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Committee Finance, Risk and Assurance Committee  
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## **General Managers' report to the Finance, Risk and Assurance Committee, 24 September 2015**

### **1. Purpose**

To inform the Finance, Risk and Assurance Committee of Greater Wellington Regional Council (GWRC) activities relating to the Committee's areas of responsibility.

### **2. Corporate Services**

Dave Humm commenced in late July as GM Corporate Services / CFO. A CFO since 2007, Dave joins GWRC with experience in a broad range of organisations both in New Zealand and abroad. Dave replaces Mike Timmer, who has capably acted as CFO since April 2014, and returns to his previous role as Treasurer.

The subsequent primary focus has been the establishment of a leadership team in the newly centralised Corporate Services structure, which took effect on 31 August.

These leadership roles have now been successfully filled. The immediate focus for the team is now to develop a strategy which best serves the needs of Corporate Services' stakeholders and customers.

#### **2.1 Finance**

##### **2.1.1 Finance Summary**

The centralisation of the Finance function came into effect on 31 August. The purpose of the centralised structure is to enhance levels of communication, co-ordination, consistency and service levels to the organisation.

An immediate priority for the Finance Team is developing the best ways to service the organisation as we adapt to the new structure.

During the period, considerable effort has gone into the 2014/15 Council and Group Annual Reports, which are nearing completion with favourable initial feedback from Audit New Zealand and no significant issues flagged.

The forecasting, budgeting and planning process is also under way, with a Council workshop scheduled for 17 November and the first draft of the 2016/17 budget targeted for completion in December. The team is making good progress working through the implications of the reorganisation of the cost centres to accommodate the new centralised functions.

The purchasing card project will recommence after year end accounts are completed.

## **2.2 ICT**

### **2.2.1 ICT Summary**

The Department has been reorganised, centralising a number of staff into the ICT team from other divisions and transitioning leadership back from the dual model to a single role.

A decision has been made not to continue GWRC participation with the Shared ICT Infrastructure Programme (SIIP.) In coming to this position we have carefully examined the strategic implications, expected costs, service levels, risk levels and other benefits and costs compared to other alternatives. Proceeding with SIIP would be significantly more expensive than our current (and LTP budgeted) planned expenditure. Additional factors considered include disruption to projects and management during transition, appropriate service levels, divergent technology roadmaps, and likely less reliance on network infrastructure due to GWRC's cloud strategy.

The SPIEDO project continues on track with ICT, Governance (Democratic Services) and several other Corporate Management areas now live with OurSpace. The Environment Team is currently migrating their documents to the new system. The project remains expected to be completed early in 2016.

## **2.3 Treasury**

### **2.3.1 Treasury Update**

During the quarter the Reserve Bank of New Zealand reduced the cash rate a further 0.25% in July and again in September. It now sits at 2.75%. This will assist us with our floating rate debt, however our deposits will show lower returns later in the year when they come off fixed rate.

We raised \$19 million in the financial year to date, issuing commercial paper to finance our capital programme mainly the Matangi 2 units. We will be refinancing this into long term LGFA debt in late September.

Our Insurances for the 2015/16 were placed on 30 June 2015 with a full report provided to the Finance Risk & Assurance Committee in September.

### 2.3.2 WRC Update

Pringle House was sold on 31st August and the funds advanced to Council. We will be seeking closure of this company from the WRC Holdings Board. The audit of the WRC Holdings Group has been completed with final accounts to be signed off by the Directors at the end of September.

## 2.4 Legal and Procurement

### 2.4.1 Legal and Procurement Summary

A specialist legal, procurement and asset management function which provides commercial legal advice across the organisation and specialist information and assistance on tender processes, probity arrangements and contracts for services was established as a core corporate service on 31 August.

The role of Manager, Legal & Procurement has been appointed, with the initial focus on gathering information from across the organisation on current legal and contracting arrangements, and establishing and refining legal, procurement and asset management policies.

## 2.5 Programme Management Office

### 2.5.1 Programme Management Office Summary

A newly established corporate function has commenced on 16 September to increase GWRC's project management expertise, capability and consistency throughout the organisation. It is anticipated that existing major projects such as PTOM, IFT, and WWUP projects will come within the scope of the Programme Management Office.

The role of Programme Manager has been appointed and the initial phase of the establishment of the function has commenced and will focus on information gathering, scoping, and the creation of a programme management framework, which will determine how the PMO engages with various projects across the organisation.

## 3. People and Customer

### 3.1 Human Resources

#### 3.1.1 Organisational change

The structural review of the organisation to centralise core corporate services functions into an integrated business model has been completed. The new organisational structure came into effect on 31 August with three newly formed groups – the Corporate Services Group, Strategy Group and People and Customer Group. The 'go live' date for two departments, the Customer Contact department and Programme Management Office, was delayed to align with the

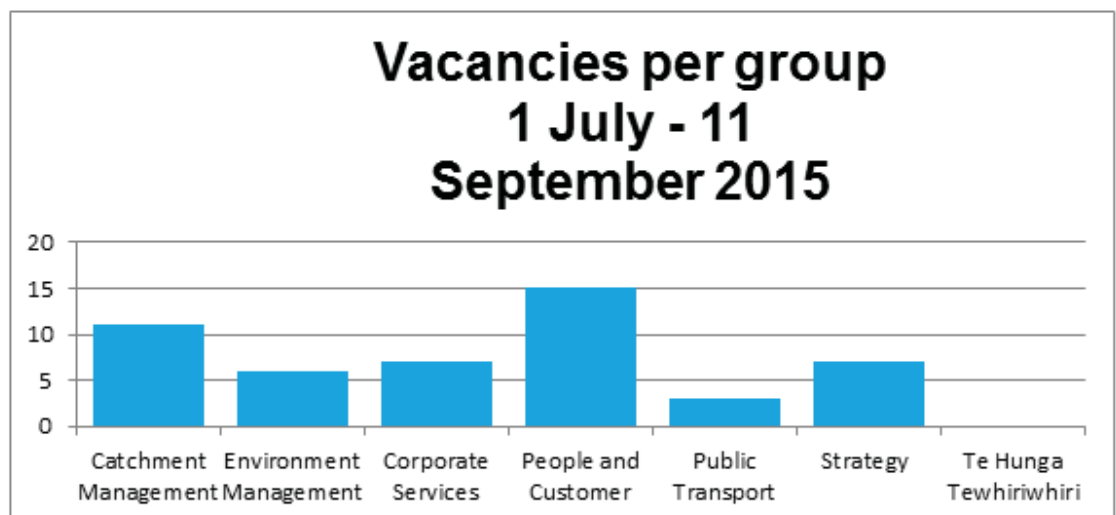
commencement dates of the new managers, who are heading these departments. There was an accommodation shift within Shed 39 to locate these teams together.

### 3.1.2 Recruitment

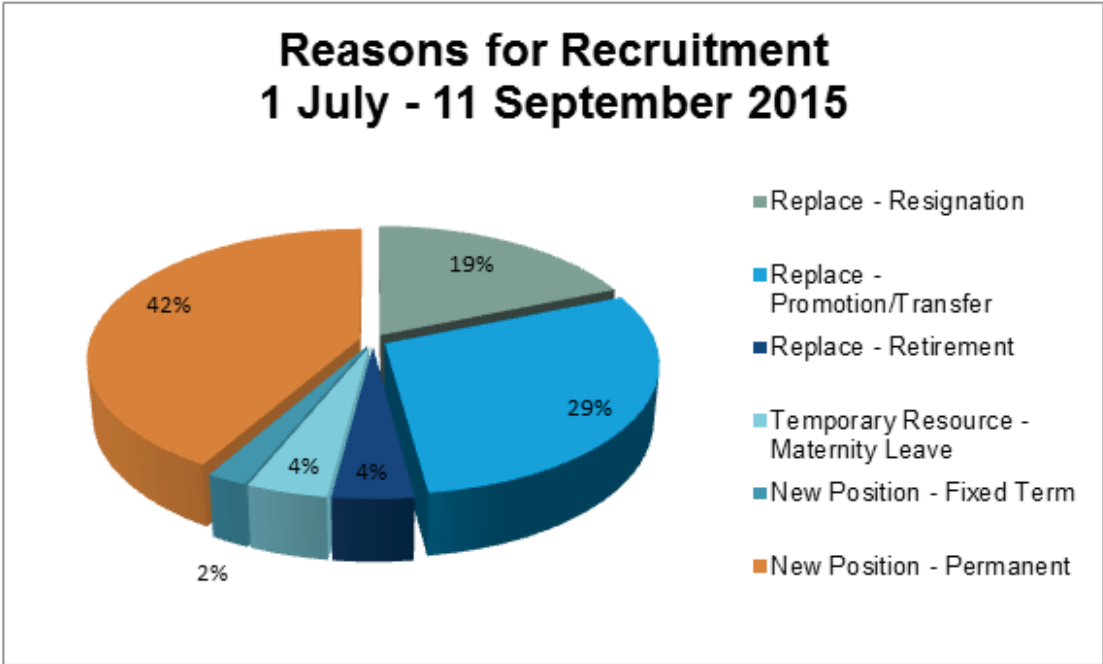
There has been an extraordinary level of recruitment during the last two months as we have implemented the new organisational structure. There were a number of new management positions established in the newly centralised teams which provided an opportunity to grow our management capability and diversity. The following table shows the change in our gender diversity given the recent recruitment of manager positions:

	General Manager		Manager		Team Leader		Staff	
	M	F	M	F	M	F	M	F
<b>June Total</b>	5	2	22	5	20	12	199	138
June % women to men	29%		19%		38%		41%	
Ratio	2.5:1		4.4:1		1.7:1		1.4:1	
<b>Sept Total</b>	6	1	21	7	20	16	208	146
Sept % women to men	14%		25%		44%		41%	
Ratio	6:1		3:1		1.25:1		1.4:1	

A number of staff were recruited/promoted into new roles which has meant that we are now in the process of recruiting their vacated positions. The following graphs provide an overview of our recruitment activity:

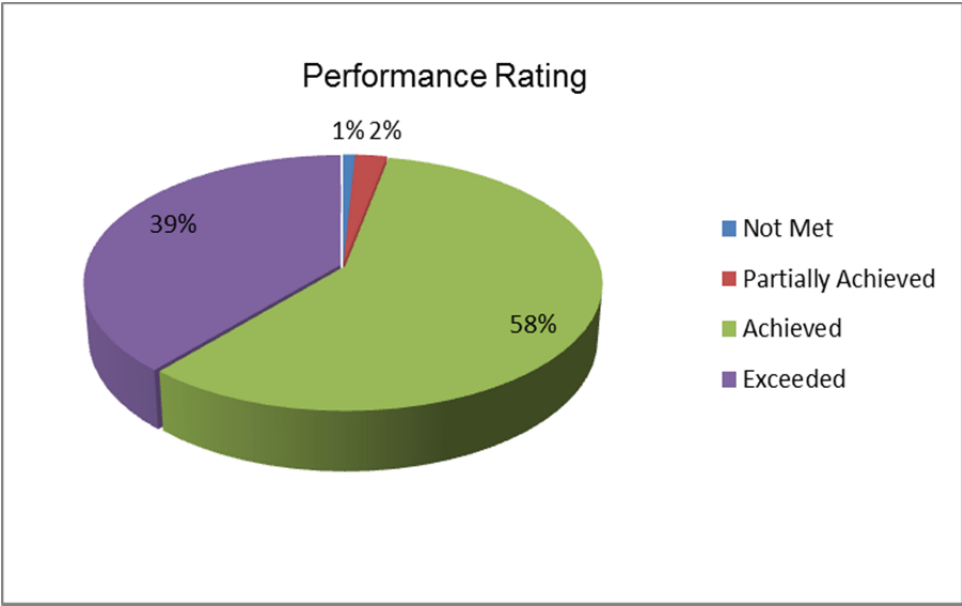


The reasons for recruitment graph identifies 29% of our vacancies have arisen through the promotion or transfer of internal staff into new positions which have been established or vacated as part of our change management process.



3.1.3 Performance appraisals/training

The performance appraisals for the end of the 2014/15 performance year have been completed. Our Partnership for Performance (P4P) system identifies four levels of achievement – exceeded, achieved, partially achieved and not met. It is the expectation that the majority of staff would receive a rating of achieved or exceeded. The performance statistics are as follows:



In parallel with the completion of the last performance year, a new performance P4P system is being implemented for the current performance

year (2015/16). Managers and staff were involved in reviewing the system to identify improvements and enhancements for the new P4P system.

A training and development programme has been underway since May to further develop competence in the components of the performance appraisal system, namely, setting expectations; giving feedback; coaching and identifying development needs/opportunities. Currently a total of 67 managers/team leaders have been trained in one or more of the workshops and 237 staff have attended training workshops.

### 3.1.4 Salary review

The salary review process for 2014/15 has been completed. The organisation budgeted 2% for salary increases and the average market movement from the market survey results indicated that our salaries had increased, on average, by 1.96%. Our average salary increase across the organisation was 2.6%, which combined market increases of 1.96% and also performance increases for those individuals who had exceeded their performance objectives. Many of these individuals are paid below the midpoint of the market and therefore it is important that we recompense them for becoming more competent in their roles.

## 3.2 Health and Safety

### 3.2.1 Health and safety performance targets

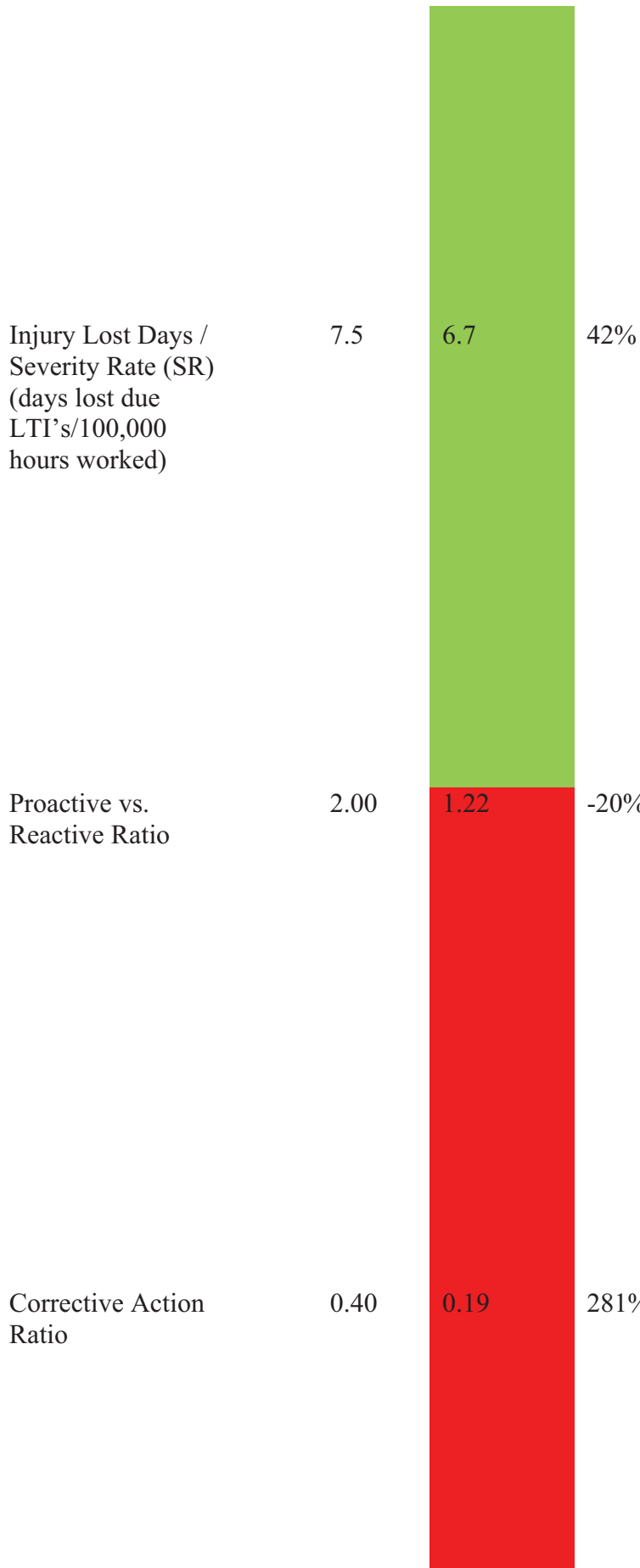
The health and safety performance of the organisation continues to be monitored. The following table includes an assessment of progress towards the 2014 – 2015 Health and Safety performance targets. The performance measures are colour coded to indicate the trend across the quarter as follows:

Green – positive movement towards, achieved or exceeded the target

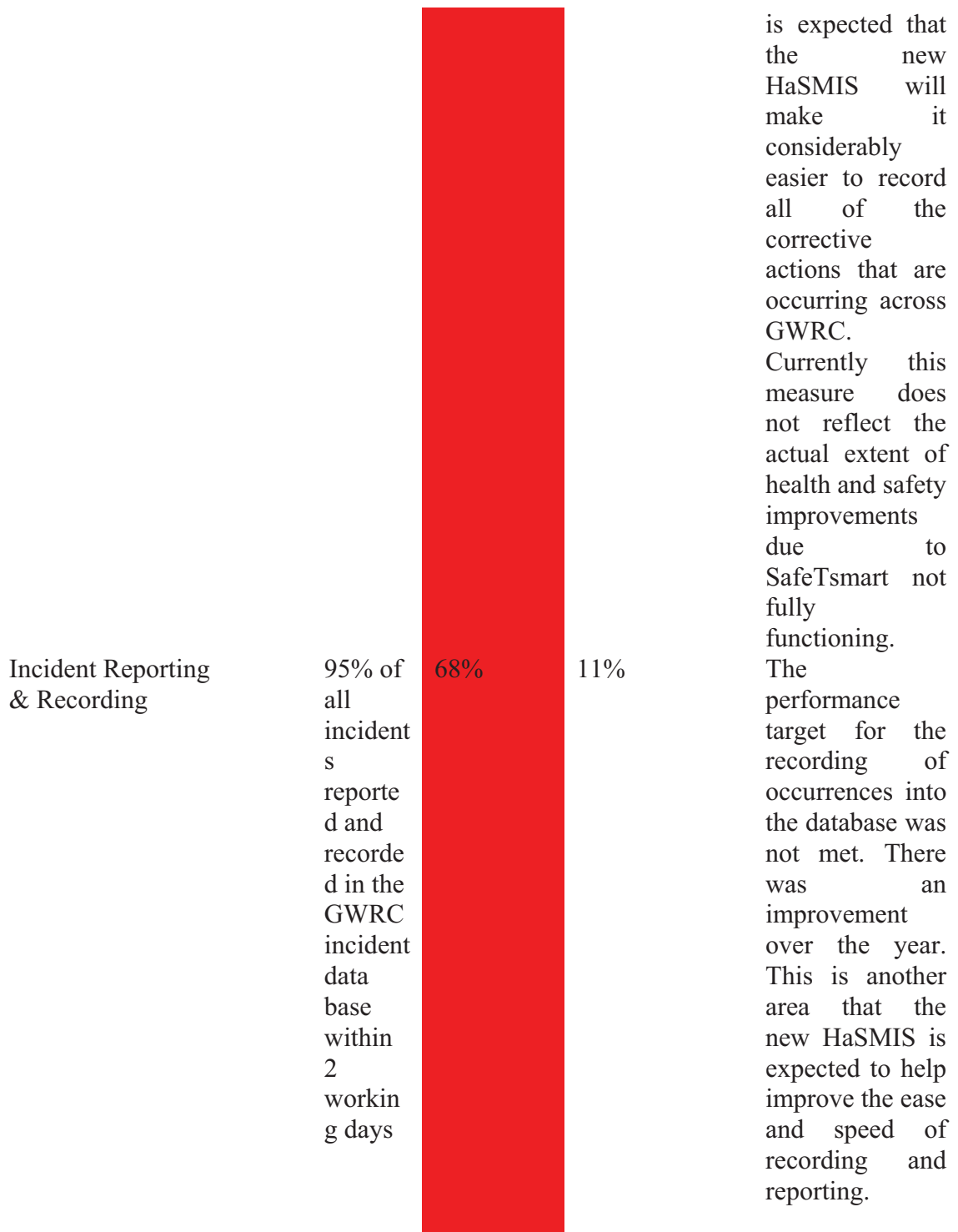
Orange – no significant progress towards achieving the target

Red – did not achieve the target and actually went backwards

Performance Measure	Performance Target	4 <sup>th</sup> Quarter-end result	Percentage Improvement from 1 July 2014	Comment
Lost time injury frequency rate (LTI/100,000 hours worked)	1.25	1.22	6%	There were four LTI's and two MTI's in this quarter. The LTIFR and MTIFR have achieved the performance target. There was nine Lost Time Injuries recorded this year compared
Medical treatment frequency rate (MTI/100,000 hours worked )	1.25	1.09	29%	
Total Recordable Rates (TRR) (MTI + LTI/100,000 hours worked)	2.50	2.31	19%	



with 11 for the 2013 – 2014 year. Similarly for medical Treatment Injuries with eight this year compared with 13 in 2013-2014. Even though there were 25 days lost due to injury this quarter the performance target was still achieved with only 50 days lost due to work related injuries to staff this year compared with 99 for 2013-2014. The Proactive vs. Reactive Ratio has not achieved the performance target this year with an actual decrease in the performance measure, although occurrence reporting is still predominantly proactive verses reactive. The Corrective Action ratio has not reached the performance target but there has been a significant improvement in this measure. It



There have been no serious harm incidents in the last 6 months.

### 3.2.2 Health and Safety Management Information System

Hindin Solutions LTD has been selected as the preferred supplier for GWRC’s Health and Safety Management Information System. Hindin is New Zealand owned and their head office is in Christchurch.



The Software Service agreement for a 3 year term. The system will be hosted via cloud servers, with the data base centre housing in Auckland. Hindin's hosting partner, Web Drive, are used by banks, councils and government departments. As a Service as a Software (SaaS) provider, Web Drive manage and provide security for sensitive data for their customers.

Over the next 6 months the Project Team are working with Hindin, to:

- support our H&S framework including the effective integration of technologies with daily operational activities
- improve H&S related information management, including the central recording of hazards with the associated workplace risks and controls, incidents, training, monitoring, participation in H&S activities, and contractor management
- define and develop reports and dashboards
- improve operations through the use of a workflow tool and improve accessibility of the H&S information access in the field (including remote offline locations)
- evaluate the order and priority for implementing the various modules of the system

As we progress through the configuration phase of the project, a communications plan will be developed and will provide information to the organisation on:

- When and how the new system will be rolled out (this will be defined during the initial implementation phase) and where the option to “go live” with specific modules will be decided
- Training requirements
- How the system will be supported, the roles for specific employees and the administration (recruitment for the H&S system administrator is in progress and the successful candidate will be appointed as soon as possible)
- A User group will be set up to establish a structured approach to process / system improvements

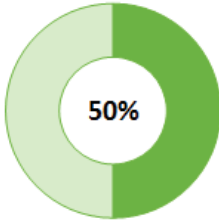
### 3.2.3 2014 - 2015 Health and Safety Action Plan Scorecard

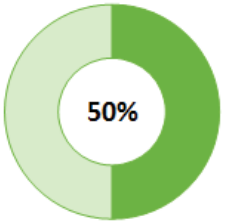
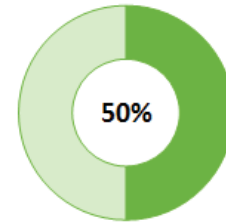
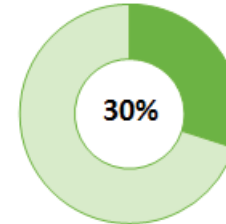
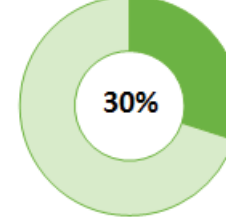
The key components of the five year GWRC Health and Safety Strategy are:

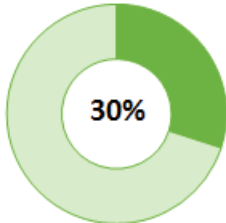
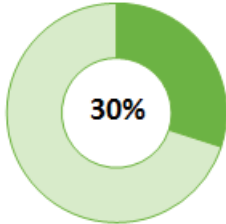
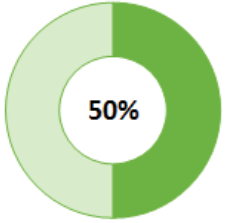
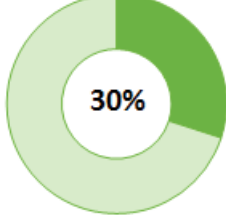
- ▶ Safe people
- ▶ Safe workplace
- ▶ Safe systems



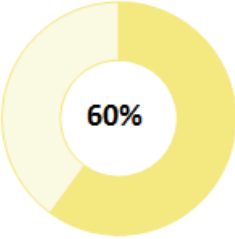
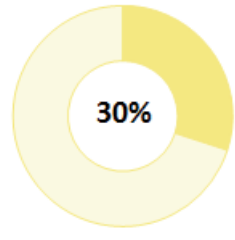
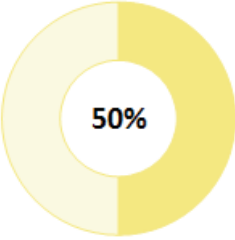
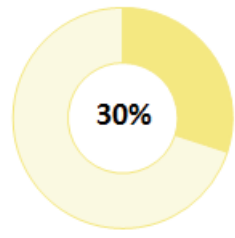
A summary of progress against each target is indicated in the ‘completion status’ column.

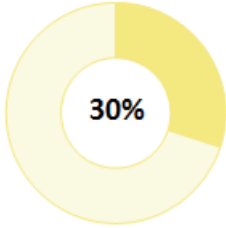
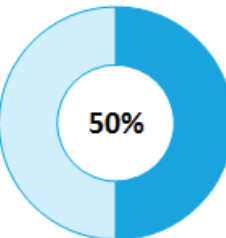
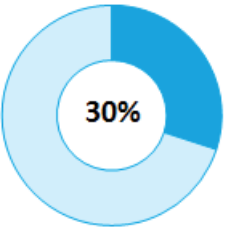
Strategic Aims 2014 - 2019	2014 – 2015 Action	Target	Progress and Activity	Completion Status
<b>Safe People</b>				
<b>Inspired</b>	Build health and safety leadership capability by embedding health and safety within the Greater Managers programme.	Leadership competencies identified for H&S Advisors used to inform development activity for leaders.	<p><i>It had been decided that GWRC H&amp;S leadership competencies should be integrated into the broader revised organisational Greater Managers programme. This programme will be revised once we have completed the common purpose and values project.</i></p> <p><i>As an alternative it was decided to focus on core H&amp;S management skills and knowledge e.g. H&amp;S risk management, incident management and contractor H&amp;S management, H&amp;S work planning.</i></p>	 <p><b>50%</b></p>

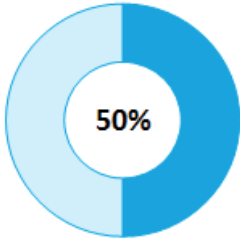
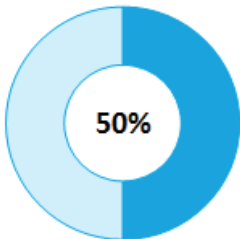
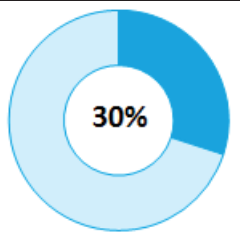
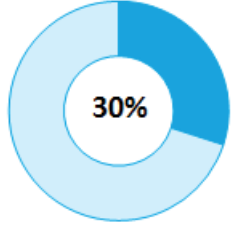
		Health and safety is included in the “Greater Managers” leadership development programme and is also included as a core training programme.	<p><i>Due to the delay of the revised organisational wide Greater Manager’s programme no specific action beyond initial integration and alignment of competencies has occurred. It was decided to focus on delivering H&amp;S technical and management skills training - The first workshops included:</i></p> <ul style="list-style-type: none"> <li>• <i>Due diligence for ELT</i></li> <li>• <i>H&amp;S Risk Management for people leaders and key H&amp;S roles.</i></li> </ul>	
		100% of leaders have received H&S leadership basics training.	<i>ELT have completed a half day “Due Diligence” workshop. Approximately 50 people leaders and staff in key health and safety roles have participated in a one day “Health and Safety Risk Management” workshop.</i>	
<b>Capable</b>	Develop tools, templates and critical risk related guidance material (including SOPs) to support our people to consistently and safely perform their activities and tasks.	H&S representatives and people leaders confirm that those they manage / represent have access to relevant tools, templates and critical risk related guidance material and SOPs.	<p><i>This will be incorporated in the annual self-assessment exercise and as work progresses on the formal review of GWRC organisational critical H&amp;S risks. It will also include consideration of requirements of the Health and Safety at Work Bill (HSW Bill) into health and safety management system documentation. Tools and templates provided during the risk management training that can be applied to a particular risk.</i></p>	
	Provide health and safety basics training for all of our people.	All of our people are able to articulate their role and responsibilities for health and safety management when questioned.	<i>Now that the HSW Bill has progressed through the parliamentary process, a series of staff briefings will be provided to reinforce and build on the previous staff workshop delivered during 2014.</i>	

		Health and safety basic's training is included in our core training programme.	<i>Many field staff have attended an external Site Safe – Passport course as a form of basic H&amp;S training. The roll out of the new HaSMIS and the implementation of the HSW Act will require H&amp;S roles and responsibility training.</i>	
	Develop a new, revitalised and technology supported health and safety induction programme that has regular refresher requirements.	All of our people have received a health and safety induction.	<i>All new staff receive H&amp;S information as part of their induction, the planned revitalisation of H&amp;S induction processes and resources has not occurred. This will also be considered as part of the HaSMIS project. Core induction material has been regularly updated to reflect relevant internal and external changes in H&amp;S practice.</i>	
<b>Informed</b>	Provide our people with accessible, clear and practical health and safety information relevant to their activities, roles and responsibilities.	GWennie has current, engaging health and safety information readily available.	<i>GWennie content updated to incorporate the 2014-2019 Strategic H&amp;S Plan and summary diagrams etc. Various communication channels such as GWennie, OurSpace pages and HaSMIS will be used to ensure H&amp;S information is available to staff.</i>	
		A communications plan for health and safety information is available and has been implemented.	<i>While there is only a draft plan completed, there has continued to be regular H&amp;S communication to the organisation around key activities and emerging H&amp;S issues.</i>	

**Safe Workplace**

<b>Planned</b>	Embed health and safety into procurement practices, design and planning activities.	Evidence of safety integration into procurement and design decisions is available.	<p><i>Appointment of the new 'Manager Legal and Procurement' will greatly support the embedding and consistency of H&amp;S requirements in significant organisational procurement activity.</i></p> <p><i>There continues to be good examples at dept. level across the organisation of H&amp;S being considered during the scoping of procurement requirements for new equipment e.g. Parks – digger, LUV, mowers, power barrows and Environmental Science – Hydrology replacement utility customisation.</i></p>	
	Support the organisation to conform to the requirements of the contractor safety management policy.	A sample audit of contractors organisation wide demonstrates that all contractors meet our requirements and are working safely.	<p><i>There is on-going direct support by Senior H&amp;S Advisers to assist many areas of the organisation with the embedding of GWRC contractor H&amp;S management processes.</i></p> <p><i>No central audit of contractor management practices has been completed.</i></p>	
		Contractor monitoring inspections and audits confirm contractor safety capability has been verified by our people prior to work engagement.	<p><i>Many departments are continuing to carry out local documentation and site auditing of their contractors.</i></p>	
<b>Managed</b>	Analyse and standardise all methodologies across the organisation for the inspection, maintenance and monitoring of our workplaces.	Spot check audit of assets and workplaces across the organisation demonstrate compliance standards met.	<p><i>Various equipment and property checking processes have been implemented, but no centralised checking of the standard of their use has been completed.</i></p>	

<b>Coordinated</b>	Determine the key organisations that we need to coordinate health and safety activity with and implement a framework to ensure effective coordination and communication practices.	All business areas have identified the key stakeholders at each workplace and they are cooperating and communicating with these stakeholders in respect of health and safety management activity.	<i>Now that the HSW Bill is going to come into force, a review of GWRC's key stakeholders needs to be completed. This information needs to be captured in HaSMIS as part of its configuration and implementation.</i>	
<b>Safe System</b>				
<b>Targeted</b>	Identify, assess and manage the risks in our activities. To include evaluation of existing control gaps, and action required to improve risk management.	We have an organisational risk profile that clearly defines our critical risks. Control of these risks is communicated to the Council Risk and Assurance Committee quarterly.	<i>Initial identification and profiling of GWRC critical H&amp;S risks has been completed. Following the H&amp;S Risk Management workshops, work has begun to develop a strategy to review the current management of these critical H&amp;S risks.</i>	
		Spot check review shows that risk assessments have been undertaken for all of our activities and workplaces	<i>Spots checks and similar activities related to H&amp;S risks will be completed as part of the organisational critical H&amp;S risk assessments.</i>	

<b>Improving</b>	Identify, acquire, configure and implement a health and safety management information system to support our health and safety activity	A system obtained via RFP has been configured for GWRC and implemented. Subject matter experts have been trained and data entry has commenced	<i>A system has been selected and configuration and implementation activity is underway.</i>	
	Revitalise the organisations reporting framework for health and safety practice and performance metrics and information. This should align with due diligence obligations	Councillors and our people receive health and safety performance information relevant to their role	<i>On-going refinement of reporting is occurring. Main review of reporting incorporated into the HaSMIS configuration and implementation.</i>	
<b>Aligned</b>	Reorient and rationalise the health and safety management system process and policy documentation to meet the requirements of the new legislative and levy incentive frameworks and to fit with the new HASMIS work flows	All policies have been reviewed in light of the proposed regulatory framework	<i>Following initial parliamentary process delays the HSW Bill has just past second reading. GWRC can now begin to consider and incorporate new requirements into our policy framework.</i>	
		All process documentation has been reviewed and rationalised to align with the work flows in the future HASMIS	<i>Consideration of HSW Bill has been incorporated into the RFP and selection process. Now being considered as part of the HaSMIS configuration and implementation activity.</i>	

### **3.3 Customer Contact**

The new Customer Contact department comes into effect on Monday 14 September. This department brings together the centralised administration function and the contact centre, which was previously known as the Metlink Contact Centre. The contact centre will eventually manage customer enquiries relating to all of GWRC's functions, not just public transport. In preparation for this expanded scope of work, a new telephone software system is being implemented. This new system provides updated technology and increases the call, email and social media management options available to the contact centre.

Current statistics relating to the Metlink Contact Centre were outlined in the General Manager's report to the Sustainable Transport Committee (report 15.424).

### **3.4 Communications and Marketing**

The new Communications and Marketing team became operational on 31 August, bringing together communications, community engagement, marketing and events into one centralised team.

#### **3.4.1 Integrated communications**

Integrated communications continues to be a key deliverable, with the team using a variety of channels including social media.

The GWRC website has a modernised look and feel, and has been updated to be mobile-friendly. The homepage has been made more engaging with the addition of updated news and video carousels. Other improvements have been made around accessibility and usability.

Facebook membership continues to grow, as does Twitter followers.

Work continues on the development of a new Metlink website which will be easier to use from a customer perspective, and highlight service disruptions and major planned events that impact on the public transport network. Other benefits include the ability for customers to create an account and receive specific information on their daily travel.

The team is planning an upgrade to the Metlink app and widget, allowing customers to track bus and train movements in real-time.

Media monitoring and analysis was carried out on 1256 articles over the past 12 months (74% neutral, 18% positive, 8% negative). A total of 99 media releases



were distributed over the same period, of which 95 were picked up (96%) and resulted in 197 articles.

A mailout was produced for the proposed Natural Resources Plan for the Wellington Region, and sent to all letterboxes in the Wellington region. The plan has also been supported using radio, media releases and public notices.

A public transport presentation, including animation, was developed for

### 3.4.2 Community engagement and events

The team has delivered communications and community engagement support for the Hutt River City Centre upgrade (flood protection), the Ruamahanga and Te Awarua o Porua whitua committees, and flood management plans in Wairarapa.

Three small events were held to mark the completion of a new park and ride at Tawa station and new shelters at Takapu Rd and Mana stations.

Planning is advancing for the opening of the Te Ara o Whareroa cycle way at Queen Elizabeth Park on 31 January 2016.

The team is currently developing the Great Outdoors Summer Events programme, which runs between January and March 2016.

### 3.4.3 Marketing

Radio advertising throughout the region has supported LTP consultation, Warm Wellington and Warm Wairarapa, carpooling, cycle lighting, pollution hotline, Ruamahanga whitua, flood protection, dry winter timber and clean water.

This month Our Region has been replaced with more engaging communications, utilising the branding work developed by Local Government New Zealand.

The team has been updating and modernising the printed paper timetables for public transport, in line with accessibility guidelines and customer feedback. They have completed a rationalisation process for the distribution of printed timetables.

Service changes have been completed for the Kapiti train line and a change is currently underway for the Johnsonville train line.

Planning is underway for Christmas timetables across the Metlink network.

The team is assisting with the removal of all Tranz Metro branding, as part of the PTOM rail transition.

New signage is being developed for rail infrastructure upgrades to railway stations.

#### **4. The decision-making process and significance**

No decision is being sought in this report.

##### **4.1 Engagement**

Engagement on this matter is unnecessary.

#### **5. Recommendations**

*That the Committee:*

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

Report prepared by:

Dave Humm  
General Manager, Corporate  
Services/Chief Financial  
Officer

Report prepared by:

Leigh-Anne Buxton  
General Manager, People and  
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