



Report 06.483
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Committee Rural Services and Wairarapa
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Akura Conservation Centre Review for the Year to 30 June 2006

1. Purpose

To inform the Committee of the performance of the Akura business unit for the 2005/06 year.

2. Background

The Akura Conservation Centre grows and sells trees suitable for erosion control and shelter for the Land Management Department, internal clients, 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, P.radiata, acacias, eucalyptus, macrocarpa) and sundry stock items (posts, protectors, chemicals, and animal repellents).

3. Operating Performance

Pole numbers were up by 12% overall, with a significant increase in the sale of 3.0 metre poles. Sales of these poles were up by 30%.

Akura sold 242,306 trees for the year. This was 42% below the previous year, solely due to a significant reduction in demand for forestry species. The reduction in P.radiata of 180,000 is testament to this. However, sales of native species increased by 25%, contributing to an increase in container grown species of similar proportions.

Good survivals and establishment of most poles, seedlings and container grown plants were assisted by the colder moist spring.

Poles	2006	2005	Seedlings	2006	2005
3.0 metre	23,425	17,947	P Radiata	96,000	277,700
2.5 metre	3,360	5,060	Open grown	103,920	292,850
2.0 metre	11,440	6,440	Natives	51,010	40,950
Stakes	7,595	11,725	Container grown	92,566	74,376
Total	45,820	41,172	Total	196,4866	367,226

4. Financial Performance

Akura broke even for the 2005/06 financial year, compared to the operating surplus of \$45,000 for the previous year. The 2005/06 financial result includes a contribution of \$9,500 to the Waipoua River Scheme for the reconstruction of a stopbank within the nursery, and \$5,200 to develop a spray rig. The spraying programme has significantly improved the health and growth of this year's crop.

The dividend of \$35,000 was paid to Council (same as 2004/05).

5. Summary

The business unit has returned in another solid performance and remains in very good financial health with net assets of \$800,000 and debt (reserve deficit) of \$44,000.

The 2005/06 financial statements for the business unit are attached.

6. Recommendation

That the Committee

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

Report prepared by:

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