



Report 04.129
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Committee Rural Services and Wairarapa
Author Stephen Hill, Divisional Accountant

Financial Report for the Eight Months to 29 February 2004

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	5,645	5,645	0F	8,466	8,467
External Revenue	3,974	5,269	1,295U	7,016	8,076
Investment Revenue	82	93	11U	140	140
Internal Revenue	3,320	1,888	1,432F	2,742	2,719
Total Revenue	13,021	12,895	126F	18,364	19,402
Personnel Costs	3,625	3,966	341F	5,782	5,994
Materials	1,282	1,303	21F	1,842	1,924
Travel & Transport	155	209	54F	316	314
Contractors	2,420	3,600	1,180F	5,109	5,634
Consultants	409	354	55U	580	530
Grants & Subsidies	90	68	22U	84	101
Internal Charges	3,524	2,101	1,423U	3,120	3,046
Total Direct Expenditure	11,505	11,601	96F	16,833	17,543
Financial Costs	431	446	15F	668	669
Bad Debts	(12)	0	12F	0	0
Net Corporate Overheads	683	683	0F	1,026	1,025
Depreciation	277	130	147U	403	195
Loss(Gain) on Assets	(20)	(66)	46U	(66)	(66)
Total Indirect Expenditure	1,359	1,193	166U	2,031	1,823
Total Operating Expenditure	12,864	12,794	70U	18,864	19,366
Operating Surplus/(Deficit)	157	101	56F	(500)	36
Net Capital Expenditure	298	238	60U	348	349

3. Comment

At the end of February the Division overall was \$56,000 under budget with total revenue being \$126,000 above budget and operating expenditure \$70,000 above budget. Capital expenditure at February was \$60,000 above budget, due to the timing of vehicle sales.

Significant components of this favourable variance are as follows:

(1) Biosecurity Department \$141,000 Favourable

Overall, the Bovine Tb activity was close to net budget. However, total income and expenditure was \$1.0m below budget, due to the timing of vector control contracts. Pest Plants expenditure was \$87,500 below budget due to timing of OMB and KNE contract and savings in personnel costs.

(2) Land & River Operations Department \$113,000 Unfavourable

The LARO Department had several offsetting variances including; reduced logging revenue and costs of \$0.2m for the Reserve Forests business unit. River Management was \$142,000 over budget because of flood damage repairs and additional expenditure for the Lower Wairarapa Scheme review. Administration was \$128,000 over budget due to incorrect vehicle depreciation, and the timing of insurance costs and gain on sale of vehicles. Riparian management expenditure was \$75,500 below budget. The Akura business unit was \$55,000 ahead of budget due to timing.

4. Recommendation

That the report be received and the contents noted.

Report prepared by:

Report approved by:

Stephen Hill
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Colin Wright
Divisional Manager, Wairarapa