



Report 07.547  
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Committee Rural Services and Wairarapa  
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## **Akura Conservation Centre Review for the Year to 30 June 2007**

### **1. Purpose**

To inform the Committee of the performance of the Akura Conservation Centre for the 2006/07 year.

### **2. Significance of the decision**

The matters for decision 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, shelter and river management primarily for the Land Management and River Protection Departments 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, *Pinus radiata*, acacias, eucalyptus, macrocarpa) and sundry stock items (posts, protectors, chemicals, and animal repellents).

### **4. Operating Performance**

Akura sold 332,696 trees for the year. This was 37% up on the previous year, but still some way from the 500,000 trees sold in 2002. Despite a doubling of the *P.radiata* figures they are still only half the numbers sold in 2002 (approx 350,000).

The sales of native species have increased by a further 26%. Since 2002 there has been an overall increase in the sale of native trees of 145%. Good survivals and establishment of most seedlings and container grown plants were assisted by the colder moist spring.

Pole numbers were down slightly on the previous year, however the key product line of 3 metre poles were up slightly. Conditions through the autumn months have not

been kind to the poplars and willows. Overall establishment is down on previous years and in some areas survivals are as low as 50%.

<b>Poles</b>	<b>2007</b>	<b>2006</b>	<b>Seedlings</b>	<b>2007</b>	<b>2006</b>
3.0 metre	24,200	23,425	P Radiata	185,400	96,000
2.5 metre	3,440	3,360	Other open grown	4,400	7,920
2.0 metre	9,670	11,440	Natives	64,443	51,010
Stakes	5,260	7,595	Other container grown	35,883	41,556
<b>Total</b>	<b>42,470</b>	<b>45,820</b>	<b>Total</b>	<b>290,226</b>	<b>196,486</b>

## 5. Financial Performance

The operating surplus for the year was \$28,000 and compared favourably to the previous year because of increased internal sales for flood damage repair works. A dividend of \$35,000 was paid to Council (same as 2005/06). The business unit remains in very good financial health with net assets of \$801,000 and total debt of \$34,000.

The 2006/07 financial statements for the Business Unit are attached.

## 6. Future Pole Supply

The future short term supply of poplars has been secured with a supply contract signed with the lessee of Aokautere Nurseries in Palmerston North. 15,000 poplars have been secured for each of the next four years.

Discussions are soon to be held with Masterton District Council regarding a possible joint venture to grow poplars and willows on the Homebush treatment site. These discussions will form part of an overall review of future nursery production.

## 7. Recommendation

*That the Committee:*

1. *Receives the report.*
2. *Notes the contents of the report.*

Report prepared by:

Report approved by:

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Attachment 1