

1. Utilities Group

Group overview

During the period, a number of the managers have been involved in preparing options for the Council's Long Term Plan 2012-22.

Initial investigation work for a possible third storage lake at Kaitoke was completed and a series of workshops held and these involved representatives from our customers, Greater Wellington senior management and Greater Wellington Councillors. The last two of the workshops was held after the end of the quarter period. The results of the workshops, together with other information, will be presented to the Social and Cultural Wellbeing Committee in the second quarter of the current financial year.

At the end of September, the Council approved a tender for the upgrading of the Stuart Macaskill Lakes. This includes the seismic work and the work to increase the storage volume. Lake 2 (the lower lake) was emptied during the period in preparation for the contractor starting work. There are some risks with this project as there is less stored water available. An extensive advertising campaign will take place over the coming summer.

Preparations are being made for the first meeting of the new Whitireia Park Board that will occur in the next quarter. Previously, the Department of Conservation undertook the administration for the Board and the Board is expected to pass this onto Greater Wellington.

As part of the regional approach to emergency management, applications were invited during the period for a new position of Regional Manager Wellington. The Chief Executives are expected to make this appointment in October.

1.1 Water Supply

There were no significant issues with meeting water quality or demand targets for the period. In the previous quarter we had a number of equipment failures that reduced our standby capacity. The only outstanding work remaining to correct those failures is the delivery of a new Wellington pump motor and a new well pump for Waterloo. The delivery of both items is being expedited.

On 5 September, the draining of the Southern Stuart Macaskill Lake commenced and the lake was fully drained by the 19 September. We were surprised to find on the floor of the lake a moderate covering of a species of algae, from the *Nitella* genus. In 2004 this lake was drained for the very first time since it was built and at that time there was not any algae growth of any kind. We also relocated a number of healthy eels and a small native fish to the creek.



Nitella

Review of department structure

The restructuring of the Operations and Maintenance teams is now complete. Throughout August numerous interviews were held and we have been fortunate to have attracted some very promising people. The extensive training programme has commenced and will be complete in early 2012.

Asset management

The review of the Asset Management Plan continues and this is now in the hands of our new Asset Engineer.

Throughout the year a lot of effort has been put in to streamline our business processes for asset management, maintenance and purchasing. Staff training for the new processes has been delayed and will now be carried out in October 2011.

Maintenance plans are in place for all equipment but we are seeing some delays in completing priority maintenance activities. This has been caused by the additional training workload for the Operations staff. This slippage will be eliminated once all our new staff have undergone their preliminary training.

Engineering and Projects

Prince of Wales reservoir project

We have been invited to tender for the design and installation of pipework associated with the new Prince of Wales reservoir. This project is considered to be a difficult one to deliver due to the location of the pipe route and the relatively short time frame. We would need additional resources should we win the tender process.

Risk and resilience projects

We have embarked on a full review of the risk status of the bulk water supply infrastructure. This work builds on a previous seismic review completed in 1993 and will take into account changes and additions to the system, new codes and standards and other related knowledge gained over subsequent years.

The review will consolidate all previous risk/hazard mitigation work and also include non-seismic risk categories such as fire, flooding etc. The aim is to develop a risk matrix so that we have a clear indication of the risk ranking of each major asset. The end result will be a prioritised capital programme aimed at reducing overall system risk to an agreed level.

Capital works programme

Expenditure summary for 2011/12 projects:

Budget:	\$16,307,000
Forecast:	\$14,787,000
Variance:	\$1,500,000 (9% under spent)

To date, 17 projects have been completed out of a total of 87. Reduced costs of approximately \$1.8m and additional costs of approximately \$0.3m are forecast within the capital works programme.

Summary of projected savings and additional expenditure

Category	Budget \$	Forecast \$	Variance %
Source projects	\$180,000	\$90,000	-50%
Treatment plant projects	\$920,000	\$915,000	-1%
Pipeline projects	\$1,090,000	\$1,390,000	28%
Pumping stations and reservoirs	\$80,000	\$75,000	-6%
Reservoirs	\$0	\$0	0%
Monitoring and control projects	\$762,000	\$762,000	0%
Minor works, seismic protection and completion of previous year projects	\$975,000	\$975,000	0%
New sources	\$12,300,000	\$10,600,000	-14%
Previous year adjustments*	\$0	-\$19,263	
Total	\$16,307,000	\$14,787,737	-9%

*Expensed from previous year. Design work that did not progress to construction.

Pipelines

Seismic stocks from Wainuiomata and Gear Island will be relocated to the new leased workshop and yard at Pomare which will significantly improve our recovery capacity following a major earthquake in Wellington.

New sources

The work on upgrading the Stuart Macaskill Lakes is forecast to cost approximately \$1.5m less than budget. This is mainly because the crest and liner tenders came in at prices significantly lower than the Engineer's estimate.

Final commissioning of the Wainuiomata mini-hydro plant is expected to cost approximately \$100k less than the \$200k contingency provided.

The development of the Upper Hutt Aquifer is now unlikely to proceed. Therefore, the budget of \$100k for development work this year is not required.

There remains some uncertainty regarding the \$4m amount provided for the purchase of land for the Te Marua Lake 3.

New workshop and store

We have completed negotiations and signed a three year lease for warehouse and yard premises on the corner of Eastern Hutt Road, and High Street Lower Hutt. This will house our Pipelines and Mechanical Team offices, workshop and provide storage for earthquake repair stocks.

The new facility will be fully functional by February 2012.

Development and Strategy

Stuart Macaskill Lakes upgrade

By the end of the quarter the two rock buttresses on the western side of the lake were complete except for minor finishing off work, and substantial progress had been made on the final buttress and drainage diversion channel at the south eastern corner of Lake 2. Final completion is planned for the end of October.

An order has been placed by Greater Wellington for supply of the liner for the first lake to be upgraded (Lake 2).

Following receipt of registrations of interest, tenders were called for the embankment raising and internal lining in July. Project funding to complete the upgrade project over three financial years and a recommendation to award the contract were both approved at the September Council meeting. The letter of acceptance and contract signing will proceed after the building consent for changes to the dam has been granted. The consent is expected to be granted in the 3rd week of October.

The lake clay liner has two months to dry before the planned start of construction work in November. A comprehensive communications plan has been prepared, and is now being implemented.

Kaitoke water take consent

The change to the Kaitoke water take consent was granted in July and came into effect on 8 August. The new consent conditions require a Hutt River ecological monitoring plan and a low flow management plan to be submitted for approval. Both plans have been prepared and were submitted by the due date.

Arrangements are being made for the one-off surveys and ongoing monitoring required by the ecological monitoring plan. Additional instruments needed for monitoring are being purchased and will be installed at the nominated river sites. The cost of instruments, surveys and monitoring required by the consent will cost approximately \$200,000 this financial year.

Storage lake at Kaitoke

The final report on the feasibility study into a storage lake on the AgResearch site was received from consultants URS in July. The report confirmed earlier indications that the ground provides a suitable foundation for formation of the lake and earth fill embankments are recommended. On-site material would be suitable for such construction.

The northern embankment is relatively close to the Wellington Fault and there is some uncertainty over an inactive fault shown on GNS maps that passes through both the northern and southern embankments. URS report that the embankments can be designed to allow for the movement that could be expected in a Wellington Fault earthquake. GNS has commented that this is an “inferred fault” identified from the study of topographical mapping. URS has been unable to confirm whether there is an actual fault from the on-site excavations carried out to date.

A multi-criteria analysis (MCA) to compare the option of a storage lake at Kaitoke with the Whakatikei dam was carried out with the city water supply managers in September. MCA workshops for GW senior managers and GW Councillors are planned in October. A report on the outcome of all three workshops is expected from our consultants by the end of October.

Wainuiomata hydro-electric generator

Following completion of the control system programming in July, the hydro-electric generator has been producing electricity during the quarter depending on the volume of water available. At the time of writing this report almost 280,000 kWh had been generated, producing savings in electricity costs of approx. \$35,000.

Emergency preparedness and network resilience

Work continued during the quarter on the Wellington Lifelines Group (WeLG) critical area study into the impact of a Wellington fault movement on the Thorndon area. The impact on the bulk water supply has been assessed and a ‘pre-plan’ is being produced that identifies the expected damage, the initial emergency response and plan to restore the bulk water supply. WeLG has also initiated a second critical area study covering the Petone

Esplanade and Seaview. Information on the bulk water supply has been provided for input into the study.

GNS Science has completed a preliminary assessment of 17 potential landslide areas that could impact on the bulk water supply network in a natural disaster. Seven of these sites have been identified by GNS as warranting further investigation by a geotechnical engineer. This further investigation is being considered for inclusion in the programme of work to improve network resilience.

Wairarapa water use project

An engineering review by Development and Strategy identified various aspects of the proposed Martinborough South irrigation project that were not fully explained in the original report commissioned by Meridian Energy. A short report has now been received from the consultants clarifying these issues.

Marketing and Design

Water

During the quarter, the *Water Supply Annual Report 2010/11* was completed, and presented to the Social & Cultural Wellbeing Committee on 7 September. The report has been printed and sent out once the *GW Annual Report 2010/11* is finalised.

The educational resource, *Turning on the Tap* was printed. Hard copies are now available to schools. The resource is also available to download free from our website.

The first advertising appeared in the Ministry of Education's magazine *Education Gazette* in September. Further advertising will be appearing in the *Starters and Strategies* magazine to be published in Term 4. There has been very little response to date, but we expect that situation to change as schools start to plan in earnest for 2012.

Under our supervision, suppliers completed and installed the interpretation panel for the mini-hydro generator building. The text and illustration explain how the hydro generator works, how much power is produced and the reason why the generator was built.

Parks

Taking into account some feedback from Film Wellington, we are putting the *Filming in Regional Parks* brochure on hold, and instead reviewing our processes around facilitating filming activities in parks. Film Wellington believes that our concessions policy should be more flexible in relation to filming, so we are liaising with them and doing other research to identify the issues and how they might be resolved.

“Annual Roundups” for each of the regional parks are available to download from the individual park pages on the GW website. We will be publicising the links in our *Green Shoots* newsletter.

Staff produced a “closed for lambing” poster for display at park entrances at Battle Hill and Belmont Regional Park.

Events

Planning commenced for an event to officially open the Wainuiomata mini-hydro generator on 19 October.

Despite some cold and wet conditions, hundreds of parents, grandparents, babies and small children continued to join GW and Sport Wellington on the Hutt River Trail, in Queen Elizabeth Park and on the Petone foreshore for the monthly buggy walks.

Staff organised four corporate planting days during the period – Cor Associates and Hutt City Council at Kaitoke Regional Park, and YHA and Montessori Pre-School at Queen Elizabeth Park. Three other groups are scheduled to plant at QEP in October.

Discussions have been held with members of the Kapiti US Marines Trust regarding activities to celebrate the 70th anniversary of the Marines occupation of what is now Queen Elizabeth Park. A wide range of activities are proposed, including work on and interpretation of the Yankee Trail, a Sailors Memorial and lookout, a Memorial Tree Planting area and a large event on Memorial Day (30 May) 2012. The latter will very likely be combined with our annual Arbor Day celebration and involve around 600 participants.

We worked with Upper Hutt City Council to offer a series of nine free guided walks at Kaitoke Regional Park during the Rugby World Cup. These were advertised extensively (in free media) in Upper Hutt and in various locations around Wellington. Despite this, attendance levels were very low.

Concessions

Six running and two filming events took place during the period. Five applications for full concessions were received – activities included filming, a bike race, a running event and an adventure tourism company wanting to run guided tours.

Advertising/communications



**YOUR STORAGE LAKES
ARE BEING UPGRADED**

Whatever the weather, it's going to be a dry summer

Wellington region's water storage lakes are due for earthquake strengthening and upsizing. What it means, is that for the next two summers we'll have one lake empty while the work is being carried out.

This will affect everyone in Porirua, Upper Hutt, Lower Hutt and Wellington, but if we all take measures to use a little bit less water, it should see us through. Look out for our spring tips to get your household set up for summer, and for updates on the progress of the project. For more information see our website.

gw.govt.nz/water  **greater WELLINGTON**
REGIONAL COUNCIL
Te Pane Matua Taiao

1048 GRW Lakes Upgrade Presso_taj.indd 1 28/09/11 3:30 PM

Te Marua Lakes Upgrade

A promotion for the spring and summer period of 2011/12 covering the Lakes Upgrade has been planned. Proactive advertising includes a Project Awareness phase (October 3-15) a springtime 'Prepare for a dry summer' tips phase (October 24 – November 26) and a summertime 'Save water' tips phase (January 8 – March 4), using a mix of press, radio, online and Adshel advertising. If needed, reactive advertising by GW covering city council watering restrictions and banning of certain types of 'outdoor' water use will follow.

Our city council customers and Capacity have been consulted during our development of advertising, and kept up-to-date with progress, with feedback reflected in the final material. Each city council is planning to use elements of the advertising material in their communications, to help extend the key messages. For example, Upper Hutt and Porirua city councils have each produced an insert for their September/October rates notices, using GW-supplied photos and agreed wording about the project, its potential consequences and tips about how to save water to inform their communities. We understand that Hutt and Wellington will do the same with their next round of rates notices. We are also working on project-consistent advertising for use on city council billboards, radio contracts, and paid-for press content.

In co-ordination with our GW communications adviser, a feature article about the project was developed for the September issue of 'Our Region'. We have issued two project media statements since lake draining started on 9 September, while background notes have been prepared for two GW councillors to support their media activity.

The Water Supply section of the GW web site has been updated to enhance the range and depth of water conservation information and include more content about the Lakes Upgrade project.

Community engagement

Friends of Queen Elizabeth Park

Since the signing of the MOU between the Friends and GW, there has been a much greater effort by both parties to communicate regularly with “no surprises” In line with the agreed requirements the Friends have developed an annual plan which consists of over 20 items ranging from propagation, planting, pest control and monitoring through to assisting and /or running events, participating in the Marines 70th anniversary and the Parks 60th Anniversary through to submissions and advocacy

Staff have attended the Friends’ regular monthly meetings.

Friends of Belmont Regional Park

Staff have attended the group’s regular monthly meetings, where the main items of discussion were the Sustainable Land Use plan, the fencing and planning of a restoration project off Hill Road and the logging proposal for the GW plantation in Stratton Street. The group is active in advocating for the park with the most recent submissions being with regard to a subdivision at the old Otonga School site which has significant impacts on the Oakleigh Street park entrance.

The Park Ranger and other GW staff have been having regular meetings with other park community groups including the Belmont Area Mountain Bike Association (BAMBA), Korokoro Environmental Group (KEG) and Forest & Bird.

Friends of Maara Roa

The group has just completed the last of their planting for 2011. Annually they plant between 4,000 and 5,000 trees, carry out regular maintenance and undertake pest control. Work is well advanced in the development of the updated Cannons Creek Restoration Plan, which is the base for the Friends of Maara Roa activity in Belmont Regional Park.

Combined Hutt Rotary Clubs (Hutt River Trail)

Marketing & Design staff continue to chair the quarterly liaison meetings between Flood Protection, the city councils and Rotary, regarding the Hutt River Trail. Of late we have been updating the Operations Manual to guide developments for all the authorities and organisations involved with the Trail. The meeting also discussed the cycleway proposal linking Wellington and the Hutt Valley with the Wairarapa; the Boulcott reach upgrade and various developments taking place in the river corridor.

Friends of Baring Head

The Friends are eager to get started on projects but until the management plan is signed off they are a little restricted. However, they have developed a restoration plan for the historic pump shed, obtained a grant of \$3,000 to upgrade it and plan to start work shortly. They are also planning some working bees to control pest plants and have organised a series of evening lectures where speakers will present information on various aspects of the area.

Akatarawa Recreation Access Committee (ARAC)

Normally there are quarterly liaison meetings between GW and ARAC but they have been held much more regularly this year to work through some key issues. A draft MOU is well advanced and a number of projects have been identified including developing a Track Protocol. A successful planting took place in the Whakatikei wetland in September. We received positive feedback after the event and we would like to encourage further community involvement in the area.

Encore Awards

Staff have been actively involved in the planning and coordination of the Community, Kaitiaki and Restoring the Mauri awards. The award ceremony will take place in the City Gallery on 30 November.

Landscape/environment

There has been considerable public interest in the Rimutaka Hill Road summit area, and around April 2012 the site will be vacated.

We have met with representatives of Upper Hutt City and South Wairarapa District Councils, NZTA, Department of Conservation, local iwi and GW at the site. The purpose of this was to hear their range of views about the area, with the aim of developing a landscape concept plan for its development.

The Honda TreeFund allocations have been confirmed for the council lands. Funding will go to the following areas: Belmont Regional Park (Hill Road), East Harbour Regional Park (Parangarahu Lakes Area), Kaitoke Regional Park, Hutt River Trail, Otaki River, Waikanae River, Wairarapa Moana Wetlands Park, Whitireia Park.

New Zealand cycleway – Nga Haere

Several meetings took place during the period to advance plans for the cycleway. Iwi are particularly supportive of the project, given the opportunity to relay cultural history of the area at the sites of interest. It is most likely that, once the route is confirmed as available, the cycleway will be launched in stages, with the first stage running from Korokoro to Cross Creek, then offering people the choice of cycling to Featherston or Lake Ferry. To complete the route around the south coast and back to Eastbourne we still need to secure access over private land and this will require more time.

A formal letter of support for cycleway was received from the DoC Wellington Conservancy Area Managers Rob Stone and Chris Lester.

1.1.1 Financial summary – Water Supply

Last Year YTD Actual \$000	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Greater Wellington Water Income Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
5,865	6,041	6,041	-	Rates & Levies	23,460	24,164	24,164	-	
-	-	-	-	Government Grants & Subsidies	-	-	-	-	
57	48	75	(27)	External Revenue	461	302	302	-	
273	166	162	4	Investment Revenue	894	647	647	-	
717	700	699	1	Internal Revenue	3,014	2,795	2,795	-	
6,912	6,955	6,977	(22)	TOTAL INCOME	27,829	27,908	27,908	-	
				less:					
1,216	1,249	1,169	(80)	Personnel Costs	4,569	4,674	4,674	-	1
1,933	1,933	2,019	86	Materials, Supplies & Services	7,122	8,346	8,146	(200)	2
44	36	57	21	Travel & Transport Costs	214	229	229	-	
301	144	536	392	Contractor & Consultants	2,113	2,169	2,169	-	3
-	-	-	-	Grants and Subsidies Expenditure	-	-	-	-	
707	793	763	(30)	Internal Charges	2,987	3,051	3,051	-	
4,201	4,155	4,544	389	Total Direct Expenditure	17,005	18,469	18,269	(200)	
623	766	916	150	Financial Costs	2,538	3,065	3,665	600	4
-	-	-	-	Bad Debts	-	-	-	-	
244	263	263	-	Corporate & Department Overheads	975	1,051	1,051	-	
2,039	2,088	2,091	3	Depreciation	8,221	8,365	8,365	-	
-	214	-	(214)	Loss(Gain) on Sale of Assets / Investments	(10)	(109)	(109)	-	5
7,107	7,486	7,814	328	TOTAL EXPENDITURE	28,729	30,841	31,241	400	
(195)	(531)	(837)	306	OPERATING SURPLUS/(DEFICIT)	(900)	(2,933)	(3,333)	400	
2,039	2,088	2,091	(3)	Add Back Depreciation	8,221	8,365	8,365	-	
-	214	-	214	Other Non Cash	(10)	(109)	(109)	-	
(788)	(1,823)	(3,176)	1,353	Net Asset Acquisitions	(7,411)	(16,692)	(16,692)	-	
(310)	(336)	(262)	(74)	Net External Investment Movements	(1,223)	(1,047)	(1,047)	-	
746	(388)	(2,184)	1,796	NET FUNDING BEFORE DEBT & RESERVE M	(1,323)	(12,416)	(12,816)	400	
773	1,763	3,159	(1,396)	Debt Additions / (decrease)	7,264	16,307	16,307	-	
(1,681)	(1,483)	(1,083)	(400)	Debt Repaid	(5,995)	(3,999)	(3,599)	(400)	
162	108	108	-	Net Reserves (Increase) / decrease	54	108	108	-	
-	-	-	-	NET FUNDING SURPLUS (DEFICIT)	-	-	-	-	

1 Personnel costs are slightly higher than budget because a significant amount of staff time has been invested in training while work on capital projects has been at a reduced level.

2 Advertising costs are lower because the "Dry summer" campaign and the need for a lake to be drained over the summer months as part of the Te Marua Lakes Upgrade project is yet to commence.

Chemical costs are lower than expected because the demand for water has been at a reduced level and less water has been produced than is usual for this time of the year. Also, costs have reduced through ongoing changes to our dosing regimes.

Insurance costs have increased as insurers seek to recover unfunded insurance payouts made as a result of the Canterbury earthquakes.

3 The spend on Contractor and consultants is at a lower level than expected because a number of projects, although initiated are yet to kick off fully - these include emergency preparedness and network resilience investigations, asset management work, and some of the compliance work associated with the Kaitoke weir resource consent.

- 4 During the period a number of assets that had been replaced and subsequently scrapped or disposed of were written off and a charge taken to the operating account.
- 5 Financial costs are below budget because the debt position at the end of the last financial year was less than budgeted and the spend on capital projects is lower than anticipated.

YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Greater Wellington Water Capital Expenditure Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
80	17	(62)	Total Asset Acquisitions	176	502	502	-	
1,763	3,159	1,396	Capital Project Expenditure	7,264	16,307	16,307	-	1
(20)	-	20	Asset Disposal Cash Proceeds	(29)	(117)	(117)	-	
1,823	3,176	1,353	Net Capital Expenditure	7,411	16,692	16,692	-	
336	262	(74)	Investments Additions	1,223	1,047	1,047	-	
2,159	3,438	1,279	Net Capital and Investment Expenditure	8,634	17,739	17,739	-	

Capital works programme

- 1 The spend on capital is lower than anticipated. The largest single item, the purchase of land for building Lake 3 (\$4M) is not certain and further investigations need to be undertaken before a decision is made. Also, the costs of the of crest and liner for the Stuart Macaskill Lakes upgrade are lower than expected and there has been no spend on the Hutt Aquifer.

Marketing and Design

Last Year YTD Actual \$000	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	GWW Marketing and Design Income Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
142	156	156	-	Rates & Levies	567	625	625	-	
-	-	-	-	Government Grants & Subsidies	-	-	-	-	
19	1	5	(4)	External Revenue	29	22	22	-	
-	-	-	-	Investment Revenue	-	-	-	-	
160	147	147	-	Internal Revenue	749	588	588	-	
321	304	308	(4)	TOTAL INCOME	1,345	1,235	1,235	-	
				less:					
142	136	141	5	Personnel Costs	639	565	565	-	
37	33	78	45	Materials,Supplies & Services	206	382	382	-	
2	1	2	1	Travel & Transport Costs	10	7	7	-	
5	6	28	22	Contractor & Consultants	168	137	137	-	
-	-	-	-	Grants and Subsidies Expenditure	-	-	-	-	
14	24	24	-	Internal Charges	120	97	97	-	
200	200	273	73	Total Direct Expenditure	1,143	1,188	1,188	-	
-	-	-	-	Financial Costs	-	-	-	-	
-	-	-	-	Bad Debts	-	-	-	-	
30	32	32	-	Corporate & Department Overheads	119	127	127	-	
1	1	1	-	Depreciation	6	6	6	-	
-	-	-	-	Loss(Gain) on Sale of Assets / Investments	(6)	-	-	-	
231	233	306	73	TOTAL EXPENDITURE	1,262	1,321	1,321	-	
90	71	2	69	OPERATING SURPLUS/(DEFICIT)	83	(86)	(86)	-	
1	1	1	-	Add Back Depreciation	6	6	6	-	
-	-	-	-	Other Non Cash	(6)	-	-	-	
-	-	-	-	Net Asset Acquisitions	(19)	-	-	-	
-	-	-	-	Net External Investment Movements	-	-	-	-	
91	72	3	69	NET FUNDING BEFORE DEBT & RESERVE M	64	(80)	(80)	-	
-	-	-	-	Debt Additions / (decrease)	-	-	-	-	
-	-	-	-	Debt Repaid	-	-	-	-	
80	80	80	-	Net Reserves (Increase) / decrease	-	80	80	-	
171	152	83	69	NET FUNDING SURPLUS (DEFICIT)	64	-	-	-	

Last Year YTD Actual \$000	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	GWW Marketing and Design Capital Expenditure Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
-	-	-	-	Total Asset Acquisitions	25	-	-	-	
-	-	-	-	Capital Project Expenditure	-	-	-	-	
-	-	-	-	Asset Disposal Cash Proceeds	(6)	-	-	-	
-	-	-	-	Net Capital Expenditure	19	-	-	-	
-	-	-	-	Investments Additions	-	-	-	-	
-	-	-	-	Net Capital and Investment Expenditure	19	-	-	-	

1 Water Supply marketing expenditure (year to date) to 30 September 2011 is below budget. However, advertising planning for the Te Marua Lakes Upgrade project is well advanced with costs accruing from October.

Total parks marketing direct expenditure to 30 September was also below budget. However, this is expected to correct over the year as more activities are implemented.

Development and Strategy

Last Year YTD Actual \$000	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	GWW Development and Strategy Income Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
311	462	462	-	Rates & Levies	1,244	1,847	1,847	-	
-	-	-	-	Government Grants & Subsidies	-	-	-	-	
-	-	-	-	External Revenue	-	-	-	-	
-	-	-	-	Investment Revenue	-	-	-	-	
-	-	-	-	Internal Revenue	26	-	-	-	
311	462	462	-	TOTAL INCOME	1,270	1,847	1,847	-	
				less:					
74	69	72	3	Personnel Costs	232	289	289	-	
1	1	7	6	Materials, Supplies & Services	3	28	28	-	
1	2	4	2	Travel & Transport Costs	15	15	15	-	
37	(47)	96	143	Contractor & Consultants	524	385	385	-	1
-	-	-	-	Grants and Subsidies Expenditure	-	-	-	-	
2	105	37	(68)	Internal Charges	53	148	148	-	2
115	130	216	86	Total Direct Expenditure	827	865	865	-	
20	96	208	112	Financial Costs	147	832	832	-	3
-	-	-	-	Bad Debts	-	-	-	-	
17	18	18	-	Corporate & Department Overheads	69	73	73	-	
3	16	32	16	Depreciation	11	126	126	-	4
-	-	-	-	Loss(Gain) on Sale of Assets / Investments	-	-	-	-	
155	260	474	214	TOTAL EXPENDITURE	1,054	1,896	1,896	-	
156	202	(12)	214	OPERATING SURPLUS/(DEFICIT)	216	(49)	(49)	-	
3	16	32	(16)	Add Back Depreciation	11	126	126	-	
-	-	-	-	Unrealised Revaluation Gains	-	-	-	-	
-	-	-	-	Forestry - Cost of Goods Sold	-	-	-	-	
-	-	-	-	Loss(Gain) Investments	-	-	-	-	
-	-	-	-	Loss(Gain) on Assets	-	-	-	-	
-	-	-	-	Other Non Cash	-	-	-	-	
(272)	(1,358)	(2,158)	800	Net Asset Acquisitions	(3,483)	(12,300)	(12,300)	-	
-	-	-	-	Net External Investment Movements	-	-	-	-	
(113)	(1,140)	(2,138)	998	NET FUNDING BEFORE DEBT & RESERVE	(3,256)	(12,223)	(12,223)	-	
272	1,358	2,158	(800)	Debt Additions / (decrease)	3,482	12,300	12,300	-	
(4)	(13)	(24)	11	Debt Repaid	(47)	(93)	(93)	-	
44	16	16	-	Net Reserves (Increase) / decrease	28	16	16	-	
199	221	12	209	NET FUNDING SURPLUS (DEFICIT)	207	-	-	-	

Overall, the department produced an operating surplus at \$202,000 against a budgeted deficit for the quarter. The main variances contributing to this result were:

- 1 Some consultant work e.g. landslip work and resilience studies are underway with costs to date below budget. However, as work progresses the shortfall will not be significant. At the end of the last financial year an accrual for the Kaitoke consent application estimated at \$50,000 was processed and treated as an external consultant whereas the actual charge of \$90,000, processed in this period, fell under the “internal charge” category.
- 2 Internal charges were approx. \$68,000 overspent despite work Engineering and Projects team carrying out less work for Development and Strategy. This quarter, the Engineering and Projects team’s work focused on water supply assets.
- 3 Interest costs were less than half of budget due to lower capital expenditure on the Stuart Macaskill Lakes in this quarter and last year.
- 4 Depreciation charges were only a little over half the quarter budget due to postponing the lakes raising and lining contract until this year

Capital works programme

Last Year YTD Actual \$000	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	GWW Development and Strategy Capital Expenditure Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
-	-	-	-	Total Asset Acquisitions	1	-	-	-	
272	1,358	2,158	800	Capital Project Expenditure	3,482	12,300	12,300	-	1
-	-	-	-	Asset Disposal Cash Proceeds	-	-	-	-	
272	1,358	2,158	800	Net Capital Expenditure	3,483	12,300	12,300	-	
-	-	-	-	Investments Additions	-	-	-	-	
272	1,358	2,158	800	Net Capital and Investment Expenditure	3,483	12,300	12,300	-	

- 1 Contractor expenditure was almost \$906,000 below budget. In the main this is with the Stuart Macaskill Lakes upgrade project. Overall project savings are expected.

Departmental business plan performance indicators

Activity: Water collection, treatment and delivery

Performance indicator	Performance to date
<i>Water will be supplied to the four cities in the region that meets or exceeds national quality standards and meets reasonable daily demand.</i>	On target with demand for the four cities met.
<i>Treatment plant gradings will be maintained or improved.</i>	Treatment plant gradings have been maintained.
<i>Security of supply will be no less than 2.0% probability of shortfall (1 in 50-year drought).</i>	Once Statistics New Zealand has updated the population numbers the standard will be reviewed.
<i>There will be no deferred maintenance in the system.</i>	There is not any deferred maintenance for water supply assets.

Activity: Water supply infrastructure

<i>Assets will be replaced or enhanced in accordance with the asset-management plan.</i>	Assets have been replaced as set out in the capital expenditure programme.
<i>Asset management plans will be maintained in accordance with best practice (e.g. International Infrastructure Management Manual or (BS/PAS 55:2003)).</i>	Ongoing work is on schedule.

Development and Strategy

Activity: Planning for future water demand and supply

Performance indicator	Performance to date
<i>Major infrastructural developments will be undertaken in accordance with the</i>	The Stuart Macaskill upgrade forms the major part of the 2011/12 development plan, and this is expected to be below budget this

<i>Wellington Water Supply Development Plan.</i>	financial year. The Wainuiomata mini hydro project has been completed within budget. A decision is yet to be taken on the purchase of land for a storage lake at Kaitoke.
<i>Raising of water level of Stuart Macaskill Lakes will continue</i>	The buttressing contract to strengthen the external embankments is nearing completion. A purchase order for the embankment lining for Lake 2 has been placed. Council has approved awarding of the contract to raise the water level and install the liner. The project is on programme.
<i>Construction for the seismic upgrading of the Stuart Macaskill Lakes will continue</i>	Financial year expenditure expected to be below budget.

Marketing and Design

Activity: Water conservation programmes

<i>Increases in total consumption will be held to levels consistent with population change and targets for per head consumption.</i>	For the quarter, we supplied 12,721 ML – an average of 138.3 ML/day – a very small increase in total volume compared with the first quarter of 2010/11. Over the last five financial years this is 4.0% less than the average first-quarter supply. Apart from 2010/11 (137.8 ML/d), this first quarter has seen the lowest amount of water supplied since 1998. The Gross supply per resident for the quarter is estimated at 353 litres/head/day based on the derived population estimate for December 2010.
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Departmental risk analysis

Marketing and Design

Following the reorganisation, there will be some changes in roles and reporting lines and vacancies requiring the appointment of new staff. An effort will be required to induct and integrate staff into their new roles so that the annual work programme is achieved.

Development and Strategy

A risk assessment has been carried out for the Stuart Macaskill Lakes upgrade and is contained on the project file. The risk assessment covers:

- Risk of water shortfall with one lake empty
- Contract risk
- Environmental risk

1.2 Parks

Review of the farming operation at QEP

A consultant, Rob Greenaway has been engaged to investigate alternative options for managing the land currently being grazed within Queen Elizabeth Park. We anticipate the findings of the investigation to be available for the Councillors in February/March of next year. While this investigation is underway and the outcome unknown, this year's planned fencing and water reticulation replacement projects at QEP have been put on hold.

Asset management

Ten-Year maintenance plans were completed during the period for our roading network, and for both residential and Park facility buildings. These plans are now ready to be prioritised and included in the costings for the LTP.

Ranging services

With daylight savings starting this period, we have begun a recruiting drive for two summer students to help us deal with the increase in Park visitors over the busy summer period. For the first time we are offering one of these positions as a placement to a student at Nelson/Marlborough Institute of Technology (NMIT). NMIT is the only tertiary institution in the country that works in partnership with the Department of Conservation to deliver a Trainee Ranger Certificate.

Community Engagement with on-Park Projects

Facilities at Queen Elizabeth Park A recent inspection of the pavilion at Tilley Road has shown that the building is a hazard and needs to be removed. Combined with the failure of the playground at Paekakariki to meet current playground standards, Parks will be looking to remove these structures in the New Year. Information is currently being developed to inform local Paekakariki Community and key stakeholders (i.e. KCDC, DOC, Paekakariki Residents Association, Friends of QEP) about the removal of these facilities.

Pine tree removal at Stratton Street, Belmont Regional Park

We recently held a public "drop-in" meeting on the Stratton Street logging operation and provided information to anyone who had an interest and gathered some feedback from those that attended. A number of issues were raised and these centred on the effect that the logging activity. Most of the feedback favoured restoring the site with native vegetation.

While we were aware of many issues raised at the meeting, it's important to us that the community is confident in the process and that their concerns are being addressed. To ensure that we do this, we are delaying the start of the logging operation until February 2012, instead of November 2011.

1.2.1 Financial summary - Parks

Last Year YTD Actual \$000	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Regional Parks Income Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
1,337	1,152	1,152	-	Rates & Levies	5,347	4,610	4,610	-	1
-	-	-	-	Government Grants & Subsidies	-	-	-	-	
92	108	99	9	External Revenue	487	446	446	-	
-	-	-	-	Investment Revenue	-	-	-	-	
98	60	58	2	Internal Revenue	398	232	232	-	
1,527	1,320	1,309	11	TOTAL INCOME	6,232	5,288	5,288	-	
				less:					
518	408	445	37	Personnel Costs	2,118	1,779	1,779	-	2
148	134	146	12	Materials,Supplies & Services	769	677	677	-	
37	35	28	(7)	Travel & Transport Costs	157	112	112	-	
131	123	168	45	Contractor & Consultants	1,000	855	855	-	3
-	-	-	-	Grants and Subsidies Expenditure	-	-	-	-	
219	195	194	(1)	Internal Charges	1,079	775	775	-	
1,053	895	981	86	Total Direct Expenditure	5,123	4,198	4,198	-	
58	66	69	3	Financial Costs	233	276	276	-	
-	-	-	-	Bad Debts	-	-	-	-	
123	117	117	-	Corporate & Department Overheads	491	469	469	-	
162	156	161	5	Depreciation	638	645	645	-	
(9)	-	(3)	(3)	Loss(Gain) on Sale of Assets / Investments	(9)	(83)	(83)	-	
1,387	1,234	1,325	91	TOTAL EXPENDITURE	6,476	5,505	5,505	-	
140	86	(16)	102	OPERATING SURPLUS/(DEFICIT)	(244)	(217)	(217)	-	
162	156	161	(5)	Add Back Depreciation	638	645	645	-	
(9)	-	(3)	3	Other Non Cash	(9)	(83)	(83)	-	
(11)	(63)	(98)	35	Net Asset Acquisitions	(176)	(512)	(512)	-	
-	-	-	-	Net External Investment Movements	-	-	-	-	
282	179	44	135	NET FUNDING BEFORE DEBT & RESERVE	209	(167)	(167)	-	
21	4	88	(84)	Debt Additions / (decrease)	163	353	353	-	
(67)	(69)	(74)	5	Debt Repaid	(283)	(295)	(295)	-	
160	109	109	-	Net Reserves (Increase) / decrease	(97)	109	109	-	
396	223	167	56	NET FUNDING SURPLUS (DEFICIT)	(8)	-	-	-	

Year to date to 30 September Parks has an operating surplus of \$86,000.

The major variances are attributable to:

- 1 Additional revenue of \$9,000 has been generated from on-park activities.
- 2 Personnel savings of \$37,000 because of vacancies during the first quarter of the year
- 3 The Whitireia Park budget is presently under spent by \$22,000 while we await the reconstituted Whitireia Park Board to formally meet and approve the 2011/12 work programme.

In addition, a variety of asset maintenance projects across all parks are cumulatively under spent by \$33,000.

Capital works programme

Last Year YTD Actual \$000	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Regional Parks Capital Expenditure Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
-	59	13	(46)	Total Asset Acquisitions	13	242	242	-	1
20	4	88	85	Capital Project Expenditure	172	353	353	-	
(9)	-	(3)	(3)	Asset Disposal Cash Proceeds	(9)	(83)	(83)	-	
11	63	98	36	Net Capital Expenditure	176	512	512	-	
-	-	-	-	Investments Additions	-	-	-	-	
11	63	98	36	Net Capital and Investment Expenditure	176	512	512	-	

- 1 Currently, Parks has an underspend of \$84,600 because some \$27,000 of fence replacements and building maintenance at Waitangirua farm, Belmont has not yet been

started. Works will be completed in 2011/12.

Similarly, the replacement of the water supply pipelines in the northern farming block of Queen Elizabeth Park (\$120,000) has been put on hold until the alternative land uses investigation for the areas currently farmed is completed. The remaining under spend is with fence replacements and is across the network. We anticipate that these will be completed by year end.

Parks

Activity: Recreational, facilities and services

Performance indicator	Performance to date
<i>Park and forest assets will be maintained in accordance with the relevant asset management plans and reported to the satisfaction of the Council.</i>	The work programme is proceeding as planned. The asset maintenance projects will be completed by year end. However, at Queen Elizabeth Park an investigation into alternative options for land currently being grazed is underway. This year's work planned at QEP for fencing and water reticulation replacement project has been deferred until the outcome of the investigation.
<i>Ranger services will be provided for seven days per week in four parks and for five days per week in the remaining parks and forest areas (excluding Whitireia Park and Lake Wairarapa). This will amount to 7,000 hours of ranger time.</i>	On schedule and within budget

Marketing and Design

Activity: Marketing and community relations

<i>A marketing plan will be implemented such that 85% of residents will be able to freely recall a regional park or forest and 60% of residents will have visited one regional park in the previous 12 months.</i>	On-going
<i>The regional outdoors programme (Great Outdoors) will be delivered and at least 5,000 people will attend the events led by Greater Wellington.</i>	The work programme is proceeding as planned. Planning for the Great Outdoors Summer Events programme is well underway. The Cannons Creek Restoration Plan and the MoU with ARAC both identify roles and responsibilities of GW and the respective groups and how they will work together.
<i>Eight "Friends of the Park" groups will have been actively involved in parks planning and management.</i>	Work is well advanced
<i>There will have been a 5% increase over the previous year in on-park volunteer hours.</i>	Ongoing

Parks

Risks have been reviewed and no changes to risks have been identified.

1.3 Emergency Management CDEM Group Plan

The CDEM Group Office and the territorial authority Emergency Management Offices are required to carry out ongoing projects as set out in the CDEM Group Plan. These activities include: local hazard analysis, resource management plan reviews, Business Continuity Plan (BCP) development, LTCCP consultation with emergency management organisations, asset management planning, public training, formal agreements prepared as necessary for response and recovery, hazardous substances industry advocacy, volunteer training and professional development programmes. Updates on all of these projects are available from the CDEM Group Office.

Exercises

Three exercises are planned for 2011-12. Planning is underway for the following:

Exercise Deep Water – a regional Inter-Agency tabletop exercise that will take place on 27 October 2011.

Exercise Pacific Wave – an international exercise based on a tsunami scenario will be held on either 10 November 2011. It is compulsory for all CDEM response agencies to participate in this exercise.

Exercise Phoenix VIII - the annual Wellington CDEM Group's exercise will be held on Wednesday 16 November 2011

Sharing of Services – reorganisation of CDEM in the Wellington region

The position of Regional Civil Defence Manager (Wellington) was advertised. This is the next step in establishing a regional CDEM structure.

Looking ahead

The Utilities and Services Group will cease on 20 October with the activities being assigned to other Groups; Water Supply to the new Water Supply Group, Parks to the Environmental Management Group, Emergency Management and Forestry to the new Development Group.

For all activities contributing to the LTP remains an important objective over the next few months.

Water Supply communications will be carefully managed as summer approaches and one water storage lake is out of commission.

1.3.1 Financial Summary - Emergency Management

Last Year YTD Actual \$000	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Emergency Management Income Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
211	223	223	-	Rates & Levies	844	891	891	-	1
-	-	-	-	Government Grants & Subsidies	-	9	9	-	
12	46	-	46	External Revenue	62	-	-	-	
-	-	-	-	Investment Revenue	-	-	-	-	
-	-	-	-	Internal Revenue	3	-	-	-	
223	269	223	46	TOTAL INCOME	909	900	900	-	
				less:					
93	89	89	-	Personnel Costs	366	355	355	-	2
23	19	48	29	Materials,Supplies & Services	163	191	191	-	
5	5	4	(1)	Travel & Transport Costs	18	16	16	-	
-	8	5	(3)	Contractor & Consultants	42	21	21	-	
-	-	-	-	Grants and Subsidies Expenditure	-	-	-	-	
47	42	47	5	Internal Charges	185	189	189	-	
168	163	193	30	Total Direct Expenditure	774	772	772	-	
-	-	-	-	Financial Costs	-	-	-	-	
-	-	-	-	Bad Debts	-	-	-	-	
15	16	16	-	Corporate & Department Overheads	58	63	63	-	
9	7	5	(2)	Depreciation	36	20	20	-	
-	-	-	-	Loss(Gain) on Sale of Assets / Investments	-	(7)	(7)	-	
192	186	214	28	TOTAL EXPENDITURE	868	848	848	-	
31	83	9	74	OPERATING SURPLUS/(DEFICIT)	41	52	52	-	
9	7	5	2	Add Back Depreciation	36	20	20	-	
-	-	-	-	Other Non Cash	-	(7)	(7)	-	
-	-	-	-	Net Asset Acquisitions	-	(65)	(65)	-	
-	-	-	-	Net External Investment Movements	-	-	-	-	
40	90	14	76	NET FUNDING BEFORE DEBT & RESERVE M	77	-	-	-	
-	-	-	-	Debt Additions / (decrease)	-	-	-	-	
-	-	-	-	Debt Repaid	-	-	-	-	
-	-	-	-	Net Reserves (Increase) / decrease	-	-	-	-	
40	90	14	76	NET FUNDING SURPLUS (DEFICIT)	77	-	-	-	

Last Year YTD Actual \$000	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Emergency Management Capital Expenditure Statement For the period ended 30 September 2011	Last Year FY Actual \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	notes
-	-	-	-	Total Asset Acquisitions	-	80	80	-	
-	-	-	-	Capital Project Expenditure	-	-	-	-	
-	-	-	-	Asset Disposal Cash Proceeds	-	(15)	(15)	-	
-	-	-	-	Net Capital Expenditure	-	65	65	-	
-	-	-	-	Investments Additions	-	-	-	-	
-	-	-	-	Net Capital and Investment Expenditure	-	65	65	-	

1 Additional income has been received for contributions from TAs towards *It's Our Fault* project, the sale of *It's Easy Get Prepared* booklets and water containers.

2 Some of the project work is slightly behind. However, the present underspend is expected to be reversed at the end of the next quarter.