

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

Financial Report for the eight months to 29 February 2000

1. Purpose

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

2. Comment

At the end of February the Division overall was \$461,000 under budget with revenue being \$509,000 below budget and operating expenditure \$970,000 below. Capital expenditure at February was \$41,000 below budget.

3. Operating Surplus

	1999/00	1999/00	1999/00		1999/00	1999/00	1999/00
	YTD	YTD	YTD		Year	Year	Budget
	Actual	Budget	Variance		Forecast	Budget	Variance
Operating Surplus(Deficit)	\$000s	\$000s	\$000s		\$000s	\$000s	\$000s
Biosecurity	(81)	(87)	6 F		(13)	(102)	89 F
Operations	168	(87)	255 F		167	(58)	225 F
Planning & Resources	19	(18)	37 F		(60)	(40)	(20) U
Support Services	175	12	163 F		105	29	76 F
Total Operating Surplus(Deficit)	281	(180)	461 F		199	(171)	370 F

Significant components of this favourable variance are as follows:

(1) *Biosecurity Department \$6,000 Favourable*

On target overall. However, both income and expenditure for the Bovine Tb activity were \$300,000 behind budget due to operational savings and timing.

(2) *Operations Department \$255,000 Favourable*

There were offsetting variances within the River Management and Soil Conservation activities due to timing. The major variances relate to extra logging

revenue of \$167,000 for the Reserve Forest's business unit, because of additional volume, and extra sales income of \$35,000 for the Akura Business Unit.

(3) *Planning & Resources Department \$37,000 Favourable*

Related to timing savings for materials and internal charges for the consents and Water Resources activities.

(4) *Support Services Department \$163,000 Favourable*

Related to the \$65,000 accrual for the PABX replacement (capitalised), permanent and timing savings for materials, and special rates revenue collected for the Fernridge and Opaki Water Supply Schemes but not yet paid out.

4. Capital Expenditure

	1999/00	1999/00	1999/00		1999/00	1999/00	1999/00
	YTD	YTD	YTD		Year	Year	Budget
	Actual	Budget	Variance		Forecast	Budget	Variance
Capital Expenditure	\$000s	\$000s	\$000s		\$000s	\$000s	\$000s
Biosecurity	76	90	14 F		76	90	14 F
Operations	273	360	87 F		633	658	25 F
Planning & Resources	0	18	18 F		34	34	0 U
Support Services	98	20	(78) U		113	20	(93) U
Total Capital Expenditure	447	488	41 F		856	802	(54) U

Significant components of this favourable variance are as follows:

(1) *Operations Department \$87,000 Favourable*

Related to the timing of the Mahaki Floodgate upgrade and the timing of Reserve Forest's silviculture capitalisation.

(2) *Support Services \$78,000 Unfavourable*

Related to the PABX replacement above and the unbudgeted replacement of the Workshop vehicle.

5. Recommendation

That the report be received and the contents noted.

Report prepared by:

Approved for submission by:

STEPHEN HILL
Divisional Accountant

COLIN WRIGHT
Divisional Manager