



Report 03.262  
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Committee Rural Services and Wairarapa  
Author Stephen Hill, Accountant

## Financial Report for the Ten Months to 30 April 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	6,310	6,314	4U	7,577	7,577
External Revenue	5,081	5,706	625U	6,772	7,402
Investment Revenue	136	141	5U	161	170
Internal Revenue	2,126	2,029	97F	2,495	2,479
<b>Total Revenue</b>	<b>13,653</b>	<b>14,190</b>	<b>537U</b>	<b>17,005</b>	<b>17,628</b>
Personnel Costs	4,417	4,755	338F	5,410	5,706
Materials	1,369	1,455	86F	1,888	1,837
Travel & Transport	210	310	100F	347	372
Contractors	3,165	3,544	379F	4,176	4,914
Consultants	347	389	42F	465	465
Grants & Subsidies	92	85	7U	103	102
Internal Charges	2,417	2,334	83U	2,967	2,779
<b>Total Direct Expenditure</b>	<b>12,017</b>	<b>12,872</b>	<b>855F</b>	<b>15,356</b>	<b>16,175</b>
Financial Costs	523	515	8U	602	618
Bad Debts	(13)	0	13F	0	0
Net Corporate Overheads	648	648	0F	778	778
Depreciation	348	196	152U	417	235
Loss (Gain) on Assets	(65)	(70)	5U	(86)	(70)
<b>Total Indirect Expenditure</b>	<b>1,441</b>	<b>1,289</b>	<b>152U</b>	<b>1,711</b>	<b>1,561</b>
<b>Total Operating Expenditure</b>	<b>13,458</b>	<b>14,161</b>	<b>703F</b>	<b>17,067</b>	<b>17,736</b>
<b>Operating Surplus/(Deficit)</b>	<b>195</b>	<b>29</b>	<b>166F</b>	<b>( 62)</b>	<b>( 108)</b>
Net Capital Expenditure	232	290	58F	232	290

### 3. Comment

At the end of April the Division overall was \$166,000 under budget with revenue being \$537,000 below budget and operating expenditure \$703,000 below budget. Capital expenditure at April was \$58,000 below budget.

Significant components of this unfavourable variance are as follows:

(1) *Biosecurity Department \$146,000 Favourable*

Pest Animals was \$108,000 favourable due to KNE savings, mainly from the East Harbour and the Mainland Island Operations. The Bovine Tb activity was \$63,000 favourable due to operational savings and the timing of vector control contracts.

(2) *Land & River Operations \$81,000 Unfavourable*

River management was \$108,000 ahead of budget because of additional depreciation on infrastructure assets. Reserve Forests logging revenue and costs were \$500,000 below budget.

(3) *Support Services Department \$94,000 Favourable*

Savings for materials & supplies and personnel costs.

(4) *Planning & Resources Department \$7,000 Favourable*

### 4. Recommendation

*That the report be received and the contents noted.*

Report prepared by:

Report approved by:

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**Colin Wright**  
Divisional Manager, Wairarapa