

Quarterly Review – Capacity (Wellington Water Management Limited)

Capacity has presented its report for the quarter ended 30 September 2005 for review. A summary of key findings is presented below and the full report is attached.

Highlights: achievements

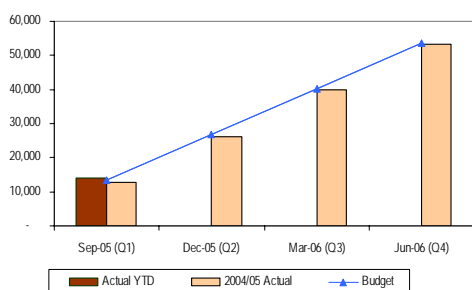
- New contractors to undertake WCC & HCC operations and maintenance started in July and it is estimate hat the 4 year contract will provide 80% of Capacity's \$4.175m savings target for the period ended 30/06/2009.
- The Wellington Inner City Bypass stormwater culvert is currently 10% ahead of schedule and is due to be completed in June 2006.

Activities during the quarter

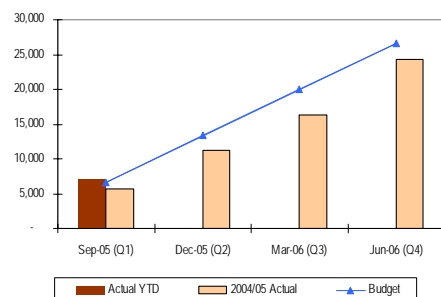
- Roseneath Reservoir construction was completed during the period. The design of this, and where possible, all future reservoirs is such that they will blend into the local environment.
- GWRC now no longer require the duplicate Mount Victoria sewerage tunnel resulting in a \$10m fund re-allocation, currently being discussed with WCC.

Performance

Total Operating Expenditure (\$'000)
(cumulative)



Total Capital Expenditure (\$'000)
(cumulative)



Macro Key Performance Indicators

The following KPI's have been reported by the company

Measure	Annual Target	Quarter Target	Quarter Actual
# times bulk water substandard	Nil	Nil	Nil
Water quality complies NZ std	100%	100%	100%
% water complaints fixed in 6 hrs			
% days contaminant free sample	100%	100%	100%
\$4.175m savings by 30/06/2009	\$625,000	n/a	n/a

The SLA savings model to define the \$4.175m for the 5 years to 30/06/2009 has been established, and the target for 2005/06 is \$625K and will be measured annually and reported in the 4th quarter.

Financial Commentary

- The main reason for expenditure being under budget are salary costs which are \$140K below budget due to vacancies in the Corporate area

Note that individual project expenditure is reported within the shareholding councils. The performance charts list the aggregate project expenditure being managed on behalf of the Council.

Statement of Financial Performance

For the quarter ended 30 September 2005

\$'000	Q1 Actual	Q1 Budget	YTD Actual	YTD Budget	FY Budget
Income	1,061	1,206	1,061	1,206	4,825
Expenditure	1,061	1,206	1,061	1,206	4,825
Operating surplus	-	-	-	-	-

Statement of Financial Position

As at 30 September 2005

\$'000	YTD Actual	2004/05 Actual	FY Budget
Current assets	871	940	926
Non-current assets	96	100	51
Current liabilities	487	560	379
Non-current liabilities	9	9	12
Equity	471	471	586
Current ratio	1.8 : 1	1.7 : 1	2.4 : 1
Equity ratio	49%	45%	41%

Statement of Cash Flows

As at 30 September 2005

\$'000	YTD Actual	2004/05 Actual	FY Budget
Operating	130	208	14
Investing	(1)	(65)	-
Financing	(3)	(11)	-
Net	126	133	14
Closing balance	563	437	348

Note: FY Budgets are as approved in the Business Plan.

Contact officer:

Ian Clements

Profile - Capacity (Wellington Water Management Limited)

Capacity (Wellington Water Management Ltd) is a council controlled trading organisation established in April 2004. Its primary role is to manage the water, wastewater and stormwater assets of its shareholding councils. Shareholders in 2004 are Hutt City Council and Wellington City Council.



In addition to the long term management of these assets Capacity was established with the objective and ability to pursue the development of related opportunities with other local authorities and organisations.

Entity Data

Established	5 th April 2004	
Board	Bryan Jackson (Chair) Keith Sutton Cr Alick Shaw (WCC) Cr Bryan Pepperell (WCC) Cr Roger Styles (HCC) Cr Ray Wallace (HCC)	<i>Term expires:</i> 30 Nov 06 30 Nov 06 31 Dec 07 31 Dec 07 31 Dec 07 31 Dec 07
CEO	David Hill	
Balance date	30 June	
Number of FTE staff	47	
Website	n/a	
Type of entity	Company	
LGA designation	CCTO	
By reason of Council interest	Board control: all trustees appointed by shareholding Councils	
Type of interest	\$375,000 (book value) 62.5% Shareholding	