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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 eight months ended 28 February 2001.
- To outline various other relevant areas of interest or activity.
- To receive the attached activity reports to 28 February 2001 (Attachment 1).

### **2. Divisional Performance for 8 Months Ended 28 February 2001**

#### **Water Supply**

The overall position continues to improve and after eight months shows a better than budget performance of \$845,000. Current indications are that we are trending to a better year-end position than forecast at the six months. The position to March though will give us a better lead, as most of the costs associated with the long dry spell will be included.

Capital expenditure continues to track under budget but we are still currently predicting a year-end position similar to that detailed at the six months.

#### **Plantation Forestry**

A considerably improved position is reported as significant volumes have been delivered in January and February. The bottom line has improved by \$100,000 since December and we continue to predict a break-even position at year-end.

<b>Last Year to Date</b>		<b>Year to Date Actual \$000s</b>	<b>Year to Date Budget \$000s</b>	<b>Year End Forecast \$000s</b>	<b>Year End Budget \$000s</b>
<b>Water Supply</b>					
20,985	Income	20,656	20,193	31,007	30,339
18,558	Expenditure	18,542	19,024	28,323	28,588
<b>2,427</b>	<b>Operating Surplus</b>	<b>2,114</b>	<b>1,169</b>	<b>2,684</b>	<b>1,751</b>
582	Operations Wholesale	363	-	220	-
(74)	Operations Network	127	27	297	38
183	Strategy and Asset	356	-	319	-
1,579	Support Services	1,155	1,119	1,689	1,674
107	Engineering Consultancy	65	21	103	36
50	Laboratory Services	48	2	56	3
<b>2,427</b>	<b>Operating Surplus/(Deficit)</b>	<b>2,114</b>	<b>1,169</b>	<b>2,684</b>	<b>1,751</b>
<b>Plantation Forestry</b>					
2,865	Income	1,839	3,698	4,450	5,546
2,613	Expenditure	1,969	3,512	4,448	5,271
<b>252</b>	<b>Operating Surplus/(Deficit)</b>	<b>(130)</b>	<b>186</b>	<b>2</b>	<b>275</b>

### 3. **Plantation Forestry Environmental Management System**

At the previous meeting I was asked to explain the linkages between the Plantation Forestry Environmental Management System, and the Forestry Management Plan.

Firstly an explanation of what an Environmental Management System (EMS) is. In essence, an EMS is an organisational and management tool to systemise environmental management within an organisation and an activity. It sets the environmental policy and details the objectives and targets. From a management perspective it sets in place a discipline to ensure appropriate environmental performance. The Water Group has gone one step further and achieved ISO14001 accreditation that entails independent reviews and audits of performance. Largely, in my view, an EMS is essentially a management tool to ensure certain environmental outcomes and monitor performance. In terms of linkages with other plans the environmental objectives set out in the plans should be consistent. We believe the Plantation Forestry EMS is not in any way inconsistent with any other plan.

### 4. **Presentations**

Following the meeting we propose to give a couple of brief presentations. One on the recently completed PricewaterhouseCoopers benchmarking study and the other on requested information on the Health Department's proposals on risk management plans.

**5. Recommendation**

*That the report is received and the information noted.*

DAVID BENHAM  
Divisional Manager, Utility Services

Attachment 1: Utility Services Division's Activity Reports to 28 February 2001