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**Report 02.194**

8 April 2002

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

**Financial Report for the Eight months to 28 February 2002**

**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	5,048	5,052	4U	7,567	7,578
Grants & Subsidies	0	0	0F	0	0
External Revenue	4,056	4,601	545U	6,971	7,698
Investment Revenue	87	80	7F	120	120
Internal Revenue	1,761	1,478	283F	2,364	2,194
<b>Total Revenue</b>	<b>10,952</b>	<b>11,211</b>	<b>259U</b>	<b>17,022</b>	<b>17,590</b>
Personnel Costs	3,541	3,954	413F	5,683	5,931
Materials	1,334	1,345	11F	1,999	2,114
Travel & Transport	192	226	34F	341	348
Contractor & Consultants	2,516	2,842	326F	4,699	4,518
Grants & Subsidies	54	52	2U	128	112
Internal Charges	1,850	1,753	97U	2,632	2,607
<b>Total Direct Expenditure</b>	<b>9,487</b>	<b>10,172</b>	<b>685F</b>	<b>15,482</b>	<b>15,630</b>
Financial Costs	379	384	5F	586	586
Bad Debts	25	0	25U	0	0
Net Corporate Overheads	460	460	0F	689	690
Depreciation	179	184	5F	265	276
Loss(Gain) on Assets	(31)	(77)	46U	(69)	(77)
<b>Total Indirect Expenditure</b>	<b>1,012</b>	<b>951</b>	<b>61U</b>	<b>1,471</b>	<b>1,475</b>
<b>Total Operating Expenditure</b>	<b>10,499</b>	<b>11,123</b>	<b>624F</b>	<b>16,953</b>	<b>17,105</b>
<b>Operating Surplus/(Deficit)</b>	<b>453</b>	<b>88</b>	<b>365F</b>	<b>69</b>	<b>485</b>
Net Capital Expenditure	195	225	30F	225	225

### 3. Comment

At the end of February the Division overall was \$365,000 under budget with revenue being \$259,000 below budget and operating expenditure \$624,000 below budget. Capital expenditure at February was \$30,000 below budget.

Significant components of this favourable variance are as follows:

(1) *Biosecurity Department \$230,000 Favourable*

Bovine Tb operational savings because of reduced fixed term employee costs, staff resignations and the timing of external control work.

(2) *Operations Department \$95,000 Favourable*

River Management was \$401,000 favourable due to the timing of scheme maintenance, District Council revenue and shingle royalty income. Net logging revenue for Reserve Forests was \$247,000 below budget. Net expenditure for Soil Conservation was \$45,000 over budget.

(3) *Planning & Resources Department \$72,000 Favourable*

Due to savings in personnel, materials and contract expenditure.

(4) *Support Services Department \$32,000 Unfavourable*

Wairarapa irrigation project costs, including \$25,000 for the phase II payment.

### 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