



THE FORESTRY ENCOURAGEMENT LOANS  
REGULATIONS 1967, AMENDMENT NO. 3

KEITH HOLYOAKE, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 12th day of December 1977

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the Forestry Encouragement Act 1962, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

ANALYSIS

<ol style="list-style-type: none"> <li>1. Title and commencement</li> <li>2. Interest</li> <li>3. Remission of principal and interest</li> </ol>	<ol style="list-style-type: none"> <li>4. Total remission of principal and interest</li> <li>5. Insurance</li> <li>6. First Schedule</li> <li>7. New Fifth Schedule Schedule</li> </ol>
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REGULATIONS

**1. Title and commencement**—(1) These regulations may be cited as the Forestry Encouragement Loans Regulations 1967, Amendment No. 3, and shall be read together with and deemed part of the Forestry Encouragement Loans Regulations 1967\* (hereinafter referred to as the principal regulations).

(2) These regulations shall come into force on the 1st day of January 1978.

**2. Interest**—Regulation 7 of the principal regulations is hereby amended by adding, after subclause (3), the following subclause:

“(4) The Minister may, with the prior written agreement of the local authority, amend the rate of interest payable under any agreement to the rate currently prescribed in the First Schedule to these regulations.”

\*S.R. 1967/29  
Amendment No. 1: 1970/65  
Amendment No. 2: 1974/260

**3. Remission of principal and interest**—(1) Regulation 8 (1) of the principal regulations (as amended by regulation 5 (1) (a) of the Forestry Encouragement Loans Regulations 1967, Amendment No. 2) is hereby further amended by inserting, before the words “provision in accordance with these regulations”, the words “Except in the case of loans to local authorities approved on or after the commencement of the Forestry Encouragement Loans Regulations 1967, Amendment No. 3”.

(2) Regulation 8 of the principal regulations is hereby further amended by revoking subclause (6A) (as inserted by regulation 5 (3) of the Forestry Encouragement Loans Regulations 1967, Amendment No. 2), and substituting the following subclause:

“(6A) The rate of interest referred to in paragraph (b) of subclause (5) of this regulation shall be the rate prescribed in respect of the item ‘Charging of Interest’ in the First Schedule to these regulations.”

(3) The Forestry Encouragement Loans Regulations 1967, Amendment No 2, are hereby consequentially amended by revoking regulation 5 (3).

**4. Total remission of principal and interest**—The principal regulations are hereby further amended by inserting, after regulation 8, the following regulation:

“8A. (1) Any owner, other than a local authority, developing an approved woodlot pursuant to these regulations, may apply in writing to the Minister for remission of the principal and interest of any loan made under these regulations.

“(2) On receipt of any such application the Minister may, in his absolute discretion, decline the application, approve the application, or conditionally approve the application subject to such terms and conditions as he thinks fit, including, without limiting the generality of the terms and conditions that may be imposed, a condition that the remission of the loan shall be deferred until the owner has carried out specified work on the woodlot to the satisfaction of the Conservator.

“(3) Where an application is approved subject to the fulfilment of certain terms or conditions, that conditional approval shall become operative if those terms or conditions are fulfilled to the satisfaction of the Conservator within 2 years after the date of the conditional approval, and shall be deemed to have been effective from the date of that conditional approval.

“(4) Where an application is approved subject to the fulfilment of certain terms or conditions, and those terms or conditions are not fulfilled to the satisfaction of the Conservator within 2 years after the date of the conditional approval, that conditional approval shall be deemed to have been withdrawn and the application declined.

“(5) Where the Conservator is satisfied that the principal and interest under any loan pursuant to these regulations has been totally remitted and the agreement to which the loan relates has been terminated, he shall issue a certificate of termination in the form set out in the Fifth Schedule to these regulations.

“(6) Where any application is declined a new application may be made not sooner than 1 year after the date on which any immediately preceding application was declined or deemed to have been declined.”

**5. Insurance**—Regulation 9 of the principal regulations is hereby amended by adding, after subclause (10), the following subclauses.

“(11) Notwithstanding the foregoing provisions of this regulation, any local authority that agrees to pay and pays interest on any loan under these regulations at a rate 0.5 percent above the rate prescribed in the First Schedule to these regulations shall not be required to comply with those foregoing provisions and shall be indemnified pursuant to subclause (12) of this regulation.

“(12) Every such indemnity given under subclause (11) of this regulation shall provide that, in the event of the total or partial loss, destruction, injury, or damage of or to all or any portion of the trees, logs, timber products, and fences grown, produced, or erected pursuant to the plan of operations, all as situated on or relating to and while contained in the loan area (other than through the wilful act of the owner), the Minister shall remit an amount of the principal of the loan (not exceeding per hectare in respect of trees the total indebtedness per hectare for the time being under the relevant agreement, as ascertained in accordance with subclause (1) of this regulation) equal to the amount of the loss, as estimated by the Minister.”

**6. First Schedule**—The First Schedule to the principal regulations (as substituted by regulation 6 of the *Forestry Encouragement Loans Regulations 1967, Amendment No. 2*) is hereby amended by revoking the items relating to Charging of Interest, and substituting the following item:

“Charging of Interest:

Payable by annual instalments on the 31st day of December in each and every year on all sums lent at the rate of 4.5 percent per annum.”

**7. New Fifth Schedule**—The principal regulations are hereby further amended by adding, after the Fourth Schedule, the new Fifth Schedule set out in the Schedule to these regulations.

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SCHEDULE

“FIFTH SCHEDULE

CERTIFICATE OF TERMINATION

Forestry Encouragement Agreement. Now in the name of.....

Registered under No..... in the (Land) Registry of.....

THE total amount of the loan secured by the Forestry Encouragement Agreement No..... having been remitted I hereby certify that the said Forestry Encouragement Agreement has been terminated.

Dated at.....this.....day of.....19...

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Conservator of Forests.  
.....Conservancy.

Witness:.....

Occupation:.....

Address:.....

P. G. MILLEN,  
Clerk of the Executive Council.

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EXPLANATORY NOTE

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

These regulations provide—

- (a) In respect of local authority forestry encouragement loans, revised conditions for adjustment and remission of interest rates and for fire insurance cover:
- (b) In respect of private sector forestry encouragement loans, accelerated remission of interest and termination of the loan.

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Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 15 December 1977.

These regulations are administered in the New Zealand Forest Service.