

Financial Report

Update for the period ending 28 February 2007

Catchment Division Funding Impact Statement 8 Months Ended 28 February 2007	YTD Actual \$000	YTD Budget \$000	YTD Var \$000	FY Forecast \$000	FY Budget \$000	FY Var \$000
Rates & levies	9,958	9,958	0 U	14,937	14,937	0 U
Government grants & subsidies	0	0	0 U	0	0	0 U
External revenue	4,797	4,174	623 F	6,760	7,158	-398 U
Investment revenue	316	285	31 F	428	428	0 U
Internal revenue	3,088	2,833	255 F	5,034	5,149	-115 U
TOTAL REVENUE	18,159	17,250	909 F	27,159	27,672	-513 U
Personnel costs	4,332	4,575	243 F	6,788	6,863	75 F
Materials, supplies & services	1,966	1,529	-437 U	2,863	2,408	-455 U
Travel & transport costs	298	235	-63 U	401	355	-46 U
Contractors	2,935	2,609	-326 U	4,662	4,252	-410 U
Consultants	887	535	-352 U	1,123	1,106	-17 U
Grants and subsidies	62	55	-7 U	105	103	-2 U
Internal charges	3,388	2,989	-399 U	5,169	5,383	214 F
TOTAL DIRECT EXPENDITURE	13,868	12,527	-1,341 U	21,111	20,470	-641 U
TOTAL INDIRECT EXPENDITURE	2,750	2,671	-79 U	4,254	4,055	-199 U
TOTAL EXPENDITURE	16,618	15,198	-1,420 U	25,365	24,525	-840 U
OPERATING SURPLUS/(DEFICIT)	1,541	2,052	-511 U	1,794	3,147	-1,353 U
Add back non cash items	704	517	187 F	1,103	823	280 F
Less capital expenditure	-1,755	-2,838	1,083 F	-5,040	-6,554	1,514 F
Less investments movements	-168	-167	-1 U	-335	-335	0 U
Less debt repayments	-1,222	-1,268	46 F	-1,898	-1,902	4 F
Plus debt additions	1,291	2,376	-1,085 U	3,832	5,643	-1,811 U
Plus reserve movements	-544	-506	-38 U	319	-775	1,094 F
FUNDING SURPLUS/(DEFICIT)	-153	166	-319 U	-225	47	-272 U

2. Comment

At the end of February the Division's funding position was \$319,000 over budget with revenue being \$909,000 above budget and operating expenditure \$1,420,000 above budget. Capital expenditure at February was \$1,083,000 below budget because of delays with several flood protection works; Chrystalls extended stopbank, Whirinaki Crescent stopbank, Ava Rail stopbank, and the Lower Wairarapa Valley Development scheme.

Year end forecasts have not changed significantly since the half yearly review, although the Division is aiming to reduce the projected year end deficit. Forecasts will be updated at period 9 (31 March).

Significant changes in Departmental funding variances since December are as follows:

- (1) *Biosecurity funding movement \$235,000 Favourable*

Due to the timing of pest plant control contracts for eradication and containment species, Old Man's Beard control work, and Monitoring & Investigations contracts. Total Bovine Tb vector control income and expenditure was \$650,000 above budget at the close of February.

- (2) *BioWorks funding movement \$177,000 Unfavourable*

The BioWorks funding position has deteriorated since December due to the heavy phasing of budget revenue during the 2nd half of the financial year. A full-year funding deficit of \$223,000 remains in the forecast (unchanged from the December half year review).

- (3) *Land Management funding movement \$45,000 Favourable*

Small improvement in funding since December due to the timing of work programmes.

- (4) *Flood Protection funding \$73,000 Unfavourable*

Due to further progress with flood damage repair work for the Wairarapa river schemes from the July/August 2006 floods. The year end position remains favourable once the reserve drawdowns are made to cover the flood damage costs.

Stephen Hill
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