



ESS Summary of Financial Performance

The safety supply quality and measurement services provided by the Energy Safety Service (ESS) are funded largely by levies received from the electricity, gas and petroleum industries. Careful management of this levy income is a priority for ESS and an important part of its accountability to its stakeholders.

The following tables give a summary of financial performance for 2005/2006, including a brief explanation of how funding used in the LPG safety, natural gas safety, electricity safety and petroleum monitoring.

Electricity Safety

- The electricity levy rate remains the same as last year at 1.05 cents per 100kwh
- Approximately \$491,000 of excess electricity levy collected during the year will be refunded to levy payers
- 29% (\$309,200) of electricity operating expenses was spent on contracts with Standards New Zealand for the revision of electrical Standards
- 9% (\$92,495) of electricity operating expenses was spent on electrical safety investigations and safety awareness (technical services and travel, Maori Women's Welfare League contract)
- 7% (\$75,783) of electricity operating expenses was spent on the ESS Operating Review
- 7% (\$72,992) of electricity operating expenses was spent on developing the ESS website and databases
- 6% (\$66,430) of electricity operating expenses was spent on research and surveys
- 5% (\$49,360) of electricity operating expenses spent on appliance testing
- 3% (\$34,000) of electricity operating expenses was spent on electrical safety publicity, promotions and associated printing
- 1% (\$16,077) of electricity operating expenses spent on Tree Arbitrators
- 1% (\$14,744) of gas operating expenses was spent on audits and surveys (technical services and travel)



Natural Gas Safety

- There has been no change to the gas levy rate of 2 cents per gigajoule
- 26% (\$77,317) of gas operating expenses was spent on contracts with Standards New Zealand for the revision of gas standards
- 11% (\$31,977) of gas operating expenses was spent on audits and surveys (technical services and travel)
- 7% (\$19,610) of gas operating expenses was spent on developing the ESS website and databases
- 7% (\$19,523) of operating expenses was spent on the *Living Safely with Gas* publication
- 7% (\$19,200) of gas operating expenses was spent on gas safety investigations (technical services and domestic travel)
- 6% (\$16,635) of gas operating expenses was spent on the ESS Operating Review
- 3% (\$10,000) of operating expenses was spent on a contribution to Gas Association of New Zealand (GANZ) DVD production

Liquefied Petroleum Gas (LPG) Safety

- Funded by Crown Revenue in 2005/2006
- 31% (\$34,830) of LPG operating expenses was spent on a contribution towards the LPG Safety Swing-tag Campaign
- 17% (\$18,683) of LPG operating expenses was spent on contracts with Standards New Zealand for the revision of LPG standards
- 13% (\$15,005) of LPG operating expenses was spent on LPG audits and surveys (technical services and travel)
- 12% (\$13,395) of LPG operating expenses was spent on LPG accident investigations
- 7% (\$8,367) of operating expenses was spent on the *Living Safely with Gas* publication

Petroleum monitoring

- 89% (\$310,451) of petroleum operating expenses was spent on the testing of petroleum products
- 5% (\$16,341) of petroleum operating expenses was spent on developing the ESS website and databases

2005-06 FINANCIAL SUMMARY

Energy Safety Service

Summarised
Statement of
Financial
Performance for
the year ended
30 June 2006

	2005/06 Actual \$	2005/06 Budget \$	2004/05 Actual \$
Revenue			
Revenue Crown (LPG)	202,404	202,404	216,986
Electricity Levies	2,767,902	2,766,500	2,515,677
Natural Gas Levies	801,041	857,500	815,470
Petroleum Monitoring Levies	463,366	466,000	416,185
Miscellaneous revenue	24,104	67,780	15,973
Total Revenue	4,258,817	4,360,184	3,980,291
Expenses			
Personnel expenses	1,200,223	1,260,635	1,381,872
Operating expenses	1,816,708	1,846,981	1,709,446
Depreciation	30,044	30,200	31,848
Capital charge	56,194	67,956	10,774
Indirect and Support services	1,176,812	1,083,437	838,049
Total Expenses	4,279,981	4,289,209	3,971,989
Surplus/(Deficit)	(21,164)	70,975	8,302

Electricity

Summarised
Statement of
Financial
Performance for
the year ended
30 June 2006

Revenue			
Electricity Levies	2,767,902	2,766,500	2,515,677
Miscellaneous revenue	19,259	24,408	10,915
Total Revenue	2,787,161	2,790,908	2,526,592
Expenses			
Personnel expenses	860,786	884,757	927,198
Operating expenses	1,066,801	1,108,575	992,796
Depreciation	29,949	30,105	31,054
Capital charge	34,850	42,003	7,169
Indirect and Support services	768,546	699,493	562,381
Total Expenses	2,760,932	2,764,933	2,520,598
Surplus/(Deficit)	26,229	25,975	5,994

Natural Gas

Summarised
Statement of
Financial
Performance for
the year ended
30 June 2006

Revenue			
Natural Gas Levies	801,041	857,500	815,470
Miscellaneous revenue	3,607	3,222	2,077
Total Revenue	804,648	860,722	817,547
Expenses			
Personnel expenses	258,146	282,478	370,049
Operating expenses	291,319	286,700	253,677
Depreciation	67	67	682
Capital charge	14,968	18,185	2,489
Indirect and Support services	290,259	269,292	190,302
Total Expenses	854,759	856,722	817,199
Surplus/(Deficit)	(50,111)	4,000	348

2005-06 FINANCIAL SUMMARY

Liquefied Petroleum Gas

Summarised
Statement of
Financial
Performance for
the year ended
30 June 2006

	2005/06 Actual \$	2005/06 Budget \$	2004/05 Actual \$
Revenue			
Revenue Crown	202,404	202,404	216,986
Miscellaneous revenue	619	40,075	929
Total Revenue	203,023	242,479	217,915
Expenses			
Personnel expenses	24,011	34,327	33,471
Operating expenses	111,306	106,928	148,896
Depreciation	14	14	52
Capital charge	3,188	3,884	458
Indirect and Support services	62,003	57,326	35,038
Total Expenses	200,522	202,479	217,915
Surplus/(Deficit)	2,501	40,000	-

Petroleum Monitoring

Summarised
Statement of
Financial
Performance for
the year ended
30 June 2006

Revenue			
Petroleum Monitoring Levies	463,366	466,000	416,185
Miscellaneous revenue	619	75	2,052
Total Revenue	463,985	466,075	418,237
Expenses			
Personnel expenses	57,280	59,073	51,154
Operating expenses	347,282	344,778	314,077
Depreciation	14	14	60
Capital charge	3,188	3,884	658
Indirect and Support services	56,004	57,326	50,328
Total Expenses	463,768	465,075	416,277
Surplus/(Deficit)	217	1,000	1,960



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te ratonga whakaruru pūngao