

1. Executive summary for Economic Wellbeing Committee: Strategy and Community Engagement

1.1 Strategic Planning – Data and Analysis

(a) Key results for the quarter

- Final versions of technical documents for the Wellington Transport Models project were delivered and the peer review process was finalised.
- NZTA Funding for Data & Analysis projects in the period 2012 to 2015 was approved. “Maintaining the Strategic Transport Models” and “Transport models application and analysis.”
- A tender process for Professional Services “C3084” has commenced. This contract will be to support the “Maintaining the Strategic Transport Models” project
- Work continued in support of the fare structure review being undertaken by the Public Transport Group, using the transport survey database and Wellington Public Transport Model (WPTM).
- The team have provided considerable support to PT Spine study, including technical direction, transportation modelling and analytical support.
- Revisions to service scenarios for the Regional Rail Plan using the WPTM to derive patronage estimates were completed.
- The team continued to fulfil a range of WTSM data requests from consultants working on behalf of the New Zealand Transport Agency (NZTA). These have related to the Wellington Traffic Model update – alternate growth scenarios, Northern Wellington Saturn Model update, Network Operating Framework, P2G tender and Official Information requests.
- A “State of Cycling Report: Wellington Region 2001 to 2012” was completed for Sustainable Transport and accepted by the Regional Transport Committee in December 2012.

(b) Looking ahead

- The team will continue to provide significant input into the Public Transport Spine Study (PTSS), including technical direction for the project.
- Wellington Transport Models will be used for PTSS short list testing (carried over)
- We will identify a preferred supplier for the C3084 (Maintaining the Strategic Transport Models) contract.

(c) Departmental Summary

The net operating deficit for the Data and Analysis department for the six months ended 31 December was \$61,000 compared to the budgeted operating deficit of \$85,000.

(d) Financial reports

Data and Analysis Income Statement 6 months ended 31 December 2012	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	Last Year YTD Actual \$000	Last Year FY Actual \$000
Rates & Levies	359	359	-	718	718	-	394	788
Government Grants & Subsidies	(1)	-	(1)	325	139	186	476	800
External Revenue	-	-	-	-	-	-	-	-
Investment Revenue	4	8	(4)	15	15	-	8	17
Internal Revenue	61	61	-	122	122	-	-	-
TOTAL INCOME	423	428	(5)	1,180	994	186	878	1,605
less:								
Personnel Costs	193	183	(10)	366	366	-	190	363
Materials, Supplies & Services	6	10	4	26	26	-	13	19
Travel & Transport Costs	-	-	-	-	-	-	-	-
Contractor & Consultants	-	12	12	41	41	-	-	47
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	22	19	(3)	38	38	-	29	60
Total Direct Expenditure	221	224	3	471	471	-	232	489
Financial Costs	10	12	2	25	25	-	5	14
Bad Debts	-	-	-	-	-	-	-	-
Corporate & Department Overheads	130	130	-	261	261	-	121	243
Depreciation	123	147	24	246	293	47	-	-
TOTAL EXPENDITURE	484	513	29	1,003	1,050	47	358	746
OPERATING SURPLUS/(DEFICIT)	(61)	(85)	24	177	(56)	233	520	859
Add Back Depreciation	123	147	(24)	246	293	(47)	-	-
Net Asset Acquisitions	1	-	1	(245)	(245)	-	(635)	(1,066)
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	63	62	1	178	(8)	186	(115)	(207)
Debt Additions / (decrease)	(1)	-	(1)	106	106	-	159	267
Debt Repaid	(32)	(42)	10	(84)	(84)	-	(3)	(20)
Net Reserves (Increase) / decrease	(30)	(8)	(22)	(200)	(14)	(186)	(41)	181
NET FUNDING SURPLUS (DEFICIT)	-	12	(12)	-	-	-	-	221
Data and Analysis Capital Expenditure Statement 6 months ended 31 December 2012	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	Last Year YTD Actual \$000	Last Year FY Actual \$000
Capital Project Expenditure	(1)	-	1	245	245	-	635	1,066
Net Capital Expenditure	(1)	-	1	245	245	-	635	1,066
Investments Additions	-	-	-	-	-	-	-	-
Net Capital and Investment Expenditure	(1)	-	1	245	245	-	635	1,066

(e) Departmental financial summary and variance analysis

- The favourable variance in operating surplus is mainly due to reduced depreciation. This is a result of the transport model costs coming in less than budget last year. The forecast has been adjusted accordingly.
- The department is also forecasting increased grant revenue of \$186,000. This is additional funding from NZTA after approval was given to cover overheads costs related to model application and analysis.

- (f) Departmental risk analysis
Risks have been reviewed and no new risks have been identified.

1.2 Sustainable Transport

(a) Key results for the quarter

- An evaluation of Spring to the Street showed the challenge had been successful in increasing participants' use of sustainable transport, especially carpooling and walking. 1437 individuals, 148 teams and 60 workplaces registered.
- An Active a2b coordinator was recruited and trained to implement the 2013 season of the programme
- Resources for Active a2b were developed, including posters, a desktop calendar, merchandise and an online active commuter challenge. 79 workplaces were recruited for the programme, including 8 non-office based organisations.
- Training was undertaken with Nelson City Council in the Let's Carpool software RidePro and marketing approach
- Website developed for Pedal Ready cyclist skills programme, and courses promoted online and through Movin Magazine. Sixteen schools registered for terms 3 and 4 in 2012.
- Delivered and evaluated the pilot programme to address scooter safety. 400 children taught the basics of safe scooter travel.
- Developed a carpool website for schools to help parents find carpools for their children.
- Successfully obtained a Road Safety Trust grant of \$211,000 to expand the region's cycle skills programme, Pedal Ready, to reach adults and deliver more on-road training for children.
- New shipment of reflective bag tags and slapbands imported from China. Distribution resumed.
- Promotion of Cycling & Walking Journey Planner (including mobile app) sees 12% rise in visits compared with same quarter in 2011 (up to 6,148)
- Delivered bus driver/cyclist safety workshop at Eastbourne Bus Depot
- Transport options brochure updated in poster style format and distributed at events and to new movers.
- Providers announced for motorcycle skills training delivery within the region who will be our partners in safety campaign.

(b) Looking ahead

- Deliver the 2013 Active a2b programme
- Undertake a follow-up survey and a public transport promotion with Victoria University.
- Hold a national Let's Carpool meeting for regional administrators
- Online motorcycle safety campaign in partnership with ACC, NZTA, NZ Police and local authorities
- Delivering Movin' March 2013 – active travel week for schools
- Develop a cycling hazard perception video for children
- Pilot the school carpooling website
- Support organisation of Go By Bike Day and Walk to Work Day events (with safety promotions)
- Refresh and coordinate regional 'Share the Road' Campaign
- Develop a 'Safer Speeds' campaign aimed at young drivers
- Complete schools resource for the 'Last Choice' crash car

(c) Departmental Summary

The net operating deficit for the Sustainable Transport department for the six months ended 31 December was \$46,000 compared to the budgeted operating deficit of \$116,000.

(d) Financial reports

Sustainable Transport Income Statement 6 months ended 31 December 2012	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	Last Year YTD Actual \$000	Last Year FY Actual \$000
Rates & Levies	133	133	-	266	266	-	148	297
Government Grants & Subsidies	273	284	(11)	556	556	-	400	872
External Revenue	15	-	15	-	-	-	13	18
Investment Revenue	46	11	35	23	23	-	14	27
Internal Revenue	-	-	-	-	-	-	-	-
TOTAL INCOME	467	428	39	845	845	-	575	1,214
less:								
Personnel Costs	236	257	21	514	514	-	253	487
Materials, Supplies & Services	106	125	19	228	228	-	76	213
Travel & Transport Costs	4	-	(4)	-	-	-	2	3
Contractor & Consultants	20	1	(19)	2	2	-	8	41
Grants and Subsidies Expenditure	9	18	9	34	34	-	-	7
Internal Charges	46	51	5	102	102	-	113	226
Total Direct Expenditure	421	452	31	880	880	-	452	977
Corporate & Department Overheads	92	92	-	185	185	-	102	204
Depreciation	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	513	544	31	1,065	1,065	-	554	1,181
OPERATING SURPLUS/(DEFICIT)	(46)	(116)	70	(220)	(220)	-	21	33
Net Asset Acquisitions	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	(46)	(116)	70	(220)	(220)	-	21	33
Net Reserves (Increase) / decrease	46	116	(70)	220	220	-	(21)	(1,186)
NET FUNDING SURPLUS (DEFICIT)	-	-	-	-	-	-	-	(1,153)

(e) Departmental financial summary and variance analysis

Total year to date favourable variance in operating surplus is due to:

- Reduced personnel costs of \$21,000 – this will be offset with contractor costs in the next two quarters.
- External revenue is \$15,000 above budget due to funding received for delivery of Active a2b.
- Investment revenue is higher than budget due to a higher reserve balance.
- There are no changes to forecast.

(f) Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2012/13	
Percentage of stakeholders and partners who rate coordination services and resources satisfactory or higher	New measure	85%	This will be measured later in the year
Number of total annual visitors to selected Greater Wellington sustainable transport web pages	New measure	Increase on previous year	This will be measured later in the year
Mode shift in workplace and school travel plan programmes	New measure	Programme participants increase their use of sustainable transport modes	This will be measured later in the year

Specific areas of work 2012/13	Comment
Continue to roll out sustainable transport programmes.	<p>Programmes are on track with progress reported to the Regional Transport Committee.</p> <p>Spring to the Street attracted 1437 participants which included 60 workplaces</p> <p>Active a2b is currently recruiting workplaces to promote walking and cycling to their staff</p>

Walking and cycling initiatives will be facilitated.	On track to meet performance indicators with progress reported to the Regional Transport Committee.
At least one community travel behaviour change project will be supported	On track with support provided to facilitate cyclist skills training.
The regional road safety campaign will be supported and reported to the Regional Transport Committee	Road safety campaigns initiatives on track and reported to the Regional Transport Committee.
Public awareness campaigns will be carried out to promote walking, cycling and public transport, and to discourage unnecessary car trips	On track with progress reported to the Regional Transport Committee.

(g) Departmental risk analysis

Risks have been reviewed and no new risks have been identified.

1.3 Transport Planning

(a) Key results for the quarter

- The shortlist evaluation approach for the Wellington PT Spine Study agreed by the study partners and the consultant. Shortlist evaluation technical work commenced.
- The brief for the PT Spine Alternative Funding Study was approved by the PT Spine Steering Group. This seeks to examine the potential for alternative funding sources to part-fund the shortlisted options. Written proposals to undertake the study were sought.
- A submission on the Land Transport Management Act 2003 Amendment Bill was approved by the Economic Wellbeing Committee and submitted to the Select Committee. Appeared at Select Committee to present submission.
- A submission on the Wellington City Council proposal to lower the speed limit for part of the Golden Mile was approved by the Economic Wellbeing Committee and submitted to WCC.
- A concept for a new integrated Regional Network Plan/Regional Land Transport Plan was developed and agreed by the Regional Transport Committee.

(b) Looking ahead

- Work will continue on the shortlist evaluation for the Wellington PT Spine Study with completion and public consultation planned to start during the fourth quarter.
- The PT Spine Alternative Funding Study will be commissioned and will be completed during the fourth quarter.
- Work will commence on the development of the integrated Regional Land Transport Plan.
- Staff will participate and provide input to the NZ Transport Agency's Funding Assistance Rates review.

(c) Departmental Summary

The net operating surplus for the Transport Planning department for the six months ended 31 December was close to budget.

(d) Financial reports

Transport Planning Income Statement 6 months ended 31 December 2012	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	Last Year YTD Actual \$000	Last Year FY Actual \$000
Rates & Levies	196	196	-	392	392	-	146	293
Government Grants & Subsidies	153	239	(86)	436	535	(99)	356	807
External Revenue	-	-	-	45	45	-	19	80
Investment Revenue	2	19	(17)	39	39	-	24	48
Internal Revenue	-	-	-	-	-	-	-	-
TOTAL INCOME	351	454	(103)	912	1,011	(99)	545	1,228
less:								
Personnel Costs	82	108	26	217	217	-	78	159
Materials, Supplies & Services	2	-	(2)	1	1	-	6	74
Travel & Transport Costs	-	-	-	-	-	-	-	1
Contractor & Consultants	121	193	72	428	478	50	287	677
Grants and Subsidies Expenditure	-	-	-	-	-	-	-	-
Internal Charges	63	65	2	129	129	-	101	204
Total Direct Expenditure	268	366	98	775	825	50	472	1,115
Corporate & Department Overheads	87	87	-	174	174	-	84	167
Depreciation	-	-	-	-	-	-	-	-
Loss(Gain) on Sale of Assets / Investments	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	355	453	98	949	999	50	556	1,282
OPERATING SURPLUS/(DEFICIT)	(4)	1	(5)	(37)	12	(49)	(11)	(54)
Add Back Depreciation	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	(4)	1	(5)	(37)	12	(49)	(11)	(54)
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	4	8	(4)	37	(12)	49	11	988
NET FUNDING SURPLUS (DEFICIT)	-	9	(9)	-	-	-	-	934

(e) Departmental financial summary and variance analysis

Total direct expenditure was below budget by \$98,000 due to:

- Lower expenditure on consultants of \$72,000 mainly related to timing of payments related to the Spine Study (\$50,000). A cost scope adjustment has been submitted to NZTA for additional funding for variations related to the project. The additional \$20,000 variance is related to the RLTS – no external costs have been incurred to date.

- Total revenue was below budget as NZTA grants were lower than budget – this is related to reduced expenditure on projects that receive funding.
- The forecast operating deficit is \$37,000 compared with the budget of a \$12,000 surplus. This has resulted from NZTA not approving funding for the Hutt Climate Change project – a component of the costs were overheads which are now funded through reserves.

(f) Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2012/13	
That the Regional Land Transport Strategy is reviewed, adopted and monitored	Regional Land Transport Strategy adopted 2010	Undertake transport perceptions survey	The transport perceptions survey was completed in August 2012

Specific areas of work 2012/13	Comment
Complete the Wellington Public Transport Spine Feasibility Study	Work on the shortlist evaluation is well underway and due to be completed in the fourth quarter
Review the existing transport plans through the development of a regional transport network plan	The concept for a new integrated Regional Land Transport Plan has been approved by the RTC and development work has commenced.

(g) Departmental risk analysis

Risks were reviewed and no new risks have been identified.

1.4 Strategic Planning – Wellington Regional Strategy

(a) Key results for the quarter

- The Wellington Regional Strategy (WRS) website has been restructured and updated to reflect the new work programme.
- The Open Spaces portal project “Where the Wild Things Are”, a project stemming from the original Strategy, was completed and added to the WRS website.
- A draft WRS Implementation Plan was workshopped with the WRS Committee. It was then completed and is awaiting feedback from the other councils. A final draft will be presented to the WRS Committee in early 2013.

- Work was commissioned on the international Quality of Life benchmarking study to identify areas where the region could best improve its international competitiveness and attractiveness for business. The region's lowest score related to international connections, particularly international flights.
 - Work has been commissioned to provide evidence of the business case for uptake of Ultrafast Broadband (UFB). Barriers to uptake have been identified yet there is little evidence of the benefits for the region and individual businesses of uptake. This material will be used to promote uptake by regional businesses.
 - A regional economic development managers group has been formalised and will help implement projects that collectively involve councils, Grow Wellington and the WRS Office. This is in addition to the Senior Officers Resource Team (SORT) and will play a more operational role. Work is being progressed on regional co-ordination of international visits, a business information portal and regional data integration.
 - The WRS Office is coordinating regional economic monitoring activities as a means of reducing duplication across councils and Grow Wellington. This includes the 2012 Economic Profile for the region which will be completed early 2103.
 - The first quarterly economic "State of Play" bulletin was produced. This takes up-to-date material from multiple credible sources and provides a snapshot on key economic indicators for the WRS Committee and councillors.
 - Two workshops were conducted with the WRS Committee. These workshops provided the opportunity for individual councils to update members on key economic projects, discuss the alignment with the Destination Wellington project, review the WRS Office priorities and raise other areas of need. Separate material was provided on the state of the property market for example.
 - The WRS Committee have recommended to GWRC a new independent member, Samantha Sharif. Samantha has a strong background in governance, strategic planning and the aviation sector.
 - The Genuine Progress Index (GPI) Working Group has been working with Auckland Council and Waikato Regional Council to develop a full cost account of physical inactivity to our regions. This has been completed and will be presented to the Committee in early 2013 for consideration as a model for other economic factors.
- (b) Looking ahead
- A regional workshop on the labour market (skills demand and attraction, unemployment, migrant support etc) is proposed for early 2013. Some initial analysis is being undertaken by the WRS Office.

This work is in response to negative trends across several labour market indicators.

- The potential for the WRS Office to take an active role in developing the business cases for funding the airport runway extension and rationalisation of regional logistics operations is being investigated.
- The promotion of UFB uptake by businesses will follow work currently being developed on the benefits and applications for the private sector. This will be done through published material and business networks.
- The development of a regional business portal is being explored in conjunction with planned regional shared services and ICT initiatives.

(c) Departmental Summary

The net operating surplus for the Wellington Regional Strategy for the six months ended 31 December was \$279,000 compared to the budgeted operating surplus of \$33,000.

(d) Financial Reports

Wellington Regional Strategy Income Statement 6 months ended 31 December 2012	YTD Actual \$000	YTD Budget \$000	YTD Variance \$000	Full Year Forecast \$000	Full Year Budget \$000	Full Year Variance \$000	Last Year YTD Actual \$000	Last Year FY Actual \$000
Rates & Levies	2,334	2,334	-	4,668	4,668	-	2,330	4,659
Government Grants & Subsidies	-	-	-	-	-	-	-	-
External Revenue	-	-	-	-	-	-	17	25
Internal Revenue	-	-	-	-	-	-	1	315
TOTAL INCOME	2,334	2,334	-	4,668	4,668	-	2,348	4,999
less:								
Personnel Costs	94	100	6	200	200	-	99	148
Materials, Supplies & Services	24	48	24	60	95	35	46	111
Travel & Transport Costs	-	1	1	2	2	-	-	2
Contractor & Consultants	17	129	112	240	354	114	33	73
Grants and Subsidies Expenditure	1,913	2,014	101	4,000	4,000	-	2,375	4,564
Internal Charges	7	9	2	17	17	-	8	328
Total Direct Expenditure	2,055	2,301	246	4,519	4,668	149	2,561	5,226
Financial Costs	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE	2,055	2,301	246	4,519	4,668	149	2,561	5,226
OPERATING SURPLUS/(DEFICIT)	279	33	246	149	-	149	(213)	(227)
Add Back Depreciation	-	-	-	-	-	-	-	-
Net External Investment Movements	-	-	-	-	-	-	-	-
NET FUNDING BEFORE DEBT & RESERVE MOVEMENT	279	33	246	149	-	149	(213)	(227)
Debt Repaid	-	-	-	-	-	-	-	-
Net Reserves (Increase) / decrease	-	-	-	(35)	-	(35)	35	227
NET FUNDING SURPLUS (DEFICIT)	279	33	246	114	-	114	(178)	-

(e) Departmental financial summary and variance analysis

Total direct expenditure was \$246,000 below budget. This was due to:

- Reduced expenditure on contractors and consultants due to timing of when new activities for the WRS office will commence. A review of planned activities for the second half of the year has resulted in a reduction of forecast expenditure on consultants by \$114,000.

- Grant expenditure to Grow Wellington is \$100,000 below budget. Funding requirements for the second quarter were less than expected but there are no changes to the forecast.
- The additional \$35,000 reduction in the forecast is related to a change in committee fees for the current year.

(f) Departmental business plan performance indicators

Performance Measure	Performance Target		Comment
	Baseline	2012/13	
Percentage of GDP spent on research and development	1.50% (Average 2005-2010)	1.55%	This will be measured later in the year
Percentage of workforce employed in highly skilled occupations	21.8% (2010)	21.9%	This will be measured later in the year
GDP per capita	\$55,000 (2010)	\$56,100	This will be measured later in the year

Specific areas of work 2012/13	Comment
Prepare and adopt a programme of activity for WRS implementation	A draft has been prepared and will be workshopped with the WRS Committee in the next quarter.
Manage and lead key projects relating to the Open for Business and Building World Class Economic Infrastructure focus areas	Ongoing work programme
Monitor Grow Wellington, in conjunction with the WRS Committee, to ensure the Annual Report reflects its Statement of Intent and contributes to the WRS	The Grow Wellington Annual Report was presented to the WRS Committee in November.

(g) Departmental risk analysis

Risks have been reviewed and no new risks have been identified.