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Report 01.421

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

Financial Report for the Eleven months to 31 May 2001

1. Purpose

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

2. Operating Performance

	YTD Actual \$000's	YTD Budget \$000's	YTD Variance \$000'S	FY Forecast \$000's	FY Budget \$000's
Rates & Levies	7,461	7,469	8U	8,147	8,148
Grants & Subsidies	0	0	0F	0	0
External Revenue	4,183	4,584	401U	4,872	5,061
Investment Revenue	129	121	8F	126	134
Internal Revenue	2,043	1,906	137F	2,196	2,110
Total Revenue	13,816	14,080	264U	15,341	15,453
Personnel Costs	4,615	5,122	507F	5,104	5,637
Materials	1,752	1,740	12U	2,032	1,897
Travel & Transport	230	416	186F	297	455
Contractor & Consultants	3,099	2,953	146U	3,989	3,221
Grants & Subsidies	80	118	38F	106	128
Internal Charges	2,385	2,277	108U	2,548	2,491
Total Direct Expenditure	12,161	12,626	465U	14,076	13,829
Financial Costs	477	539	62F	588	588
Bad Debts	38	0	38U	0	0
Net Corporate Overheads	631	631	0F	688	688
Depreciation	255	315	60F	291	345
Loss(Gain) on Assets	(77)	(69)	8F	(83)	(70)
Total Indirect Expenditure	1,324	1,416	92F	1,484	1,551
Total Operating Expenditure	13,485	14,042	557F	15,560	15,380
Operating Surplus/(Deficit)	331	38	293F	(219)	73
Net Capital Expenditure	149	228	79F	206	228

3. Comment

At the end of May the Division overall was \$293,000 under budget with revenue being \$264,000 below budget and operating expenditure \$557,000 below budget. Capital expenditure at May was \$79,000 below budget.

Significant components of this favourable variance are as follows:

(1) *Biosecurity Department \$579,000 Favourable*

Net expenditure for the Bovine Tb activity was \$460,000 below budget, primarily because of the cancellation of expanded operations in Southeast Wairarapa. Expenditure for the Pest Plants and Animals activities was \$140,000 below budget due to timing and delays for KNE contracts.

(2) *Operations Department \$460,000 Unfavourable*

The Operations variance mostly related to additional expenditure for River Management for flood damage repairs. Other exceptions were additional revenue for Soil Conservation and Akura, offset by additional expenditure for Soil Conservation and reduced logging revenue and logging costs for Reserve forests.

(3) *Planning & Resources Department \$100,000 Favourable*

Related to savings in personnel, materials and contract expenditure.

(4) *Support Services Department \$74,000 Favourable*

Related to savings on materials and personnel costs.

4. Recommendation

That the report be received and the contents noted.

Report prepared by:

Approved for submission:

STEPHEN HILL
Divisional Accountant

COLIN WRIGHT
Divisional Manager