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Local authorities' operating deficit continues to narrow

Local authorities recorded a seasonally adjusted operating deficit of \$20.2 million in the December 2009 quarter, Statistics New Zealand said today.

"The deficit this quarter is \$45.4 million smaller than the September 2009 quarter deficit of \$65.6 million," said government and international accounts manager John Morris.

Seasonally adjusted operating revenue increased \$69.2 million to \$1,752.0 million in the December 2009 quarter. The main contributions to the increase came from government grants and subsidies (up \$26.7 million) and investment income (up \$26.0 million). The rise in investment income was driven by an increase in revenue from dividends (up \$27.9 million).

Smaller contributions to the increase in operating revenue came from rates (up \$10.0 million) and regulatory income and petrol tax (up \$9.3 million). Partly offsetting these rises were falls in sales of goods and services (down \$2.9 million) and interest revenue (down \$2.0 million).

Seasonally adjusted operating expenditure increased \$23.7 million to \$1,772.1 million in the December 2009 quarter. The most significant contributions to the increase in operating expenditure came from depreciation (up \$10.8 million) and employee costs (up \$8.5 million).

From the December 2008 quarter to the December 2009 quarter, seasonally adjusted operating revenue increased by \$102.1 million (6.2 percent) and operating expenditure increased by \$96.0 million (5.7 percent).

Geoff Bascand
Government Statistician

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For media enquiries contact:
John Morris
Wellington 04 931 4600
Email: info@stats.govt.nz