

FORESTRY (AMENDMENT) BILL 1989

NEW SOUTH WALES



EXPLANATORY NOTE

(This Explanatory Note relates to this Bill as introduced into Parliament)

The Forestry Act 1916 currently requires the holder of a timber licence, products licence or forest materials licence to pay to the Forestry Commission a royalty in respect of the timber, products or forest materials taken under the licence.

The object of this Bill is to amend that Act:

- (a) to institute a royalty apportionment scheme under which the landholder of certain Crown-timber land is entitled to a one-third share of the net royalties paid in respect of the taking of timber and other materials from the land; and
- (b) to repeal provisions under which such a landholder is currently compensated for disturbance to the land occasioned by the taking of timber and other materials; and
- (c) to provide for the phasing-in of the royalty apportionment scheme and the phasing-out of the current compensation scheme; and
- (d) to make minor and consequential amendments.

The Bill also repeals the Forestry (Amendment) Act 1984.

Clause 1 specifies the short title of the proposed Act.

Clause 2 provides that the proposed Act is to commence on a day or days to be appointed by proclamation.

Clause 3 is a formal provision that gives effect to the Schedule of amendments to the Forestry Act 1916.

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Clause 4 repeals the Forestry (Amendment) Act 1984 because the provisions of that Act (concerning a former royalty apportionment scheme) will now be obsolete.

SCHEDULE 1 - AMENDMENTS

Royalty apportionment scheme

Schedule 1 (1) and (3) make amendments concerning the proposed royalty apportionment scheme.

The scheme will apply to royalties payable in respect of timber and other materials taken from land under certain Crown leases, purchase-tenure land and certain reserves controlled by Pastures Protection Boards. When a royalty is paid, the landholder of the land concerned will be entitled to one-third of the balance of the royalty remaining after the Commission has deducted certain amounts (substituted section 30E).

The deductible amounts are as follows:

- . payments by the Commission to certain timber marketing and promotional organisations;
- . costs incurred by the Commission in connection with the establishment, planting, improvement etc. of the timber and other materials;
- . costs incurred by the Commission in connection with the facilitation of the taking of the timber and other materials (including costs of constructing and maintaining roads and other works).

The landholder's share is payable within 1 month after the end of the Commission's financial year that is current when the royalty is paid.

If the Commission takes timber or products, proposed section 30F requires the same apportionment of royalty as would have been required under proposed section 30E had the Commission been liable to pay royalty for the timber and products taken.

Consequential amendments are made by Schedule 1 (4), (8) and (9) so that the new royalty apportionment scheme will apply to amounts recovered by the Commission which are in the nature of or instead of royalties.

Repeal of compensation provisions

Schedule 1 (6) repeals provisions of the Forestry Act 1916 which currently provide for the payment of compensation for land disturbance to landholders who will now be entitled to a share of royalties under the proposed amendments. Schedule 1 (2) and (7) are consequential amendments.

Savings and transitional provisions

Schedule 1 (6) also inserts provisions dealing with the phasing-in of the royalty apportionment scheme and the phasing-out of the repealed compensation scheme.

Under section 30K, the repealed compensation scheme will continue to apply to particular land after its repeal but only so as to enable the assessment and payment

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of compensation on the first occasion on which compensation would have been payable had the provisions not been repealed.

Under section 30L, the new royalty apportionment scheme will only apply to a royalty that becomes payable after the repealed compensation scheme ceases to apply to the land concerned.

Minor amendment

Schedule 1 (5) makes an amendment that is consequential on the repeal of the Forestry (Amendment) Act 1984.
