



Report 04.506
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Committee Rural Services and Wairarapa
Author Stephen Hill, Accountant

Financial Report for the Twelve Months to 30 June 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	8,468	8,467	1F	8,466	8,467
External Revenue	6,548	8,076	1,528U	6,699	8,076
Investment Revenue	117	140	23U	140	140
Internal Revenue	4,987	2,719	2,268F	5,204	2,719
Total Revenue	20,120	19,402	718F	20,509	19,402
Personnel Costs	5,596	5,994	398F	5,724	5,994
Materials	2,148	1,924	224U	2,089	1,924
Travel & Transport	240	314	74F	227	314
Contractors	4,636	5,634	998F	5,005	5,634
Consultants	637	530	107U	580	530
Grants & Subsidies	47	101	54F	112	101
Internal Charges	5,310	3,046	2,264U	5,528	3,046
Total Direct Expenditure	18,614	17,543	1,071U	19,265	17,543
Financial Costs	684	669	15U	668	669
Bad Debts	93	0	93U	103	0
Net Corporate Overheads	1,025	1,025	0F	1,026	1,025
Depreciation	429	195	234U	422	195
Loss (Gain) on Assets	(28)	(66)	38U	(74)	(66)
Total Indirect Expenditure	2,203	1,823	380U	2,145	1,823
Total Operating Expenditure	20,817	19,366	1,451U	21,410	19,366
Operating Surplus/(Deficit)	(697)	36	733U	(901)	36
Net Capital Expenditure	688	349	339U	427	349

3. Comment

At the end of June the Division overall was \$733,000 over budget with revenue being \$718,000 above budget and operating expenditure \$1,451,000 above budget. Capital expenditure at June was \$339,000 above budget due to the development of new flood protection measures in River Schemes and logging roads for Reserve Forests.

Significant components of this favourable variance are as follows:

(1) *Biosecurity Department \$391,000 Favourable*

The Bovine Tb activity was \$383,000 under budget due to delays in commencing contracts, competitive pricing, and a 44,300 hectare reduction in control area following low pre-control monitoring results. Expenditure for Pest Plants was \$131,000 under budget. Plant control programmes were affected by wet weather and staff turnover. Administration was \$132,000 unfavourable because of unbudgeted vehicle depreciation.

(2) *Land & River Operations \$983,000 Unfavourable*

The LARO Department had several offsetting variances including; additional road maintenance costs of \$100,000 for Reserve Forests. River Management was \$782,000 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 \$91,000 unfavourable due to unbudgeted vehicle depreciation.

(3) *Planning & Resources \$59,000 Unfavourable*

Reduced consents processing revenue and additional legal costs for enforcement.

4. Recommendation

That the report be received and the contents noted.

Report prepared by:

Report approved by:

Stephen Hill
Accountant

Steve Blakemore
Acting Divisional Manager, Wairarapa