



Report 04.30  
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Committee Rural Services and Wairarapa  
Author Stephen Hill, Divisional Accountant

## Financial Report for the Six Months to December 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	4,234	4,234	0F	8,466	8,467
External Revenue	3,051	3,844	793U	7,016	8,076
Investment Revenue	60	70	10U	140	140
Internal Revenue	1,615	1,507	108F	2,742	2,719
<b>Total Revenue</b>	<b>8,960</b>	<b>9,655</b>	<b>695U</b>	<b>18,364</b>	<b>19,402</b>
Personnel Costs	2,770	2,952	182F	5,782	5,994
Materials	1,092	1,005	87U	1,842	1,924
Travel & Transport	122	158	36F	316	314
Contractors	1,762	2,548	786F	5,109	5,634
Consultants	303	269	34U	580	530
Grants & Subsidies	51	51	0F	84	101
Internal Charges	1,726	1,634	92U	3,120	3,046
<b>Total Direct Expenditure</b>	<b>7,826</b>	<b>8,617</b>	<b>791F</b>	<b>16,833</b>	<b>17,543</b>
Financial Costs	326	334	8F	668	669
Bad Debts	(11)	0	11F	0	0
Net Corporate Overheads	513	513	0F	1,026	1,025
Depreciation	203	98	105U	403	195
Loss (Gain) on Assets	(21)	(66)	45U	(66)	(66)
<b>Total Indirect Expenditure</b>	<b>1,010</b>	<b>879</b>	<b>131U</b>	<b>2,031</b>	<b>1,823</b>
<b>Total Operating Expenditure</b>	<b>8,836</b>	<b>9,496</b>	<b>660F</b>	<b>18,864</b>	<b>19,366</b>
<b>Operating Surplus/(Deficit)</b>	<b>124</b>	<b>159</b>	<b>35U</b>	<b>( 500)</b>	<b>36</b>
Net Capital Expenditure	111	238	127F	348	349

### 3. Comment

At the end of December the Division overall was \$35,000 over budget with revenue being \$695,000 below budget and operating expenditure \$660,000 below budget. Capital expenditure at December was \$127,000 below budget, due to the timing of vehicle replacements.

Significant components of this favourable variance are as follows:

(1) *Biosecurity Department \$27,000 Favourable*

Overall, the Bovine Tb activity was close to budget. However, total income and expenditure was \$0.5m below budget, due to the timing of vector control contracts.

(2) *Land & River Operations \$75,000 Unfavourable*

This Department had several offsetting variances including; reduced logging revenue and costs of \$0.4m for the Reserve Forests business unit caused from delays to starting Tauanui logging. River Management was \$90,000 over budget because of flood damage repairs to the Waipoua and LWVD river schemes. Also riparian management expenditure was \$80,000 below budget, partly related to delays in appointing the new Biodiversity Officer. The Akura business unit was \$54,000 ahead of budget due to timing, and increased sales of native trees and protectors.

### 4. Recommendation

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

Report prepared by:

Report approved by:

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**Colin Wright**  
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