

Report to the Rural Services and Wairarapa Committee  
from Stephen Hill, Divisional Accountant, Wairarapa

## Financial Report for the Nine Months to 31 March 2000

### 1. Purpose

To inform the committee of the Division's financial performance to budget.

### 2. Comment

At the end of March the Division overall was \$510,000 under budget with revenue being \$261,000 below budget and operating expenditure \$771,000 below. Capital expenditure at February was \$19,000 below budget.

### 3. Operating Surplus

	1999/00	1999/00	1999/00		1999/00	1999/00	1999/00	
	YTD	YTD	YTD		Year	Year	Budget	
	Actual	Budget	Variance		Forecast	Budget	Variance	
	\$000s	\$000s	\$000s		\$000s	\$000s	\$000s	
Operating Surplus(Deficit)								
Biosecurity	66	(90)	156 F		(42)	(102)	60 F	
Operations	95	(83)	178 F		127	(58)	185 F	
Planning & Resources	(8)	(36)	28 F		(105)	(40)	(65) U	
Support Services	164	16	148 F		129	29	100 F	
<b>Total Operating Surplus(Deficit)</b>	<b>317</b>	<b>(193)</b>	<b>510 F</b>		<b>109</b>	<b>(171)</b>	<b>280 F</b>	

Significant components of this favourable variance are as follows:

(1) *Biosecurity Department \$156,000 Favourable*

Related to permanent savings for Bovine Tb operations due to reduced hectares requiring treatment and savings in contract expenditure for the Pest Plants activity due to timing.

(2) *Operations Department \$178,000 Favourable*

There were offsetting variances within activities due to permanent and timing savings, but the major variance related to extra logging revenue of \$182,000 for

the Reserve Forest's business unit, because of additional volume and some improvement in prices.

(3) *Support Services Department \$148,000 Favourable*

Related to the \$65,000 accrual for the PABX replacement (capitalised), savings in materials, and additional rate penalty income and Workshop recoveries.

#### 4. Capital Expenditure

	1999/00	1999/00	1999/00		1999/00	1999/00	1999/00
	YTD	YTD	YTD		Year	Year	Budget
	Actual	Budget	Variance		Forecast	Budget	Variance
Capital Expenditure	\$000s	\$000s	\$000s		\$000s	\$000s	\$000s
Biosecurity	96	90	(6) U		104	90	(14) U
Operations	327	444	117 F		539	658	119 F
Planning & Resources	0	18	18 F		34	34	0 U
Support Services	130	20	(110) U		118	20	(98) U
<b>Total Capital Expenditure</b>	<b>553</b>	<b>572</b>	<b>19 F</b>		<b>795</b>	<b>802</b>	<b>7 F</b>

Significant components of this favourable variance are as follows:

(1) *Operations Department \$117,000 Favourable*

Related to expenditure on Mahaki Floodgate upgrade yet to be capitalised and silviculture savings for the Reserve Forests business unit.

(2) *Support Services \$110,000 Unfavourable*

Related to the PABX replacement and the unbudgeted replacement of the 15 year old Workshop vehicle.

#### 5. Recommendation

*That the report be received and its contents noted.*

Report prepared by:

Approved for submission:

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Divisional Accountant

COLIN WRIGHT  
Divisional Manager