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Report 01.656

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

Financial Report for the Twelve months to 30 June 2001

1. Purpose

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

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	8,126	8,148	22U	8,147	8,148
Grants & Subsidies	0	0	0F	0	0
External Revenue	119	134	15U	4,872	5,061
Investment Revenue	5,034	5,061	27U	126	134
Internal Revenue	2,361	2,110	251F	2,196	2,110
Total Revenue	15,640	15,453	187F	15,341	15,453
Personnel Costs	5,067	5,637	570F	5,104	5,637
Materials	2,030	1,897	133U	2,032	1,897
Travel & Transport	274	455	181F	297	455
Contractor & Consultants	4,101	3,221	880U	3,989	3,221
Grants & Subsidies	2,731	2,491	240U	106	128
Internal Charges	107	128	21F	2,548	2,491
Total Direct Expenditure	14,310	13,829	481U	14,076	13,829
Financial Costs	525	588	63F	588	588
Bad Debts	14	0	14U	0	0
Net Corporate Overheads	688	688	0F	688	688
Depreciation	274	345	71F	291	345
Loss(Gain) on Assets	(79)	(70)	9F	(83)	(70)
Total Indirect Expenditure	1,422	1,551	129F	1,484	1,551
Total Operating Expenditure	15,732	15,380	352U	15,560	15,380
Operating Surplus/(Deficit)	(92)	73	165U	(219)	73
Net Capital Expenditure	165	228	63F	206	228

3. Comment

At the end of June the Division overall was \$165,000 over budget with revenue being \$187,000 above budget and operating expenditure \$352,000 above budget. Capital expenditure at June was \$63,000 below budget.

Significant components of this unfavourable operating variance are as follows:

(1) *Biosecurity Department \$491,000 Favourable*

Net expenditure for the Bovine Tb activity was \$440,000 below budget, primarily because of the cancellation of expanded operations in South-East Wairarapa which did not proceed because of a lack of matching funds from the Animal Health Board. Expenditure for the Pest Animals activity was \$41,000 below budget due to not completing the Eastbourne KNE operation.

(2) *Operations Department \$661,000 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 \$22,000 Unfavourable*

Related to additional legal costs of \$40,000 partly offset by savings in personnel expenditure.

(4) *Support Services Department \$27,000 Favourable*

Mainly related to savings in personnel costs.

4. Recommendation

That the report be received and the contents noted.

Report prepared by:

Approved for submission by:

STEPHEN HILL
Divisional Accountant

COLIN WRIGHT
Divisional Manager, Wairarapa