2014	YTD as at 31 December 2014			Full Year			Last Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Rates & Levies	1,338	1,338	-	2,676	2,676	-	1,338	2,676
Investment Revenue	2,507	1,655	852	6,477	5,295	1,183	4,173	6,059
Internal Debt Interest Recovery	6,766	7,639	(874)	14,392	15,278	(887)	6,844	14,141
Internal Revenue	304	304	(0)	608	608	-	303	607
TOTAL INCOME	10,915	10,937	(22)	24,153	23,857	296	12,658	23,483
Materials, Supplies & Services	54	82	28	(75)	(85)	(10)	42	(231)
Travel & Transport Costs	0	0	-	0	0	-	0	0
Contractor & Consultants	123	93	(31)	254	205	(49)	171	401
Internal Charges	208	208	-	416	416	-	203	406
Total Direct Expenditure	385	383	(2)	595	536	(59)	416	576
External Finance Costs	5,133	5,263	130	10,647	10,724	77	4,751	9,419
Bad Debts	0	0	-	0	0	-	0	0
Internal Reserve Investment Cost	485	443	(41)	886	886	0	459	943
Depreciation	162	166	5	333	333	-	11	21
Loss(Gain) on Assets / Investments	0	0	-	0	0	-	0	0
Total Indirect Expenditure	5,780	5,872	93	11,866	11,943	77	5,221	10,382
TOTAL OPERATING EXPENDITURE	6,165	6,256	90	12,461	12,480	18	5,637	10,958
OPERATING SURPLUS/(DEFICIT)	4,750	4,681	68	11,692	11,378	314	7,021	12,524
Unrealised Revaluation Gains / (Loss)	0	0	-	159	159	-	0	3,868
Grants and Subsidies - Revenue	0	0	-	0	0	-	0	0
Surplus / (Deficit) after non operating items	4,750	4,681	68	11,851	11,537	314	7,021	16,392

Investment Management Capital Expenditure Statement For the 6 months ending 31 December 2014	YTD as at 31 December			Full Year			Last Year	
	Actual \$000	Budget \$000	Variance \$000	Forecast \$000	Budget \$000	Variance \$000	YTD Actual \$000	FY Actual \$000
Total Asset Acquisitions	2,427	-	(2,427)	-	-	-	-	-
Capital Project Expenditure	11	-	(11)	-	-	-	1,759	2,328
Asset Disposal Cash Proceeds	-	-	-	-	-	-	-	-
Net Capital Expenditure	2,438	-	(2,438)	-	-	-	1,759	2,328

2.3 Departmental financial summary and variance analysis

Total income is \$22,000 unfavourable to budget, which is mainly due to \$874,000 lower interest revenue from internal loans, due to a large portion of the Capex spending expected to take place in the later months of the year. From a consolidated Council perspective the internal interest revenue variance eliminates as it is offset by an equal and opposite variance in the Groups.

Investment Revenue is running \$852,000 favourable to budget and this is mainly due to interest received on prefunded debt. The rates achieved on existing investments particularly the forestry proceeds were at higher rates than budget as some banks continue to pay well above their benchmarks.

Total direct expenditure is \$2,000 unfavourable to budget, mainly due to some late costs relating to the moving of the generator from Pringle House to Shed39.

Total indirect expenditure is \$93,000 favourable to budget. This is mainly due to external finance costs being \$130,000 below budget, offset by \$41,000 higher interest costs for internal reserves. The lower external debt borrowing is the main reason for the lower finance costs.

As a result of the above variances the operating surplus before non-operating items is \$68,000 above the budgeted amount of \$4.681 million.

Capital expenditure is \$13,000 for the year and mainly relates to a final invoice for the fit out of Shed 39. The \$2.4 million (budgeted capex in 2013/14) asset acquisition is the result of transferring last year's Capex being work under construction then for shed 39 to asset acquisitions this financial year.

2.4 Forecast

The forecast is for a year end surplus of \$11.85 million, which is \$314,000 above the \$11.54 million budgeted profit.

Total Income is forecasted to be \$296,000 higher, mainly due to \$1.18 million higher interest revenue from short term investments stemming from the prefunding of debt. This is offset by \$887,000 lower revenue from internal loans.

Total Direct Expenditure is forecasted to be \$59,000 above budget, mainly due to expenditure for contractors in relation to the relocation of the generator from the RCC to shed 39.

Finance costs are forecasted to be \$77,000 lower than budget and would be significantly lower had we not prefunded debt.

3 KEY PERFORMANCE INDICATORS

3.1 Key performance indicators as at 31 December 2014



The financial covenants of the LGFA and those in our Treasury Management Policy are as follows:

- ▶ Net Interest Expense / Total Revenue < 20%
- ▶ Net Debt / Total Revenue < 250%
- ▶ Net interest / Annual Rates and Levies < 30%
- ▶ Liquidity > 110%

As at 31 December we were fully compliant in all three ratios, with ample head room.

See attachment 1.

Debt Interest Rate Policy Parameters

During the quarter we entered into seven forward starting long dated swaps with a total volume of \$100 million. This increased our hedge profile and we are compliant in each year.

Debt Interest Rate Policy Parameters						
	Debt Period Ending	Forecasted Debt Amount	Minimum fixed Debt	Maximum fixed Debt	Actual	Compliant (Y/N)
31/12/14	Current	231	50%	95%	70.1%	Yes
31/12/15	Year 1	317	45%	95%	55.7%	Yes
31/12/16	Year 2	396	40%	90%	67.0%	Yes
31/12/17	Year 3	427	35%	85%	70.2%	Yes
31/12/18	Year 4	472	30%	80%	67.7%	Yes
31/12/19	Year 5	508	25%	75%	54.2%	Yes
31/12/20	Year 6	538	15%	70%	44.6%	Yes
31/12/21	Year 7	559	5%	65%	35.8%	Yes
31/12/22	Year 8	562	0%	60%	32.9%	Yes
31/12/23	Year 9	559	0%	55%	28.6%	Yes
31/12/24	Year 10	561	0%	50%	17.8%	Yes
31/12/25	Year 11	551	0%	25%	10.9%	Yes
31/12/26	Year 12	545	0%	25%	5.5%	Yes
31/12/27	Year 13	537	0%	25%	3.7%	Yes
31/12/28	Year 14	540	0%	25%	0.0%	Yes

Net External debt per Capita

Although not required under the Treasury Management Policy, we continued to calculate this ratio. The net external debt per capita is \$226, which is \$58 lower than in June 14. This is due to a net debt reduction stemming from the forestry cutting rights.

Historical benchmark rate by APRM – no margin

Due to changes to the abovementioned Debt Interest Rate Policy Parameters approved by Council in June our Treasury Advisors subsequently updated our Treasury funding benchmark calculation.

The new interest rate benchmark is calculated as the average 7 year swap rate. During the past 7 years this rates computes at 4.89% as at 31 December 14. The Council can hedge out to 15 years under the revised Treasury Policy hence the logic of having the benchmark at 7 years. The Council's cost of funds (excluding margins) increased slightly from 4.33% to 4.34%, which is 0.55% below the new benchmark.

3.2 Historic key performance indicators

See attachment 2.

3.3 Project Report

There are no projects to report in Treasury.

Key Performance Indicators As at 31 December 2014															
	Benchmark/ Limits Per TMP.	Actual Dec-14	Actual Sep-14	Actual Jun-14	Actual Mar-14	Actual Dec-13	Actual Sep-13	Actual Jun-13	Actual Mar-13	Actual Dec-12	Actual Sep-12	Actual Jun-12	Actual Jun-11	Actual Jun-10	Actual Jun-09
Debt - Interest Rate Risk Control limits															
Funding and Liquidity risk															
0 - 3 years	15 - 60%	37%	14%	41%	25%	23%	40%	44%	47%	50%	41%	30%	38%	28%	86%
3 - 5 years	15 - 60%	24%	48%	38%	53%	43%	28%	32%	36%	35%	27%	32%	18%	50%	0%
> 5 years	10 - 60%	39%	38%	21%	23%	35%	32%	24%	17%	16%	32%	37%	44%	22%	14%
Investing - Repricing liquid financial investments															
0 - 1 years	40 - 100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	35%
1 - 3 years	0 - 60%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	65%
3 - 5 years	0 - 40%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
5 - 10 years	0 - 20%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Borrowing limit compliance under new treasury policy - starting 01.07.14															
Net Interest Expense / Total Revenue	< 20%	2%	2%	2%	3%	3%	2%	2%	2%	2%	1%	1%	1%	1%	
Net Debt / Total Revenue	< 250%	51%	49%	58%	57%	55%	60%	55%	47%	47%	33%	18%	14%		
Net Interest / Annual rates and levies	< 30%	4%	4%	5%	5%	5%	4%	4%	3%	3%	3%	3%	3%		
Liquidity Ratio	> 110%	131%	131%	133%	132%	134%	135%	135%	139%	143%	149%	152%	162%	139%	163%
Debt ratios under expired treasury policy															
Net External Debt per Capita	\$400	\$226	\$217	\$284	\$254	\$243	\$268	\$243	\$215	\$216	\$152	\$113	\$85	\$104	\$88
Net External Debt / Rates & Levies	210%	90%	87%	118%	105%	102%	113%	104%	92%	93%	65%	50%	39%	48%	41.4%
Net Interest Expense / Rates & Levies	25%	4%	4%	5%	5%	5%	4%	4%	3%	3%	3%	3%	1%	0.7%	0.8%
Historical benchmark Rate by PWC - no margin 1)		4.89%	5.07%	5.19%	4.06%	3.99%	3.89%	4.00%	4.05%	3.96%	4.26%	4.56%	5.35%	5.82%	6.05%
Cost of Funds (GW) - no margin, excl Govt loans		4.34%	4.33%	4.36%	4.13%	3.90%	3.72%	4.04%	3.91%	3.93%	4.01%	4.31%	4.74%	4.46%	3.97%
Cost of Funds (GW) - incl margin, excl Govt loans		4.88%	4.88%	4.88%	4.68%	4.47%	4.29%	4.65%	4.45%	4.44%	4.57%	4.95%	5.42%	5.26%	4.65%
Variance to Benchmark (Unfavourable)		0.55%	0.74%	0.83%	-0.06%	0.09%	0.17%	-0.04%	0.14%	0.03%	0.25%	0.25%	0.61%	1.36%	2.08%

1) Due to the changes to the Treasury Policy in June 14, the benchmark calculation was updated and from September 14 onwards is calculated as the average 7 year swap rate during the past 7 years.



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Warm Wellington

Performance Report ended 31 December 2014



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1 EXECUTIVE SUMMARY FOR STRATEGY AND POLICY COMMITTEE

1.1 Programme overview

In August 2013, Council agreed to extend the Warm Wellington insulation programme through to 30 June 2016. The 2015-25 draft LTP extends the programme for the life of the LTP.



For this quarter we have funded 315 new installs at a cost of \$0.7m, which is in line with the previous year's activity. The scheme still remains popular but without the previous government incentive, the numbers have not recovered to previous levels.

Since Greater Wellington's programme started 9,101 applications have been approved and completed at \$18.8 million (including GST) of funds paid to local suppliers.

As the programme has progressed we are now seeing more house sales where, with agreement between seller and purchaser, it is more likely than not that the advance against the rates is cleared rather than remaining with the property. To date, this equates to 1,710 properties at \$3.3 million of repayments, which lowers the net debt of the scheme.

Credit Consumer Contract and Finance ACT (CCCFA)

The Warm Greater Wellington agreement with ratepayers is credit contract and therefore is also governed by the CCCFA act. GWRC have been working with the Ministry of Business Innovation and Employment and getting some regulatory change to this Act to assist in simplifying council's compliance with this Act. To date, we have received acknowledgement that they will be making some change to assist these processes. The changes are currently scheduled to be considered before the end of 2014.

Background

The Energy Efficiency Conservation Authority (EECA) manages the Heat Smart New Zealand scheme. Initially, \$1300 grants were available to all home owners to assist in the cost of insulation and clean heat. The Warm Greater Wellington programme worked with this scheme to enable homeowners to have the rest of the cost funded by GWRC and recovered via a targeted rate. In 2013 EECA stopped providing a general fund, but instead, targeting just high health need homes. There is no requirement for Council to support this programme as it is 100% funded.

The table below shows the programme to date numbers by local TA area. Overall, this is a widely utilised programme that has provided great benefits across the region.

Council area	No of Apps		GW \$		GW No not yet completed Quotes *	GW\$
	Approved	Installed				
Carterton District Council	171		\$318,244	168	3	\$4,509
Hutt City Council	3,002		\$6,206,856	2,943	59	\$140,619
Kapiti Coast District Council	839		\$1,552,412	817	22	\$47,395
Masterton District Council	553		\$1,070,880	533	20	\$41,395
Porirua City Council	952		\$1,983,164	921	31	\$74,984
South Wairarapa District Council	189		\$363,054	182	7	\$11,272
Upper Hutt City Council	1,396		\$2,876,606	1,370	26	\$56,016
Wellington City Council	2,206		\$4,432,158	2,167	39	\$98,912
Totals for Year to 30 September 2014 (including GST)	9,308		18,803,374	9,101	207	475,101
Totals 2011 to to 30 June 2013 inc GST	7,977			7,240		\$14,315,845
Totals for year to 30 June 2014 inc GST	1,073			1,376		\$2,828,292
Totals for Year to 30 September 2014 (including GST)	258			485		\$1,184,135.89
Properties that have been fully repaid by 30 June 2014				1509		2,922,823
Properties that have been fully repaid in 2014/15				201		385,812
Total properties that have been fully repaid				1710		3,308,635
* Note, Quotes not yet installed is limited to the previous 3 months. Quotes older this need reconfirming by the ratepayer					31 December 2014	

Not all of the 207 approved (but not yet installed) quotes will go ahead with a rates component.

1.2 Looking ahead

Council approved the initiative to bring clean heating appliances into the Masterton market to assist with the air shed issues being reported. We are currently working this through with the aim to bring a new programme into Masterton during March 2015.

Overall though, the scheme remains popular with the suppliers who continue to promote the rates as a viable option for ratepayers to fund their installation.

The number of properties in the scheme will ensure that the programme requirement to be fully funded from participants is met.

1.3 Financial reports

Warm Greater Wellington Income Statement For the 6 months ended 31 December 2014	Actual \$000	Year to Date Budget \$000	Variance \$000	Forecast \$000	Full Year Budget \$000	Variance \$000	31 Dec 13 FY Actual \$000
Rates & Levies	977	686	291	2,057	2,742	(685)	1,713
External Revenue	227	-	227	-	-	-	1,019
Investment Revenue	-	-	-	-	-	-	-
Internal Revenue	-	-	-	-	-	-	-
TOTAL INCOME	1,204	686	518	2,057	2,742	(685)	2,732
less:							
Personnel Costs	-	-	-	-	-	-	-
Materials, Supplies & Services	848	839	(9)	1,678	1,678	-	1,972
Travel & Transport Costs	-	-	-	-	-	-	-
Contractor & Consultants	-	-	-	-	-	-	17
Grants and Subsidies Expenditure	-	-	-	-	-	-	-
Internal Charges	-	30	30	60	60	-	10
Total Direct Expenditure	848	869	21	1,738	1,738	-	1,999
Financial Costs	353	502	149	1,005	1,005	-	725
Bad Debts	-	-	-	-	-	-	-
Corporate & Department Overheads	-	-	-	-	-	-	-
Depreciation	2	1	(1)	2	2	-	8
Loss / (Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-
TOTAL EXPENDITURE	1,203	1,372	169	2,745	2,745	-	2,732
OPERATING SURPLUS / (DEFICIT)	1	(686)	687	(688)	(3)	(685)	-
Add Back Depreciation	2	1	1	2	2	-	8
Other Non Cash	-	-	-	-	-	-	-
Warm Wellington net advances	(58)	(435)	377	(2,237)	(2,237)	-	208
Net Asset Acquisitions	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENTS	(55)	(1,120)	1,065	(2,923)	(2,238)	(685)	216
Debt Additions / (decrease)	801	2,164	(1,363)	4,413	4,326	87	1,285
Debt Repaid	(744)	(1,044)	300	(1,488)	(2,088)	600	(1,501)
Net Reserves (Increase) / decrease	-	-	-	-	-	-	-
NET FUNDING SURPLUS (DEFICIT)	2	-	2	2	-	2	-

1.4 Financial summary

The rates income to date is less than budget as the budget was based on the actual amount of rates charged for the 2014/15 year. The actual funds advanced in the programme at 30 June 2014 was lower than budget. Substantial early repayments lowered the overall advance balance held resulting in lower rates required this year. The external revenue is from people repaying the advances early, which lowers the overall debt from the scheme.

The accounting treatment of this programme initially has expenditure exceeding income resulting in budgeted operating deficits.

As the programme progresses over time (future years), income will eventually exceed expenditure/installations when installations begin to slow and cease.

Over time, the advanced funds to pay for insulation equates to the outstanding debt within the programme, which will reduce to nil once the programme repayments are fully made.

All administrative and finance costs of the programme are fully recovered from those ratepayers participating in the scheme.

GWRC charges a margin of 7% on the cost funded to recover its administration, insurance, software and interest costs to ensure the programme does not impact the ratepayers who are not participating in the scheme.

1.5 Risk analysis

As more house sales occur the risk of sellers not informing purchasers (as required by the ratepayer agreement) increases. This creates administration as facts are determined and resolution obtained.

With the new scheme a new ratepayer agreement has been produced, which was fully reviewed with our lawyers and updated.

Frequently asked questions have been updated, with more detailed information provided on the requirements when a ratepayer goes to sell their home.

Risks of the programme are mitigated through working alongside EECA for audits of suppliers' work and only using EECA approved insulation products.



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao