



Report 03.183
Date 4 April 2003
File Y/21/1

Committee Rural Services and Wairarapa
Author Stephen Hill, Accountant

Financial Report for the Eight Months to 28 February 2003

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	5,056	5,051	5F	7,579	7,577
External Revenue	3,605	4,429	824U	7,093	7,402
Investment Revenue	108	113	5U	169	170
Internal Revenue	1,757	1,652	105F	2,643	2,479
Total Revenue	10,526	11,245	719U	17,484	17,628
Personnel Costs	3,502	3,804	302F	5,869	5,706
Materials	1,164	1,161	3U	1,789	1,837
Travel & Transport	174	248	74F	344	372
Contractors	2,245	2,463	218F	4,280	4,914
Consultants	296	311	15F	465	465
Grants & Subsidies	68	68	0F	102	102
Internal Charges	1,978	1,893	85U	3,081	2,779
Total Direct Expenditure	9,427	9,948	521F	15,930	16,175
Financial Costs	412	412	0F	598	618
Bad Debts	10	0	10U	0	0
Net Corporate Overheads	519	519	0F	777	778
Depreciation	275	157	118U	407	235
Loss(Gain) on Assets	(42)	(70)	28U	(80)	(70)
Total Indirect Expenditure	1,174	1,018	156U	1,702	1,561
Total Operating Expenditure	10,601	10,966	365F	17,632	17,736
Operating Surplus/(Deficit)	(75)	279	354U	(148)	(108)
Net Capital Expenditure	204	190	14U	190	190

3. Comment

At the end of February the Division overall was \$354,000 above budget with revenue being \$719,000 below budget and operating expenditure \$365,000 below budget. Capital expenditure at February was \$14,000 above budget.

Significant components of this unfavourable variance are as follows:

(1) Biosecurity Department \$246,000 Unfavourable

The Bovine Tb activity was \$327,000 unfavourable due to the timing of vector control contracts. Pest Animals was \$103,000 favourable due to the timing of KNE work.

(2) Land & River Operations \$172,000 Unfavourable

River management was \$192,000 ahead of budget because of minor flood repairs, very good progress with Scheme maintenance programmes and additional depreciation on infrastructure assets. Reserve Forests logging revenue and costs were both \$450,000 below budget. Construction of the Tauanui access road is nearing completion and greater harvest volumes are anticipated for 2003/04.

(3) Planning & Resources Department \$14,000 Unfavourable

(4) Support Services Department \$78,000 Favourable

Savings for materials & supplies 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, Wairarapa