

Report 99.131

17 March 1999

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US99131

Report to the Utility Services Committee
from David Benham, Divisional Manager, Utility Services

Divisional Report

1. Purpose

- To comment on the Utility Services Division's performance for the eight months ended 28 February 1999.
- To outline various other relevant areas of interest or activity.
- To receive the attached activity reports to 28 February 1999 (Attachment 1).

2. Divisional Performance for 8 Months Ended 28 February 1999

The division is performing well with an operating surplus in water supply \$1,423,400 ahead of budget. This is also \$432,200 better than at the same stage last year.

Plantation Forestry is \$152,900 worse than budget. This is mainly due to lower revenue than expected. The revenue we receive very much depends on the quality of the stands we are harvesting at the time, the degree of difficulty of harvesting, and indeed market conditions.

Capital expenditure is slightly behind schedule. Financially we are \$984,600 under budget for water supply and \$77,300 under budget for Plantation Forestry.

A more detailed analysis of the financial performance of the Group is provided in the February month financial statements. These will be forwarded to you shortly.

The summarised financial position is as follows:

1997/98		1998/99	1998/99	1998/99	1998/99
Year to Date		Year to Date	Year to Date	Year End	Year End
Actual		Actual	Budget	Outlook	Budget
\$000s		\$000s	\$000s	\$000s	\$000s
Water Supply					
22,648.9	Income	22,173.6	21,830.4	33,127.4	32,745.7
19,921.3	Expenditure	19,013.8	20,094.0	29,093.8	30,127.2
2,727.6	Operating Surplus	3,159.8	1,736.4	4,033.6	2,618.5
	(Operations	315.5	(40.2)	(14.1)	(69.9)
2,584.8	(Strategy and Assets	660.6	(20.9)	766.5	0
	(Support Services	2,005.2	1,609.1	2,980.2	2,409.4
52.1	Engineering Consultancy	78.2	110.4	163.8	165.6
90.7	Laboratory Services	100.3	78.0	137.2	113.4
2,727.6	Operating Surplus	3,159.8	1,736.4	4,033.6	2,618.5
Plantation Forestry					
452.0	Income	587.2	808.9	999.0	1,213.3
932.4	Expenditure	1,108.7	1,177.5	1,730.2	1,767.7
(480.4)	Operating Deficit	(521.5)	(368.6)	(731.2)	(554.4)

3. Annual Plan

Meetings have been arranged with Porirua City and Upper Hutt City Councils to discuss levy issues (and integration proposals) on 24 and 25 March respectively.

In addition we presented background information on the levy issues to officers of all the cities on Tuesday, 9 March.

4. Fluoridation – Petone Water Supply

A workshop on this issue follows this meeting at 11.00 am. A special meeting of this Committee is set for Tuesday, 20 April to finalise the Committee's position on the issue.

5. **Benchmarking**

Subsequent to this meeting and preceding the fluoridation workshop, we plan a short presentation reviewing the benchmarking results which compares our water supply performance with others taking part in the exercise.

6. **Water Supply Tour**

A reminder that this tour is scheduled for 9 April and will take up the whole day.

7. **Recommendation**

That this report be received and contents noted.

DAVID BENHAM
Divisional Manager, Utility Services

Attachment 1: Monthly Reports for Period Ended 28 February 1999