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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 2000

1. Purpose

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

2. Comment

At the end of June the Division overall was \$602,000 under budget with revenue being \$57,000 above budget and operating expenditure \$545,000 below. Capital and investment expenditure at June was \$97,000 below budget.

3. Operating Surplus

	1999/00 YTD Actual \$000s	1999/00 YTD Budget \$000s	1999/00 YTD Variance \$000s	1999/00 Year Forecast \$000s	1999/00 Year Budget \$000s	1999/00 Budget Variance \$000s
Operating Surplus(Deficit)						
Biosecurity	31	(102)	133 F	(42)	(102)	60 F
Operations	360	(58)	418 F	127	(58)	185 F
Planning & Resources	(100)	(40)	(60) U	(85)	(40)	(45) U
Support Services	140	29	111 F	129	29	100 F
Total Operating Surplus(Deficit)	431	(171)	602 F	129	(171)	300 F

Significant components of this favourable variance are as follows:

(1) *Biosecurity Department \$133,000 Favourable*

Related to Bovine Tb vector control savings of \$151,000 due to lower reactors, pest densities and competitive tendering. An \$87,000 shortfall in KNE income for the Pest Animals activity due to reduced City Council funding was partially offset by savings in materials and fixed term employee costs.

(2) *Planning & Resources \$60,000 Unfavourable*

Related to additional legal costs of \$55,000, reduced resource consent income of \$42,000 and savings on materials and internal charges.

(3) *Operations Department \$418,000 Favourable*

Mostly related to extra logging revenue of \$409,000 for the Reserve Forest's business unit, because of additional volume and some improvement in prices. However, there were offsetting variances within other areas such as Soil Conservation and Technical Services.

(4) *Support Services Department \$111,000 Favourable*

Related the \$65,000 accrual for the PABX replacement (capitalised), savings in materials, and additional rate penalty income and Workshop recoveries.

4. Capital and Investment Expenditure

	1999/00 YTD Actual \$000s	1999/00 YTD Budget \$000s	1999/00 YTD Variance \$000s	1999/00 Year Forecast \$000s	1999/00 Year Budget \$000s	1999/00 Budget Variance \$000s
Capital Expenditure						
Biosecurity	74	90	16 F	104	90	(14) U
Operations	488	658	170 F	539	658	119 F
Planning & Resources	20	34	14 F	34	34	0 U
Support Services	123	20	(103) U	118	20	(98) U
Total Capital Expenditure	705	802	97 F	795	802	7 F

Significant components of this favourable variance are as follows:

(1) *Operations Department \$170,000 Favourable*

Related to savings on the Mahaki Floodgate upgrade and silviculture savings for the Reserve Forests business unit.

(2) *Support Services \$103,000 Unfavourable*

Related to the PABX replacement and the unbudgeted replacement of the 15 year old Workshop vehicle.

5. Recommendation

That the report be received and the contents noted.

Report prepared by:

Approved for submission:

STEPHEN HILL
Divisional Accountant

COLIN WRIGHT
Divisional Manager