



## PUBLIC EXCLUDED

**Report:** PE-03.78  
**Date:** 26 February 2003  
**File:** O/03/02/15

**Committee** Policy, Finance and Strategy Committee  
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### Utility Services Division - Plantation Forestry : Proposed Business Plan 2003-2013

#### 1. Purpose

To seek approval of the proposed Business Plan for Plantation Forestry, including any amendments approved by the Committee.

#### 2. Exclusion of the Public

Grounds for exclusion of the public under section 48(1) of the Local Government Official Information Act 1987 are:

*That the public conduct of the whole or relevant part of the meeting would be likely to result in the disclosure of information for which good reasons for withholding exists, i.e. to carry on commercial negotiations.*

#### 3. Greater Wellington Plantation Forestry Operating Plan for 2003/04 and Projections to 2013 and Beyond

The Operating Plan, which has been provided separately and will be tabled at the meeting on 4 March 2003, contains considerable strategic, operational and financial detail of this activity.

This overview summarises the position as we currently see it and the assumptions made. Attached is the summary review of the Income Statement and Debt to Value graph.

#### 4. Key Features

- Cutting plan revised resulting in higher revenue as harvest volumes increase.
- Corresponding increase in contractors costs because of rising harvest volumes.

- Other operating expenses similar to 2002/03 budget.
- Budgeted financial costs up by \$30,000.
- Debt reaches \$12.2M by June 2004 but below treasury limit of 70%.
- Dividend of \$150,000 pa provided.
- No contribution is assumed for public good component of activity.

## **5. Changes to the Proposed Business Plan Recommended by Officers**

Nil.

## **6. Recommendations**

*That the Committee recommend to Council that it:*

- (1) receive the report and note its contents.*
- (2) note that officers are not recommending any changes to the proposed business plan for Plantation Forestry.*
- (3) approve the proposed business plan for Plantation Forestry (including any amendments approved by the Committee) for inclusion in the Council's Proposed Long-term Council Community Plan 2003-2013 (incorporating the Council's 2003/04 Annual Plan).*

**David Benham**

Divisional Manager, Utility Services

### Attachments

1. Plantation Forestry Summary Review Income Statement
2. Projected Debt to Value Graph