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Committee Rural Services and Wairarapa  
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## Financial Report for the Twelve Months to 30 June 2003

### 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	7,575	7,577	2U	7,577	7,577
External Revenue	163	170	7U	6,772	7,402
Investment Revenue	6,294	7,402	1,108U	161	170
Internal Revenue	2,581	2,479	102F	2,495	2,479
<b>Total Revenue</b>	<b>16,613</b>	<b>17,628</b>	<b>1,015U</b>	<b>17,005</b>	<b>17,628</b>
Personnel Costs	5,401	5,705	304F	5,410	5,706
Materials	1,898	1,837	61U	1,888	1,837
Travel & Transport	245	372	127F	347	372
Contractors	3,874	4,914	1,130F	4,176	4,914
Consultants	479	465	14U	465	465
Grants & Subsidies	38	102	64F	103	102
Internal Charges	2,944	2,779	165U	2,967	2,779
<b>Total Direct Expenditure</b>	<b>14,879</b>	<b>16,174</b>	<b>1,295F</b>	<b>15,356</b>	<b>16,175</b>
Financial Costs	638	619	19U	602	618
Bad Debts	(9)	0	9F	0	0
Net Corporate Overheads	777	777	0F	778	778
Depreciation	418	235	(183)U	417	235
Loss (Gain) on Assets	(70)	(70)	0F	(86)	(70)
<b>Total Indirect Expenditure</b>	<b>1,754</b>	<b>1,561</b>	<b>193U</b>	<b>1,711</b>	<b>1,561</b>
<b>Total Operating Expenditure</b>	<b>16,633</b>	<b>17,735</b>	<b>1,102F</b>	<b>17,067</b>	<b>17,736</b>
<b>Operating Surplus/(Deficit)</b>	<b>( 20)</b>	<b>( 107)</b>	<b>87F</b>	<b>( 62)</b>	<b>( 108)</b>
Net Capital Expenditure	577	290	287U	232	290

### **3. Comment**

At the end of June the Division overall was \$87,000 under budget with revenue being \$1,015,000 below budget and operating expenditure \$1,102,000 below budget. Capital expenditure at June was \$287,000 above budget due to the construction of the Tauanui logging road and new flood protection assets for river schemes.

Significant components of this favourable variance are as follows:

*(1) Biosecurity Department \$7,000 Favourable*

Bovine Tb expenditure and income were \$0.6m below budget due to savings and control area reductions because of low pre-operational monitoring.

*(2) Land & River Operations Department \$72,000 Favourable*

Offsetting variances including; reduced QEII Trust expenditure, reduced maintenance expenditure for river schemes, additional depreciation for flood protection assets, and reduced logging revenue and costs of \$0.6m for Reserve Forests because there was no significant logging during the year.

*(3) Support Services Department \$93,000 Favourable*

Savings for materials & supplies, personnel costs, and contractors.

*(4) Planning & Resources Department \$85,000 Unfavourable*

Additional personnel, materials and contractor costs, partly offset by additional revenue for the Coastal Strategy and Iwi projects.

### **4. Recommendation**

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

Report prepared by:

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