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Report 02.599

24 September 2002

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

Financial Report for the Two months to 31 August 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	1,263	1,263	0F	7,577	7,577
Grants & Subsidies	0	0	0F	0	0
External Revenue	820	1,105	285U	7,402	7,402
Investment Revenue	27	28	1U	170	170
Internal Revenue	466	448	18F	2,479	2,479
Total Revenue	2,576	2,844	268U	17,628	17,628
Personnel Costs	922	951	29F	5,706	5,706
Materials	330	347	17F	1,837	1,837
Travel & Transport	33	62	29F	372	372
Contractor & Consultants	426	648	248F	5,379	5,379
Grants & Subsidies	11	17	6F	102	102
Internal Charges	537	512	25U	2,779	2,779
Total Direct Expenditure	2,259	2,537	278F	16,175	16,175
Financial Costs	100	103	3F	618	618
Bad Debts	0	0	0F	0	0
Net Corporate Overheads	129	129	0F	778	778
Depreciation	67	40	27U	235	235
Loss(Gain) on Assets	(11)	(36)	25U	(70)	(70)
Total Indirect Expenditure	285	236	49U	1,561	1,561
Total Operating Expenditure	2,544	2,773	229F	17,736	17,736
Operating Surplus/(Deficit)	32	71	39U	(108)	(108)
Net Capital Expenditure	9	107	98F	190	190

3. Comment

At the end of August the Division overall was \$39,000 over budget with revenue being \$268,000 below budget and operating expenditure \$229,000 below budget. Capital expenditure at August was \$98,000 below budget.

Significant components of this unfavourable variance are as follows:

(1) Biosecurity Department \$50,000 Unfavourable

The net position for the Bovine Tb activity was \$58,000 below budget due to the timing of control operations. Pest Animals and Plants had timing savings for contractors, but this is partly offset by additional net expenditure in Department Admin (reduced transport recoveries and gain on sale of vehicles).

(2) Operations Department \$28,000 Unfavourable

External revenue was \$52,000 below budget due the timing of Soil Conservation works, Reserve Forests logging revenue, and River Scheme District Council contributions.

(3) Support Services Department \$25,000 favourable

The variance related to timing savings for materials and the Opaki and Fernridge Water Supply Scheme payments.

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