

PERFORMANCE, AUDIT AND RISK COMMITTEE

Additional Documents

Thursday, 29 March 2018, 2.00pm

**Environment Canterbury
200 Tuam Street
Waimakariri Room**

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5.1 Health and Safety

Performance, Audit and Risk Committee (PARC) report

Date of meeting	Thursday, 29 March 2018
Author	Catherine Schache General Counsel
Endorsed by	Miles McConway Director Finance and Corporate Services

Purpose

1. To provide a summary of information on health and safety matters to the Performance, Audit and Risk Committee

Recommendations

That the Performance, Audit and Risk Committee:

1. Receive the Health and Safety Governance Report for March 2018

Attachments

- Health and Safety Governance Report – March 2018

Health & Safety Governance Report

March 2018

Last data refresh:
14th March 2018

The Health and Safety Strategy

OUR AIM: *Everyone comes to a safe workplace and goes home healthy and safe*

Environment Canterbury takes responsibility to prevent harm that could occur to any of its staff or other people affected by its work activities. This is an extension of its legal duties under the Health & Safety at Work Act 2015 (HSWA).

OUR OBJECTIVES: *To embed high quality safety awareness through a programme of continuous improvement:*

- We will be actively engaged in making our workplace safer
- Our equipment, plant, substances and processes of working will be safe
- Our systems of monitoring and reviewing will drive improvement

HOW WE'RE GOING TO GET THERE:

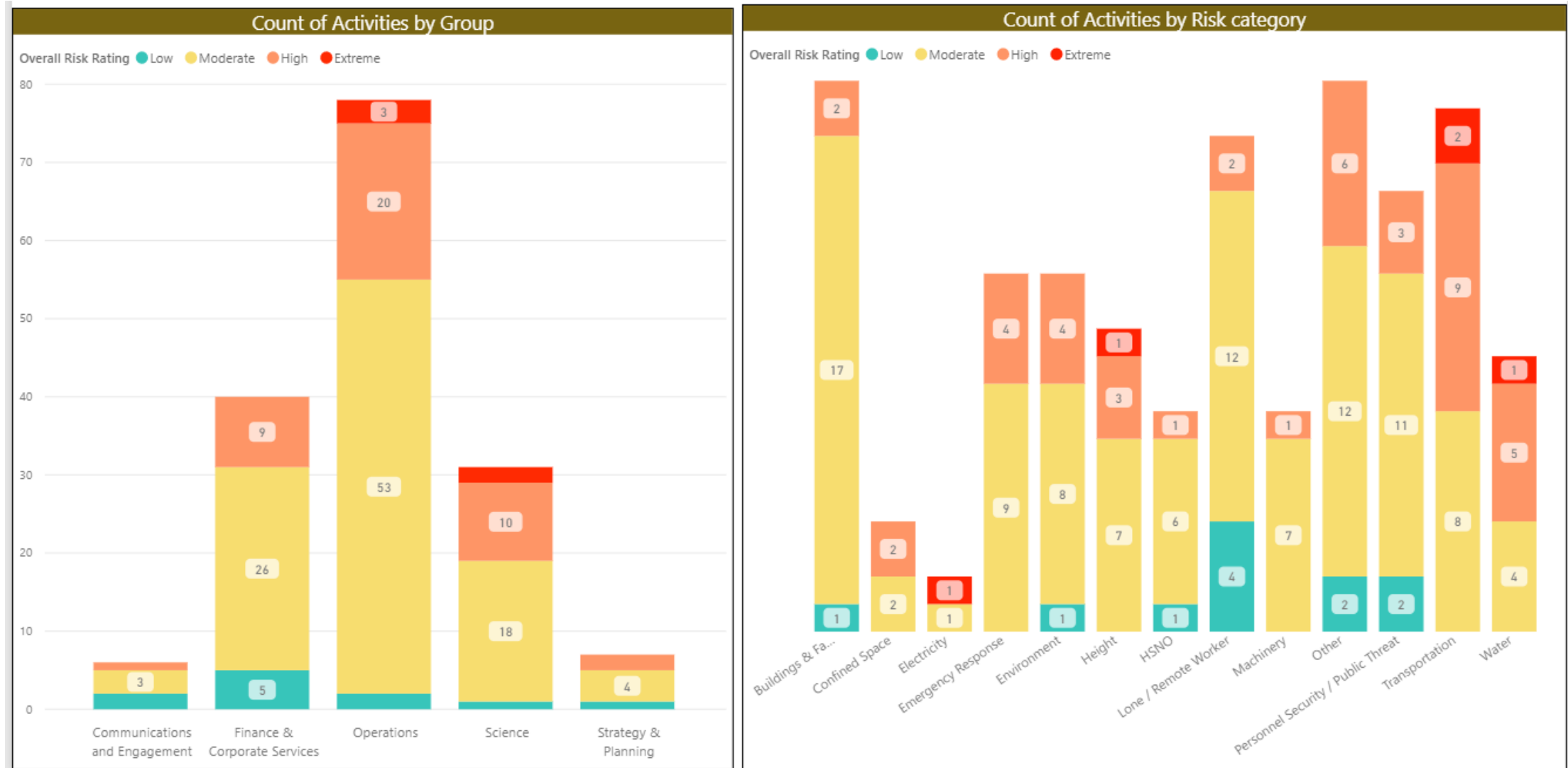
HEADS UP - STEP UP - STAY FOCUSED

HEADS UP	We will build our knowledge, skills and experience to enhance awareness of hazards in our work and the environment
STEP UP	We will use good judgement and take positive action to improve standards and quality in the workplace
STAY FOCUSED	We will remain alert, reporting and taking action on new hazards and striving for continuous improvement

	MEASUREMENT DESCRIPTION	DUE DATE	PROGRESS
1.	The Health and Safety Policy will be reviewed annually	Dec 2017	Completed (on time)
2.	Ten new protocols will be developed	May 2017	Signed off by the CE and being implemented
3.	Twelve 'Critical Risk Rules' will be implemented	Mar 2017	Completed. Programme to raise awareness and use now being developed.
4.	Each section will have a H&S Action Plan relative to their activities	Jun 2017	All Sections now have a health and safety plan in place for the current financial year
5.	Each section will have H&S Training/Competency Plan	Jun 2017	Draft training plans complete
6.	50% of all high risk activities will have a current "Safe System of Work"	Aug 2017	All high risk activities have an SOP, most now require a reviewing.
7.	75% of high risk activities and 35% of moderate risk activities will have a current "Safe System of Work"	Nov 2017	All needs identified and SOP's under development where absent
8.	The organisation will be externally audited against a recognized H&S standard	Aug 2017	Complete
9.	All reported incidents of harm are investigated within appropriate timeframes	Ongoing	Recent training has increased our ability to investigate events.
10.	80% of improvement will be actioned within the agreed timeframe	Ongoing	On target
11.	All contractors will be procured and managed as per the protocol	Aug 2017	Programme of work underway to make improvements
12.	A 5% improvement will be achieved every six months in the staff survey (H&S) results	Ongoing	On target

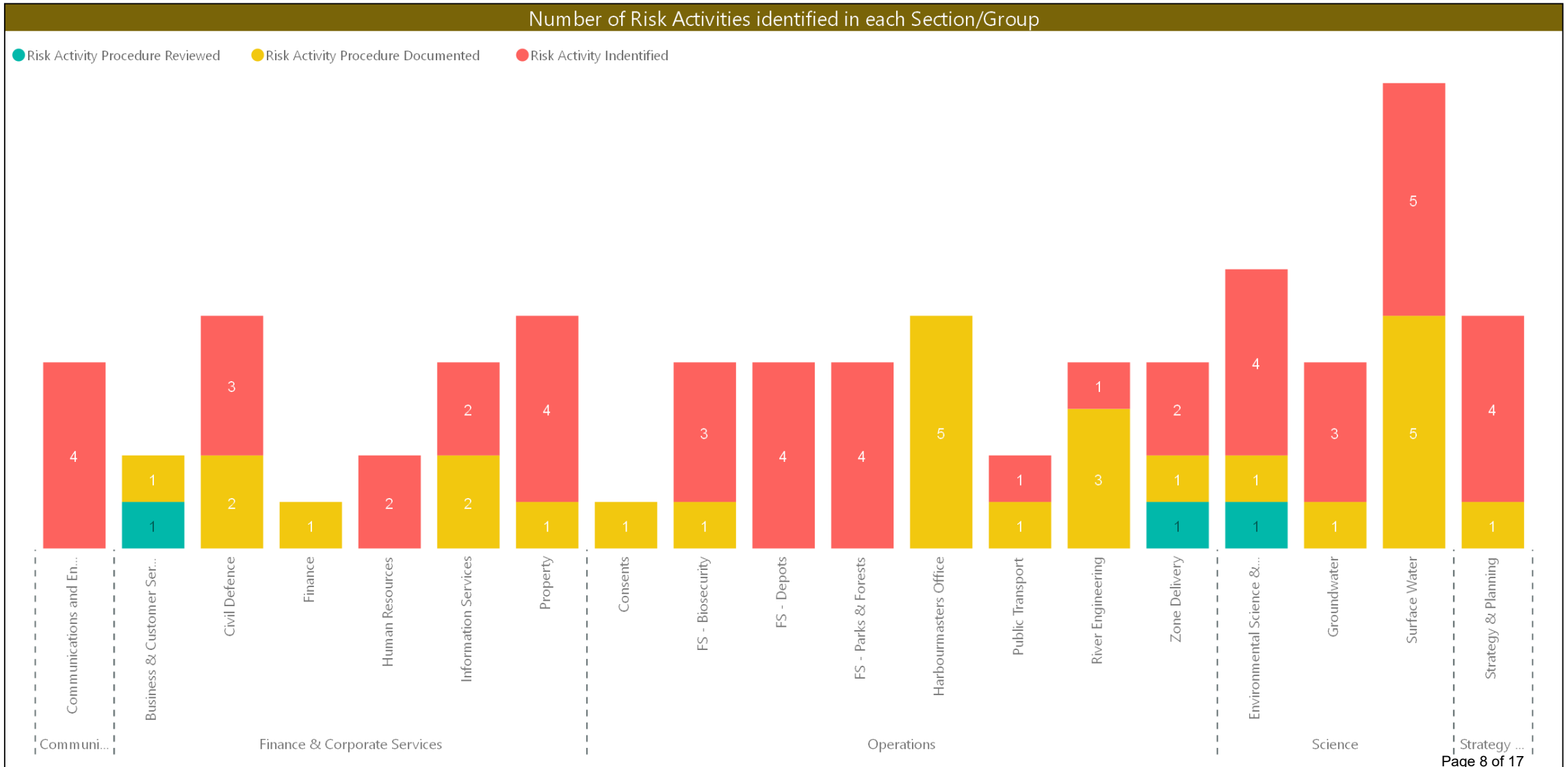
Risk Profiles

The Environment Canterbury risk profile remains unchanged. At this stage the focus of work is on improving the quality of processes to ensure that these existing risks are mitigated by the most effective methods.



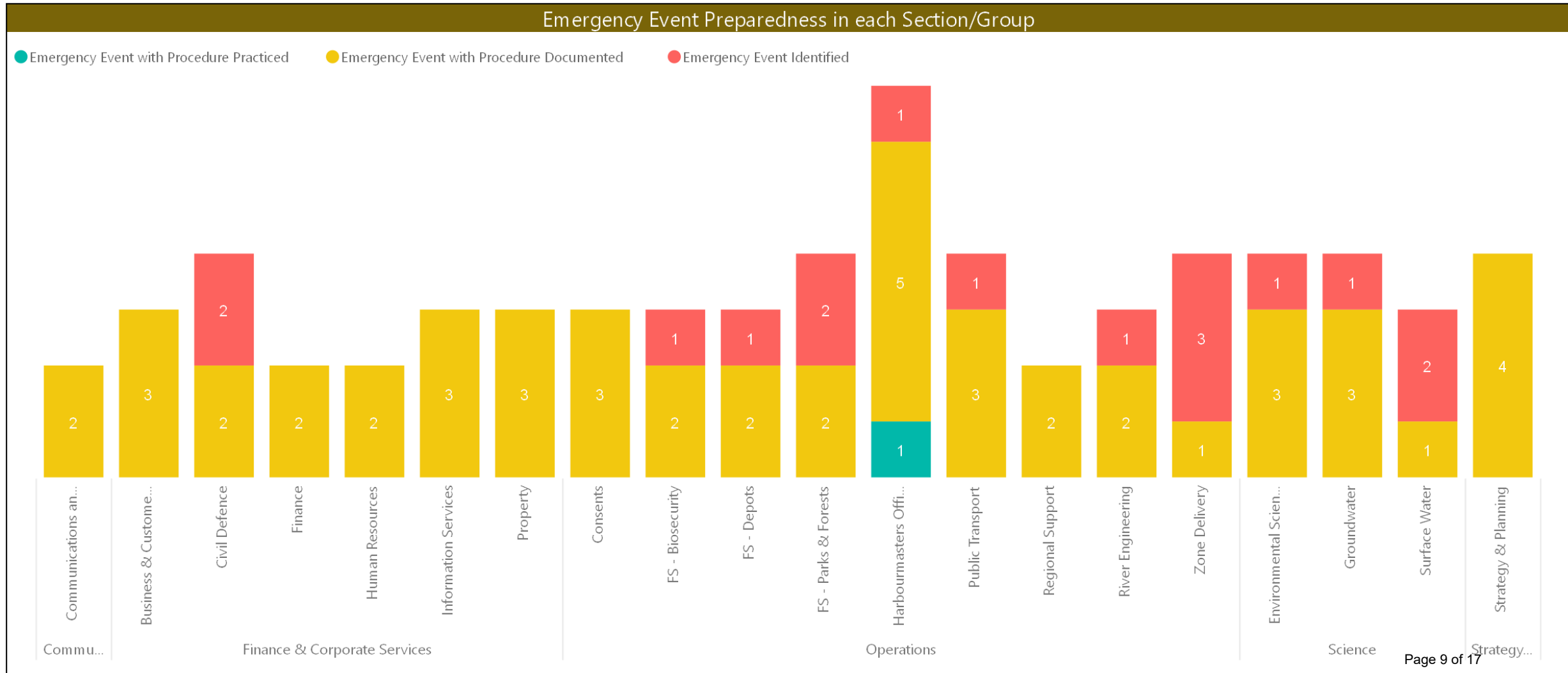
Assessment of Risk by Section

No change to this data has occurred since the previous report however after raising this with key leaders work is underway, however it hasn't been completed within this reporting cycle.



Emergency Preparedness

The periodic recording of procedure practices (on a three month cycle) has resulted in a downward change of the number of practices completed. We are reviewing timeframes for practices, based on risk profile. As with the development of procedures (previous slide) work is underway to ensure that emergency plans are developed and practiced by the end of the financial year.

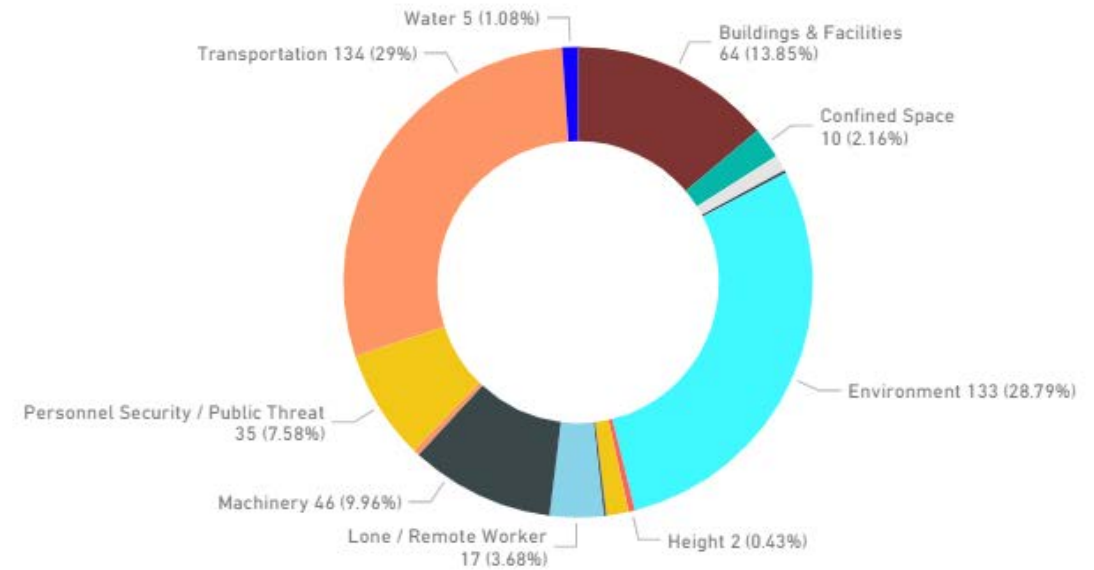


Incident Analysis

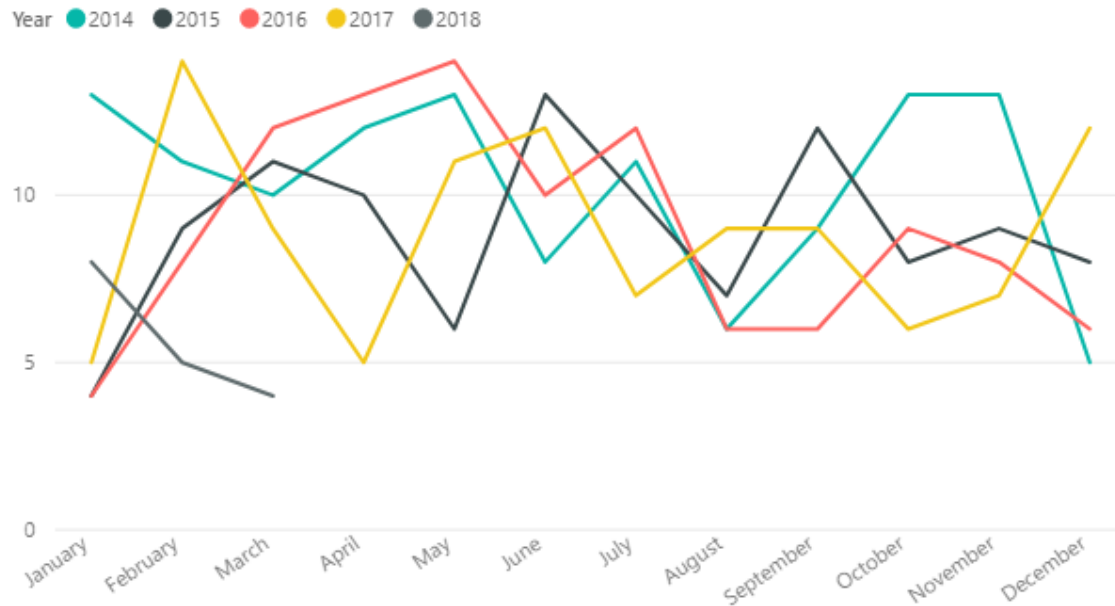
Incidence, severity and frequency rates continue to show a positive picture, and the events by risk category remains static. This provides confidence that our current strategies and approaches are effective.

The event of note in the past month is a threat made towards the Air Quality Team in Timaru. While no harm occurred it did raise concern for the future and in line with our documented processes it was reported to the Police and Bill Bayfield talked directly to the perpetrator to show that we consider this unacceptable and take the security of ECan personnel seriously. While we can not prevent members of public interacting with us in the manner it is reasonable to say that we have developed an effective methods to respond when it does occur and are using such events to stay ahead of potential future issues.

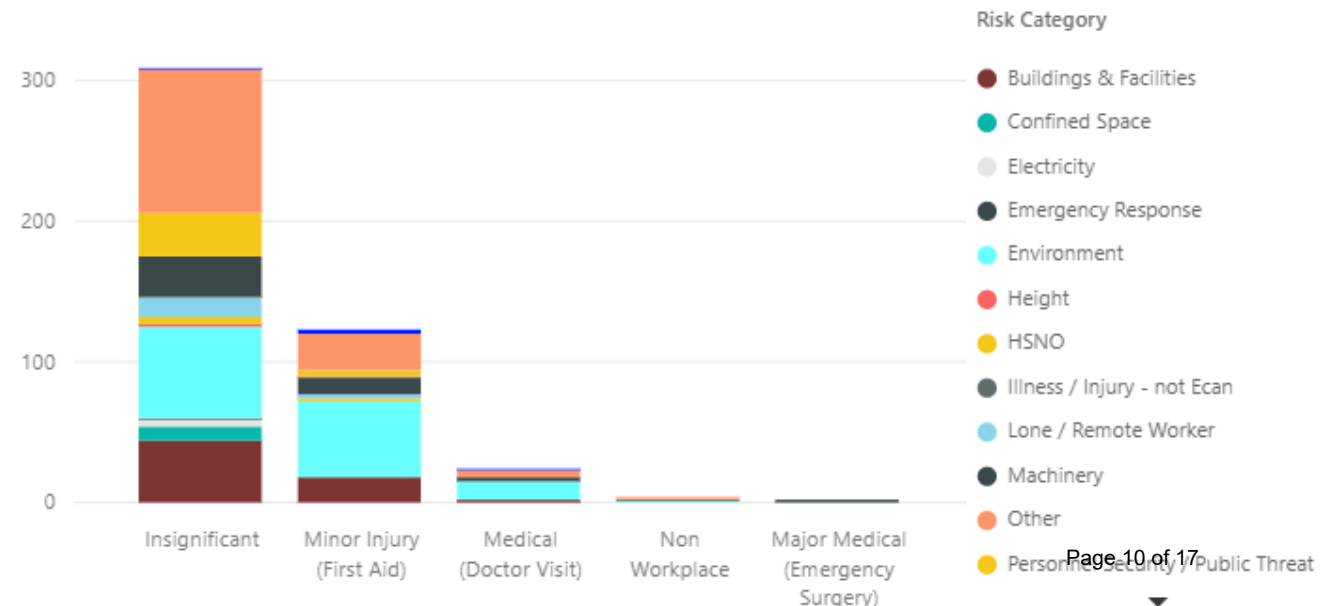
Incidents by Risk Category



Incidents by MonthName and Year



Incidents by Type and Risk Category



6.3 Public Transport Finance Update

Performance, Audit and Risk Committee (PARC) report

Date of meeting	29 March 2018
Author	Stewart Gibbon
Endorsed by	Nadeine Dommissie

Purpose

1. To provide a financial update on the Public Transport Programme

Recommendations

That the Performance, Audit and Risk Committee:

1. Receive the financial update on the Public Transport programme

Attachments

- Public Transport finance update

Public Transport Financial Update March 2018

Background

The following analysis is based on financial results for the eight-month period from 1 July 2017 to 28 February 2018. Monthly activity and risks are outlined at the end of the report.

Financial Results

The table below provides details of expenditure levels for the eight months 1 July 2017 to 28 February 2018 and also the various funding sources. The financial result is also compared to the 2017/18 Annual Plan budget.

\$000	Year to Date			
FUNDING OF SERVICES - REVENUE	Act	Bud	Var	%
Rates	14,436	14,436	0	0%
Grants	17,301	19,504	(2,203)	-11%
User pays and other	12,795	12,002	793	7%
Total Revenue	44,532	45,943	(1,411)	-3%
DELIVERY OF SERVICES - EXPENDITURE	Act	Bud	Var	%
Community Transport	2,425	2,100	325	15%
Greater Christchurch Metro	41,651	43,689	(2,037)	-5%
South Canterbury Metro	682	800	(118)	-15%
Total Expenditure	44,758	46,588	(1,830)	-4%
Reserve Accumulation / (Use)	(226)	(645)	420	

Public Transport expenditure is tracking 4% under budget, resulting in less NZTA grants. This is primarily due to NZTA indexing which has been lower than budgeted year to date.

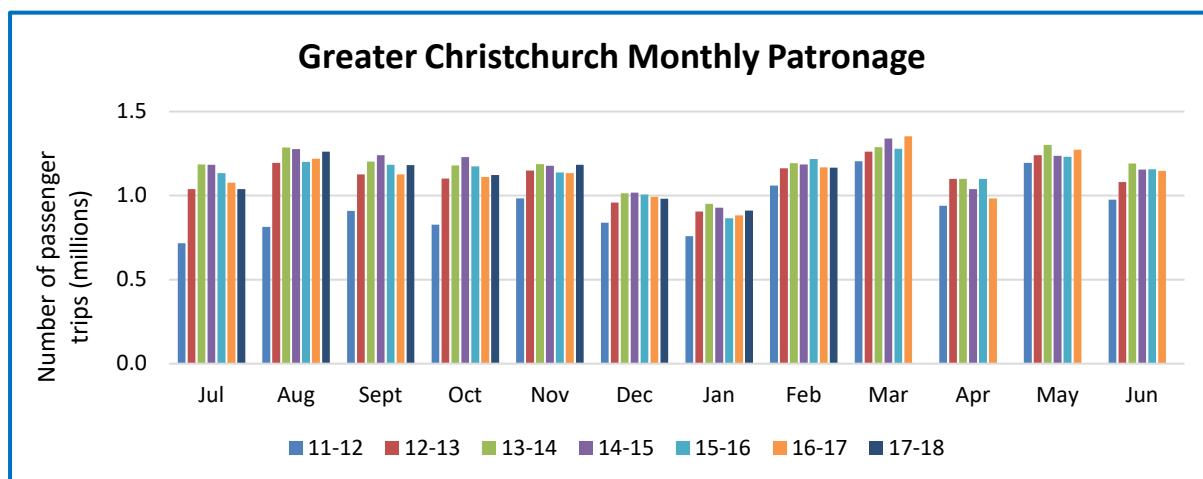
Marketing and IT support expenditure are currently behind budget due to timing of the activities within the financial year. NZTA index for September quarter has been adjusted in December accounts, the YTD index is lower than budget but is expected to increase in the following quarter with recent fuel price increase.

Total Mobility continues to be over budget as a result of higher than budgeted usage and on-going legal activity.

Monthly Activity

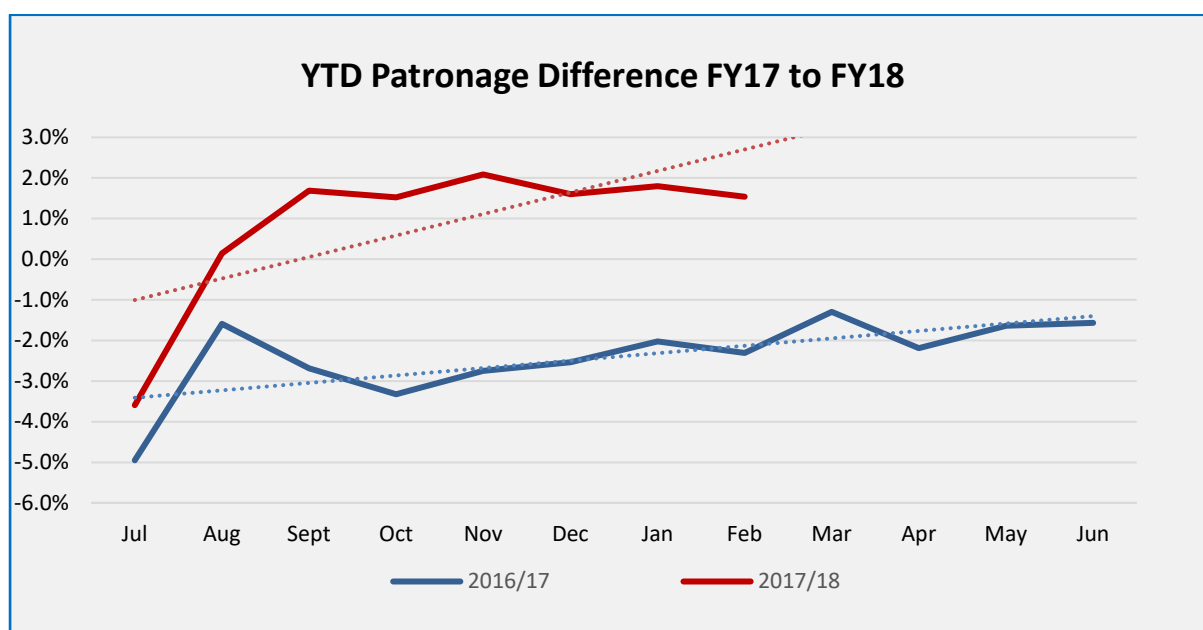
Patronage

The fiscal year to date February 2018



GREATER CHRISTCHURCH	Month February 2018	Prev Yr Comparison	Y-T-D	Prev Yr Comparison
Patronage	1,166,867	↓ 0.2%	8,845,765	↑ 1.5%
Commerciality	40.9	↓ 2.1	38.4	↓ 1.5

February 2018 saw Greater Christchurch's patronage decline by 0.2% representing circa 2,000 trips across the network. This is likely due to Waitangi Day falling on a Tuesday resulting in many people taking a day's leave for an extended weekend. The fiscal Y-T-D patronage is still tracking at a positive figure of 1.5% growth. It is good to note patronage growth for 5 of the 8 months year to date. As a comparison this time last year patronage was down -2.3% year-to-date as shown below.

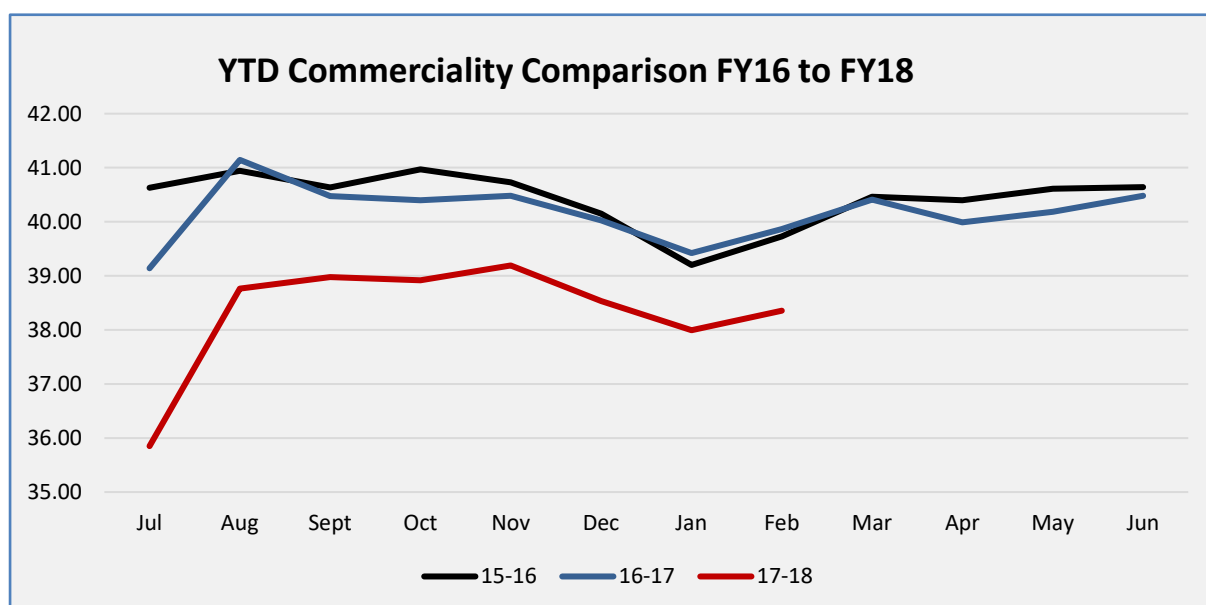


As anticipated, we have seen good growth across a number of our core routes over the summer period which has put pressure on available capacity for two of these routes, namely the Purple and Orange lines with YTD growth of 4.2% and 7.6% respectively.

Historically we have responded to such demand through contract variations and applying additional “Assist” buses. Without the financial ability to do this, we have re-allocated assets where possible to address this demand without impacting on other network services. However, our ability to respond further is now limited. As a general trend, March is our busiest month within the yearly cycle and with summer coming to an end, this peak demand should subside relieving the pressure.

Commerciality

The Commerciality target in the Canterbury Regional Public Transport Plan is to reach a ratio of 50 for cost recovery by the end of the 2019/2020 financial year. This represents Canterbury’s contribution to the National Farebox Recovery Policy.



Commerciality continues to be a challenge. Key drivers of this are increasing costs due to indexing and the full impact of the Northern Access Package enhancements to the Blue Line which came on stream in May 2017. Fare revenue, however has not kept pace with these cost increments. While fare revenue has increased as a result of improved patronage this is not sufficient given the low average fare of \$1.53. The relatively low yield per customer is a key issue to work on in addressing the financial outcomes for Public Transport.

Payment Type

Payment Type Feb 2018	Metrocard	Cash	SuperGold Card	Other eg Complimentary passes
Greater Christchurch	71.8%	18.6%	9.5%	0.1%

As a comparison, cash fares made up 19.8% of payments in February 2017.

Community Transport






Community Transport (combined Total Mobility & vehicle trusts) Y-T-D remains over budget driven primarily by the settlement process with providers. Total Mobility usage for February was slightly down on last year. The average subsidised Fare Y-T-D is \$9.70 excl GST which is \$0.20 higher than the same period last year (a 2% increase). This reflects the changing usage patterns

Fiscal Y-T-D figures to February 2018

		Actual Total	Budget Total	Variance
Community Transport	Total Expenditure	2,425,124	2,099,868	325,256
	Grants	(1,487,455)	(1,369,350)	(118,105)
	Other Income	(103,237)	(2,984)	(100,252)
	Targeted Rates	(727,534)	(727,534)	0
Community Transport Total		106,899	(0)	106,899

Project Updates

The following Projects are currently inflight:

National Ticketing		The procurement phase of this project has been on hold over the last 3 months while the parties consider potential opportunity to extend to include Auckland. Procurement phase expected to commence in May/Jun with an ROI process
Real Time Information System		RFI process completed Dec/Jan with a total of 8 responses received. Information currently being analysed to inform next steps.
Wi-Fi Trial		Work progresses on standing up an on-bus trial of Wi-Fi on two routes in the network to gauge and inform cost benefit analysis. Trial is expected to commence in April
RPTP Review		The review of the Regional Public Transport Plan is underway, overseen by the GCPTJC. Current timeline estimates this document will be available for consultation in August 2018
PT Data 2020		Work has commenced on Phase 1 of the PT Data 2020 initiative to improve access to and value from the Public Transport data portfolio. Phase 1 involves the creation of a data warehouse repository which will then be leveraged to deliver more efficient and effective information and reporting insights

Network Risk Summary

RISKS	MONTHLY UPDATE
Additional costs associated with extensive road works and detours	Moderate: The incidence of detours across the network has reduced significantly in the current year. The risk remains however and there are a few large detours planned for 2018 which are likely to impact the network.
Fuel price increase	Moderate: Fuel prices have increased over recent months. The risk remains that any increase will have a significant effect on budgets should they exceed projections. Higher fuel prices also tend to increase metro patronage and revenue, counteracting increased contract costs.
Potential for operator to collapse due to contracted market	Low: Staff continue to work with operators to ensure they are able to operate sustainably.
Road User Charge increase	Low: Road User Charges continue to represent a risk in that any significant increase such as the one that occurred in 2012 will have an effect on budgets.
Risk of discontinuation of grant	Low: There is minimal risk of discontinuation of grant provided we remain within the NZTA LTP budget envelope. This is a 3-year budget envelope. Should diesel prices rise during the 3-year LTP there is a risk that expenditure outside of that budgeted will have to be funded by ECan.
Bus Driver retention	Moderate: Bus operators continue to find it challenging to retain drivers due to the higher wages offered by trucking firms during the rebuild. With activity levels plateauing now, this pressure should ease.
Ticketing System	Moderate: The ticketing system remains a risk until the Metrocard is replaced with the more secure DesFire card type. Distribution of the DesFire has commenced. This risk is mitigated to a large extent by daily reporting to ensure there are no anomalous transactions taking place within the system.