

SELWYN PLANTATION BOARD LIMITED

Cost of Service

1999/00 BUDGET	2000/01 BUDGET
\$	\$
(5,150,000) Revenue	(6,640,000)
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4,120,000 Maintenance & Operating Costs	5,200,000
130,000 Depreciation	130,000
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4,250,000 Total Expenditure	5,330,000
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(900,000) Net Profit Before Taxation	(1,310,000)
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(The 2000/01 figures are subject to Board ratification)

Net Profit Before Taxation

Projected Net Profit Before Taxation 2000/01 \$1,310,000
 Projected Net Profit Before Taxation 2001/02 \$1,310,000

Capital Expenditure

Capital expenditure of \$765,000 is provided for in 2000/01.

Nature and Scope

The Company manages 13,000 hectares of land, of which 9,868 hectares are stocked with an assessed wood volume at 31 March 2000 of 1.93 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 (see page 26).

The possible sale of the Council shareholding in Selwyn Plantation Board Ltd was the subject of a public consultation programme. The submissions have been considered and a final decision whether or not to sell will be

made by the Council some time in the future.

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.

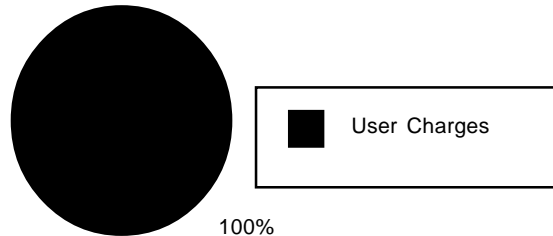
Objectives for 2000/01

2. Continue the scheduled planting programme.
3. Produce programmed wood volume.

Performance Indicators

- 2.1 Plant 500 hectares by 31 March 2001.
- 3.1 Produce 125,000 tonnes of wood by 31 March 2001.

Sources of Funding



President Jiang Zemin of China inspecting logging machinery at a Selwyn Plantation Board Ltd forest, Darfield - September 1999