

SELWYN PLANTATION BOARD LIMITED

Cost of Service

2000/01 BUDGET		2001/02 BUDGET
\$		\$
8,000,000	Revenue	9,400,000
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5,489,000	Maintenance & Operating Costs	5,980,000
120,000	Depreciation	120,000
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5,600,000	Total Expenditure	6,100,000
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2,400,000	Net Profit Before Taxation	3,300,000
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Net Profit Before Taxation

Projected Net Profit Before Taxation 2001/02	\$3,300,000
Projected Net Profit Before Taxation 2002/03	\$3,400,000

Capital Expenditure

Capital expenditure of \$500,000 is provided for in 2001/02.

Nature and Scope

The Company manages 13,000 hectares of land, of which 10,000 hectares are stocked with an assessed wood volume at 31 March 2002 of 2.0 million tonnes.

Relationship to the Council

Selwyn Plantation Board Ltd is a local authority trading enterprise jointly owned by the Selwyn District Council (61%) and the Christchurch City Council (39%). The Council exercises influence on the Board through a Statement of Corporate Intent.

The Council's interest in this Company is in accordance with its Strategic Objectives: F1 and F2 (as printed in the Strategic Statement).

For a list of the Company directors see page 115.

The Council is giving consideration to transferring its share in Selwyn Plantation Board Ltd to its wholly owned holding company Christchurch City Holdings Ltd.

Overall Service Objective

1. To operate a successful forest-based business consistent with conservation and the provision of shelter objectives on the plains of Canterbury, involving:
 - Economically utilising the renewable resource base of the company's forests to maintain a sustainable dividend to its owners.
 - Acting as a good corporate citizen in all aspects including:
 - Innovative forest management to provide round wood of a quality suitable for both local and export consumption at a price that these markets will stand.
 - Sustained yield forest management that takes cognisance of, and makes allowances for, the vagaries of the Canterbury weather.
 - Acknowledging that plantations have a very important shelter function on the Canterbury plains.
 - Achieving a balance between the recreational use of forests and the commercial objectives of forestry.

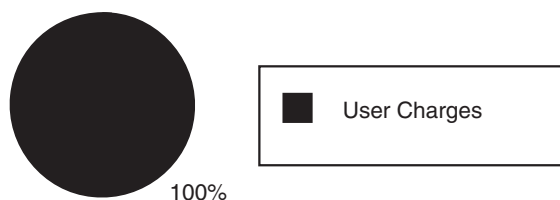
Objectives for 2001/02

2. Produce programmed wood volume.

Performance Indicators

2. Produce 165,000 tonnes of wood by 31 March 2002.

Sources of Funding



The Selwyn Plantation Board Ltd was a major sponsor of this concert which was held on 28 January 2001 in Darfield