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Report 02.259

13 May 2002

File: Y/2/1/1

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

Financial Report for the Nine Months to 31 March 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	5,678	5,683	5U	7,568	7,578
Grants & Subsidies	0	0	0U	0	0
External Revenue	4,271	5,353	1,082U	5,997	7,698
Investment Revenue	99	90	9F	120	120
Internal Revenue	1,995	1,645	350F	2,485	2,194
Total Revenue	12,043	12,771	728U	16,170	17,590
Personnel Costs	3,996	4,450	454F	5,377	5,931
Materials	1,447	1,518	71F	1,879	2,114
Travel & Transport	216	256	40F	291	348
Contractor & Consultants	2,787	3,252	465F	4,250	4,518
Grants & Subsidies	75	93	18F	102	112
Internal Charges	2,122	1,953	169U	2,730	2,607
Total Direct Expenditure	10,643	11,522	879F	14,629	15,630
Financial Costs	430	432	2F	586	586
Bad Debts	11	0	11U	0	0
Net Corporate Overheads	517	517	0U	689	690
Depreciation	201	208	7F	265	276
Loss(Gain) on Assets	(31)	(77)	46U	(56)	(77)
Total Indirect Expenditure	1,128	1,080	48U	1,484	1,475
Total Operating Expenditure	11,771	12,602	831F	16,113	17,105
Operating Surplus/(Deficit)	272	169	103F	57	485
Net Capital Expenditure	195	225	30F	225	225

3. Comment

At the end of March the Division overall was \$103,000 under budget with revenue being \$728,000 below budget and operating expenditure \$831,000 below budget. Capital expenditure at March was \$30,000 below budget.

Significant components of this favourable variance are as follows:

(1) *Biosecurity Department \$43,000 Favourable*

Savings in the Pest Plants activity due to the timing of KNE and Old Mans Beard contracts.

(2) *Operations Department \$8,000 Favourable*

River Management was \$369,000 favourable due to the timing of scheme maintenance, District Council revenue and shingle royalty income. Net logging revenue for Reserve Forests was \$267,000 below budget because of lower volumes and access problems. Net revenue for Soil Conservation and Akura was \$94,000 unfavourable.

(3) *Planning & Resources Department \$67,000 Favourable*

Due to savings in personnel, materials and contract expenditure.

(4) *Support Services Department \$15,000 Unfavourable*

Wairarapa irrigation project costs.

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