

Report 2016.372
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Committee Council
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Organisational Performance Report for the fourth quarter

1. Purpose

To present *Highlights from the Last Quarter*, a summary of GWRC's key achievements from the last quarter of the 2015/16 year. The summary includes a financial report for the year ended 30 June 2016, an overview of Health and Safety and an update on major projects.

2. Background

The organisational summary report (**Attachment 1**) provides a cross-council summary of performance. It tells the overall organisational performance story with an 'at a glance' overview of key results in order to facilitate strategic conversations around performance and emerging issues.

The summary report *Highlights from the Last Quarter* includes:

- highlights under the high level outcomes/goals
- a cross-council financial summary and summary by Group
- an overview of Health and Safety
- a major project dashboard
- outcome trends report.

3. Comment

Highlights from the Quarter

Good progress was made in quarter four across activity areas that contribute to the achievement of organisational outcomes. Detailed information is provided in the Group Reports, which have been provided to Councillors separately.

Financial Summary

The full year operating deficit (before fair value movements and capex grants) was \$9.3m against a budgeted deficit of \$9.9m. Fair value movements were \$35.5m unfavourable to budget reflecting the unrealised loss on financial instruments (interest rate swaps), due to interest rates being at historical lows. These unrealised losses could reverse if interest rates begin to increase in the future.

Capital expenditure was \$28.4m favourable to budget primarily due to delays in the delivery of Matangi trains and Public Transport improvement projects (\$18.7m). In addition, Catchment programmes were \$3.2m favourable reflecting delays and re-prioritisation of planned work in Waiohine, Otaki and Waikanae. Environment was \$3.2m favourable to budget reflecting the re-categorisation of \$2.5m Wairarapa Water capex costs to opex.

Health and Safety

This quarter saw an increase in the number of health and safety events (incidents and near misses) which are being recorded in KESAW, our health and safety management system. The uptake in use of KESAW grows as we support the organisation with training on its use. While there has been a significant improvement in reporting events, there is still some way to go to meet the reporting timeframes.

Training continues to be an important part of our health and safety strategy. A training session was delivered to the Executive Leadership Team and other key health and safety leaders within GWRC. This session equipped attendees to understand what it means to develop and lead a health and safety culture in an organisation. Positive behavioural change is integral to growing an organisational culture which inherently supports health and safety.

Major Projects

Three major projects reached the final stages of completion in the last quarter. They are the Matangi project, PTOM Rail contract and Nutanix datacentre hardware replacement. There has been general improvement in performance across the board for all major projects, with a positive lift to 75% overall on track rating for Q4.

The projects within the Public Transport Transformation Programme continue to present ongoing challenges due to the complexity and evolving scope of some of these projects.

During the quarter, the PMO facilitated risk management review workshops for a number of the projects. These will continue through the next quarter. All major projects are progressing well as they move through their lifecycle with project managers showing greater emphasis on planning and proactive management of risks and issues.

Outcome Trends

The results in the *Outcome Trends Report* show that, overall, good progress has been made in key areas.

4. Communication

Matters in the report have been communicated through a variety of channels as relevant during the quarter.

5. The decision-making process and significance

No decision is being sought in this report.

5.1 Engagement

Engagement on this matter is unnecessary.

6. Recommendations

That the Council:

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

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Attachment 1: Highlights from the last quarter