

Report 00.390

2 June 2000

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

Financial Report for the Ten Months to 30 April 2000

1. Purpose

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

2. Comment

At the end of April the Division overall was \$352,000 under budget with revenue being \$432,000 below budget and operating expenditure \$784,000 below. Capital and investment expenditure at April was \$71,000 below budget.

3. Operating Surplus

	1999/00 YTD Actual \$000s	1999/00 YTD Budget \$000s	1999/00 YTD Variance \$000s	1999/00 Year Forecast \$000s	1999/00 Year Budget \$000s	1999/00 Budget Variance \$000s
Operating Surplus(Deficit)						
Biosecurity	(115)	(94)	(21) U	(42)	(102)	60 F
Operations	123	(77)	200 F	127	(58)	185 F
Planning & Resources	(25)	(54)	29 F	(85)	(40)	(45) U
Support Services	165	21	144 F	129	29	100 F
Total Operating Surplus(Deficit)	148	(204)	352 F	129	(171)	300 F

Significant components of this favourable variance are as follows:

(1) Biosecurity Department \$21,000 Unfavourable

The Department overall was close to budget. However, income and expenditure for the Bovine Tb activity was \$250,000 below budget due to reduced hectares requiring treatment. In addition an \$80,000 shortfall in KNE income for the Pest Animals activity was partially offset by savings in contract expenditure for the Pest Plants activity.

(2) *Operations Department \$200,000 Favourable*

There were offsetting variances within activities due to permanent and timing savings, but the major variance related to extra logging revenue of \$166,000 for the Reserve Forest's business unit, because of additional volume and some improvement in prices.

(3) *Support Services Department \$144,000 Favourable*

Related to the \$65,000 accrual for the PABX replacement (capitalised), savings in materials, and additional rate penalty income and Workshop recoveries.

4. Capital and Investment Expenditure

	1999/00 YTD Actual \$000s	1999/00 YTD Budget \$000s	1999/00 YTD Variance \$000s	1999/00 Year Forecast \$000s	1999/00 Year Budget \$000s	1999/00 Budget Variance \$000s
Capital Expenditure						
Biosecurity	96	90	(6) U	104	90	(14) U
Operations	343	514	171 F	539	658	119 F
Planning & Resources	25	34	9 F	34	34	0 U
Support Services	123	20	(103) U	123	20	(103) U
Total Capital Expenditure	587	658	71 F	800	802	2 F

Significant components of this favourable variance are as follows:

(1) *Operations Department \$171,000 Favourable*

Related to expenditure on Mahaki Floodgate upgrade yet to be capitalised and silviculture savings for the Reserve Forests business unit.

(2) *Support Services \$103,000 Unfavourable*

Related to the PABX replacement and the unbudgeted replacement of the 15 year old Workshop vehicle.

5. Recommendation

That the report be received and the contents noted.

Report prepared by:

Approved for submission:

STEPHEN HILL
Divisional Accountant

COLIN WRIGHT
Divisional Manager, Wairarapa