



Report 04.660
Date 25 November 2004
File WS/08/05/01

Committee Rural Services and Wairarapa
Author Stephen Hill, Divisional Accountant

Financial Report for the Four Months to 31 October 2004

1. Purpose

To inform the Committee of the Division's financial performance to budget.

2. Operating Performance

Wairarapa Division Funding Impact Statement 4 Months Ended 31 October 2004	YTD Actual \$000	YTD Budget \$000	YTD Var \$000	FY Forecast \$000	FY Budget \$000	FY Var \$000
Rates & levies	3,028	3,028	0 U	9,084	9,084	0 U
Government grants & subsidies	0	0	0 U	0	0	0 U
External revenue	2,580	2,954	(374) U	9,453	9,453	0 U
Investment revenue	30	37	(7) U	112	112	0 U
Internal revenue	1,719	1,912	(193) U	5,473	5,473	0 U
TOTAL REVENUE	7,357	7,931	(574) U	24,122	24,122	0 U
Personnel costs	1,947	2,109	162 F	6,328	6,328	0 U
Materials, supplies & services	872	746	(126) U	1,879	1,879	0 U
Travel & transport costs	80	104	24 F	313	313	0 U
Contractors	1,462	1,861	399 F	6,884	6,884	0 U
Consultants	139	201	62 F	562	562	0 U
Grants and subsidies	20	23	3 F	85	85	0 U
Internal charges	1,866	2,087	221 F	5,884	5,884	0 U
TOTAL DIRECT EXPENDITURE	6,386	7,131	745 F	21,935	21,935	0 U
TOTAL INDIRECT EXPENDITURE	722	691	(31) U	2,231	2,231	0 U
TOTAL EXPENDITURE	7,108	7,822	714 F	24,166	24,166	0 U
OPERATING SURPLUS/(DEFICIT)	249	109	140 F	(44)	(44)	0 U
Add back non cash items	133	94	39 F	440	440	0 U
Less capital expenditure	(87)	(369)	282 F	(1,013)	(1,013)	0 U
Less investments movements	(73)	(54)	(19) U	(197)	(197)	0 U
Less debt repayments	(145)	(156)	11 F	(469)	(469)	0 U
Plus debt additions	355	342	13 F	1,187	1,187	0 U
Plus reserve movements	31	12	19 F	221	221	0 U
FUNDING SURPLUS/(DEFICIT)	463	(22)	485 F	125	125	0 U

3. Comment

At the end of October the Division's overall funding position was \$485,000 within budget with total revenue being \$574,000 below budget and total operating expenditure \$714,000 below budget. Capital expenditure at October was \$282,000 below budget due to the timing of vehicle replacements for the Biosecurity Department and the BioWorks Business Unit.

Significant components of this favourable variance are as follows:

(1) *Land & River Operations \$41,000 Unfavourable*

River Management was \$81,000 unfavourable because of the August flood damage repair works on the Lower Wairarapa Valley Development Scheme. Land Management was \$22,000 below budget because of the timing of the Riparian Management programme.

(2) *Biosecurity \$271,000 Favourable*

Most Biosecurity programmes are a little behind budget due to timing of projects. Pest Animals are \$21,000 favourable, Bovine Tb \$117,000 favourable, Pest Plants \$46,000 favourable, plus vehicle replacements \$92,000 favourable.

(3) *Planning & Resources \$163,000 Favourable*

Favourable at this stage largely due to the timing of contract expenditure and the telemetry equipment upgrade for Resource Investigations. Personnel costs were also \$57,000 under budget largely due to savings from delays in replacing staff.

(4) *BioWorks \$94,000 Favourable*

Mostly related to the timing of vehicle replacements.

4. Recommendation

That the report be received and the contents noted.

Report prepared by:

Report approved by:

Stephen Hill
Divisional Accountant

Colin Wright
Divisional Manager, Wairarapa