

Report 03.692
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Committee Utility Services
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Divisional Report

1. Purpose

To

- Comment on the Utility Services Division financial performance for the four months ended 31 October 2003.
- Receive the attached activity reports to 31 October 2003 (Attachment 1).
- Outline various areas of interest or activity.

2. Divisional Financial Performance for Four Months Ended 31 October 2003

Water Supply

Overall results are satisfactory for the four months to date. The impact on power costs of the 1080 drop in the Kaitoke catchment has been considerable. The necessity to use more aquifer source water, to use lake water rather than river water and the need to pump the water up Ngauranga gorge have meant that power costs are 30 percent more (or \$200,000) than the same period last year. Savings elsewhere has meant that total operating expenditure, however, is only slightly ahead of last year and \$400,000 below budget.

Plantation Forestry

Market signals are looking better with a rise in export prices which is starting to offset the impact of the high Kiwi dollar and rising freight rates. We continue to keep a very tight rein on expenditure with particular emphasis on roading, both for maintenance requirements and new capital construction.

Last Year to Date		Year to Date Actual \$000s	Year to Date Budget \$000s	Year End Forecast \$000s	Year End Budget \$000s
Water Supply					
8,746	Income	8,765	8,791	26,438	26,438
8,165	Expenditure	8,297	8,718	26,103	26,103
581	Operating Surplus	468	73	335	335
(6)	Operations	(7)	-	-	-
303	Strategy and Asset	360	-	-	-
249	Support Services	125	63	329	329
35	Engineering Consultancy	10	6	3	3
-	Laboratory Services	(20)	4	3	3
581	Operating Surplus/(Deficit)	468	73	335	335
Plantation Forestry					
1,277	Income	1,320	1,485	4,454	4,454
1,661	Expenditure	1,399	1,406	4,225	4,225
(384)	Operating Surplus/(Deficit)	(79)	79	229	229

3. Orongorongo Catchment Visit

Just a reminder that this meeting is due to be held at Wainuiomata Water Treatment Plant. Following the meeting we will travel through to Orongorongo catchment intake area, weather permitting. We trust you enjoy the trip.

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 31 October 2003