



**Report** 05.466  
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**Committee** Rural Services and Wairarapa  
**Author** Peter Cameron, Nursery Manager / Supply Officer

## Akura Conservation Centre Review for the Year to 30 June 2005

### 1. Purpose

To inform the Committee of the performance of the Akura business unit for the 2004/05 year.

### 2. Significance of the decision

The matters in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

### 3. Background

The Akura Conservation Centre grows and sells trees suitable for erosion control and shelter for the Land & River Operations Department and external customers. The business has two groups of activities. The Nursery unit grows poplar and willow poles for soil conservation purposes and river control. The Trading unit supplies various tree species (natives, radiata, acacias, eucalyptus, macrocarpa) and sundry stock items (posts, protectors, chemicals, and animal repellents).

### 4. Operating Performance

Akura sold 408,398 trees for the year. This was 12% below the previous year due to reduced demand for forestry and container grown species. However, sales of native species increased by 8%. Good survivals and establishment of most seedlings and container grown plants were assisted by the colder moist spring. Approximately, 70 – 80% of pole plantings have survived. Pole losses have been experienced in Veronese poplar from the Mangapakeha Nursery because some trees were stressed by the wet season and silver leaf fungus. A summary of tree sales is shown below:

<b>Poles</b>	<b>2005</b>	<b>2004</b>	<b>Seedlings</b>	<b>2005</b>	<b>2004</b>
3.0 metre	17,947	17,495	P Radiata	277,700	311,800
2.5 metre	5,060	2,485	Open grown	15,150	16,621
2.0 metre	6,440	8,004	Natives	40,951	37,930
Stakes	11,725	19,570	Container grown	33,425	50,347
<b>Total</b>	<b>41,172</b>	<b>47,504</b>	<b>Total</b>	<b>367,226</b>	<b>416,698</b>

## **2. Financial Performance**

The operating surplus for the year excluding profit on the sale of a mower was \$42,000, a 6% decrease on the previous year's surplus. A dividend of \$35,000 was paid to Council (same as 2003/04). The business unit remains in very good financial health with net assets of \$765,000 and total debt of \$26,000.

The 2004/05 financial statements for the Business Unit are attached.

## **3. Capital Expenditure**

The depot building extension was completed at a total cost of \$20,600 and has significantly improved the customer service area. The remaining buildings require maintenance and will be repainted during 2005/06.

## **4. Recommendation**

*That the Committee*

- 1. Receive the information*
- 2. Note the contents.*

Report prepared by:

Approved for submission by:

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