



caring about you & your environment

Report 02.504

13 August 2002

File: Y/2/1/1

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

Financial Report for the Twelve months to 30 June 2002

1. Purpose

To advise of the Division's financial performance for the financial year to 30 June.

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	7,571	7,578	7U	7,568	7,578
Grants & Subsidies	10	0	10F	0	0
External Revenue	6,435	7,698	1,263U	5,997	7,698
Investment Revenue	134	120	14F	120	120
Internal Revenue	2,583	2,194	389F	2,485	2,194
Total Revenue	16,733	17,590	857U	16,170	17,590
Personnel Costs	5,358	5,931	573F	5,377	5,931
Materials	1,915	2,114	199F	1,879	2,114
Travel & Transport	310	348	38F	291	348
Contractor & Consultants	4,548	4,518	30U	4,250	4,518
Grants & Subsidies	89	112	23F	102	112
Internal Charges	2,793	2,607	186U	2,730	2,607
Total Direct Expenditure	15,013	15,630	617F	14,629	15,630
Financial Costs	585	586	1F	586	586
Bad Debts	0	0	0F	0	0
Net Corporate Overheads	690	690	0F	689	690
Depreciation	268	277	9F	265	277
Loss(Gain) on Assets	(57)	(77)	20U	(56)	(77)
Total Indirect Expenditure	1,486	1,476	10U	1,484	1,476
Total Operating Expenditure	16,499	17,106	607F	16,113	17,106
Operating Surplus/(Deficit)	234	484	250U	57	484
Net Capital Expenditure	229	225	4U	225	225

3. Comment

At the end of June the Division overall was \$250,000 over budget with revenue being \$857,000 below budget and operating expenditure \$607,000 below budget. Capital expenditure at June was \$4,000 above budget.

Significant factors relating to this unfavourable variance are as follows:

(1) *Biosecurity Department \$136,000 Favourable*

Bovine Tb savings due to operational delays, mostly from the Upper Hutt area.

KNE Pest Plant expenditure was reduced by \$25,000 because the re-budgeted work for East harbour and Otaki River was completed in 2000/01.

(2) *Operations Department \$385,000 Unfavourable*

Net logging revenue for Reserve Forests was \$393,000 below budget because of lower volumes, poor quality trees, and access problems.

(3) *Funding Position*

The overall funding statement position is an unfavourable variance of \$50,000. However, four additional expenditure items totalling \$128,000 were approved at the six months review.

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