

1970/64



THE FORESTRY ENCOURAGEMENT GRANTS REGULATIONS 1970

ARTHUR PORRITT, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington this 13th day of April 1970

Present:

THE HON. N. L. SHELTON PRESIDING IN COUNCIL

PURSUANT to the Forests Act 1949, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

ANALYSIS

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REGULATIONS

1. Title—These regulations may be cited as the Forestry Encouragement Grants Regulations 1970.

2. Interpretation—(1) In these regulations, unless the context otherwise requires—

“The Act” means the Forests Act 1949:

“Approved area” means any area of land in respect of which an approving authority has approved a forestry encouragement grant and issued an initial approval certificate pursuant to these regulations:

“Approving authority” means the person or persons specified in the First Schedule to these regulations as the approving authority to complete the initial approval certificate for each respective class of forestry encouragement grant therein mentioned:

“Authorising officer” means the person specified in the First Schedule to these regulations as the authorising officer to authorise payment for each respective class of forestry encouragement grant therein mentioned:

“Certified account” means a statement in the prescribed form containing such information relating to qualifying expenditure incurred on an approved area as may be required by these regulations to support an application or claim for payment of which the correctness, including the due payment of amounts purporting to have been disbursed, is certified in prescribed form by a chartered accountant in public practice:

“Commissioner” means the Commissioner of Inland Revenue:

“Forestry encouragement grant” means a grant pursuant to these regulations and includes part of a grant:

“Initial approval certificate” means a certificate in the prescribed form given to an applicant that the land specified in the certificate qualifies as an approved area:

“Inspection approval certificate” means a certificate in the prescribed form by a Forest Officer that the work for which payment of qualifying expenditure incurred on an approved area is claimed has been satisfactorily completed on that area in accordance with a certified account:

“Landholder” includes any person not under any contractual disability who holds any landholding; but does not include—

(a) Any person whose total annual qualifying expenditure whether incurred on an approved area or not exceeds \$200,000:

(b) Any company not independent of any other company or companies if the total annual combined qualifying expenditure of the company and the other company or companies whether incurred on an approved area or not exceeds \$200,000:

(c) Any local authority within the meaning of Part VI of the Local Authorities Loans Act 1956:

“Landholding” includes every estate, right, title, or interest of any kind in or over any land in New Zealand, otherwise than by way of charge or security, by which the holder thereof may plant trees for commercial purposes; but does not include—

(a) Any land in respect of which State financial assistance other than under these regulations has been accepted by the landholder to encourage afforestation:

(b) Any woodlot planted or maintained to provide shelter, to prevent erosion, or for agricultural or pastoral purposes:

(c) Any land held in co-ownership of any kind, unless all the co-owners are applicants under these regulations in respect of that land:

“Person” includes a body of persons, whether corporate or unincorporate:

“Prescribed form” means such form as may be provided, required, or approved by the Director-General:

“Qualifying expenditure” means any of the expenditure set out in the Second Schedule to these regulations.

(2) If, for the purposes of these regulations, any question arises as to whether any person is a landholder, a certificate by the Minister shall be final and conclusive in deciding that question.

3. Forestry encouragement grants—Subject to compliance by a landholder with these regulations, to such money as may be fixed or allocated for the purpose, and to such priorities as may be established pursuant to regulation 16 of these regulations, a forestry encouragement grant may, at the discretion of the approving authority, be approved and, after authorisation, paid in reimbursement of such amount as shall be determined by the approving authority of any qualifying expenditure incurred on an approved area by the landholder:

Provided that payments in any one year shall not exceed the percentage specified for the appropriate class of forestry encouragement grant in the First Schedule to these regulations.

4. Eligibility—Subject to these regulations, every landholder may apply for a forestry encouragement grant of the appropriate class specified in the First Schedule to these regulations for the landholding held by him in or over an area of land in any district or locality of New Zealand specified in the Fourth Schedule to these regulations being not less than 5 acres, or at the discretion of the approving authority if the area of land is less than 5 acres but is the entire residue of any landholding, and is to be utilised by the landholder for afforestation.

5. Applications for initial approval certificates—Every application for an initial approval certificate shall be made in the prescribed form by or on behalf of a landholder to the Conservator in whose Conservancy the proposed approved area or the greater part thereof is situated, and shall be accompanied by—

- (a) Evidence in the prescribed form whereby the Conservator and the Commissioner can identify the landholding and the proposed approved area:
- (b) A development plan in the prescribed form, including the particulars set out in the Third Schedule to these regulations, whereby the approving authority will be fully informed of the purposes for which qualifying expenditure will be incurred.

6. Time for application for initial approval certificates—Applications for initial approval certificates shall be lodged with the Conservator not later than the 31st day of August preceding the calendar year in which the initial work under the development plan supplied with the application is intended to be done.

7. Claims for payment—Every claim for payment under a forestry encouragement grant shall be—

- (a) Made in the prescribed form by or on behalf of the landholder of the approved area in respect of which the claim is made:
- (b) Accompanied by a certified account as to the qualifying expenditure incurred, and as may otherwise be reasonably required by the Conservator:
- (c) Accompanied by evidence defining with appropriate and reasonable accuracy to a standard acceptable to the Conservator the acreage of established treecrop:

8. Payment—(1) Any payment under a forestry encouragement grant shall be subject to the prior issue of an inspection approval certificate and otherwise subject to the terms, limits, and conditions set out in the First Schedule to these regulations.

(2) Payment in respect of planting costs may be withheld by the Conservator until the inspection approval certificate shows that the standard of establishment of the treecrop is satisfactory to him.

9. Time for claims for payment—(1) All claims for payment shall be made for each year ending with the 31st day of March or such other balance date as may have been approved by the Commissioner.

(2) All claims for payment shall be lodged with the Conservator within 3 months after the year ended with the 31st day of March, or such other balance date as may have been approved by the Commissioner, for which payment is claimed.

10. Applications and claims generally—The receipt by the Conservator of any application for an initial approval certificate or any claim for payment shall, in respect of that application or claim, authorise the Conservator—

- (a) To obtain all such information and require all such inspections to be made as he certifies are necessary to verify that the application or claim is in order for the purposes of these regulations:
- (b) To supply to the Commissioner particulars of the application or the claim, particulars of any initial approval certificate, any inspection approval certificate, or any certified account relating to that application or claim, any other particulars of the forestry encouragement grant for which application is made or under which payment is claimed, and all payments made or payable under the grant:
- (c) Upon compliance by the landholder with all requirements under these regulations, to arrange payment of money by way of a forestry encouragement grant to the landholder or to a duly authorised agent of the landholder.

11. Forwarding accounts to the Commissioner—The Conservator shall supply to the Commissioner particulars of all initial approval certificates, all certified accounts, and all payments made or payable under any forestry encouragement grant, and, on request of the Commissioner, any such inspection approval certificate as the Commissioner may require.

12. Determination of grant—At the option of the Minister, any forestry encouragement grant may be determined, and no further payments by way of grant made in any of the following cases—

- (a) If the landholder ceases to be a landholder for the approved area in respect of which the grant has been approved; or
- (b) If a company, being a landholder in respect of an approved area, in calculating for the purposes of the Land and Income Tax Act 1954 the assessable income derived by it elects, pursuant to the second proviso to paragraph (b) of subsection (1) of section 91 of the Land and Income Tax Act 1954 (as added

by subsection (1) of section 15 of the Land and Income Tax Amendment Act 1965), to deduct any qualifying expenditure incurred for that area; or

- (c) If the landholder, being eligible for payment in any year under a forestry encouragement grant, without the approval or confirmation of the Minister, fails to claim payment for that year.

13. Transfers of grants—Upon the transfer (whether by sale, exchange, gift, transmission or otherwise) of ownership of a landholding which is wholly or in part an approved area, the landholder by whom that area is acquired may if otherwise eligible apply through the Conservator to the approving authority for the transfer into his name of the initial approval certificate subject *mutatis mutandis* to the terms and conditions on which it was originally issued and to all requirements of these regulations, and the approving authority may, subject to such other conditions as may be required by that authority, approve that transfer.

14. Offences—(1) It shall be an offence against these regulations for any person, knowingly, to apply for an initial approval certificate, or to claim payment, to which he is not entitled, or to supply misleading or incorrect information in relation to an application or claim.

(2) Every person who commits an offence against these regulations shall be liable on summary conviction—

- (a) In the case of an individual, to imprisonment for a term not exceeding 1 month, or to a fine not exceeding \$200, and, if the offence is a continuing one, to a further fine not exceeding \$20 for every day during which the offence continues, or to both such imprisonment and such fine:
- (b) In the case of a body corporate, to a fine not exceeding \$1,000, and, if the offence is a continuing one, to a further fine not exceeding \$100 for every day during which the offence continues.

15. Savings—Notwithstanding anything in regulation 6 of these regulations, any application for an initial approval certificate lodged with the appropriate Conservator on or before the seventh day after these regulations come into force shall be deemed to have been made in due time for the purposes of these regulations.

16. Priorities—(1) The Minister may from time to time in respect of all applications for initial approval certificates, or for any class or kind of those applications, fix priorities among them.

(2) If any applications are accorded equal priority under subclause (1) of this regulation precedence shall be accorded among those applications in order of their receipt.

SCHEDULES
FIRST SCHEDULE

Regs. 4 and 8

APPROVAL OF GRANTS AND PAYMENTS

Class of Forestry Encouragement Grant	“A”	“B”	“C”	“D”
Total area in acres per initial approval certificate for the period commencing on date of initial approval	5 (or less, if residue) to 100	101-200	201-500	Over 500
Total grant limit per established acre during rotation of crop (reducible by approving authority in accordance with that authority's assessment of development plan).	\$120	\$120	\$120	\$120
Annual maximum sum payable per established acre for qualifying expenditure (reducible by authorising officer in accordance with his assessment of inspection approval). In each case certified claims shall be submitted, and an inspection approval certificate completed, before payment.	50%	50%	50%	50%
Approving authority	Conservator	Director-General or a Forest Officer to whom the power is delegated in writing by the Director-General	Minister of Forests	Minister of Forests with the concurrence of Minister of Finance
Authorising officer	Conservator	Conservator	Conservator	Director-General
Planting period (in years) for the period commencing on date of initial approval.	10	10	10	10

SECOND SCHEDULE

Regs. 2 and 3

QUALIFYING EXPENDITURE

Any expenditure by a landholder being expenditure which, if it had been incurred by a company to which the second proviso to paragraph (b) of subsection (1) of section 91 of the Land and Income Tax Act 1954 (as added by subsection (1) of section 15 of the Land and Income Tax Amendment Act 1965) applies, the company could elect to deduct under that proviso in calculating for the purposes of the Land and Income Tax Act 1954 the assessable income derived by the company.

The value of the labour of the applicant or the labour of the applicant's family at no higher than the rates of payment for the class of workers in the New Zealand Forest Service known as Forest Hand 1.

THIRD SCHEDULE

Reg. 5

MINIMUM PARTICULARS OF DEVELOPMENT PLAN

Total area to be established.
 Area to be planted each year.
 Species to be planted.
 Objects of management.
 Management plan.

FOURTH SCHEDULE

Reg. 4

DISTRICTS OR LOCALITIES WHERE AFFORESTATION WILL BE TO THE
GREATEST NATIONAL AND LOCAL BENEFIT

Districts or localities where it is desirable to build up local supply forests.

Districts or localities where forests will support existing or proposed large integrated industries.

Districts or localities within an economic distance of a log export port.

Districts or localities suited to the growing of a special purpose timber.

P. J. BROOKS,
 Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations are made under the Forests Act 1949. Forestry encouragement grants may be made to landholders to plant trees for commercial purposes on approved areas in districts or localities where afforestation will be to the greatest national and local benefit.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 16 April 1970.

These regulations are administered in the New Zealand Forest Service.