

27 June 2018



Chris Laidlaw  
Chair  
Greater Wellington Regional Council  
P O Box 11 646  
Wellington 6142

Dear Chris

**WRC Holdings Limited Final Statement of Intent Covering the 2018/19-2020/21 Financial Years**

WRC Holding Board members held a meeting on 25<sup>th</sup> June 2018 to discuss the above.

At this meeting we received the final Statement of Intent (SOI) from CentrePort Limited and also the final Statement of Intent (SOI) for WRC Holdings Limited.

We approved the final SOI for WRC Holdings Limited for delivery to the shareholder at our meeting and now formally pass it on to Council.

As per the Local Government Act (Schedule 8, Clause 3) we are required to deliver a final SOI for WRC Holdings before 30 June 2018.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'S. Sharif'.

Samanth Sharif  
**Chair – WRC Holdings**

**Encl – WRC Holding Final SOI**

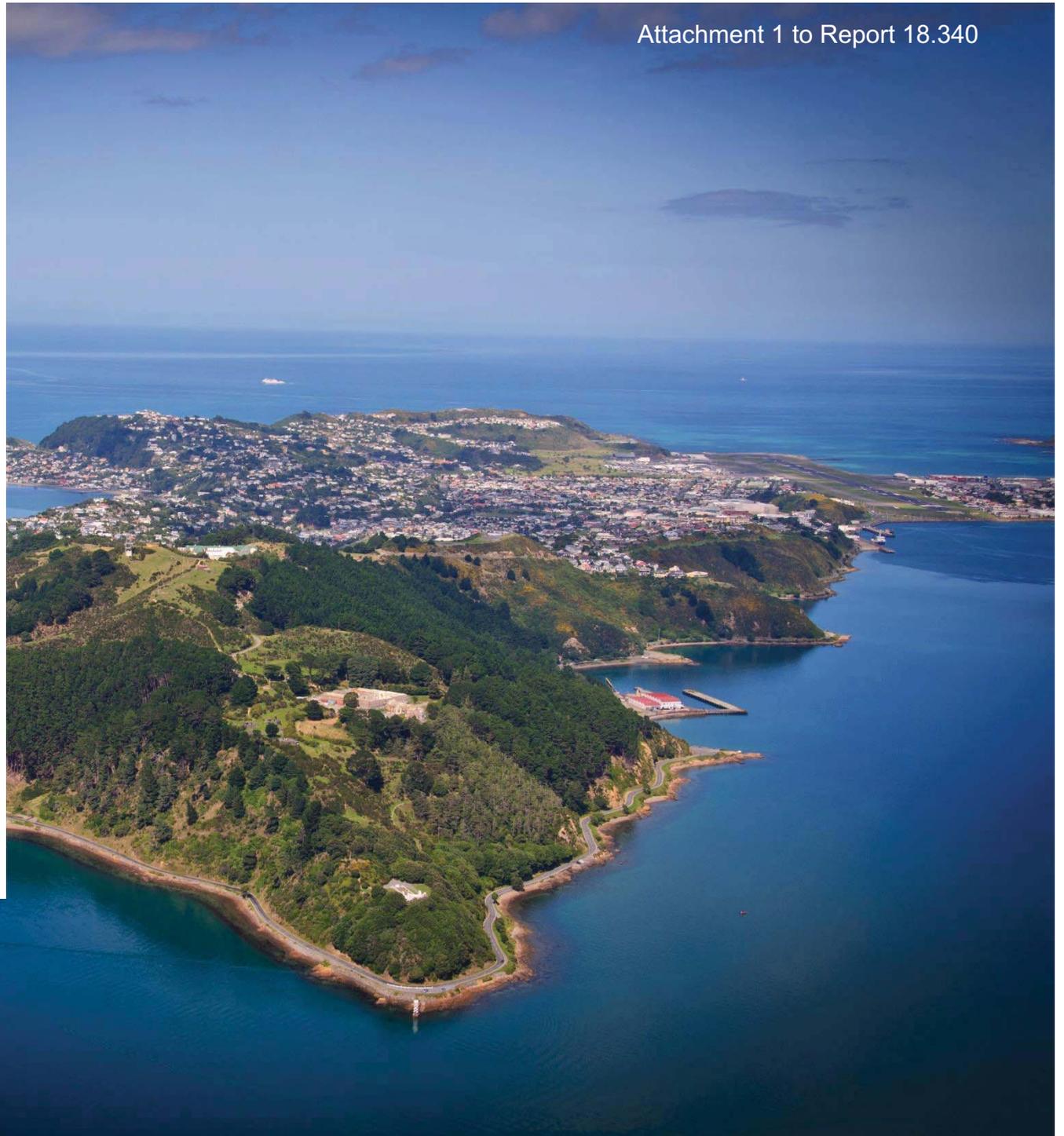
# Q4 2017/18

1 April — 30 June

## HIGHLIGHTS



greater WELLINGTON  
REGIONAL COUNCIL  
Te Pane Matua Taiao



## INTRODUCTION

This quarterly summary report includes:

- key highlights
- financial summary
- health & safety indicators
- major projects status
- key metrics

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



New bus networks were launched in Wairarapa and Hutt Valley. There were some operational issues arising from the changes, which are being actively managed. Monitored performance is gradually improving post go-live.

Out-of-service trials have commenced to increase the capacity on the busiest Wairarapa train services, by lengthening trains from eight to nine cars.

On Wednesday 27 June Metlink began a trial of an additional AM and PM peak service on the Kapiti Line. The introduction was fast tracked to provide additional capacity to help mitigate the impact of the 'Raumati Straights' being reduced to two lanes again. So far the service has proven very popular.

All components of fares and ticketing transition completed for go-live dates across all modes.

A Metlink Advertising Policy setting out principles and criteria governing the advertisements permitted to appear on Metlink controlled assets, infrastructure and facilities was endorsed by the Sustainable Transport Committee.

The procurement process for all bus operating contracts under the Public Transport Operating Model concluded with the final contract signed with NZ Bus in June.

The enforcement of park and ride terms and conditions to encourage safe and courteous behaviour has commenced and has already improved parking behaviour.

A draft Park and Ride Strategy was developed for discussion with key partners and stakeholders. The draft strategy was presented to the Sustainable Transport Committee on 20 June.

Pedal Ready Cycle Skills Grade 1 and 2 training was delivered to 1,954 children and adults. This included training the Wellington Community Police to Grade 2. Nearly 150 children were trained in how to ride a bike for the first time. Nine adults did E-bike training to Grade 1 level. A total of 5,976 adults and children were trained throughout the 2017-18 financial year.

The Active Travel classroom resource for teachers, which was developed in conjunction with EnviroSchools, has been finalised and will be socialised with a few schools in the first quarter of 2018-19.

The new Smart Travel app with one-off trip functionality has been undergoing user testing.

Let's Get Wellington Moving short list evaluation was completed, followed by development of a draft recommended programme of investment (RPI). The draft RPI was presented to a joint WCC/GWRC workshop on 11 June.

The Regional Land Transport Plan was approved and submitted to the NZ Transport Agency for consideration as part of the development of the National Land Transport Programme.

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



Public engagement on the Parks Network Plan discussion document commenced on 21 May and continued until the end of June.

Results from the Annual Community Usage and Awareness Survey of Parks were received. Regional parks visitation is the highest ever, with 72% of the regional population having visited at least one park in the last 12 months. Satisfaction remains at very high levels (95%). Consistent with previous years, the main areas for improvement are those relating to the provision of signage and toilets.

The bike skills area at Stratton Street has been completed and is proving very popular with families.

The First Schedule process for the proposed Natural Resources Plan continued to make good progress this quarter and hearing streams 1,2,3 and 4 have been completed. Hearing streams 5 & 6 are largely complete.

The Ruamāhanga Whaitua Committee put out a draft Whaitua Implementation Plan for public comment in mid-June. This sets out recommendations for the future of integrated land and water management in the catchment.

Te Awarua-o-Porirua Whaitua Committee have completed the drafting of their fresh water and harbour objectives.

Thirty-three ecology sampling sites have been established and monitored across the region. At each of these sites; vegetation, birdlife and pest abundance has been recorded.

The proposed Regional Pest Management Plan was approved for public consultation on 26 June 2018.

A successful year of ungulate control was completed with 524 feral goats, deer and pigs culled, helping to protect the biodiversity values of several KNE sites.

Greater Wellington had a display at the Ahi Kā – the Streams of Light event run by WCC as part of Matariki celebrations. The display highlighted the variety of native fish that live in urban streams and the need to look after the quality of stormwater that flows to these urban habitats.

The 50th anniversary of the Wahine disaster was on 10 April. A large flotilla of boats, many with links back to the day of the tragedy, took part in a procession near the waterfront. Our vessel “Sea Care” marshalled the vessels in the sail past.

A successful Restoration Day was held at Silverstream Retreat on May 26 with over 200 participants from the environmental restoration community. The day celebrated restoration successes and provided opportunities to learn from other community groups and experts in the field.

Planting events were held at Ōnoke Spit and Ōkorewa Lagoon in Wairarapa. These were led by volunteer restoration groups who received funding for the plants from the Wairarapa Moana Wetlands contestable fund for community restoration.

The WRECI programme has had an excellent fourth quarter with over 8000 poplar and willow poles delivered for planting on erosion prone land in June.

Over 9,000 poles and 102,208 seedlings were sold by the Akura Nursery this quarter, including 79,544 native plants (42,548 manuka) and 22,664 exotic seedlings.

## Our communities are increasingly resilient to flood risk and other natural disasters



Between April and June WREMO held workshops with six key stakeholder groups from around the region (emergency services, welfare agencies, lifeline organisations, local emergency management and local authority planners) to develop the content of the draft Group Plan. The draft Plan is now out for sector consultation and feedback.

Ninety-three Greater Wellington staff attended Emergency Coordination Centre (ECC) induction sessions this quarter. This was followed by a training session for function (desk) managers, and a further training session for all staff volunteers focussing on incident briefings.

In April the Eastbourne and Seatoun communities were invited to participate in Community Emergency Hub Exercises in commemoration of the 50 year anniversary of one of New Zealand's largest community responses. WREMO organised the exercises at Muritai School (Eastbourne) and at Seatoun School. The turn out was fantastic and the exercise reaffirmed that people want to help their community in emergencies and are looking for guidance on the best ways to do this.

Thirty-five representatives from aged care facilities across the region, the Ministry of Health and District Health Boards attended a Joint Hutt Valley and Wellington Aged Residential Care Workshop. The focus of the workshops was general preparedness and continuity planning for their respective facilities .

In late May the Fiji Business Disaster Resilience Council arranged for a WREMO staff member to deliver a Business Continuity Planning (BCP) Workshop in Fiji. The workshop was requested as our model for BCP planning emphasises support for small businesses. Feedback from participants was overwhelmingly positive.

The WREMO Community Resilience team hosted the first national gathering of community resilience practitioners and researchers at a workshop after the National CDEM conference held by the Ministry of Civil Defence and Emergency Management. This first workshop on Community Resilience generated clear guidance for the future of the sector and resulted in the Ministry endorsing and providing financial support for a group of practitioners to advance the recommendations toward nationally consistent guidelines.

The draft business case report for the Lifelines Resilience Project was completed, including a list of projects that have been identified as key elements for increasing the resilience of the region. The document will now be finalised by the Steering Group for discussion at the Mayoral Forum.

Community consultation has begun on stopbank construction options for the draft Waiohine Floodplain Management Plan.

The draft Te Kāuru Upper Ruamāhanga Flood Management Plan was endorsed for engagement by the Subcommittee and Environment Committee. Engagement will be undertaken from July to September.

The RiverLink preliminary design was endorsed by the Hutt Valley Flood Management Subcommittee and approval given to proceed to detailed design and resource consent application.

The Riverlink property purchasing is proceeding ahead of programme.

## Strong leadership and collaboration supports robust regional growth

The Long Term Plan 2018-28 was adopted by the Council, following a consultation process, hearings and deliberations.

Submissions were made on Long Term Plan Consultation Documents of each of the city and district councils in the region.

Work on the Wellington Regional Investment Plan included meetings with the Steering group, Chief Executives and Mayors as well as workshops held across the four main theme areas and with business, and preparation of notes for the Mayors and Chairs meeting with Minister Twyford. Subsequent to the meeting with the Minister discussions started with Government agencies on sharing information and potential partnerships. A framework for the draft plan was developed.

Work continued on the Wairarapa economic development strategy and action plan, including meetings with both Wairarapa Iwi and Council Chief Executives.

The Wellington Region Economic Development Agency's final Statement of Intent was signed off by Wellington Regional Strategy Committee.

Meetings of the Regional Climate Change Working Group were held in April and June. The Group elected Cr Sue Kedgley as chairperson and Cr David Lee from WCC as the deputy chairperson.

A submission was made to the Productivity Commission on their draft report on making a transition to a low carbon economy. The submission was largely supportive of the report's recommendations.

Northern Gateway Futures: A Chairs Forum was held in April and there was agreement to work together on a series of workstreams relating to the future of the port.

The work on the multi-user ferry terminal business case is progressing well and includes development of a site selection report. Joint funding and a Memorandum of Understanding are awaiting finalisation.

Filming for the water narrative with mana whenua on the Ōtaki River was completed. The aims of the mana whenua water narrative campaign are to:

- Increase awareness of wai quality values to mana whenua
- Inspire all Wellington region residents to take responsibility for wai quality aligned with collective Māori values (rather than by iwi)
- Promote the work that Greater Wellington and mana whenua have been working on through the proposed Natural Resources Plan; and
- Demonstrate our work in partnership with mana whenua.

Ara Tahi hosted Minister Faafoi and worked with the Department of Prime Minister and Cabinet officials on the proposed new enhanced relationships between iwi and CDEM agencies nationally and locally under the Ministerial review on *Better Responses to Natural Disasters and Other Emergencies*.



# FULL YEAR FINANCIAL SUMMARY

## ACTUAL VS BUDGET

### Council Summary

Actual operating deficit (before capital grants and fair value movement) is \$1.7m favourable to budget. The variance relates to higher fare revenue, timing of trolley bus decommissioning, savings on interim ticketing solution and additional Emission Trading Scheme and insurance revenue, offset by additional costs in PT Transformation, Fares and Ticketing, alternate water source and water quality projects and lower NZTA grants and WCC rates due to from prior years correction.

### Operating Revenue

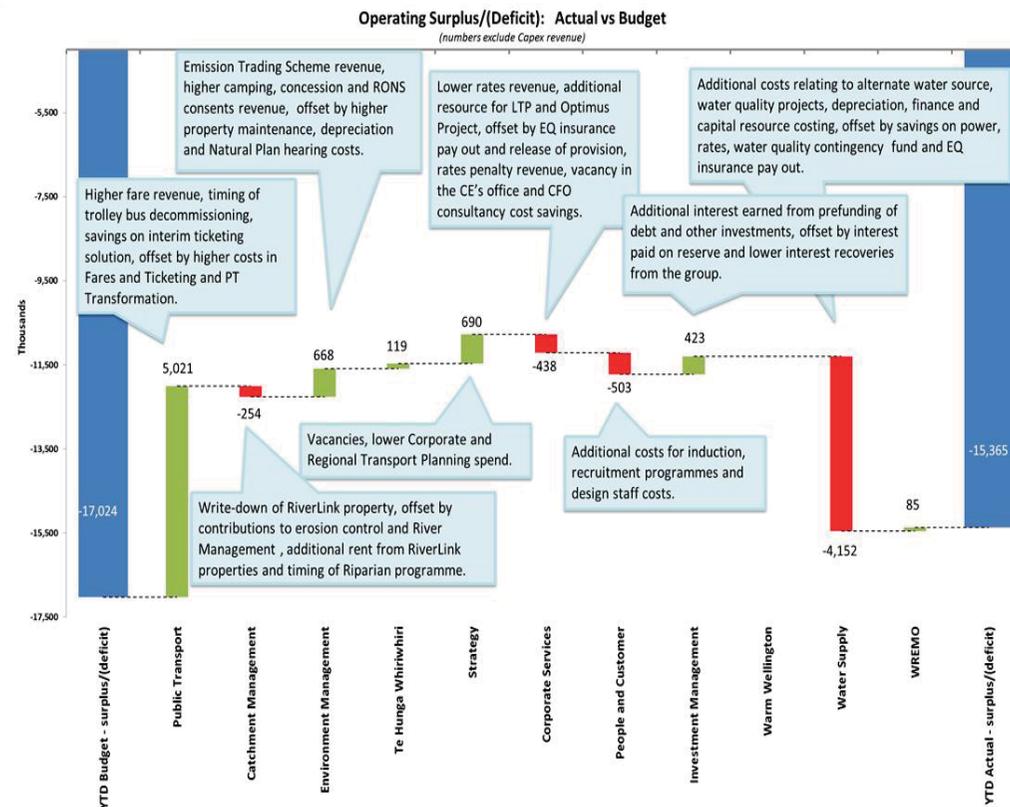
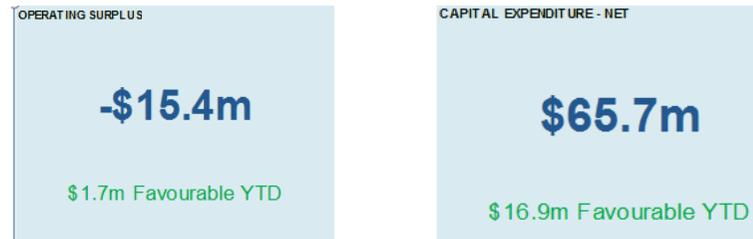
Operating revenue is \$7.5m favourable to budget, reflecting additional fare revenue (\$2.5m) and external contributions to National Ticketing (\$2.0m), offset by lower NZTA grants (\$3.0m), higher contributions from Councils for various programmes in Catchment (\$1.5m), Emission Trading Scheme revenue (\$0.9m), additional contributions (\$1.0m) for Regional Infrastructure Resilience Business case, additional interest earned from prefunding of debt (\$1.0m), Earthquake insurance pay out and rates penalties revenue (\$1.8m) offset by lower rates revenue from Wellington City Council due to correction of prior year's payments (\$1.7m).

### Operating Expenditure

Operating expenditure is \$5.9m unfavourable to budget, primarily driven by Water Supply \$4.5m due to extended pre-capitalisation phases of the alternate water source and additional water treatment costs, \$1.6m write-down of RiverLink property value, additional KiwiRail insurance, GANZ disposal and Fares and Ticketing project (planned as capex), offset by timing on trolley bus decommissioning and PT transformation costs.

### Capital Expenditure

Capital expenditure is \$16.9m favourable to budget with lower Public Transport capex \$20.6m due to the interim ticketing solution, lower heavy train maintenance, Maitangi train retrofit, timing of ERP replacement project \$2.3m and timing of Flood Protection programme \$3.7m, offset by additional Water Supply Capex \$0.7m and timing of RiverLink property acquisitions \$12.0m.



# FINANCIAL SUMMARY BY GROUP

## Statement of Revenue and Expense by Business Group - Actual v Budget

	FULL YEAR			FULL YEAR			FULL YEAR		
	Operational Revenue			Operational Expenditure			Operational Surplus / (Deficit)		
\$000	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
<b>Group</b>									
Public Transport	187,740	185,973	1,767	184,589	187,842	3,254	3,152	(1,869)	5,021
Catchment Management	39,536	38,051	1,486	32,869	31,130	1,740	6,667	6,921	254
Environment Management	31,347	29,857	1,490	29,948	29,126	822	1,399	731	668
Te Hunga Whiriwhiri	1,055	1,034	21	927	1,026	98	128	9	119
Strategy	12,692	11,626	1,066	13,280	12,904	376	(588)	(1,278)	690
Corporate Services	10,343	10,272	71	18,520	18,010	510	(8,178)	(7,738)	439
People and Customer	2,419	2,415	5	10,510	10,002	508	(8,090)	(7,587)	503
Investment Management	(6,337)	(7,307)	970	(3,070)	(3,617)	547	(3,267)	(3,691)	423
Water Supply	32,511	32,170	341	39,391	34,897	4,494	(6,880)	(2,727)	4,152
Warm Wellington	3,370	3,183	187	3,370	3,183	186	0	(0)	0
WREMO	3,589	3,452	137	3,298	3,245	52	292	207	85
<b>TOTAL</b>	<b>318,266</b>	<b>310,725</b>	<b>7,541</b>	<b>333,631</b>	<b>327,749</b>	<b>5,882</b>	<b>(15,365)</b>	<b>(17,024)</b>	<b>1,659</b>

## Statement of Revenue and Expense

	FULL YEAR		
\$000	Actual YTD	Budget YTD	Variance
<b>OPERATING REVENUE</b>			
Rates	120,307	120,780	472
Subsidies & Grants	69,059	72,647	3,588
Other Revenue	123,516	114,255	9,261
Finance Revenue	5,384	3,043	2,341
<b>TOTAL REVENUE</b>	<b>318,266</b>	<b>310,725</b>	<b>7,541</b>
<b>OPERATING EXPENDITURE</b>			
Personnel	46,971	46,244	726
Material & Contractor/Consultant	77,858	69,603	8,255
Depreciation & Amortisation	18,644	17,894	750
Grants & Subsidy	149,318	156,671	7,352
Finance Cost	19,632	19,686	55
Other Expense	21,209	17,651	3,558
<b>TOTAL EXPENDITURE</b>	<b>333,631</b>	<b>327,749</b>	<b>5,882</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(15,365)</b>	<b>(17,024)</b>	<b>1,659</b>
Subsidies & Grants - Capex	16,406	23,905	7,499
Fair Value Movement	(8,685)	9,250	17,934
<b>SURPLUS/(DEFICIT)</b>	<b>(7,644)</b>	<b>16,131</b>	<b>5,840</b>

## Capital Expenditure by Business Group

	FULL YEAR		
\$000	Actual	Budget	Variance
<b>Group</b>			
Public Transport (incl investment)	16,700	37,350	20,649
Catchment Management	29,864	21,652	8,212
Environment Management	3,120	5,119	1,998
Strategy	178	634	456
Corporate Services	856	4,003	3,147
People and Customer	247	197	50
Investment Management	1,038	660	378
Water Supply	13,655	12,918	737
<b>TOTAL</b>	<b>65,659</b>	<b>82,532</b>	<b>16,873</b>

# HEALTH AND SAFETY INDICATORS

## Highlights and improvements

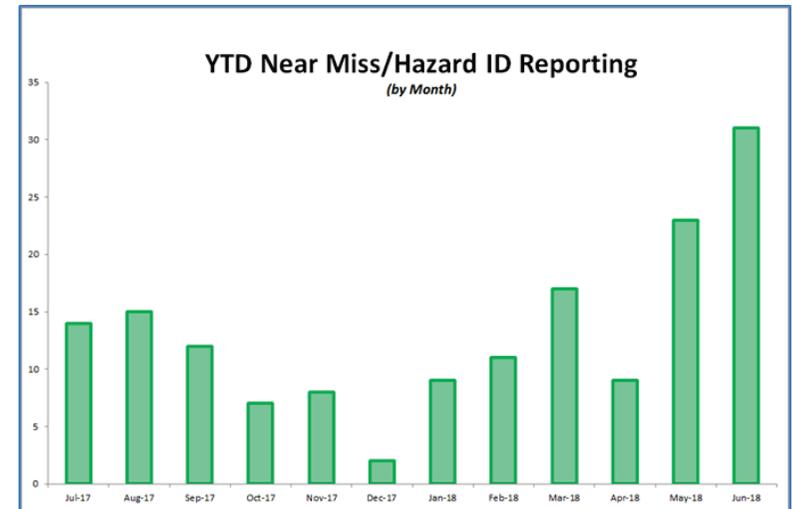
In this quarter 37 staff received injuries ranging from Lost Time Injuries (two - both for concussion) to first aid/pain and discomfort injuries.

Sixty-two near miss and hazard identifications were reported, the first time since July 2017 that near miss reports have exceeded events resulting in injuries or property damage.

Greater Wellington's new Health and Safety journey commenced with a Safety Summit in May 2018. Representatives from across the business attended a workshop to review the current state of health and safety. The group was also tasked with crafting a new vision and 'golden rules' to align with the new health and safety journey. The group will continue to meet as a Safety Forum which will act as the sounding board for various health and safety initiatives and projects.

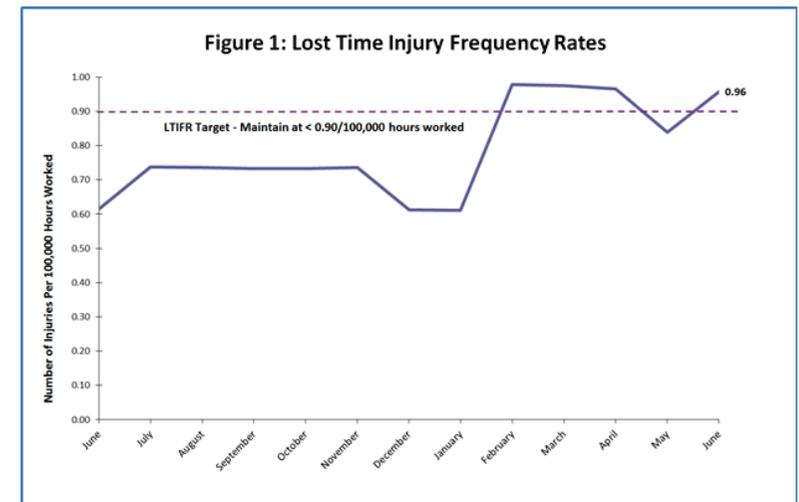
This quarter saw the introduction of Toolbox Talk material, which is designed to share health and safety performance, topics of interest and learning from accidents and near misses to staff across the organisation. A workplace inspection regime was also initiated to improve housekeeping and regulatory compliance. Both the Toolbox Talks and the Workplace Inspections are indicators that will be reported on in the future.

This quarter also saw the introduction of the first Safe Work Method Statement (SWMS), essentially a quick guide to the controls for various tasks and activities in a simplified format and is not department specific. This means greater consistency across all departments when managing risks. SWMS replace the need to reference Standard Operating Procedures when dealing with dynamic risks and are significantly more user friendly for referencing controls.



## Key performance indicators

The Lost Time Injury Frequency Rate performance target of 0.90 was not achieved, with a result of 0.96 by end of the quarter and FY18. Despite this, we are satisfied with our performance and progress. Due to our size, a small number of incidents or injuries can swing our result markedly in either direction.



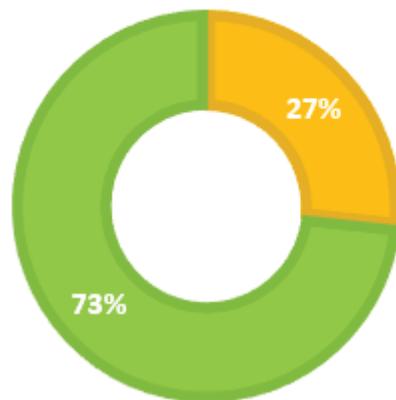
# MAJOR PROJECTS

## OVERALL STATUS

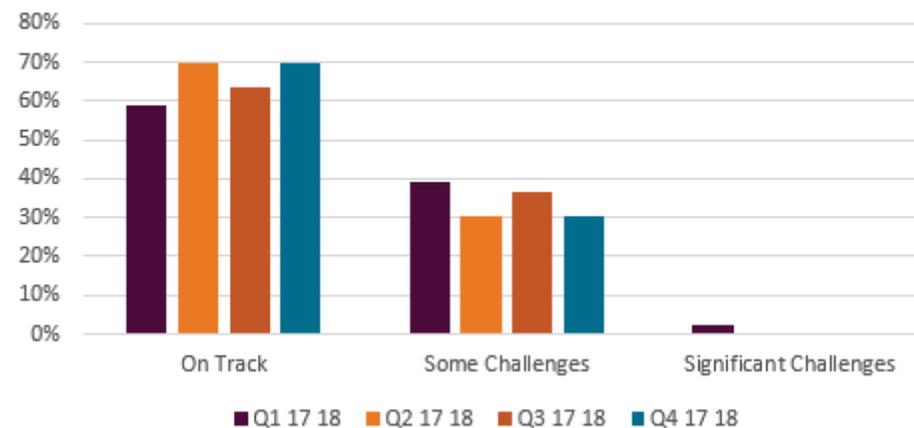
### Overall comment

- Significant milestones this quarter demonstrate a huge amount of effort and achievement for key major projects:
  - Public Transport Transition** – Wairapara and Hutt new bus services went live.
  - Lets Get Wellington Moving** – a draft programme of investment has been developed and is currently under review.
  - Integrated Fares and Ticketing (fares)** – fares transition and implementation has been completed for bus and rail and ferry in time for go-live dates.
  - Long Term Plan** – Council adopted the Long Term Plan 18-28 and associated policies.
- Projects that have closed out this quarter:
  - Water Wairarapa** – the project has now closed out as set out in the Long Term Plan.
  - Lifelines** - draft business case agreed by Lifeline partners, completing stage 1 of the project.
  - Long Term Plan** (see above).
- Optimus implementation** will recommence after being put on hold due to organisation focus on PT transition for buses.
- Wellington Regional Investment Plan** is a new major project and will commence reporting for the 18/19 FY.

### 15 MAJOR PROJECTS



### Major and High Priority Project Performance between previous and current quarters



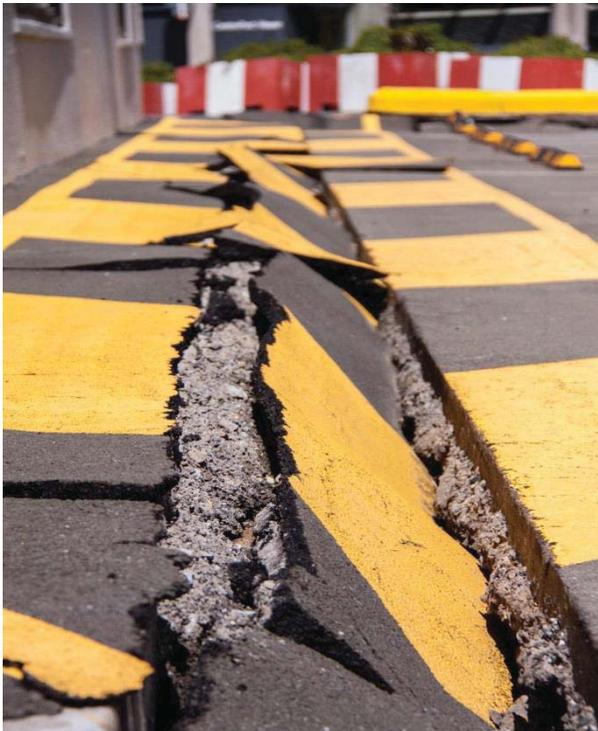
# MAJOR PROJECTS

<b>KEY</b>	On track	<span style="color: green;">●</span>
	Some issues and risks, but being managed	<span style="color: yellow;">●</span>
	Significant issues, off track	<span style="color: red;">●</span>

## Wellington Region Resilience Coordination Group (WRRCoG)

*This Group has been formed to assist and accelerate development of capability to coordinate, deploy and monitor a programme of interventions improving the level of regional resilience to a significant natural hazard event.*

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: yellow;">●</span>
<p><b>COMMENT</b></p> <ul style="list-style-type: none"> <li>• New earthquake planning guide was re-printed and re-distributed around the region in June.</li> <li>• Group Plan workshops completed and a draft Group Plan was developed. Feedback on the content has now been requested from stakeholders.</li> <li>• The draft Regional Resilience business case, produced by Lifelines, also has been completed. The content is being socialised with stakeholders before going to Cabinet.</li> <li>• As part of the Group Plan Governance workshops a review of current governance arrangements was conducted, including strengths and weaknesses and suggested improvements. It was agreed that WRRCoG, which was set up on an interim basis after the Kaikoura Earthquake, has now served its purpose and is no longer required. The governance arrangements that are proposed to oversee effective delivery of the new Group Plan will meet this requirement going forward.</li> <li>• A response from central government to the findings of the Wellington Lifelines Group resilience modelling is expected in the next financial year.</li> </ul>				



# MAJOR PROJECTS

## GW Way Implementation

*Review, articulate and communicate Purpose, Vision and Values (behaviours) to our staff, Council, Customers and external stakeholders*

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<b>COMMENT</b> <ul style="list-style-type: none"> <li>A leaders' forum focussed on 'For the People, By the People' looked at the use of customer centric tools in projects. Key projects that could incorporate a 'customer centric design coach' were identified.</li> <li>A Leaders Forum focussed on how to cascade outcomes and measures through the P4P system – this includes embedding GW Way behaviours. GW Way objective drafted as a shared objective for all staff in the 2018/19 P4P process.</li> <li>A project manager to define and deliver the next phase is to be recruited. The issues to remain amber until appointed.</li> </ul>				



## Proposed Natural Resources Plan

*The Proposed Natural Resources Plan First Schedule process, as set out in the Resource Management Act 1991*

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<b>COMMENT</b> <ul style="list-style-type: none"> <li>Hearing Streams 1, 2, 3 and 4 completed.</li> <li>Hearing Streams 5 and 6 are largely complete. The substantive hearings have been held; Hearing Stream 5 was held from 9-27 April, and Hearing Stream 6 from 28 May – 12 June.</li> <li>Hearing Streams 5 and 6 Right of Reply reports to be pre-circulated on 16 and 18 July respectively. Right of Reply hearings for Hearing Streams 5 and 6 are set down for one week commencing 30 July.</li> <li>The Hearing Panel may not make the 30 November 2018 timeframe for issuing decisions on submissions (an extension under s37 of the RMA will likely be sought).</li> <li>An overspend of \$453K in 2017/2018 financial year was signalled during the quarter due to additional costs associated with greater complexity and scale of work load, which has also affected schedule.</li> </ul>				

# MAJOR PROJECTS

## Northern Gateway Futures

*A programme for the future of the northern gateway of Wellington, including the Port, Ferry Terminal and their transport connections.*

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
COMMENT	<ul style="list-style-type: none"> <li>The Northern Gateway forum was in its infancy during Q4. Work during this quarter focussed on working with the other stakeholders to agree a framework for working together. A draft Memorandum of Understanding, Programme Overview document and work breakdown structure has been circulated to the six other partners for the second chairs forum (13 July).</li> <li>During Q4 work progressed on the ferry terminal site selection and transport options, an agreed 'strategic context' for the future redevelopment of the terminal, a summary of the future transport requirements, and the development of an agreed programme business case framework against which terminal and transport options can be evaluated in the coming quarter. Ferry terminal stakeholders have agreed a series of problem statements and business benefits that they are collectively seeking to achieve by working together. This took the form of an integrated investment logic map.</li> <li>Given the project is still in its early stages there are risks around stakeholder buy-in and developing the momentum to deliver its objectives to time. Main risks are around site selection.</li> </ul>			



## Lets Get Wellington Moving

*Taking a fresh look at the entire transport system in central Wellington to identify a package of improvements that support community aspirations and strategic objectives for the city in terms of its look, feel and function*

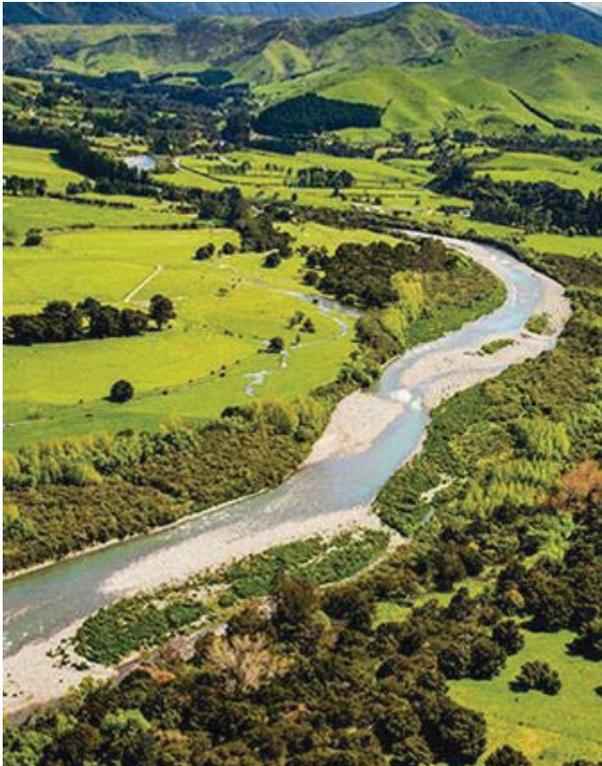
OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
COMMENT	<ul style="list-style-type: none"> <li>Work in Q4 focussed on the development and assessment of a draft recommended programme of investment (RPI). The short list evaluation was completed in May 2018, followed by development of the draft RPI. The draft RPI was presented to a joint WCC/GWRC workshop on 11 June.</li> <li>The next tasks involve finalising the RPI, engaging with central government, communicating the RPI to stakeholders and public, and completing the programme business case documentation. The involvement of central government has resulted in a slight delay to the project with the RPI now likely to be announced by the minister and project partners in September/October.</li> <li>Work is still ongoing with regards to identifying a plan for progressing the RPI beyond this point, including the consideration of options for resourcing and project structure such as a formal alliance.</li> <li>The need to agree on a funding/delivery mechanism and a suitable project structure to enable LGWM to proceed to the next phase following the release of the Recommended Programme of Investment is becoming increasingly urgent</li> </ul>			

# MAJOR PROJECTS

## Water Wairarapa

*Investigating a multi-purpose water scheme to collect and store water for distribution to a variety of economic and community uses for Wairarapa*

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<p><b>COMMENT</b></p> <ul style="list-style-type: none"> <li>• Funding agreement with Crown Irrigation Investments Ltd (CIIL) ceased at the end of June.</li> <li>• Despite terminating the funding agreement, Greater Wellington has committed to completing the final report and associated communications needed to socialise the reframing investigation outcomes. A risk remains on ensuring the investigations are on track as there is little room for movement as funding comes to an end.</li> <li>• The re-framed investigations looked at the effect of climate change and the Waitua committee’s proposals on Wairarapa’s future water availability. The climate change projections are by far the dominant feature.</li> <li>• The WW Governance Group and the Stakeholder Advisory group will hold their last meetings on 5 July and 25 September respectively to update them on the above.</li> </ul>				



## Wellington Regional Investment Plan

*Greater Wellington is working with the region’s territorial authorities, NZTA and WREDA to develop a Wellington Regional Investment Plan. This will be an action plan that identifies and prioritises existing and new opportunities for investment across the region and will enable a conversation on the priorities and opportunities for partnership with Government and other partners.*

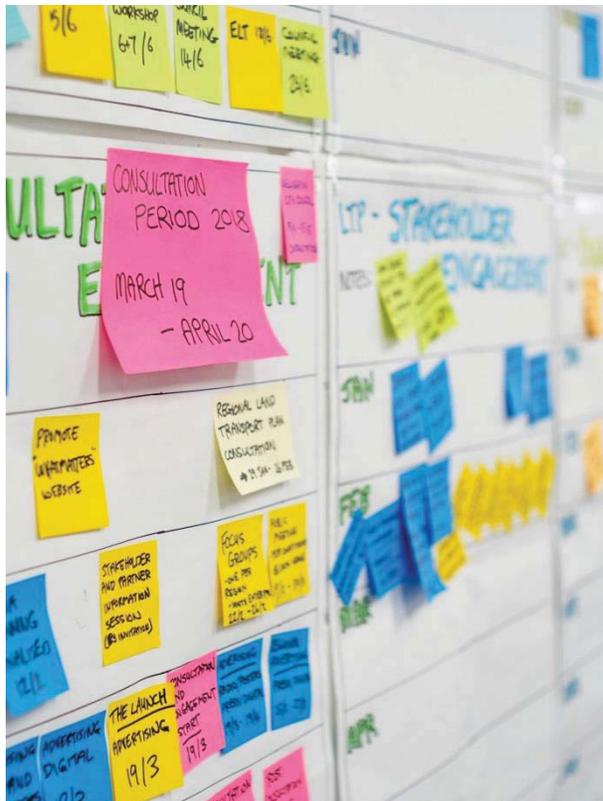
OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<p><b>COMMENT</b></p> <ul style="list-style-type: none"> <li>• Ongoing work on the Wellington Regional Investment Plan has included development of priority areas.</li> <li>• Several meetings have been held with the Steering group, CEs and Mayors and an initial meeting held with Ministers to gain Central Government buy in.</li> <li>• Meetings have been held with Central Government officers to build working relationships.</li> <li>• Workshops have been held with business and Wairarapa Iwi.</li> <li>• High workload may require additional resources to be deployed next quarter.</li> </ul>				

# MAJOR PROJECTS

## Long Term Plan 2018-28

The LTP project is made up of a number of plans and policies and has specific process planning requirements including: the audit process, consultation and engagement processes and decision making and governance

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<b>COMMENT</b> <ul style="list-style-type: none"> <li>The hearings and deliberations on the Long Term Plan 2018-28 and the Revenue and Financing Policy were held during May. Hearings were held in Wairarapa and Wellington.</li> <li>On June 26 Council adopted the Long Term Plan 2018-28 and the Revenue and Financing Policy. The final Revenue and Financing Policy included changes reflecting feedback from the community.</li> <li>During July there was a wind down in the project with contracted staff finishing. The focus shifted to the design of the documents and the publication on 26 July.</li> <li>Discussions and planning will now begin to review the LTP project and to put in place a three year planning cycle/framework.</li> </ul>				



## Lifelines

Development of a programme business case to improve the resilience of the Wellington region lifeline utility services

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<b>COMMENT</b> <ul style="list-style-type: none"> <li>The draft business case and communications material was agreed by the Steering Group and Lifeline partner representatives. The Lifelines Chair briefed the Mayoral Forum on the key findings. This completes stage 1 of the project.</li> <li>Stage 2 of the project is being scoped up and will focus on identifying any funding gaps and implementation timeframes/commitments for each of the identified projects. This will feed into the financial and management cases for the overall business case.</li> </ul>				

# MAJOR PROJECTS

## GW Future Accommodation Programme

*Need to address GWRC's long term accommodation requirements for the Wellington and Masterton based staff*

OVERALL STATUS	●	TIMING	●	BUDGET	●	ISSUES	●	RISKS	●
COMMENT	<ul style="list-style-type: none"> <li>Completed initial RFI process for Wellington long term accommodation process and ELT approved a shortlist of five preferred options to proceed to a more detailed RFP stage for evaluation and consideration alongside potential proposals from CentrePort, KiwiRail and Wellington City Council.</li> <li>Finalised medium term lease agreement for Masterton Departmental Building to enable the relocation of staff from the existing building and consideration of long term options. Commenced fit-out design, tendering of work and relocation planning for the interim move.</li> <li>Shed 39 enhancements were finished, incorporating new Social Hub and meeting room furniture, new wall graphics and some re-painting, and an upgrade of social hub balcony with artificial turf and outdoor furniture. CentrePort's progress to finalise design and methodology of the ground floor repair was delayed.</li> <li>At Walter St construction of two additional meeting rooms on level 2 and other fit-out finishing work was completed, and additional lease renewals through to October 2021 were finalised.</li> <li>Budgets across the various projects are being stretched as additional scope and unforeseen requirements arise.</li> </ul>								



## RiverLink

*The proposed Upgrade Project combines Greater Wellington led flood protection works with components of the Hutt City Council led Making Places Project and the NZTA led Melling Intersection Improvements Projects.*

OVERALL STATUS	●	TIMING	●	BUDGET	●	ISSUES	●	RISKS	●
COMMENT	<ul style="list-style-type: none"> <li>The Hutt Valley Flood Management Subcommittee approved proceeding with the detailed design and obtaining of resource consents for the flood protection components and associated works with project partners Hutt City Council and NZ Transport Agency. (noting that programming is subject to decisions to be made by Hutt City Council and NZ Transport Agency).</li> <li>Hutt City Council confirmed similar recommendations related to the urban design components of the work.</li> <li>Both GWRC and HCC have confirmed funding for delivery of the project in their respective Long Term Plans. The estimates are based on existing forecasts, and exclude full costs related to the Melling bridge and Melling Train station which will be confirmed through the NZTA's Melling Transport Improvements Design Business Case. Alignment with other agencies remain a risk as it is a key output for this phase.</li> <li>Work will commence in the next financial year with geotechnical investigations to identify the aquifer location, and understand more detail about the foundation ground conditions. This work is being done to enable completion of the NZTA Design Business Case and inform detailed design and consents.</li> </ul>								

# MAJOR PROJECTS



## PT Transition

*Delivers the activities necessary to commence the new contracts with bus operators, implements associated transformational changes for services across the region and ensures Greater Wellington organisational readiness to operate in the new PTOM environment*

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<p><b>COMMENT</b></p> <ul style="list-style-type: none"> <li>Planned region wide changes across the network include new timetables, new routes and bus hubs in Wellington city, changes to fares, including tertiary and accessibility concessions and region-wide introduction of Snapper.</li> <li>Final preparations for the commencement of PTOM contracts in Wellington City, Porirua and Kapiti were undertaken in preparation for go-live during the quarter.</li> <li>Bus Hubs remain a significant infrastructure challenge. Temporary shelters are in place in Miramar and Newtown. Whilst the Kilbirnie hub will be ready, asset maintenance work by Wellington Water in the area does not allow the hub to be operational on July 15.</li> <li>Some risk around having sufficient bus drivers for July 15 Wellington Go-Live. GW and operators working together to mitigate risk.</li> </ul>				

## Optimus – Core Systems Refresh

*To replace or upgrade Core System (Finance, HR/Payroll and Asset Management) to rectify many issues with the current installation of SAP*

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<p><b>COMMENT</b></p> <ul style="list-style-type: none"> <li>Contract negotiations are now complete and contracts with Agilyx ,the primary vendor, have been signed.</li> <li>Project team resourcing is underway, including recruitment of the subject matter experts.</li> <li>The Steering group has been appointed and is now operational.</li> <li>A project accommodation space has been secured and the move is scheduled for September.</li> <li>Workshop planning is taking place with Agilyx with a hope to kick off design workshops, involving a wider staff group, around September.</li> </ul>				

# MAJOR PROJECTS

## Integrated Fares and Ticketing – Fares

- 1) Reviewing PT Plan policies for fares and ticketing. This work stream is referred to as the 'PT Fares Review'.
- 2) Rationalising fare products for rail and bus and ferry in the lead-up to IBTS and IFT

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<b>COMMENT</b> <ul style="list-style-type: none"> <li>• Fares transition and implementation completed for bus and rail and ferry in time for go-live dates</li> <li>• Concessions technical approach for Snapper developed and implemented, with all key tertiary institutes signed up with the scheme. Tertiary portal live on 10 July 2018.</li> <li>• Snapper configuration developed, tested, confirmed and in place for all new bus contracts and go-live dates.</li> <li>• Training material on fares for drivers prepared and circulated to Snapper and operators for go-live dates</li> <li>• Revised Conditions of Carriage endorsed by STC and for go-live dates.</li> <li>• General and specific communications provided for general fares changes and specific products such as the Tertiary concession, Accessible concession and Beneficiary Pass.</li> <li>• Revised fares information for web-site developed and implemented for transition (On our way web) and go-live (Fares and ticketing web).</li> </ul>				



## Integrated Fares & Ticketing – National Ticketing Programme (project NEXT)

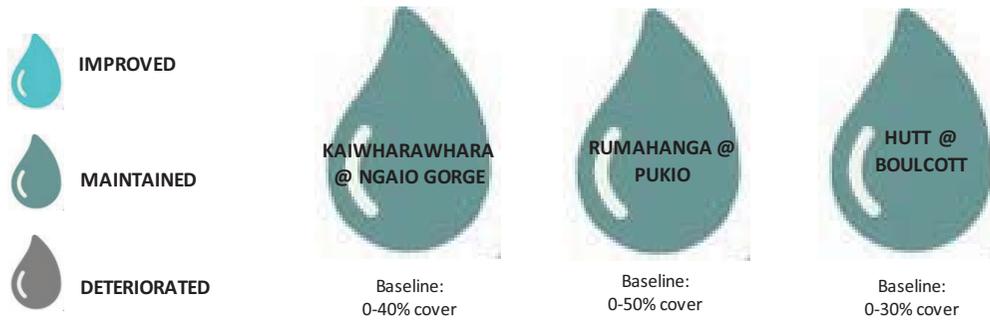
The full electronic ticketing solution for Greater Wellington through a co-operative engagement with the National Ticketing Programme

OVERALL STATUS	TIMING	BUDGET	ISSUES	RISKS
●	●	●	●	●
<b>COMMENT</b> <p>With the confirmation of transition to a single national procurement, project NEXT has:</p> <ul style="list-style-type: none"> <li>• Completed all updated requirements and ROI documentation;</li> <li>• Completed and approved the Procurement Strategy and Procurement plan;</li> <li>• Agreed the governance, funding and communications arrangements with all participating authorities;</li> <li>• Agreed and finalised the revised budget;</li> <li>• Undertaken multiple independent quality assurance reviews;</li> <li>• Secured all necessary authority approvals for the release of the ROI; and</li> <li>• Released the ROI to market as per notified timeline.</li> </ul> <p>As at end June there had been a very positive response to the ROI. The next stage will be evaluation of the ROI to select a shortlist of potential prime contractors and to release the Financial Services tender to select the essential financial services providers.</p>				

# KEY METRICS

## FRESH WATER QUALITY – MAINTAINED OR IMPROVED

Fine sediment cover on riverbed maintained against baselines



## HEALTH & SAFETY

Lost time injury frequency rate - number of incidents per 100k hours worked



## PUBLIC TRANSPORT SERVICES ON TIME - RAIL SERVICES



## MAJOR PROJECTS



## ENGAGEMENT SURVEY



## PUBLIC TRANSPORT SERVICES ON TIME - BUS SERVICES



## REPUTATION INDEX



# FULL YEAR FINANCIAL SUMMARY

## ACTUAL VS FORECAST

### Council Summary

Actual operating deficit (before capital grants) is \$2.7m favourable to forecast. The variance is reflects the Emission Trading Scheme revenue, savings on rail network operations, interim ticketing solution, finance costs and timing of Fares and Ticketing offset by additional costs for new operator contract, write-down of RiverLink property value, KNE and pest control.

### Operating Revenue

Operating revenue is \$2.6m favourable to budget with this being driven by higher contributions from Councils for various programmes in Catchment and additional rent from RiverLink properties (\$0.8m). Environment is \$1.2m favourable to budget reflecting Emission Trading Scheme revenue, Strategy is \$0.4m favourable to budget reflecting additional contributions for Regional Infrastructure Resilience Business case and NZTA funding for Transport Model.

### Operating Expenditure

Operating expenditure is \$0.1m unfavourable to budget, driven by higher catchment expenditure (\$2.5m) due to a write-down of RiverLink property value and higher costs for KNE and pest control, higher spend in Environment (\$0.7m) due additional costs for various projects offset by lower Public Transport spend (\$2.7m) due to timing on trolley bus decommissioning, timing of operating, network and transformation costs and savings in Water Supply.

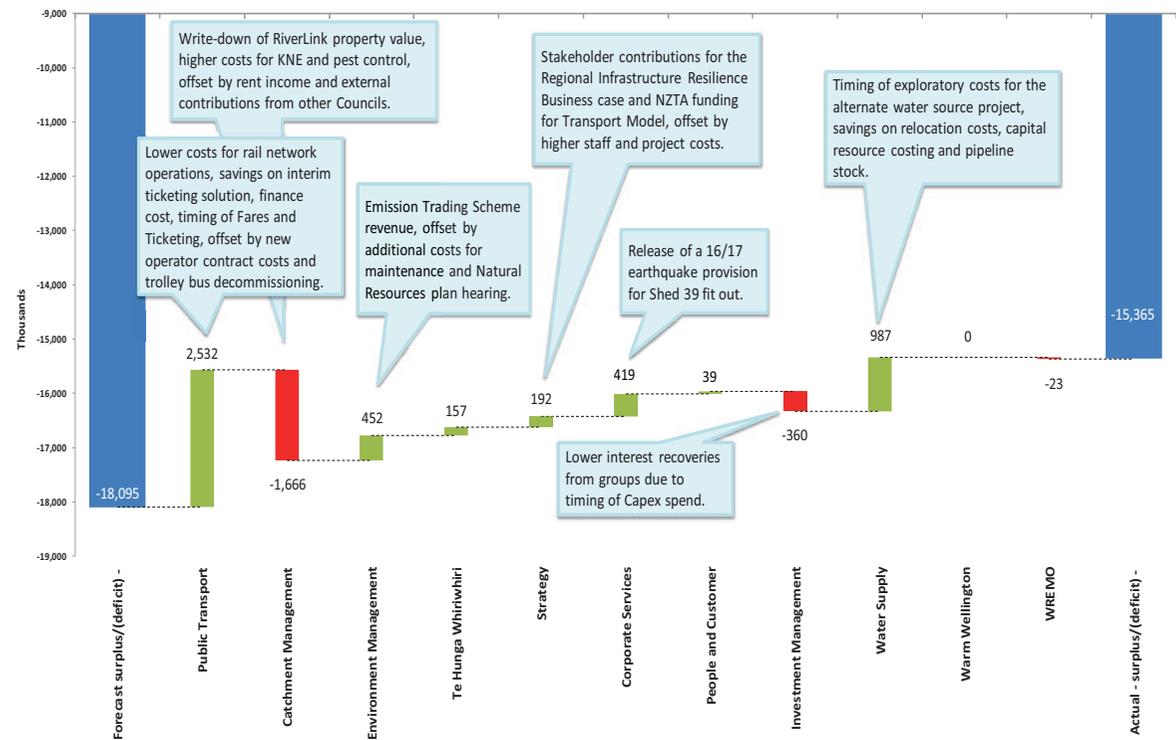
### Capital Expenditure

Capital expenditure is \$6.2m favourable with this being driven by timing of bus network infrastructure (\$4.7m) in Public Transport, Hutt City Council cost recoveries for the design of RiverLink and timing of resource consents in Catchment (\$0.9m)



Operating Surplus/(Deficit): Actual vs Forecast

(numbers exclude Capex revenue)



# FINANCIAL SUMMARY BY GROUP

## Statement of Revenue and Expense by Business Group - Actual v Forecast

	FULL YEAR			FULL YEAR			FULL YEAR		
	Operational Revenue			Operational Expenditure			Operational Surplus / (Deficit)		
\$000	Actual	Forecast	Variance	Actual	Forecast	Variance	Actual	Forecast	Variance
<b>Group</b>									
Public Transport	187,740	187,913	172	184,589	187,293	2,704	3,152	620	2,532
Catchment Management	39,536	38,726	811	32,869	30,392	2,477	6,667	8,333	1,666
Environment Management	31,347	30,171	1,176	29,948	29,224	724	1,399	947	452
Te Hunga Whiriwhiri	1,055	1,051	4	927	1,081	153	128	(29)	157
Strategy	12,692	12,340	352	13,280	13,120	160	(588)	(780)	192
Corporate Services	10,343	10,335	8	18,520	18,932	411	(8,178)	(8,597)	419
People and Customer	2,419	2,365	55	10,510	10,494	16	(8,090)	(8,129)	39
Investment Management	(6,337)	(6,233)	104	(3,070)	(3,325)	255	(3,267)	(2,907)	360
Water Supply	32,511	32,290	221	39,391	40,157	766	(6,880)	(7,867)	987
Warm Wellington	3,370	3,183	187	3,370	3,183	187	0	0	0
WREMO	3,589	3,545	44	3,298	3,230	67	292	314	23
<b>TOTAL</b>	<b>318,266</b>	<b>315,686</b>	<b>2,580</b>	<b>333,631</b>	<b>333,781</b>	<b>149</b>	<b>(15,365)</b>	<b>(18,095)</b>	<b>2,730</b>

## Statement of Revenue and Expense

	FULL YEAR		
	Actual YTD	Forecast	Variance
<b>\$000</b>			
<b>OPERATING REVENUE</b>			
Rates	120,307	120,780	472
Subsidies & Grants	69,059	69,195	136
Other Revenue	123,516	121,228	2,288
Finance Revenue	5,384	4,483	901
<b>TOTAL REVENUE</b>	<b>318,266</b>	<b>315,686</b>	<b>2,581</b>
<b>OPERATING EXPENDITURE</b>			
Personnel	46,971	46,431	540
Material & Contractor/Consultant	77,858	79,619	1,761
Depreciation & Amortisation	18,644	18,930	287
Grants & Subsidy	149,318	150,401	1,082
Finance Cost	19,632	19,630	1
Other Expense	21,209	18,770	2,439
<b>TOTAL EXPENDITURE</b>	<b>333,631</b>	<b>333,781</b>	<b>150</b>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<b>(15,365)</b>	<b>(18,096)</b>	<b>2,730</b>
Subsidies & Grants - Capex	16,406	19,165	2,759
Fair Value Movement	(8,685)	9,250	17,934
<b>SURPLUS/(DEFICIT)</b>	<b>(7,644)</b>	<b>10,319</b>	<b>17,963</b>

## Capital Expenditure by Business Group

	FULL YEAR		
	Actual	Forecast	Variance
<b>\$000</b>			
<b>Group</b>			
Public Transport (incl investment)	16,700	21,422	4,721
Catchment Management	29,864	30,778	914
Environment Management	3,120	3,346	225
Strategy	178	284	106
Corporate Services	856	1,322	466
People and Customer	247	197	50
Investment Management	1,038	910	128
Water Supply	13,655	13,633	22
<b>TOTAL</b>	<b>65,659</b>	<b>71,892</b>	<b>6,233</b>