

Report 04.329
Date 30 April 2004
File O/02/01/10

Committee Utility Services
Author David Benham Divisional Manager, Utility Services

Divisional Report

1. Purpose

To

- Comment on the Utility Services Division financial performance for the eleven months ended 31 May 2004.
- Receive the attached activity reports to April 2004 (Attachment 1).
- Outline various areas of interest or activity.

2. Divisional Financial Performance for Eleven Months Ended 31 May 2004

Greater Wellington Water

Overall financial results are pleasing for the eleven months to date. Operating expenditure (excluding intra divisional revenue and expenses) is only \$47,000 higher than for the same period last year. The capital expenditure programme is proceeding satisfactorily. The total debt balance is \$45.9M and our insurance fund balance is \$6.6M.

From an operational perspective, the system continues to function very well. Detail of notable activities are included in the departmental reports.

Plantation Forestry

Given the overall prevailing market conditions and the February storms, the results since December have been pleasing. Our measure of success has been the ability to limit the increase in debt (ex-dividend) during the last five months to just \$145,000.

Unfortunately, however, market conditions are such that we expect June results to be disappointing (see Manager's comments).

Last Year to Date		Year to Date Actual \$000s	Year to Date Budget \$000s	Year End Forecast \$000s	Year End Budget \$000s
Water Supply					
23,962	Income	24,102	24,155	26,425	26,438
22,091	Expenditure	22,449	23,690	25,377	26,103
1,871	Operating Surplus	1,653	465	1,048	335
Plantation Forestry					
307	Operations	424	-	402	-
889	Strategy and Asset	939	-	312	-
644	Support Services	365	458	384	329
(2)	Engineering Consultancy	22	4	30	3
33	Laboratory Services	(97)	3	(80)	3
1,871	Operating Surplus/(Deficit)	1,653	465	1,048	335
(239)	Operating Surplus/(Deficit)	(154)	210	(371)	229

3. Customer Meetings to Discuss Proposed Annual Plan and Related Issues

Following on from a meeting held with Upper Hutt City Council in April, the Chairman of the Committee and I also attended the relevant committee meeting at Wellington City Council on Thursday, 27 May. John Morrison deputised for me at Porirua City Council's Infrastructure Committee meeting on Wednesday, 16 June. These were constructive and useful exchanges of information and views.

Hutt City Council decided that such a meeting was unnecessary.

4. Recommendation

That the report be received and the information noted.

Report prepared by:

David Benham
Divisional Manager, Utility Services

Attachment 1: Utility Services Division's Activity Report to 30 April 2004