



Report 04.410  
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Committee Rural Services and Wairarapa  
Author Stephen Hill, Accountant

## Financial Report for the Eleven Months to 31 May 2004

### 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	7,762	7,761	1F	8,466	8,467
External Revenue	5,436	7,357	1,921U	6,699	8,076
Investment Revenue	113	128	15U	140	140
Internal Revenue	4,370	2,496	1,874F	5,204	2,719
<b>Total Revenue</b>	<b>17,681</b>	<b>17,742</b>	<b>61U</b>	<b>20,509</b>	<b>19,402</b>
Personnel Costs	5,070	5,487	417F	5,724	5,994
Materials	1,781	1,746	35U	2,089	1,924
Travel & Transport	205	288	83F	227	314
Contractors	4,004	5,141	1,137F	5,005	5,634
Consultants	529	485	44U	580	530
Grants & Subsidies	106	93	13U	112	101
Internal Charges	4,692	2,801	1,891U	5,528	3,046
<b>Total Direct Expenditure</b>	<b>16,387</b>	<b>16,041</b>	<b>346U</b>	<b>19,265</b>	<b>17,543</b>
Financial Costs	624	613	11U	668	669
Bad Debts	90	0	90U	103	0
Net Corporate Overheads	940	940	0F	1,026	1,025
Depreciation	388	179	209U	422	195
Loss (Gain) on Assets	(28)	(66)	38U	(74)	(66)
<b>Total Indirect Expenditure</b>	<b>2,014</b>	<b>1,666</b>	<b>348U</b>	<b>2,145</b>	<b>1,823</b>
<b>Total Operating Expenditure</b>	<b>18,401</b>	<b>17,707</b>	<b>694U</b>	<b>21,410</b>	<b>19,366</b>
<b>Operating Surplus/(Deficit)</b>	<b>(720)</b>	<b>35</b>	<b>755U</b>	<b>(901)</b>	<b>36</b>
Net Capital Expenditure	363	344	19U	427	349

### 3. Comment

At the end of May the Division overall was \$755,000 over budget with revenue being \$61,000 below budget and operating expenditure \$694,000 above budget. Capital expenditure at May was \$19,000 above budget.

Significant components of this favourable variance are as follows:

*(1) Biosecurity Department \$88,000 Favourable*

Total income and expenditure for the Bovine Tb activity were both about \$1.6m below budget due to operational timing, contract price savings and reduced control area because of low pest densities. Expenditure for Pest Plants was \$127,000 under budget. Plant control programmes have been affected by wet weather and staff turnover.

*(2) Land & River Operations \$814,000 Unfavourable*

The LARO Department had several offsetting variances including; additional roading costs and reduced net logging revenue of \$207,000 for the Reserve Forests business unit. River Management was \$590,000 over budget because of flood damage repairs, additional expenditure for the Lower Wairarapa Scheme review, and the painting of the Barrage gates brought forward from 04/05. Administration was \$83,000 over budget due to incorrectly budgeted vehicle depreciation. Riparian Management expenditure was \$64,000 below budget, due to timing of projects.

*(3) BioWorks \$87,000 Unfavourable*

Due to the timing of control operations.

*(4) Planning & Resources \$49,000 Favourable*

Personnel cost savings and the timing of water quality monitoring charges.

### 4. Recommendation

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

Report prepared by:

Report approved by:

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