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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 financial performance for the four months ended 31 October 2000.
- To outline various other relevant areas of interest or activity.
- To receive the attached activity reports to 31 October 2000 (Attachment 1).

2. Divisional Performance for 4 Months Ended 31 October 2000

Water Supply

Overall financial position is tracking under budget but expenses are somewhat ahead of last year. On an annualised basis however expenditure is pretty similar to last year. All capital projects are proceeding satisfactorily.

Generally as planned, this year includes no major operational projects and is a year of consolidation for the various new systems developed and implemented over the last few years.

The Network result reflects the successful resolution of a number of issues with Wellington City Council subsequent to the June year-end. The new contract from an operational and financial point of view is proceeding very satisfactorily.

Plantation Forestry

We are considerably down on budget for the year and compared with last year. Less favourable weather and only operating with one logging crew are the culprits. We continue to have difficulties engaging another hauler and crew. We expect that the second quarter to improve on the first quarter with much greater volume anticipated for the third quarter. We no longer expect to hit budget bottom line this year – by some distance. By how much will depend on how the Pakuratahi East blocks go (Incline area).

Last Year to Date		Year to Date Actual \$000s	Year to Date Budget \$000s	Year End Forecast \$000s	Year End Budget \$000s
Water Supply					
10,479	Income	10,247	10,095	30,339	30,339
8,809	Expenditure	9,262	9,456	28,588	28,588
1,670	Operating Surplus	985	639	1,751	1,751
586	Operations Wholesale	175	(1)	-	-
(62)	Operations Network	124	16	38	38
217	Strategy and Asset	68	-	-	-
834	Support Services	561	612	1,674	1,674
61	Engineering Consultancy	40	11	36	36
34	Laboratory Services	17	1	3	3
1,670	Operating Surplus/(Deficit)	985	639	1,751	1,751
Plantation Forestry					
1,362	Income	781	1,849	5,547	5,547
1,277	Expenditure	949	1,751	5,272	5,272
84	Operating Surplus/(Deficit)	(168)	98	275	275

3. Christmas Greetings

As this is our last meeting before Christmas can I wish you, and your families, a very enjoyable Christmas and New Year. I trust you have a relaxing break and return revived.

The Utility Services barbeque at the Wainuiomata Water Treatment Plant is to be held on Friday, 15 December, to which you have all been cordially invited.

My particular thanks for your valued support and advice during the year as we traversed a number of tricky issues. I suspect next year will be little different.

4. **Recommendation**

That the report be received and the information noted.

DAVID BENHAM
Divisional Manager, Utility Services

Attachment 1: Utility Services Division's Activity Reports to 31 October 2000