



Report 03.373
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Committee Rural Services and Wairarapa
Author Stephen Hill, Divisional Accountant

Financial Report for the Eleven Months to 31 May 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	6,942	6,945	3U	7,577	7,577
External Revenue	5,666	6,346	680U	6,772	7,402
Investment Revenue	150	156	6U	161	170
Internal Revenue	2301	2,217	84F	2,495	2,479
Total Revenue	15,059	15,664	605U	17,005	17,628
Personnel Costs	4,905	5,231	326F	5,410	5,706
Materials	1,681	1,616	65U	1,888	1,837
Travel & Transport	229	341	112F	347	372
Contractors	3,537	4,074	537F	4,176	4,914
Consultants	383	428	45F	465	465
Grants & Subsidies	97	93	4U	103	102
Internal Charges	2,628	2,555	73U	2,967	2,779
Total Direct Expenditure	13,460	14,338	878F	15,356	16,175
Financial Costs	580	567	13U	602	618
Bad Debts	(13)	0	13F	0	0
Net Corporate Overheads	713	713	0F	778	778
Depreciation	383	216	167U	417	235
Loss (Gain) on Assets	(67)	(70)	3U	(86)	(70)
Total Indirect Expenditure	1,596	1,426	170U	1,711	1,561
Total Operating Expenditure	15,056	15,764	708F	17,067	17,736
Operating Surplus/(Deficit)	3	(100)	103F	(62)	(108)
Net Capital Expenditure	230	270	40F	232	290

3. Comment

At the end of May the Division overall was \$103,000 under budget with revenue being \$605,000 below budget and operating expenditure \$708,000 below budget. Capital expenditure at May was \$40,000 below budget.

Significant components of this favourable variance are as follows:

(1) Biosecurity Department \$117,000 Favourable

Pest Animals was \$100,000 favourable due to KNE savings, mainly from the East Harbour and the Mainland Island Operations.

(2) Land & River Operations \$69,000 Unfavourable

River management was \$41,000 over budget because of additional depreciation on infrastructure assets. Reserve Forests logging revenue and costs were \$500,000 below budget.

(3) Support Services Department \$97,000 Favourable

Savings for materials & supplies, personnel costs and contractors.

(4) Planning & Resources Department \$42,000 Unfavourable

Additional personnel, materials and contractor costs, partly offset by additional revenue for the Coastal Strategy and Iwi projects.

4. Recommendation

That the report be received and the contents noted.

Report prepared by:

Report approved by:

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Colin Wright
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