

HIGHLIGHTS FROM THE SECOND QUARTER OF 2016/17

SUMMARY

SECOND QUARTER 2016/17

1 October - 31 December 2016

Introduction

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

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

¹ Note: Council Controlled Organisation performance is separately reported.



Overview | Highlights



More people travel by public transport, walking and cycling

Results contributing to transport outcomes for the region included:

On the day of the November flood, Metlink.org.nz delivered information to nearly 55,000 people in almost 90,000 visits. There are now over 23,000 My Metlink accounts, an increase from just over 1,000 in 2016.

Total public transport patronage increased 1.2% in the year to date to December 2016 (18.7 million trips) on the same period in 2015/16.

Tenders for the PTOM bus services contract closed on 24 November with a strong market response of nine tenderers; the evaluation process is on track.

Significant improvements were made to several bus service routes.

Adjustments were made to timetables on some Hutt Valley and Wairarapa rail services to minimise congestion and improve punctuality. Punctuality continues to improve overall.

'Resolve' customer feedback system was rolled out to Valley Flyer and Mana Coach Services.

Contract for Interim Bus Ticketing Solution negotiated and executed with Snapper.

As part of the Public Transport Transformation Programme a National Ticketing Partnership team was established at GWRC and key work streams initiated.

Significant progress made on the Public Transport Fares Review.

Approach to the Regional Land Transport Plan (RLTP) mid-term review reported to the Regional Transport Committee in December.

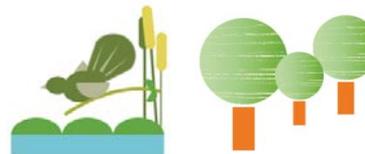
Let's Get Wellington Moving project objectives developed and signed off by the three partners; long list scenario assessment stage completed and draft short list identified.

Regional Transport Resilience business case endorsed by the Regional Transport Committee.

The Annual Monitoring Report and 6-monthly progress report on the RLTP endorsed by the Regional Transport Committee.

24 schools registered for Movin' March 2017 by the end of December.

Online Summer Cycling Event calendar launched and promoted via print and social media.



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

Results contributing to environmental outcomes for the region included:

Flood damage caused closures of areas in several parks. All repairs were completed within three weeks, which was a testament to the preventative maintenance programme and the quality of previous works.

Because of significant damage to some of the Wellington Harbour southern wharves during the earthquake, a "Harbourmaster's Directive" promulgated a restricted area for recreational craft from 18 November until further notice.

The Ruamāhanga and Te Awarua-o-Porirua Whaitua Committees continued developing scenarios and management options for consideration through the collaborative modelling project.

Three procedural call-over meetings were held for the proposed Natural Resources Plan, which were well attended by submitters. Phase 2 of pre-hearing meetings continues.

The 'founding document' of the Key Native Ecosystems (KNE) programme has been finalised. This report details the systematic conservation planning approach that has been used to identify, prioritise and manage sites, and helps to set the future direction of the programme.

Collation of information on all proposed Natural Resource Management (pNRP) Category 1 sites was completed and landowners notified of the support packages available to manage stock access to these sites.

The Wellington branch of the Riding for the Disabled Association moved into Battle Hill Farm Forest Park and riding operations began.

A visitors guide entitled 'Wairarapa Moana Wetlands, Sea of Glistening Waters' was published and is now available in I-Site centres throughout Wairarapa as well as on the Wairarapa Moana Wetland Project website, www.waiwetlands.org.nz



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

Results contributing to community resilience included:

Initiated post-earthquake regional disaster recovery planning with WREMO and collaboration on local recovery planning with WCC.

A proposal was developed for regional utilities resilience programme business case, in collaboration with Wellington Lifelines Group and GNS. This includes substantial central government funding commitments.

The flooding caused damage in western watercourses, and repair work is underway.

There were no significant issues maintaining the bulk water supply following the earthquake and flooding event in November.

Contract awarded and project commenced for the Jim Cooke Park stop bank improvement. This stop bank, next to the Waikanae River, will protect a large part of Waikanae from a 1 in 100 year flood.

The RiverLink preliminary design is 60% completed. The project will deliver better flood protection in the Hutt Valley.

An Initial draft Te Kauru Flood Management Plan (FMP) was presented to the Subcommittee for feedback.

MOU with UHCC signed for implementation of the Pinehaven Floodplain Management Plan.

A review of the flood warning system operated throughout the region has been completed; the final report by GNS was presented to the executive leadership team.

Submissions on the Wellington Regional Natural Hazards Management Strategy were called for, received and analysed.



Strong leadership and collaboration supports robust regional growth

Results contributing to regional growth included:

Report on Cyber security skills published and presented to business and Government partners.

Joint initiatives with WREDA established for Techweek national programme and growing firms in the design sector.

Draft report and modelling tool revised to assess the economic and community opportunities to be derived from the Water Wairarapa proposal.

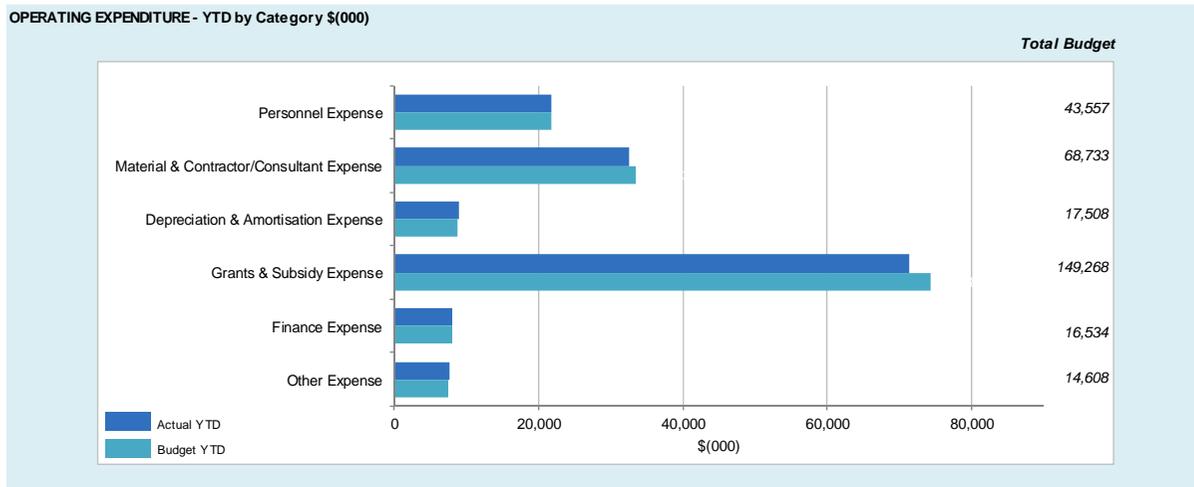
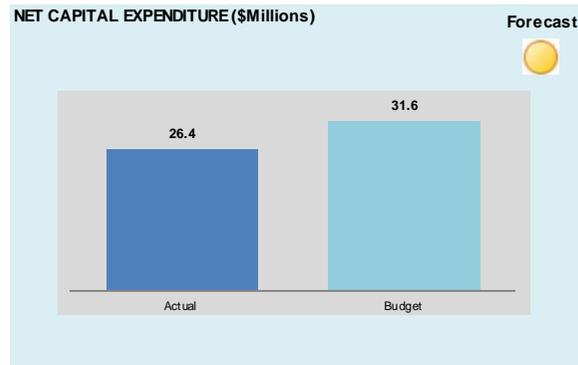
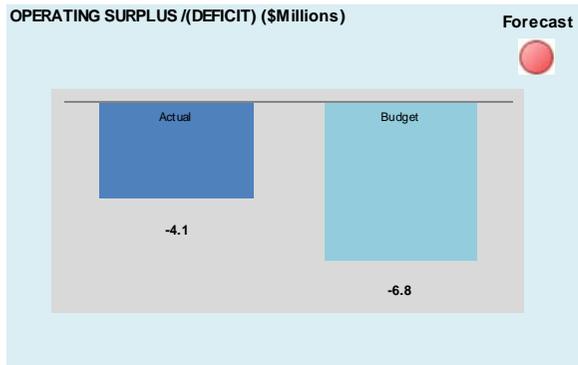
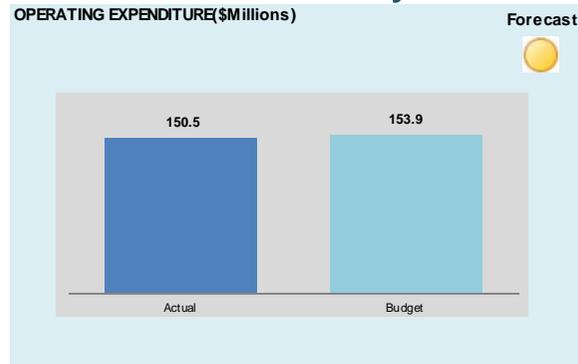
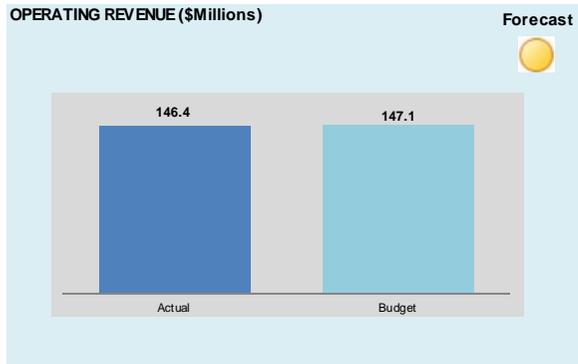
Iwi Project Fund round approved two iwi partners' proposals to develop Environmental Management Plans (Te Rūnanga o Toa Rangatira Inc. and Ātiawa ki Whakarongotai Charitable Trust).

The Fund is an annual contestable fund available to mana whenua entities to undertake projects that are aligned to iwi and GWRC priorities for mutual benefit. New criteria and processes have been developed for the Fund effective from 1 July 2017.

Engagement with councils on the Water Wairarapa project included progressing discussions on community infrastructure opportunities such as urban water supply, stock water race augmentation and environmental enhancement initiatives. These discussions will continue.

Assumptions underpinning the financial modelling in relation to water reliability and farmer demand were agreed. This culminated in Crown Irrigation Investments Limited (CIIL) agreeing in principal to fund a farmer capital investment package process as a mechanism to further proof farmer demand.

Overview | December Financial Summary



Key Highlights

- Operating Revenue: \$0.7m Unfavourable**
Other revenue is \$2.2m favourable to budget, largely due to:
 - Additional Rail fare revenue \$0.5m from higher patronage
 - Additional consenting revenue \$0.6m from RONS and large notified consents.
 - Catchment was \$0.6m greater than budget from receipt of Hutt River car park fees from prior years \$0.4m.
 - Water Supply is \$0.4m favourable to budget, reflecting additional revenue from private water supply income to some properties.**Grants and subsidy revenue** is \$3.2m unfavourable to budget as a consequential result of lower PT operating costs which NZTA subsidies are based on. This was due to the timing of project spend.
Finance revenue is \$0.3m favourable to budget, largely reflecting additional interest earned from the prefunding of debt.
- Operating Expenditure \$3.4m Favourable**
Materials and Contractors expenditure is \$0.9m favourable to budget primarily due to:
 - Public Transport expenditure is \$2.7m below budget primarily due to timing of PT Transformation programme \$1.9m and Fares and Ticketing \$0.8m.
 - Catchment is \$0.3m below budget largely reflecting Wetland Restoration delays, lower land management activity (dry winter), and slower than planned delivery of biodiversity programmes.
 - Partially offsetting this are higher Water Supply contractor costs \$0.8m which is offset by savings in grants and subsidies expenditure.
 - Corporate Services is \$0.8m higher than budget largely due to Shed 39 clean-up \$0.1m, additional resource to support both PMO and ICT, additional rates collection costs \$0.1m and the remainder reflecting timing of ICT expenditure.
 - Environment is \$0.6m unfavourable to budget reflecting additional costs to support consent application revenue.**Grants and Subsidy expense** is \$3.1m favourable to budget primarily due to lower diesel bus inflation \$0.7m, lower bus operator costs \$0.7m and lower rail costs. Water Supply is \$0.8m favourable as expenditure was incurred as material and contractors instead.
Depreciation and amortisation is \$0.3m unfavourable to budget, largely due to higher than planned depreciation for Water and Strategy as a consequence of increased asset capitalisations late last year.
- Capital Expenditure \$5.2m Favourable**
Corporate Services is \$1.5m favourable to budget reflecting later than planned expenditure on core system upgrade and core IT capex.
Public Transport is \$2.6m favourable to budget, largely reflecting timing of expenditure on the Waikanae park and ride (\$0.9m) and the remainder reflecting timing in bus shelters upgrades station upgrades and lower heavy maintenance.
Environment is \$0.9m favourable to budget reflecting timing of Collaborative Modelling project expenditure and delays with the Pencarrow and Hinds Point light upgrades for Harbours.

Overview | Financial Summary by Group



Year to Date

\$'000	YEAR TO DATE				YEAR TO DATE				YEAR TO DATE			
	Operational Revenue				Operational Expenditure				Operational Surplus/(Deficit)			
	Actual	Budget	Variance	%	Actual	Budget	Variance	%	Actual	Budget	Variance	%
Group												
Catchment	18,525	17,966	559	3%	13,240	13,991	751	5%	5,285	3,976	1,310	33%
Corporate Services	4,482	4,485	2	0%	8,408	7,951	458	6%	(3,926)	(3,466)	460	13%
Environment	14,300	13,744	557	4%	13,746	13,092	654	5%	554	652	98	15%
Investment	(2,186)	(2,390)	204	9%	(1,725)	(2,265)	540	24%	(462)	(125)	337	270%
People & Customer	783	728	56	8%	4,347	4,163	184	4%	(3,564)	(3,435)	129	4%
Public Transport	85,772	88,026	2,253	3%	84,727	89,610	4,883	5%	1,045	(1,584)	2,629	166%
Strategy	5,540	5,793	253	4%	5,823	6,296	473	8%	(284)	(503)	220	44%
Te Hunga Whiriwhiri	450	450	1	0%	414	444	30	7%	36	5	30	560%
Warm GW	1,587	1,545	42	3%	1,587	1,545	42	3%	(0)	(0)	0	95%
Water Supply	15,415	15,059	356	2%	17,802	17,518	283	2%	(2,387)	(2,460)	73	3%
WREMO	1,731	1,681	49	3%	1,520	1,545	25	2%	210	136	74	54%
Earthquake 2016	3	0	3	100%	589	0	589	100%	(586)	0	586	100%
TOTAL	146,402	147,085	683	0%	150,479	153,888	3,410	2%	(4,076)	(6,803)	2,727	40%

Capital Expenditure

\$'000	YEAR TO DATE				FULL YEAR			
	Actual YTD	Budget YTD	Variance	%	Forecast	Total Budget	Variance	%
Group								
Public Transport (incl investment projects)	15,909	18,478	2,568	14%	28,491	31,639	3,148	10%
Catchment Management	7,163	7,089	74	1%	19,131	21,669	2,538	12%
Environment Management	1,175	2,122	947	45%	6,280	6,968	689	10%
Strategy	35	237	202	85%	412	412	0	0%
Corporate Services	354	1,828	1,473	81%	3,205	3,665	460	13%
People and Customer	0	0	0	0%	350	350	0	0%
Investment Management	430	319	111	35%	419	379	40	11%
Water Supply	1,315	1,537	222	14%	3,734	4,020	286	7%
Earthquake 2016	0	0	0	0%	0	0	0	0%
TOTAL	26,382	31,609	5,227	17%	62,021	69,102	7,081	10%

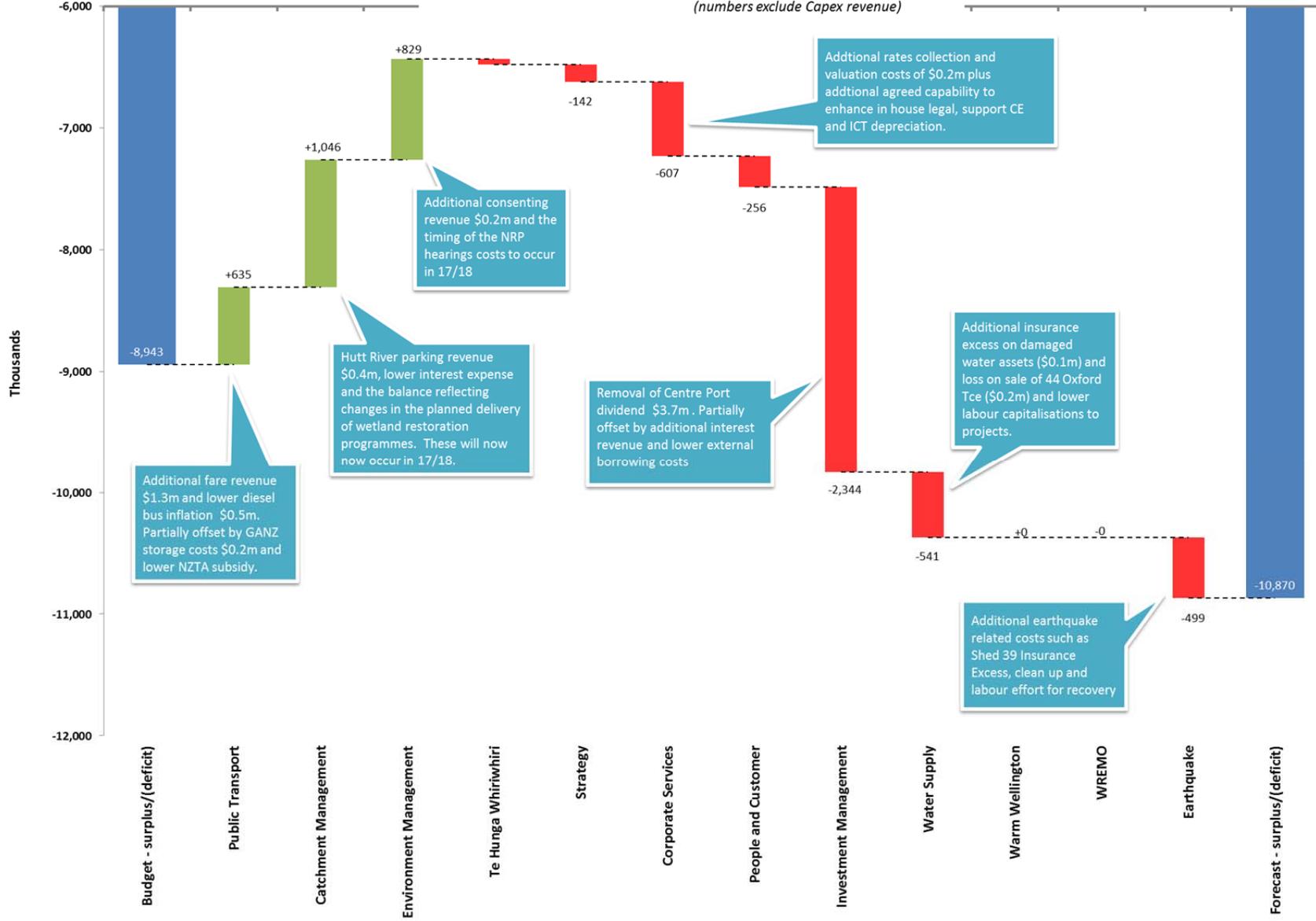
Full Year Forecast

\$'000	FULL YEAR				FULL YEAR				FULL YEAR			
	Forecast	Total Budget	Variance	%	Forecast	Total Budget	Variance	%	Forecast	Total Budget	Variance	%
Group												
Catchment	36,072	36,119	47	0%	28,036	29,128	1,092	4%	8,037	6,991	1,046	15%
Corporate Services	9,098	8,969	129	1%	16,648	15,911	736	5%	(7,549)	(6,942)	607	9%
Environment	28,195	27,055	1,139	4%	27,606	27,296	310	1%	588	(240)	829	345%
Investment	555	2,974	2,419	81%	(4,426)	(4,352)	74	2%	4,981	7,326	2,344	32%
People & Customer	1,685	1,685	0	0%	8,631	8,375	256	3%	(6,945)	(6,689)	256	4%
Public Transport	175,369	175,371	2	0%	177,930	178,567	637	0%	(2,561)	(3,196)	635	20%
Strategy	11,870	11,620	250	2%	12,999	12,607	392	3%	(1,129)	(987)	142	14%
Te Hunga Whiriwhiri	900	899	1	0%	935	888	47	5%	(36)	11	46	426%
Warm GW	3,370	3,089	281	9%	3,370	3,089	281	9%	0	(0)	0	100%
Water Supply	30,418	30,117	301	1%	36,446	35,603	842	2%	(6,027)	(5,486)	541	10%
WREMO	3,364	3,364	0	0%	3,094	3,094	0	0%	270	270	0	0%
Earthquake 2016	0	0	0	0%	499	0	499	100%	(499)	0	499	100%
TOTAL	300,897	301,263	366	0%	311,767	310,206	1,561	1%	(10,870)	(8,943)	1,927	22%

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

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

(numbers exclude Capex revenue)



Overview | Health and Safety Indicators



Highlights and improvements

- ✓ 'Being safer and healthier together' our refreshed health and safety foundation document launched to our management teams. This document supports our people in how they should plan and integrate health and safety into their daily tasks; it outlines our health and safety systems and practices; describes worker engagement; and details our people's roles and responsibilities in health and safety.
- ✓ The ACC Workplace Safety Management Practices Audit (WSMP) is scheduled to take place in February 2017. ACC made the decision to cease operation of the WSMP scheme from April 2017 onwards so no new applications for membership can be made from this date. We are undertaking an audit in order to stretch our membership benefits for the maximum timespan of two years from the audit date.

Reporting of health and safety incidents

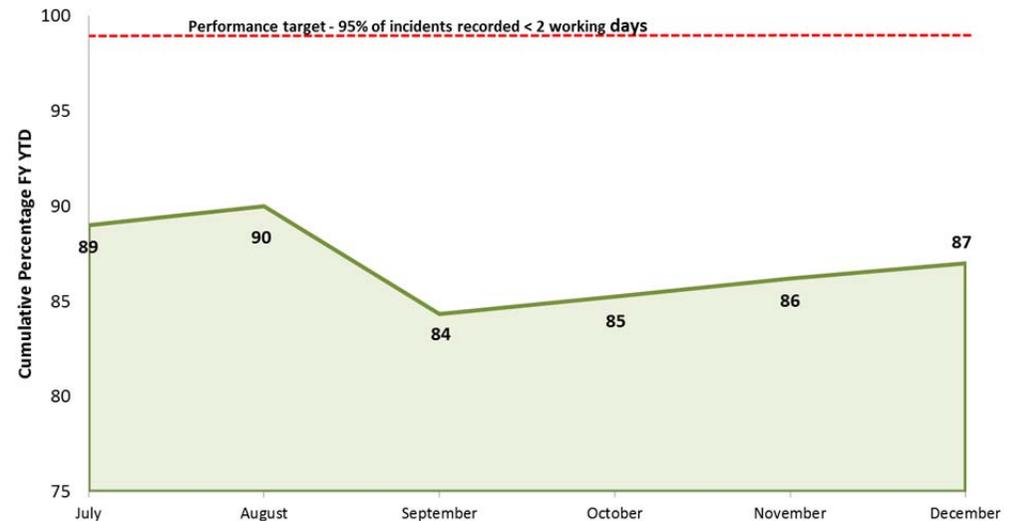
The graph below shows an improving trend this quarter in our reporting of incidents within 2 working days; however we remain below our target of 95%. We see a consistent improvement over the months of October, November and December culminating in the year to date figure of 87%. At business briefings to Management teams on the revised Incident Management Policy during the last quarter we reiterated the requirement to report incidents within 2 working days and asked that this was communicated to their teams.

Key Performance Indicators

The number of days lost due to injuries year to date is 3 days lost per 100,000 hours worked. This quarter we saw a total of 2.5 days lost per 100,000 worked compared to 1.1 days lost per 100,000 hours against the same quarter last year. Although this comparison with the same quarter last year shows an increase this quarter we are still consistently performing positively below the KPI target. It should also be noted that there is a lag factor with this data due to ACC and payroll payments.

Indicator	Target	Year to date total	Status
1. Percentage of incidents reported within 2 working days	95%	87%	●
2. Ratio of the number of events to the number of subsequent actions	0.4	0.3	●
3. Days lost due to injuries, per 100,000hrs worked	7.5	3.0	●

Incident Recording - occurrence to reporting



Overview | Major Projects Indicators

Overall comment:

This quarter was dominated by the 14th November Kaikoura earthquake. As a result, some project schedules and resourcing were impacted - those most affected by the earthquake were the GW Way and Optimus projects.

Two new major projects started during this period. They are:

1. Long Term Plan 2018-28
2. Earthquake Recovery project

In the main, established major projects, particularly those in public transport, continued to show improvements in KPI performance. The general 'well-being' of those projects is being enhanced in some cases by the development of stronger relationships with key stakeholders that project teams have been proactively leading.

Key:

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

<i>Significant Project or Programme</i>	<i>Overall Status</i>	<i>Timing</i>	<i>Budget</i>	<i>Issues</i>	<i>Risks</i>	<i>Comment</i>
Bus Services Transformation (BST) <i>PTOM – Bus contracting; Bus fleet; Network, Customer and Transition</i>						<p>Good was made in the PTOM Bus tender with a strong market response at closure for submissions in late November. The evaluation process is going well and is on-track.</p> <p>Development work was completed for a new online bus journey tool that models the 2018 network, with an extensive suite of supporting online content. Design for 2018 Wellington bus network interchanges is underway and a community engagement plan is being agreed with WCC.</p> <p>Service changes in the Hutt Valley and Kapiti area were implemented, forming part of regional bus network improvements being made ahead of new service contracts in mid-2018. The ability to run heavier double-decker buses on all intended Wellington routes has been confirmed by NZTA and WCC in accordance with new Vehicle Dimension and Mass (VDAM) Rule.</p> <p>The NZ Bus trolley conversion programme continued to progress, albeit with some delay to readiness of the prototype. Agreements are in place to ensure continuity of services from end of the trolley contact in June 2017.</p> <p>Programme of works still on track across projects.</p>

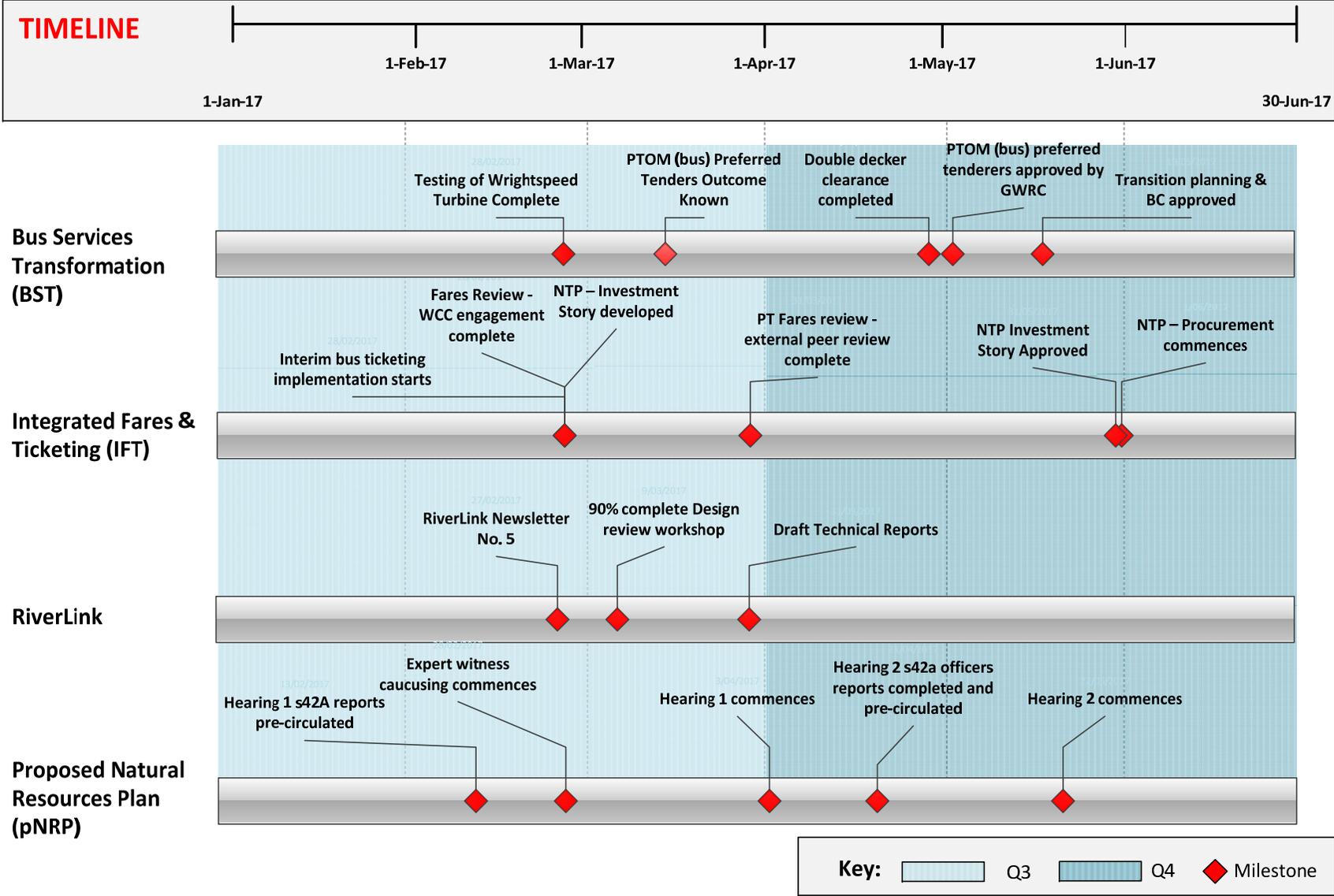
Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
Integrated Fares and Ticketing (IFT) National Ticketing Programme, Interim Bus Ticketing Solution; GW Ticketing Operations; Fares Transition						<p>A contract to provide the interim bus ticketing solution from commencement of new bus contracts in July 2018 was signed with Snapper in December, including options for the acquisition of on-board equipment. Work to establish a ticketing operations capability within GWRC remains on-track with requirements gathering.</p> <p>The National Ticketing Programme continued to progress with development of decision documents for key aspects of the solution. The multi-entity nature of the work does mean a number of steps in obtaining agreement to scope and approach.</p> <p>A short-list package of policy options was developed for discussion at a Council workshop in November, responding to the request for review of PT Plan policies for fares and ticketing in lead up to the Annual Plan 2017/18. A reference group comprising key PT user groups helped to inform options development.</p> <p>Programme of works still on track across projects.</p>
RiverLink (was Hutt River City Centre Upgrade Project)						<p>The RiverLink preliminary design is 60% completed. Design has been confirmed for river channel form, river berm area and stop bank heights and footprint. 3D modelling is underway.</p> <p>Cost estimate work has commenced. Property acquisition agents have been appointed to continue purchase negotiations with willing sellers. To date, seven of 117 properties have been acquired.</p> <p>HCC is seeking to identify opportunities to incentivise Making Places with Daly Street property owners. GWRC has continued to assist with this, and has also been working with HCC and NZTA to develop and consider options for implementing the project.</p> <p>Five options have been identified for the NZTA Melling Intersection Improvements, and the shortlisting process is ongoing.</p> <p>Project still progressing well through design phase and is currently aligned with mid-year milestones.</p>

Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
Proposed Natural Resources Plan (pNRP)						<p>Three procedural, call-over meetings were held on 17, 24 and 29 November in Paraparaumu, Porirua (venue moved from Shed 39) and Masterton. Meetings were well attended by submitters. The second phase of pre-hearing meetings continues.</p> <p>Final drafts of s42A reports for Hearing 1 have been completed, to be pre-circulated to submitters in March on month ahead of the Hearing commencing (3 April). First drafts of s42A reports for Hearing 2 and 3 have been completed.</p> <p>A decision was made to extend by one year the statutory timeframe for the Hearing Panel to issue its decision (the RMA specifies that a local authority must give its decision no later than two years after notifying the proposed plan).</p> <p>Project progressing well against new timeframes but subject to no legal challenge occurring. The earthquake has presented logistical challenges with venues which may also impact on budget.</p>
Water Wairarapa						<p>During Q2, assumptions underpinning the financial modelling in relation to water reliability and farmer demand were agreed. This culminated in Crown Irrigation Investments Limited (CIIL) agreeing in principal to fund a farmer capital investment package process as a mechanism to further proof farmer demand.</p> <p>Engagement with Councils included progressing discussions on community infrastructure opportunities such as urban water supply, stock water race augmentation and environmental enhancement initiatives. These discussions will continue into 2017.</p> <p>The Project provided the CMP/Whaitua processes a view of future land use. Other work included commencement of modelling the Tauweru River to convey water; development of a regional socio-economic model; a value proposition provided by having scheme water; committed \$10K to a regional down-scaling climate change study; and on-going standpipe monitoring of the dam site geotechnical drill holes.</p> <p>The next major activity planned is the development of options to move to next phase and in particular the commercial construct and associated capital raise. Overall progress has been slow particularly with gaining agreement with CIIL on way forward.</p>

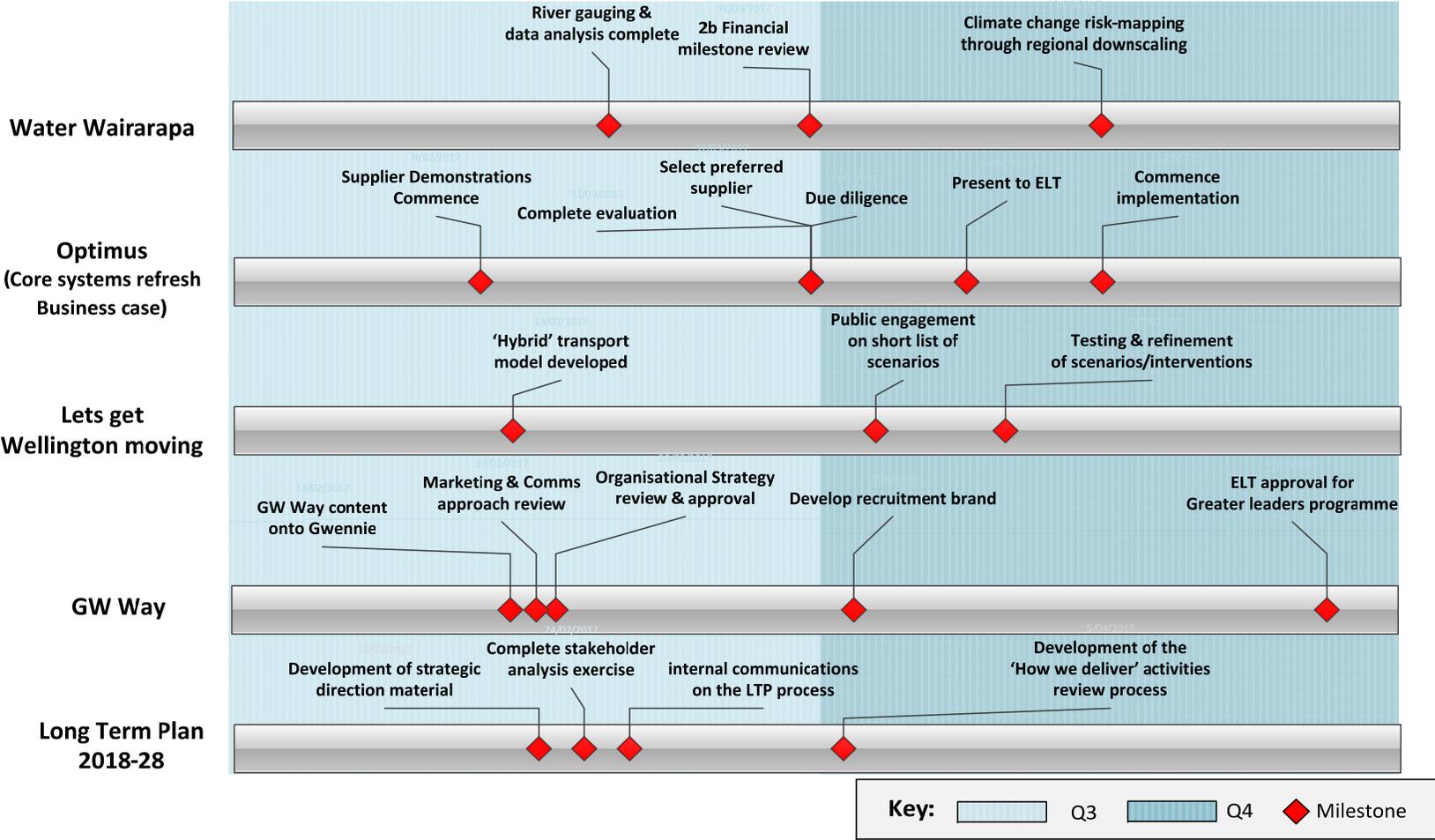
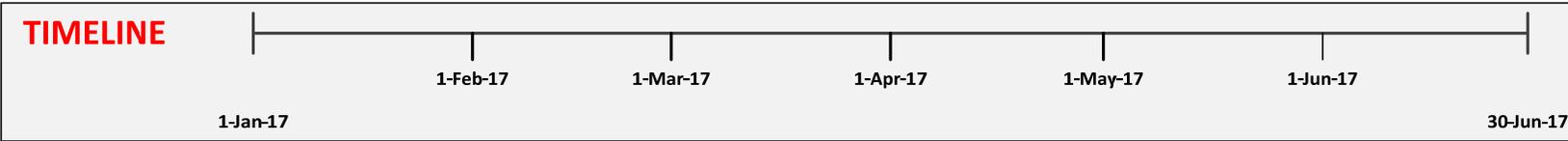
Significant Project or Programme	Overall Status	Timing	Budget	Issues	Risks	Comment
Optimus (Core Systems Refresh business case)						<p>The Business Case was endorsed by ELT, and a Request for Proposal was issued to selected suppliers. An evaluation team from across the organisation was involved in evaluating proposals from suppliers, with two suppliers shortlisted. Supplier demonstrations of their solutions will take place in the next quarter. In parallel to preparation for the demonstrations, further discovery has been undertaken with both suppliers to drill in further to mobility, implementation planning and resourcing.</p> <p>The project has been delayed due to the November earthquake. Timing of implementation will be confirmed following appointment of a vendor.</p>
Let's Get Wellington Moving (LGWM)						<p>The November earthquake caused some delay to the project, with both local authority partners having no access to their offices for the last six weeks of 2016 and also resulting in the permanent loss of the LGWM project office. A new home for the project office has now been established at NZTA offices.</p> <p>LGWM continues to dominate the Regional Transport Planning Team's work programme, particularly in transport modelling at present. There was an intention to procure additional technical support for this period but the selected contractor was unavailable so the workload has been managed in-house.</p> <p>Highlights of the second quarter of 2016/17 include: Project objectives developed and signed off by the three partners; Development of a long list of scenarios, initial multi-criteria assessment completed and a draft short list identified; Testing and refinement of draft short list scenarios commenced; Preparation of a progress report which will be publicly released in early February.</p>

<p>Long Term Plan 2018-28</p>						<p>ELT has agreed to the proposed schedule of work and high level project management structure for the 2018-28 LTP. An ELT and Council workshop schedule has been developed and booked into diaries. The 2018 LTP Project Plan is nearing completion and will be circulated in mid-February for review and sign off.</p> <p>Councillors have been briefed on various aspects relating to the LGA and LTP requirements as part of briefing workshops. In their December workshop Councillors were given an overview of the focus, approach and proposed process for the 2018 LTP development.</p> <p>Three cross team working groups have been established and two of the groups (Trends and Opportunities working group, and Infrastructure and Finance working group) have met and formed their Terms of Reference and developed timelines which allow the outputs from each working group to link together effectively. The LTP Consultation and Engagement working group is meeting in late Feb to finalise engagement milestones and objectives.</p> <p>The next LTP workshop with ELT is on 20 Feb and the next LTP workshop with Councillors is on 1 March. The focus of these workshops will be on GWRC strategic direction – moving the project on from the briefing phase into the direction setting phase.</p>
<p>Earthquake Recovery Project</p>						<p>This project required rapid start in response to the November 14th Kaikoura earthquake. This initial phase involved:</p> <ul style="list-style-type: none"> • moving Contact Centre from Shed 39 to Upper Hutt office and later relocating it to our new temporary premise at Walter Street in Wellington CBD. • ICT enabling remote network access for staff working from home and other locations. • Relocating core staff from Shed 39 ground floor to Level 1 until new premise was found. • Relocating of Transport related staff to Walter Street with Contact Centre and ICT moving late December. • Back to normal for majority of Shed 39 level 2 staff. Remaining Comms & Marketing, Strategy and PMO teams relocated to temporary locations within Shed 39. <p>Overall the project has gone to plan with the project with completion end of January. Ongoing support at that point will be through normal BAU functions.</p> <p>Timeframes were extremely tight with moving people and equipment. It was an unsettled working environment with temporary arrangements and loss or misplacement of equipment during moves. This did lead to some frustration and tension but overall the moves and changes with frequent, supportive and informative communications helped facilitate as smooth a transition as possible back to BAU operations across the organisation.</p>

Overview | Major Projects Timing January – June 2017

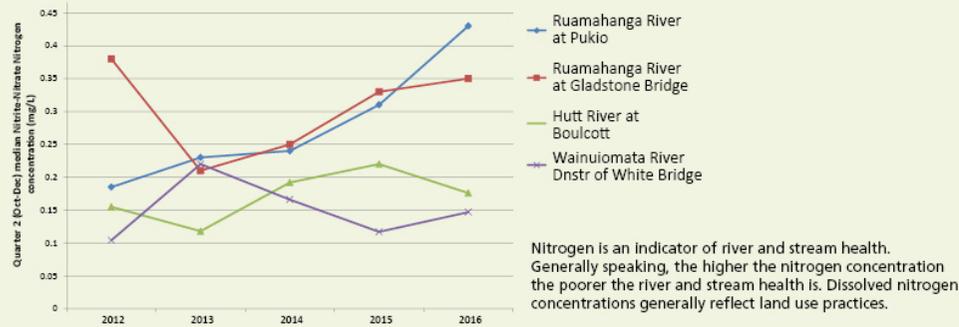


Overview | Major Projects Timing January – June 2017



Key Metrics

FRESH WATER QUALITY - NITROGEN LEVELS



MAJOR PROJECT PERFORMANCE



PUBLIC TRANSPORT SERVICES ON TIME

On-time Rail services



2015/16



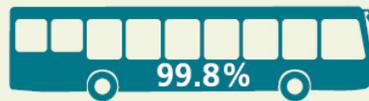
2016/17 YTD Dec

On-time rail results are not comparable to previous years. From 2016/17 'on-time' (punctuality) is measured at the start and end of each journey and at some intermediate stations. Punctuality under the old measurement would have been well above 97%.

On-time Bus services



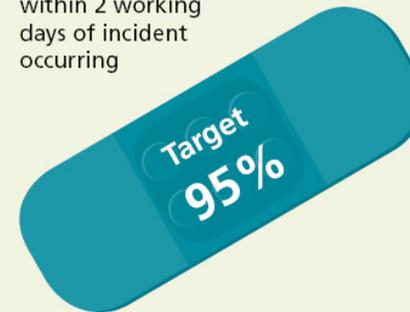
2015/16



2016/17 YTD Nov

HEALTH & SAFETY

Incidents reported within 2 working days of incident occurring



ENGAGEMENT SURVEY

Our engagement survey results:

Target 4.10

Result Available at year-end

REPUTATION INDEX

