

# Selwyn Plantation Board Limited

## Cost of Service

2002/03 BUDGET \$		2003/04 BUDGET \$
10,424,858	Revenue	11,290,500
7,277,900	Maintenance & Operating Costs	8,096,700
120,000	Depreciation	160,000
7,397,900	Total Expenditure	8,256,700
<u>3,026,958</u>	Net Profit Before Taxation	<u>3,033,800</u>

## Net Profit Before Taxation

Projected Net Profit Before Taxation 2003/04	3,033,800
Projected Net Profit Before Taxation 2004/05	3,100,000

## Capital Expenditure

Capital expenditure of \$395,000 is provided for in the 2003/04 budget.

## Nature and Scope

The core business of the Company is forestry. The primary activity is to manage the Company's forests on a commercial basis using the most environmentally and commercially sustainable methods. The Company manages 13,000 hectares of land, of which 10,000 hectares are stocked with exotic production forestry.

## Relationship to the Council

Selwyn Plantation Board Ltd is a local authority trading enterprise jointly owned by the Selwyn Council Trading Enterprises Ltd (61%) and Christchurch City Holdings Ltd (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 (see page 13).

For a list of the Company directors see page 215.

## Overall Service Objective

The primary objective of the Company shall be to operate a profitable, sustainable and innovative business consistent with shareholders' expectations, including:

- Increasing the net worth of shareholder value while prudently managing assets.
- Protecting and enhancing the Company's long term marketing competitive position and being responsive to our customers' needs.
- Minimising any adverse effects of our activities and facilities on the environment.
- ensuring business activities comply with all regulatory requirements.
- Being committed to excellence in health and safety management.
- Providing a good faith culture that recognises the importance of our employees' contribution to the success of the Company. To acknowledge and reward them in a fair and equitable way and provide opportunities for personal development.
- Being a good corporate citizen in the community and meeting our social obligations.

## Objectives for 2003/04

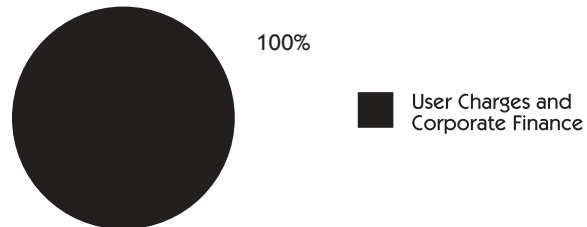
1. Harvesting	176,000 tonnes
2. New planting/replanting	300 ha
3. Pruning/thinning	180 ha

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## Performance Indicators

1. Produce programmed wood volume.
2. Complete programmed new planting/replanting.
3. Complete programmed pruning and thinning.

## Sources of Funding



Douglas fir logs bound for South Korea.



New planting on SPBL hill country.