



Report 07.537  
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Committee Utility Services  
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Water Supply, Parks and Forests

## **Divisional report for period ended 31 July 2007**

### **1. Divisional Performance**

#### **1.1 Greater Wellington Water**

A slight increase in rainfall for July compared with June saw a lift in river flows for the month.

The Manager, Water Supply in his report outlined some of the routine maintenance work undertaken during the period. The point to note from this is the variety of work that is undertaken just to keep a water supply system operational.

The Health Select Committee has reported back to the House of Representatives on the Health (Drinking Water) Amendment Bill. While it is indicated in the manager's report that the changes recommended will have a minimal impact on Greater Wellington Water, it is pleasing to note that some of the points raised in our submission have been incorporated. For example, we will be able to reference other documents, such as our Quality System, in preparing public health risk management plans.

#### **1.2 Marketing**

Traditionally over the winter period we compare water sales volume year on year to gauge the change in base load between years. Because of a temporary increase in consumption due to a major leak last winter, the year on year comparison is not meaningful. As noted in the Marketing Manager's report, consumption for the first 17 weeks of this metering year is slightly lower than the comparison period two years prior. While there are several reasons for this, the work that the city customers are doing in reducing leaks is certainly a contributing factor.

The updated history of the Wellington water supply system is nearly ready for printing and it is expected this should be available for distribution at about the time of the last Council meeting for the triennium.

### 1.3 Forestry

Unfortunately the increased prices for logs that were experienced in December 2006 and early 2007 have to some extent tailed off. This is partly because of oversupply in some Asian markets, exchange rates and shipping costs.

A comment in the Manager's report that 104,000 seedlings have been planted in the plantation forests so far this season gives an indication of the scale of our harvesting operations.

### 1.4 Laboratory

The laboratory was decommissioned during July and, once all the equipment is removed, the area will be thoroughly cleaned prior to possible reuse.

## 2. Financial Performance as at 30 June 2007

Last Year to Date \$000s		Year to Date Actual \$000s	Year to Date Budget \$000s	Year End Forecast \$000s	Year End Budget \$000s
	<b>Water Supply</b>				
27,121	Income	27,396	27,245	27,253	27,245
27,180	Expenditure	27,767	29,264	28,025	29,264
<u>(59)</u>	<b>Operating Surplus (Deficit)</b>	<u>(371)</u>	<u>(2,019)</u>	<u>(772)</u>	<u>(2,019)</u>
373	Operations	386	--	210	--
236	Strategy and Asset	1,428	--	1,000	--
(651)	Support	(2,024)	(2,043)	(2,037)	(2,043)
(23)	Engineering Consultancy	63	31	30	31
6	Laboratory Services	(224)	(7)	25	(7)
<u>(59)</u>	<b>Operating Surplus (Deficit)</b>	<u>(371)</u>	<u>(2,019)</u>	<u>(772)</u>	<u>(2,019)</u>
	<b>Plantation Forestry</b>				
4,026	Income	5,020	7,693	7,703	7,693
4,185	Expenditure	5,871	6,913	5,901	6,913
<u>(159)</u>	<b>Operating Surplus (Deficit)</b>	<u>(851)</u>	<u>780</u>	<u>1,802</u>	<u>780</u>

## 3. Recommendations

*That the Committee:*

1. **Receives the report.**
2. **Notes the content of the report.**

Report prepared by:

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**Attachment 1** - Water Supply, Engineering Services, Forestry, Marketing and Design, and Laboratory reports for period ending 31 July 2007