

Quarterly Review – Capacity (Wellington Water Management Limited)

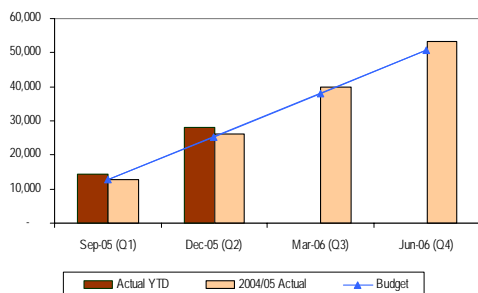
Capacity has presented its report for the quarter ended 31 December 2005 for review. A summary of key findings is presented below and the full report is attached.

Highlights: achievements

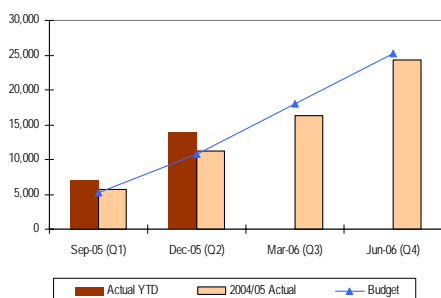
- Bilfinger Berger Services (contracted to undertake operations and maintenance work for WCC and HCC) continue to meet performance targets. They are also trialling mobile field computing, enabling staff to have access to real time information and allowing them to react more quickly to service requests.
- Capacity is merging contract management practices between WCC and HCC in order to identify, consolidate and implement best practice.

Performance

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



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



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.

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	<i>There is some uncertainty around the accuracy of measurement here</i>		
Respond to all service requests within 1 hour	95%	95%	98%
% 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.

Activities during the quarter

- The Wellington Inner City Bypass storm water culvert is currently 80% complete.
- A 3.5 mega-litre water reservoir being built in the Mornington Golf Course next to the Mount Albert Road continued during the quarter.

Financial Commentary

- The main reason for expenditure being under budget is salary costs which are \$257k under budget. Capacity is still undergoing a restructure and has two strategic asset management positions to fill.

Statement of Financial Performance

For the quarter ended 31 December 2005

\$'000	Q2 Actual	Q2 Budget	YTD Actual	YTD Budget	FY Budget
Income	1,066	1,224	2,127	2,430	4,825
Expenditure	1,066	1,224	2,127	2,430	4,825
Operating surplus	-	-	-	-	-

Statement of Financial Position

As at 31 December 2005

\$'000	2005/06 YTD Actual	2004/05 FY Actual	FY Budget
Current assets	941	940	926
Non-current assets	99	100	51
Current liabilities	560	560	379
Non-current liabilities	9	9	12
Equity	471	471	586
Current ratio	1.7 : 1	1.7 : 1	2.4 : 1
Equity ratio	45%	45%	41%

Statement of Cash Flows

As at 31 December 2005

\$'000	2005/06 YTD Actual	2004/05 FY Actual	FY Budget
Operating	(276)	208	14
Investing	(8)	(65)	-
Financing	(6)	(11)	-
Net	(290)	133	14
Closing balance	147	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 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	www.capacity.net.nz	
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 of Funding Shares: 50% of Voting Shares	