

Biosecurity Manager's Report Wayne O'Donnell

For period ending 31 August 2006

Pest Animals

1. Key Native Ecosystems (KNE) and Reserves Control – Contractors

During August, Bioworks completed Houghton Bay, Karori Park, Otari/Johnston's Hill, Wrights Hill, Porirua Park, Ranui Heights Forest, Raroa, Karehana Bay, Korokoro, Nga Manu, Waikanae Reserves, Te Rama, Speedy's Reserve, and Parkway. These operations are all in the Western Zone.

All work was completed on time to a good standard. A few bait stations were missed initially but have since been found and/or replaced. Sometimes a bait station becomes a souvenir, gets thrown away by vandals, or gets involved in a windfall. Once operators become familiar with the operational layout, the location of hardware becomes routine. Some of the service lines are due for maintenance as in the absence of possums the routes become overgrown quite quickly.

In the Eastern Zone, the Pukaha/Mount Bruce predator contract has also been serviced monthly with the access being better now that the ground is drying out in this high rainfall area. Some of the traps are being replaced as they reach the end of their effective life after being exposed to the elements for several years.

Contracts are being prepared to offer to BioWorks as a preferred supplier for the maintenance of the Papakowhai/Whitby, Camborne/Mana, Stuart Park and Wainuiomata Hill West operational areas. The first three of these areas were previously treated by Biosecurity staff.

Hutt Valley Contracting Services (HVCS) have completed Raumati Escarpment, Tinakori Hill, Seton Nossiter, and Careys Gully and started the next round of the Kaiwharawhara/Ngauranga operation. There are no issues that need to be addressed. Contracts are being prepared to offer to HVCS as a preferred supplier for the maintenance of the Horokiwi/Grenada and Whareroa operations. These were also previously treated by Biosecurity staff.

John McCaslin Trappers have completed monthly rounds of the Waihora and Sulphur Wells predator control areas located in the Eastern Zone. There were some issues with a few landowners wanting the August servicing deferred on their properties because of lambing and these requests were respected.

2. KNE and Reserves - Biosecurity Staff

All of the Porirua Scenic Reserve/Titahi Bay maintenance area has been completed using Pindone possum pellets in half of the block as there were delays in the manufacturing of the brodifacoum pellets. It is now intended to use Pindone throughout the whole of the block

next time to break the regular brodifacoum cycle. Pindone is also an anticoagulant like brodifacoum but is not as toxic to possums. However, it is toxic to rats which at this time of year are the main target as they are more liable to predate on the native bird eggs and chicks. Possum numbers are at very low levels. It is good practice to change the bait and toxin matrix from time to time to offset bait and toxin avoidance behaviour.

Leg hold trapping together with the installation of Timms traps and DOC 200 traps has commenced for the maintenance of the Pikarere Farm operation south of Titahi Bay. The treatment of this area prevents reinvasion of possums and other predators into the adjacent Porirua Scenic Reserve. This area, combined with work in Whitireia Park, complements the ongoing possum control undertaken by DoC on the Colonial Knob Reserve. The leg holds will be serviced daily for another week and then closed. Maintenance will be undertaken monthly until pest numbers are reduced enough to allow three-monthly servicing.

The Ara Harakeke (Taupo Swamp) operation near Plimmerton has had all the bait stations installed. This operation involves habitat adjacent to the Main Trunk Railway. There was a slight delay with this job as the Biosecurity permit to access the rail corridor had expired and it took sometime to renew. The permit allows GW staff to work within five metres of the centre of the track. Without a permit, staff need to be under the direct supervision of an 'On Track' representative, which means additional costs.

3. Rabbits

3.1 Fumigation Programme

Fumigation of rabbit burrows and warrens was carried out recently on a Peka Peka property. This was used as a training exercise (in part) for three new staff with the landowner contributing to the costs. The area was worked methodically with the use of a dog to disclose burrow entrances, bolt holes and stops (breeding burrows). Approximately 1,000 burrows were gassed, using three Magtoxin tablets in each hole. The tablets were placed in wet wipes to improve efficacy as a quicker release of the toxic gas occurs when the tablets come in contact with moisture.

Fumigation was also undertaken at Queen Elizabeth Park at the Raumati end. The burrows were very hard to find and again the use of a dog was an essential part of this operation. Burrows were found in thickets of blackberry, under trees, hidden in tunnels in long grass and bracken fern. They were also a lot harder to block up because of the sandy country and persistent digging by dogs over the years has made the entrances very large.

This problem area requires further control measures to allow the establishment of pingao for dune retention. Trials are underway utilising bait stations in which Pindone pellet baits will be placed and replenished on a two-monthly cycle. The bait station concept is a revamp of a method that had limited success years ago. However, there have been some changes and the 'new' approach has proved to be very successful at culling rabbits to very low levels at the Bethels Beach Dune Stabilisation Programme in Auckland.

Most of the current rabbit problems within our region are at coastal sites and there is some confidence that this bait station concept will provide a means of control available to

individual occupiers, care groups and control agencies. There is no requirement to have a controlled substance licence when factory produced Pindone pellets are utilised in bait stations.

3.2 Rabbit Calicivirus Disease

The results of the use of the Rabbit Calicivirus Disease (RCD) suspension as a biocide by several Regional Councils and Unitary Authorities throughout New Zealand should soon be available. The convenor of the RCD user's consortium has circulated a questionnaire seeking details of the operations which should soon be made available to consortium members and ERMA. One condition of use was that the RCD suspension was only to be used during June and July but there were several other conditions to comply with as well.

Greater Wellington did not use the biocide because the RCD immunity surveys disclosed that 23% of wild rabbits in the Western Zone and 48% of rabbits in the Eastern Zone had acquired immunity. The use of more conventional methods was, and still is recommended.

It is now almost nine years since the virus started spreading throughout the region and there are still outbreaks occurring. Many landowners who used to have significant ongoing rabbit problems have become used to having rabbits at only nuisance levels. The persistent problem areas are those in the light free draining soil types typically in the coastal areas. Because they are often in closely settled areas the rabbits are more difficult to deal with because of the risk management associated with pets, livestock and people. Also people don't want to pay for rabbit control. Hence there is this continuing call from landowners in these areas to release a new strain of virus. There is **no new strain of virus**. Certainly no more virulent strain than was introduced into New Zealand in 1997 as a bio-control agent. However, the problem is that rabbits have developed immunity the same way that humans do for strains of influenza.

There is no doubt that rabbits will rebound to higher levels. It is surprising to many rabbit control people that the suppression effect has lasted so long in our region. Rabbit numbers are increasing in the Mackenzie Basin, Kurow and parts of North Canterbury as immunity to the virus rises. The disease resistance levels had risen to 80% in some areas and Canterbury Regional Council is urging landowners to undertake shooting, fumigation and patch poisoning to keep numbers down.

Farmers on the Eyre Peninsula in South Australia are experiencing their worst rabbit plague in more than a decade. Rabbits are eating through crops and pasture. Experts are concerned that the rabbit calicivirus has stopped working. A representative from the state's Biodiversity Conservation Department said that the virus had either mutated or rabbits had become genetically resistant to it. He said it was also possible that some field strains had emerged that were less virulent than the original strain that was released. Also, there could be genetic resistance developing in the rabbit populations because of the continued selection for those individuals that were most able to survive infection.

The evidence provided by the GW RCD immunity survey conducted during March this year and the annual rabbit prone surveys indicates that it is unlikely that there are going to be any significant rabbit infestations that threaten agricultural production, at least in the short term. However, there will be localised rabbit nuisance issues as there always has been for the past forty years.

Pest Plants

1. Eradication species:

- African feathergrass: Tenders were called for the control of this species in the Masterton District. Due to exorbitant prices the contract was withdrawn. The work will now be undertaken by GW. Contractors will be undertaking control of the infestations at Karori cemetery
- Climbing spindleberry: The contract to control the infestation at Mt Bruce has been awarded. Work is to start in November and will also include those sites picked up around the Ruamahunga River at Mt Bruce during the aerial survey in June.
- Madeira vine: New sites have been recorded at Ngawi, Lake Ferry and Featherston, Wellington and Kapiti.
- Smilax: In recent times a number of new sites have been located throughout the Wairarapa, with some significant infestations in the SWDC area. A meeting with DoC was held to ensure they commit to controlling it in their reserves. Staff are currently in the process of undertaking a survey to determine the full extent of the spread and habitat types.

2. Containment species

- Boneseed: Three contracts for this species have been let in the Palliser Bay area. Two have had the initial work undertaken. One contract failed and required reworking.
- Evergreen buckthorn: A new site has been recorded at Ngawi. This was identified during a survey for Madeira vine.

3. KNE Contracts

- Porirua Scenic Reserve: Initial cutting of infestations has been undertaken on cape ivy, Japanese honeysuckle and blackberry. These sites will be sprayed early next year when the growth is significant enough to enable good chemical uptake.
- Porirua Park: Substantial infestations of old mans beard, Japanese honeysuckle and blackberry have been cut. These sites will also be sprayed early next year.
- Pukerua Bay Escarpment/Raroa Reserve: Release spraying of seedlings has been undertaken. PCC has planted hundreds of native species as their commitment to the project. DoC has also earmarked \$1000 for boneseed removal at the south end of Pukerua Bay.
- Rewanui Bush: The survey of this property has now been completed with the area generally clear of environmental weeds. Small infestations of elderberry, sweet brier, broom and cotoneaster have been located. The distribution and density of these species is very limited. Action now will prevent future problems. A copy of the contractors

report will be available in the near future. Longer term issues such as willows, poplars and wilding pines will also need to be addressed.

- **Greytown Park Bush:** Greater Wellington, in conjunction with South Wairarapa District Council and Friends of the Park are involved in a joint restoration programme for the bush. The control involves both pest plant and possum control. Possum control has been ongoing since 1998. Meetings have been held with Friends of the Park and a plan has been developed which will provide ongoing support. An initial contract to control wandering jew and bay tree is to be let shortly and is to be jointly funded by GW and SWDC.
- **Tauherenikau:** Considerable activity has taken place in the past couple of months in relation to this KNE:-
 - St Teresa's School have been involved in a native planting programme.
 - Conservation corps have removed ten wool bales of rubbish.
 - A tour of the reserve was completed by a number of regional councillors.
 - 600 trees planted by the GW Biosecurity staff.
 - Intensive rabbit control was completed.
 - Onsite interview by the editor of Wairarapa Lifestyle magazine for a future article.
- **Waikanae Reserves:** Several areas cleared of pest plants and weeds have now been replanted. Garden dumping appears to be on the increase again. Letters are to be sent out again to remind occupiers of their responsibility.
- **Waimeha Lagoon:** A weed survey has been completed. Sites have been sprayed and care groups are in the process of replanting the area.

4. Aquatic Pest Plants

In the past month there have been two instances where aquatic species have been sold through the internet marketing site Trademe. The first was suspected as hornwort and the second was eelgrass. After notifying Trademe, the items were withdrawn from auction. However, this may not mean that the plants have not been on-sold. Biosecurity NZ have been advised. It is possible that other national pests, including plants and animals may be offered for sale through this avenue.

5. Publicity

- GW staff attended two 'Weedswap' days organised by DoC (Te Papa and Hutt City). Weed specimens brought in by the public were exchanged for a native plant seedling. One confirmed site of Madeira vine eventuated from this exercise.
- Pedro Jensen (Biosecurity, Upper Hutt) gave a unique presentation at the recent Biosecurity Institute Conference which was good enough for him to win the Rob McGuinness award for presentations by a regional council officer.

- Presentations were given to four groups covering various aspects of the job.
- Staff are currently in the process of developing a programme for the Otari School which will involve a weed walk, weed removal and planting day. This programme will be run along the lines of an educational unit developed by EBOP.
- Our Big Backyard. This was a show organised by Porirua City Council with a number of organisations invited to participate. It ran from 7-13th August. Over 1,500 students visited the various displays. Biosecurity staff managed to acquire a 'Woody Weed' costume which proved a hit with the primary and intermediate pupils. Many children were genuinely interested in GW biosecurity activities and what was on display. A questionnaire filled out by visitors came back as very positive with the biosecurity display rating as one of the most memorable exhibits.

Bovine Tb Update

1. 2006/07 Programme

The AHB have approved a control programme for the 2006/07 year, with an approximate value of \$5.22M which includes the following:

- 280,651 ha possum control
- 21,116 ha possum and ferret surveys
- 82,316 ha of pig surveys.
- Trend and Performance monitoring.

These totals include the uncompleted South Wairarapa Stage 3 operation.

1.1 The following table summarises the areas already let for the 2006/07 year.

	Possum (ha)	Ferret (ha)	Survey (ha)	Total
GWRC BioWorks	66,112	0	4,888	71,000
Target Pest Control	11,770	0	0	11,770
Professional Guiding	27,761	0	0	27,761
J McCaslin	0	0	0	0
EPRO Ltd	14,455	0	0	14,455
Remove Control	0	0	0	0
To Determine	160,553	0	16,228	176,781
Totals	280,651	0	21,116	301,767

1.2 Tendering Update

Currently the third parcel of tenders (41,400 hectares) has been issued to contractors for consideration. These contracts should be awarded by the end of September.

A fourth parcel of vector control and survey tenders will be issued to contractors in September.

Pig control survey areas will be let to a number of private hunters and landowners to provide samples. Some vector control contractors will be used to facilitate the supply of samples.

2. 2005/06 Operations still to be completed

The following table details possum control for the 2005/06 year which still needs to be completed

Operation	strata	strata ha	ha to complete	Comment
BioWorks				
Homewood Riversdale	HR 3	6146	6146	control delayed due to lambing
Mt Bruce to Waipoua	HMR 4	418	418	control delayed due to calving
Mt Bruce to Waipoua	HMR 5	642	642	Monitoring to be completed
South Wairarapa Stage 3	HR 5	3658	1136	Expected to be completed in Sept-Oct
South Wairarapa Stage 3	aerial	3255	750	Expected to be completed in Sept-Oct
Te Wharau	HR 4	1610	1610	Monitoring to be completed
Tinui	HR 1	3140	3140	Monitoring to be completed
		18,869	13,842	
Target Pest				
Mangaroa Kaitoke	HR 3	2269	2269	Strata failed.
Totals		21138	16,111	

3. South East Wairarapa – Stage 3 (33,180 ha)

BioWorks has 1,886 ha of the SEW Stage 3 (05/06) programme to be completed shortly. This area was delayed so it could be completed in conjunction with the Aorangi Forest Park.

The remainder of this operation has been carried forward, (approx 21,717 ha). Approximately 30,378 hectares of this operation will be treated during the 2006/07 year.

Landowners in this area have all been contacted and their support for a programme has been obtained. Approvals have been obtained from the Medical Officer of Health, Department of Conservation and a Resource Consent has been issued for aerial control using 1080.

Aerial pre-feeding of carrot baits has been undertaken. 1080 carrot baits with deer repellent added will be laid in agreed areas once suitable weather patterns are available. Pellet baits have been ordered and these will be distributed as soon as conditions permit.

The area has been divided into the following contract strata:

Strata	Contractor	Area (ha)	Comments
HR1	BioWorks	2726	Year 2 of a 2 yr contract
HR 2 (G)	To be determined	827	Let in parcel 3
HR 3 (G)	Professional Guiding Services	292	
HR 4 (G1)	Professional Guiding Services	1,757	
HR 4 (G2)	Professional Guiding Services	379	
HR 5	BioWorks	3,658	Year 2 of a 2 yr contract
HR 6	BioWorks	2,268	Year 2 of a 2 yr contract
HR 7	EPRO Ltd	14,455	Aerial 1080 carrot baits
HR 7 (G)	To be determined	294	Let in parcel 3
HR 7 (A3)	BioWorks	2,154	Aerial 1080 pellet baits
HR 8 (G)	BioWorks	719	Input ground control contract
HR 8 (A)	BioWorks	849	Aerial 1080 pellet baits



Wayne O'Donnell
Manager, Biosecurity

Flood Protection (Wairarapa) - Acting Manager's Report Ian Gunn

For period ending 31 August 2006

1. Flooding at Te Ore Ore

Following the submissions from Messrs White and Eglinton at the last Committee meeting, staff have collected further data and had a discussion with staff from the Masterton District Council, and Consents, Flood Protection and Technical Services staff within Greater Wellington. It is clear that there has been a history of flooding in this area. The latest flood is not the largest flood to have occurred. Greater Wellington funded a willow tree clearing project in the Lower Whangaehu River in the late 1990's because of flooding issues from the willows choking the channel. The dairy shed has building consent from MDC. The only issue raised at the time the consent was granted was noise. The siting of the dairy shed has partially blocked a "flood channel" which will have lifted flood levels in the vicinity of the White's house in medium sized floods. It is the staffs' opinion that in a very large flood the dairy shed will be outflanked and flood flows will spill over a wider area of the flood plain. A joint letter has gone from both Councils to the Whites explaining the situation and indicating that the area of flood prone land in this locality will be amended on the flood hazard maps in the Combined District Plan. In the meantime Mike Longworth will discuss with Jo Percy the benefits of lowering his cow race which leads to the dairy shed. The outcome of this discussion will be relayed to the parties promptly.

2. Flood Protection Activities

The floods have delayed the pole planting and lopping programme. Additional contractors have been hired to increase the number of gangs. The pole planting programme has almost caught up.

Flood damage repairs have been completed in the eastern tributaries of the Lower Wairarapa Valley Development Scheme. The repairs were necessary to prevent bank erosion and to keep the rivers within the channels.

Following the end of the trout spawning season, bulldozers are now operating in the Waiohine and Upper Ruamahanga Rivers.

Staff have fielded a number of calls and made a number of inspections regarding works which would qualify for funding from the isolated works budget.

Staff have negotiated with the Masterton District Council to widen the Ruamahanga River at the southern end of Henley Lake. The river narrows in this area and flood waters have left the channel threatening houses west of Te Ore Ore. Work has commenced with the development of a trench on the river bank at Henley Lake. New trees will be planted and the old outer edge trees removed over time on both sides of the river.

Work is proceeding on the resource consent for general activities in the Lower Wairarapa Valley Development Scheme.

The position of Area Engineer, made vacant when Michael Hewison resigned, has now been advertised.

There is a full complement of staff in the river gangs now with the appointment of Daniel Buchanan to the Southern river gang.

3. Mr John Barton - Stopbank

Staff have prepared briefs of evidence for the one remaining appeal now valid on the Scadden's stopbank upgrade. Mr John Barton, a neighbour, appealed on five grounds, four of which were struck out by the Environment Court Judge. The one remaining appeal is focused on the issue of stopping a paper road. The Council's position is that it does not believe that by benching down the river bank that it will stop the road.

The High Court is close to agreeing on the wording of an exemption for Mr Barton from Rule 49A in the Freshwater Plan. This rule was to control movement along the top of stopbanks by vehicles exceeding 9 tonnes in weight. Mr Barton convinced the Environment Court that he should be allowed to have access along his banks regardless of weight. Council appealed this to ensure there were conditions. Staff made no change to the Judge's last wording recommendation.

4. Gravel Royalties at Waihenga Bridge

Gravel continues to build up on the beach at Waihenga Bridge (adjacent to Ashton Herrick's property). The build up of gravel could be reducing the capacity of the river channel forcing the river in a westerly direction resulting in erosion of the river bank and this is causing significant scour in the vicinity of the bridge piles situated on the western side of the riverbed. In an attempt to reduce the impact of the gravel build up it is proposed to offer gravel from this beach with no royalty charge. Such a proposal was successful on the lower part of the Tauherenikau River. A new extractor was attracted into the area and is now winning a significant volume of gravel. It is accepted that it might take some years to be successful.

5. Technical Services Activities

There has been a strong focus on assessing the impact of the July flood events.

Aerial photographs have been completed for Waingawa, Waiohine, Tauherenikau, Upper Ruamahanga, Huangarua, Mangatarere, and Donalds Creek. Images are currently being registered in GIS system.

With the start of the new financial year staff have been processing gravel extraction returns for the end of 2005/06 year, inspection of gravel extraction sites and re-issuing 66 new gravel licences for the 2006/07 year. Gravel volumes continue to increase over previous years. However there are still areas within the Ruamahanga River system where Flood Protection staff would like to have more gravel won. As indicated previously, location is the primary issue in selecting where gravel is won.

Coastal beach monitoring surveys have been completed for Riversdale and Castlepoint.

River bed monitoring surveys have been completed at Dry River – Pirinoa Road Bridge, Mangatarere – Consents bore level survey and Huangarua River – annual 5 year monitoring survey.

A large number of Land Management, BioWorks and private plans and maps have been produced.

A handwritten signature in black ink, appearing to be 'I. Gunn', written over a horizontal line.

Ian Gunn

Land Management - Manager's Report Dave Cameron

For period ending 31 August 2006

1. Akura Conservation Centre

Akura Conservation Centre will close at the end of September. Since June it has experienced a strong period of selling. Fine weather in the last month has seen a marked increase in seedling sales, particularly native species. Pole numbers for land management programmes have also been in strong demand and some 24,000 will have been planted this year for erosion control purposes.

Land is being prepared for planting new beds in the nursery. In total 5 hectares will be planted with 20,000 new pegs. These new pegs are replacing the original stocks planted in 1986. The completion of this year's planting will result in the nursery being almost fully stocked for the first time in five years. The replacement of original stock should be completed in 2007.

The new stopbank on the Waipoua River has held up very well over the winter months. Further consolidation of planting will be required before next winter.

2. Lifestyle Block Field Day

A field day was held on the property of the winners of the Farm Environment Award lifestyle category. Held at the property of Nan McDonald and Sue Kingsford at Ahiaruhe, the day was attended by 90 people from throughout the region. Sponsors of the event were on hand to give advice about fencing, fertiliser and planting.

This is the second year that a field day has been held with a lifestyle theme, and it is proving to be a very good forum for the transfer of advice and information on a range of activities that can effect the environment.

Lifestyle property numbers make up 20% of the region's farms, and cover some 5% on an area basis. This equates to some 44,000 hectares, or the equivalent of 70 traditional sheep and beef farms.

3. Visit from MAF Policy staff

Two staff from the MAF policy unit visited the Wairarapa to view damage from recent heavy rainfall events and to discuss with landowners how central government should react to adverse events and how sustainable land management initiatives could be supported. They met with three farmers in the Bideford area and four in the Maungaraki area.

The discussions proved to be very informative and constructive. Landowners were keen to see an emphasis on research, a more formalised arrangement with local government that recognised the national benefit of land management programmes, and an expansion of programmes like the East Coast Forestry Project onto other severely eroding land throughout parts of New Zealand.

4. Permanent Forestry Sink Initiative

Government has recently announced that it will proceed with the Permanent Forestry Sink Initiative (PFSI). This is a major initiative that will provide a new economic use for some of New Zealand's most difficult and erosion-prone land.

The PFSI will allow landowners to get the economic value of removing carbon dioxide from the atmosphere and storing it in the form of carbon in new forests. Under the Kyoto Protocol this process generates forest sink credits which can be sold on the international market.

The Government has been developing policy under the climate change work programmes and are satisfied that the PFSI is consistent with any climate change policy scenario. Climate change is expected to increase both the intensity and frequency of storms and the PFSI will provide better protection for hill country, particularly land on the east coast of the North Island and in the Taranaki and Manawatu regions.

Forests that qualify (Kyoto forests) include exotic forests established after 17 October 2002 and indigenous forests established from 31 December 1989. To qualify for emission units the new forest must be "direct human induced...through planting, seeding and/or the human-induced promotion of natural seed sources."

The Initiative will only be in place for the first Kyoto commitment period from 2008 to 2012. Continuation of the Initiative will be reliant on further commitment periods.



Dave Cameron

Support Services - Manager's Report Stephen Hill

For period ending 31 August 2006

1. Financial Performance

Catchment Division Funding Impact Statement 2 Months Ended 31 August 2006	YTD Actual \$000	YTD Budget \$000	YTD Var \$000	FY Forecast \$000	FY Budget \$000	FY Var \$000
Rates & levies	2,490	2,490	0 U	14,937	14,937	0 U
Government grants & subsidies	0	0	0 U	0	0	0 U
External revenue	995	862	133 F	7,158	7,158	0 U
Investment revenue	78	71	7 F	428	428	0 U
Internal revenue	755	545	210 F	5,149	5,149	0 U
TOTAL REVENUE	4,318	3,968	350 F	27,672	27,672	0 U
Personnel costs	1,098	1,144	46 F	6,863	6,863	0 U
Materials, supplies & services	514	428	-86 U	2,408	2,408	0 U
Travel & transport costs	69	59	-10 U	355	355	0 U
Contractors	373	430	57 F	4,252	4,252	0 U
Consultants	174	121	-53 U	1,106	1,106	0 U
Grants and subsidies	0	3	3 F	103	103	0 U
Internal charges	834	584	-250 U	5,383	5,383	0 U
TOTAL DIRECT EXPENDITURE	3,062	2,769	-293 U	20,470	20,470	0 U
TOTAL INDIRECT EXPENDITURE	688	692	4 F	4,055	4,055	0 U
TOTAL EXPENDITURE	3,750	3,461	-289 U	24,525	24,525	0 U
OPERATING SURPLUS/(DEFICIT)	568	507	61 F	3,147	3,147	0 U
Add back non cash items	179	153	26 F	823	823	0 U
Less capital expenditure	-426	-205	-221 U	-6,554	-6,554	0 U
Less investments movements	0	0	0 U	-335	-335	0 U
Less debt repayments	-298	-317	19 F	-1,902	-1,902	0 U
Plus debt additions	308	191	117 F	5,643	5,643	0 U
Plus reserve movements	-110	-80	-30 U	-775	-775	0 U
FUNDING SURPLUS/(DEFICIT)	221	249	-28 U	47	47	0 U

At the end of August the Division's funding position was very close to budget (\$28,000U) with revenue being \$350,000 above budget and operating expenditure \$289,000 above budget. Capital expenditure at August was \$221,000 above budget due to the timing of vehicle purchases for BioWorks and Land Management. Western Flood Protection capex was \$115,000 ahead of budget, largely related to the timing of Alicetown stopbank design and Jim Cooke Park river realignment works.

Significant variances are as follows:

(1) *Biosecurity \$33,000 Unfavourable*

Bovine Tb vector control revenue and expenditure was approximately \$200,000 ahead of budget. A number of 2005/06 control operations were progressed during July and August.

(2) *BioWorks \$89,000 Favourable*

BioWorks has had a positive start to the 2006/07 year partly related to finalising a number of 2005/06 control contracts that were unable to be completed by June 2006.

(3) *Land Management \$60,000 Unfavourable*

Due to the progress achieved for the property plan and sustainability plan planting programmes.

(4) *Flood Protection \$43,000 Unfavourable*

A number of offsetting variances relating to work programme progress.

Stephen Hill