

INDEPENDENT STATE OF PAPUA NEW GUINEA

No. 3 of 1998

Forestry Regulation 1998.

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144. Minister's advice to the Board and the holder of a Timber Permit of National Executive Council's directions to the Minister for Forests to reject the recommendation of the Board of the Forest Authority for a transfer amendment or surrender of a Timber Permit.
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158. Advice to the Minister to cancel a Timber Permit.
159. Timber Authority for domestic processing, etc.
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164. Application for timber authority for Agriculture or other land use.
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166. Application for timber authority to harvest other forest products.

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178. Rejection by Managing Director of an application for a Licence.
179. Application for a Licence.
180. Return of application for a Permit.
181. Referral to Board for consideration of application for a licence.
182. Board determination to seek assistance from the National Forest Service or any relevant department in evaluating an application for the issue of a Licence.
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184. Cancellation of licence.
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196. Performance Bond.
197. Procedure for drawing on a performance bond.
198. Prescribed scale of deductions for breaches of conditions of timber permit, etc.
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205. Licensing of log scalers.
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207. Cancellation of log scaler's licence.
208. Registration of a forest industry participant.

209. Application for registration as a forest industry participant.
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211. Application for registration as a forest industry consultant.
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214. Notification of intention to make referrals to the Board for cancellation of registration.
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216. Notice of Board directions.
217. Appeal to Minister on registration, etc.
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220. State Purchase Option.
221. Transfer pricing.
222. Variation by the Minister for Forest of royalty payable under a Timber Permit.
223. Levies.
224. Lawful direction.
225. Notice of seizure.
226. Act of seizure.
227. Notice of forfeiture.
228. Declaration banning export, etc.
229. Registration of brand.
230. Application to register in the Authority a brand.
231. Safety.
232. Access rights.
233. Ship loading authorization and suspension.
234. Log exports.
235. Role and recognition of bodies representing customary owners.
236. Cancellation of recognition.
237. Returns and records.
238. Destruction of forest produce.
239. Registration of timber processing plant.
240. Application for registration of a timber processing plant.
241. Logging and roading standards and practices.
242. Board notice to vary terms or conditions of registration, permit, licence, timber rights purchase agreement, authority or agreement.
243. Offences generally.
244. Fees.
245. Maps, etc.
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251. Disasters.
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253. Transitional.

INDEPENDENT STATE OF PAPUA NEW GUINEA

STATUTORY INSTRUMENT

No. 3 of 1998

Forestry Regulation 1998.

Being a Regulation to repeal and replace the *Forestry Regulation* 1992,

MADE by the Head of State, acting with, and in accordance with, the advice of the National Executive Council under the *Forestry Act* 1991, to be deemed to have come into operation on 24 January 1996.

1. **INTERPRETATION -**

In this Regulation, unless the contrary intention appears -

“forest industry activities” means any commercial activities within Papua New Guinea directly connected with -

- (a) harvesting or processing timber or rattan; or
- (b) buying unprocessed timber or rattan for processing or export; or
- (c) selling or, on behalf of another person or other persons, arranging or procuring the sale or purchase of, timber or rattan (whether unprocessed or processed but not including manufactured items made from timber or rattan materials), by a person where the timber or rattan harvest, processed, purchased, sold or arranged or procured to be purchased or sold, by that person in a calendar year exceeds -
 - (i) 500m³ in volume; or
 - (ii) in the case of sandalwood or rattan - K20,000 in market value;

“repealed Acts” means the Acts referred to in Section 136 of the Act.

2. **DEDICATION OF NATIONAL FORESTS**

A Notification in the National Gazette of a dedication of government land as a National Forest under Section 3 of the Act shall be in Form 1 of Schedule 1.

3. **DECLARING OF RESERVED TREES**

(1) A declaration by the Minister pursuant to Section 4 of the Act in the National Gazette declaring any trees or members of any species or class of tree to be reserved trees shall be in Form 2 of Schedule 1.

(2) A person, who wilfully destroys or damages any tree or member of any species or class of trees declared to be reserved trees under Section 4 of the Act, is guilty of an offence.

Penalty: A fine not exceeding K10,000.00.

4. POWER OF AUTHORITY TO ENTER INTO CONTRACTS

The Authority may, in accordance with the following procedure, enter into agreements for the carrying out of the purposes of the Act:-

- (a) in the case of a Forest Management Agreement, project agreement or any agreement which, if made between private persons, would by law be required to be in writing and under seal - by affixing the seal in accordance with Section 5(3) of the Act;
- (b) any agreement which if made between private persons, would by law be required to be in writing signed by the parties - in writing signed by the Chairman and another member of the Board pursuant to a resolution of the Board or by any two officers of the National Forest Service authorized by the Board; and
- (c) any agreement which, if made between private persons, would by law be valid although not reduced into writing - orally by any member of the Board pursuant to a resolution of the Board or by any officer of the National Forest Service authorized by the Board to do so.

5. MINISTER'S DIRECTION TO THE AUTHORITY

Any direction to the Authority by the Minister under Section 7(2) of the Act shall be in Form 3 of Schedule 1.

6. GRANT OF LEAVE OF ABSENCE BY THE CHAIRMAN TO A MEMBER OR ALTERNATE MEMBER OF THE BOARD

A grant of leave of absence by the Chairman to a member or alternate member of the Board under Section 13(1) of the Act shall be in Form 4 of Schedule 1.

7. GRANT OF LEAVE OF ABSENCE BY THE MINISTER TO THE CHAIRMAN OR DEPUTY CHAIRMAN OF THE BOARD

A grant of leave of absence by the Minister to the Chairman or Deputy Chairman of the Board under Section 13(2) of the Act shall be in Form 5 of Schedule 1.

8. RESIGNATION OF OFFICE BY A BOARD MEMBER OR ALTERNATE MEMBER

A resignation of office by a Board member or alternate member under Section 14(1) of the Act shall be in Form 6 of Schedule 1.

9. TERMINATION OF A BOARD MEMBER OR ALTERNATE MEMBER BY THE MINISTER

A termination of a Board Member or Alternate Member by the Minister under Section 14(2) of the Act shall be in Form 7 of Schedule 1.

10. NOTICE OF INTENTION BY NATIONAL EXECUTIVE COUNCIL TO A MEMBER OR ALTERNATE MEMBER OF THE BOARD THAT IT INTENDS TO TERMINATE HIS APPOINTMENT

A notice of intention by the National Executive Council to a member or alternate member of the Board that it intends to terminate his appointment under Section 14(4) of the Act shall be in Form 8 of Schedule 1

11. REPRESENTATION TO NATIONAL EXECUTIVE COUNCIL FROM CHAIRMAN OR DEPUTY CHAIRMAN OR MEMBER OR ALTERNATE MEMBER OF THE BOARD

A representation to the National Executive Council from the Chairman, Deputy Chairman, Member or Alternate Member of the Board under Section 14(5) of the Act shall be in Form 9 of Schedule 1.

12. TERMINATION BY NATIONAL EXECUTIVE COUNCIL OF APPOINTMENT OF CHAIRMAN, DEPUTY CHAIRMAN, MEMBER OR ALTERNATE MEMBER OF THE BOARD OF THE FOREST AUTHORITY

A termination by the National Executive Council of the appointment of the Chairman, Deputy Chairman, Member or Alternate Member of the Board of the Forest Authority under Section 14(5) shall be in Form 10 of Schedule 1.

13. DETERMINATION OF THE BOARD TO CONVENE A MEETING OF THE BOARD

A determination of the Board to convene a meeting of the Board under Section 16(1) of the Act shall be in Form 11 of Schedule 1.

14. CONVENING OF BOARD MEETING PURSUANT TO A DIRECTION BY THE CHAIRMAN OR DEPUTY CHAIRMAN OF THE BOARD

The convening of a Board meeting pursuant to a direction by the Chairman or Deputy Chairman of the Board under Section 16(1) of the Act shall be in Form 12 of Schedule 1.

15. REQUEST BY MINISTER TO CHAIRMAN OR DEPUTY CHAIRMAN OF THE BOARD TO CONVENE A MEETING OF THE BOARD

A request by the Minister to the Chairman or Deputy Chairman of the Board to convene a meeting of the Board under Section 16(2) of the Act shall be in Form 13 of Schedule 1.

16. REQUEST BY NOT LESS THAN TWO MEMBERS OF THE BOARD TO THE CHAIRMAN OR DEPUTY CHAIRMAN OF THE BOARD TO CONVENE A MEETING OF THE BOARD

A request by not less than two members of the Board to the Chairman or Deputy Chairman of the Board to convene a meeting of the Board under Section 16(2) of the Act shall be in Form 14 of Schedule 1.

17. CONVENING OF A BOARD MEETING BY CHAIRMAN OR DEPUTY CHAIRMAN PURSUANT TO A REQUEST BY THE MINISTER FOR FORESTS

The convening of a Board meeting by the Chairman or Deputy Chairman pursuant to a request by the Minister for Forests under Section 16(2) of the Act shall be in Form 15 of Schedule 1.

18. CONVENING OF A BOARD MEETING BY CHAIRMAN OR DEPUTY CHAIRMAN PURSUANT TO A REQUEST BY TWO OR MORE MEMBERS OF THE BOARD

The convening of a Board meeting by the Chairman or Deputy Chairman pursuant to a request by two or more members of the Board under Section 16(2) of the Act shall be in Form 16 of Schedule 1.

19. REQUEST BY MINISTER TO CHAIRMAN OR DEPUTY CHAIRMAN OF THE BOARD TO CONVENE A MEETING OF THE BOARD

A request by the Minister to the Chairman or Deputy Chairman of the Board to convene a meeting of the Board under Section 16(4) of the Act shall be in Form 17 of Schedule 1.

20. CONVENING A BOARD MEETING BY MANAGING DIRECTOR PURSUANT TO A REQUEST TO THE BOARD BY THE MINISTER FOR FORESTS

The convening of a Board meeting by the Managing Director pursuant to a request to the Board by the Minister for Forests under Section 16(5) of the Act shall be in Form 18 of Schedule 1.

21. MINISTER'S CONSULTATION WITH BOARD ON PROPOSED DELEGATION OF BOARD'S POWERS

The Minister's consultation with Board on a proposed delegation by him of all or any of the Board's powers under Section 19 of the Act shall be in Form 19 of Schedule 1.

22. BOARDS ADVICE TO MINISTER FOR FORESTS ON PROPOSAL BY MINISTER TO DELEGATE CERTAIN POWERS AND FUNCTIONS OF THE BOARD

The Board's advice to the Minister for Forests on a proposal by the Minister to delegate certain powers and functions of the Board under Section 19 of the Act shall be in Form 20 of Schedule 1.

23. DELEGATION OF BOARD'S POWERS AND FUNCTIONS BY THE MINISTER FOR FORESTS

A delegation of all or any of the Board's powers and functions by the Minister for Forests under Section 19 of the Act shall be in Form 21 of Schedule 1.

24. LETTER OF TRANSMITTAL BY THE BOARD TO THE MINISTER OF AN ANNUAL REPORT OF THE BOARD

A letter of Transmittal by the Board to the Minister of an Annual Report of the Board under Section 20(1) of the Act shall be in Form 22 of Schedule 1.

25. LETTER OF TRANSMITTAL BY THE MINISTER TO PROVINCIAL GOVERNMENTS OF AN ANNUAL REPORT OF THE BOARD

A letter of Transmittal by the Minister to a Provincial Governments of an Annual Report of the Board under Section 20(2)(b) of the Act shall be in Form 23 of Schedule 1.

26. APPOINTMENT OF MEMBERS AND ALTERNATE MEMBERS OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE

A notification in the Provincial gazette of an appointment of members and alternate members of a Provincial Forestry Management Committee under Section 22(2) and 23(1) of the Act shall be in Form 24 of Schedule 1.

27. APPOINTMENT OF MEMBERS OF PROVINCIAL FOREST MANAGEMENT COMMITTEES

A notification in the Provincial gazette of an appointment of members of a Provincial Forest Management Committee under Section 22(2) of the Act shall be in Form 25 of Schedule 1.

28. REVOCATION OF APPOINTMENT AND APPOINTMENT OF MEMBERS OF PROVINCIAL FOREST MANAGEMENT COMMITTEE

A revocation of appointment and appointment of a member of a Provincial Forest Management Committee under Section 22(2) of the Act to be notified in the provincial gazette shall be in Form 26 of Schedule 1.

29. REVOCATION OF APPOINTMENT AND APPOINTMENT OF ALTERNATE MEMBERS OF THE PROVINCIAL FOREST MANAGEMENT COMMITTEE

A revocation of appointment and appointment of an alternate member of a Provincial Forest Management Committee under Section 22(2) of the Act to be notified in the provincial gazette shall be in Form 27 of Schedule 1.

30. GRANT OF LEAVE OF ABSENCE BY THE CHAIRMAN OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE TO A MEMBER OR ALTERNATE MEMBER OF THE COMMITTEE

A grant of leave of absence by the Chairman of a Provincial Forest Management Committee to a member or alternate member of the Committee under Section 24(1) of the Act shall be in Form 28 of Schedule 1.

31. GRANT OF LEAVE OF ABSENCE BY THE CHAIRMAN OF THE FOREST BOARD TO THE CHAIRMAN OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE

A grant of leave of absence by the Chairman of the Board to the Chairman of a Provincial Forest Management Committee under Section 24(2) of the Act shall be in Form 29 of Schedule 1.

32. RESIGNATION OF OFFICE BY A MEMBER OR ALTERNATE MEMBER OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE

The resignation of office by a member or alternate member of a Provincial Forest Management Committee under Section 25(1) of the Act shall be in Form 30 of Schedule 1.

33. TERMINATION OF A MEMBER OR ALTERNATE MEMBER OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE BY THE CHAIRMAN OF THE BOARD

The termination of a member or alternate member of a Provincial Forest Management Committee by the Chairman of the Board under Section 25(2) of the Act shall be in Form 31 of Schedule 1.

34. REQUEST TO BOARD BY A BODY WHICH HAS NOMINATED A MEMBER OR ALTERNATE MEMBER TO A PROVINCIAL FOREST MANAGEMENT COMMITTEE TO TERMINATE THE APPOINTMENT

A request to the Board by a body which has nominated a member or alternate member to a Provincial Forest Management Committee to terminate the appointment under Section 25(3) of the Act shall be in Form 32 of Schedule 1.

35. TERMINATION BY BOARD OF APPOINTMENT OF A MEMBER/ALTERNATE MEMBER OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE

A termination by the Board of the appointment of a member or alternate member of a Provincial Forest Management Committee under Section 25(3) of the Act shall be in Form 33 of Schedule 1.

36. NOTICE OF INTENTION BY THE CHAIRMAN OF THE BOARD TO A MEMBER OR ALTERNATE MEMBER OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE THAT HE INTENDS TO TERMINATE HIS APPOINTMENT

A notice of intention by the Chairman of the Board to a member or alternate member of a Provincial Forest Management Committee that he intends to terminate his appointment under Section 25(4) of the Act shall be in Form 34 of Schedule 1.

37. REPRESENTATION TO CHAIRMAN OF THE BOARD FROM A MEMBER OR ALTERNATE MEMBER OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE

A representation to the Chairman of the Board from a member or alternate member of a Provincial Forest Management Committee under Section 25(5) of the Act shall be in Form 35 of Schedule 1.

38. TERMINATION BY CHAIRMAN OF THE BOARD OF APPOINTMENT OF MEMBER OR ALTERNATE MEMBER OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE

The termination by the Chairman of the Board of the appointment of a member or alternate member of a Provincial Forest Management Committee under Section 25(5) or 25(6) of the Act shall be in Form 36 of Schedule 1.

39. DETERMINATION BY THE CHAIRMAN OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE TO CONVENE A MEETING OF THE COMMITTEE

A determination by the Chairman of a Provincial Forest Management Committee to convene a meeting of the Committee under Section 27(1) of the Act shall be in Form 37 of Schedule 1.

40. REQUEST TO THE CHAIRMAN OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE BY THE BOARD OR MANAGING DIRECTOR OF THE NATIONAL FOREST SERVICE TO CONVENE A MEETING OF THE COMMITTEE

A request to the Chairman of a Provincial Forest Management Committee by the Board or the Managing Director of the National Forest Service to convene a meeting of the Committee under Section 27(2) of the Act shall be in Form 38 of Schedule 1.

41. REQUEST TO THE CHAIRMAN OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE BY NOT LESS THAN TWO MEMBERS TO CONVENE A MEETING OF THE COMMITTEE

A request to the Chairman of a Provincial Forest Management Committee by not less than two members to convene a meeting of the Committee under Section 27(2) of the Act shall be in Form 39 of Schedule 1.

42. CONVENING OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE BY THE CHAIRMAN OF THE PROVINCIAL FOREST MANAGEMENT COMMITTEE PURSUANT TO A REQUEST BY THE BOARD OR MANAGING DIRECTOR OF THE NATIONAL FOREST SERVICE OR OF NOT LESS THAN TWO MEMBERS OF THE PROVINCIAL FOREST MANAGEMENT COMMITTEE

The convening of a Provincial Forest Management Committee by the Chairman of the Provincial Forest Management Committee pursuant to a request by the Board or Managing Director of the National Forest Service or by not less than two members of the Provincial Forest Management Committee under Section 27(2) of the Act shall be in Form 40 of Schedule 1.

43. PROVINCIAL FOREST MANAGEMENT COMMITTEE NOTICE TO THE OWNERS OF A FOREST RESOURCE

A Provincial Forest Management Committees notice to the owner of a Forest Resource under Section 28(3) of the Act shall be in Form 41 of Schedule 1.

44. DELEGATION OF PROVINCIAL FOREST MANAGEMENT COMMITTEE'S FUNCTIONS TO THE NATIONAL FOREST SERVICE

A delegation of a Provincial Forest Management Committee's functions to the National Forest Service under Section 30(2) of the Act shall be in Form 42 of Schedule 1.

45. LETTER OF TRANSMITTAL OF AN ANNUAL REPORT OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE TO THE CHAIRMAN OF THE BOARD

A letter of transmittal of an Annual Report of a Provincial Forest Management Committee under Section 31(1) of the Act shall be in Form 43 of Schedule 1.

46. ANNUAL REPORT OF THE PROVINCIAL FOREST MANAGEMENT COMMITTEE

An Annual Report of a Provincial Forest Management Committee under Section 31(1) of the Act shall be in Form 44 of Schedule 1.

47. LETTER OF TRANSMITTAL OF AN ANNUAL REPORT OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE BY THE CHAIRMAN OF THE BOARD TO THE MINISTER AND THE CHAIRMAN OF THE COMMITTEE IN THE PROVINCIAL EXECUTIVE COUNCIL RESPONSIBLE FOR FORESTRY FUNCTIONS IN A PROVINCIAL GOVERNMENT

A letter of Transmittal of an Annual Report of a Provincial Forest Management Committee by the Chairman of the Board to the Minister and the Chairman of the Committee in the Provincial Executive Council responsible for Forestry Functions in a Provincial Government under Section 31(2) of the Act shall be in Form 45 of Schedule 1.

48. ESTABLISHMENT OF AN ADVISORY COMMITTEE OF THE BOARD

The establishment of an Advisory Committee of the Board under Section 32 of the Act shall be in Form 46 of Schedule 1.

49. APPOINTMENT TO AN ADVISORY COMMITTEE OF THE BOARD

The appointment of a person to an Advisory Committee of the Board under Section 32(2)(a) of the Act shall be in Form 47 of Schedule 1.

50. BOARD'S ADVICE TO THE MINISTER ON OTHER FUNCTIONS OF THE MANAGING DIRECTOR

The Board's advice to the Minister on other functions of the Managing Director under Section 35(2) of the Act shall be in Form 48 of Schedule 1.

51. DETERMINATION BY THE MINISTER FOR FORESTS ON OTHER FUNCTIONS TO BE CARRIED OUT BY THE MANAGING DIRECTOR

A determination by the Minister for Forests on other functions to be carried out by the Managing Director under Section 35(2) of the Act shall be in Form 49 of Schedule 1.

52. DELEGATION OF POWERS BY MANAGING DIRECTOR

A delegation of powers by the Managing Director under Section 35(3) of the Act shall be in Form 50 of Schedule 1.

53. NATIONAL FOREST SERVICE

(1) Subject to the *Salaries and Conditions Monitoring Committee Act 1988*, the terms and conditions of employment of officers of the National Forest Service, excluding the Managing Director -

- (a) may provide for the employment of certain officers under a contract of employment for a specified term; and
- (b) shall otherwise be as determined by the Board.

(2) Subject to the *Salaries and Conditions Monitoring Committee Act 1988*, the provision for a superannuation or other retirement benefits scheme to provide benefits for the staff, the provision for a home ownership scheme for citizen officers and disciplinary procedures including the creation and abolition of offices and the promotion of officers shall be as determined by the Board.

54. MINISTER'S CONSULTATION WITH BOARD ON PROPOSED APPOINTMENT OF CONSULTANT

The Minister's consultation with the Board on a proposed appointment of the Consultant under Section 40 of the Act shall be in Form 51 of Schedule 1.

55. BOARD'S AND MANAGING DIRECTOR'S ADVICE TO MINISTER FOR FORESTS ON PROPOSAL BY MINISTER TO APPOINT A CONSULTANT

The Board's and the Managing Director's advice to the Minister for Forests on a proposal by the Minister to appoint a consultant under Section 40 of the Act shall be in Form 52 of Schedule 1.

56. APPOINTMENT OF CONSULTANT BY THE MINISTER FOR FORESTS

An appointment of a Consultant by the Minister for Forests under Section 40 of the Act shall be in Form 53 of Schedule 1.

57. BOARD RECOMMENDATION TO MINISTER TO APPOINT FOREST OFFICERS

A Board's recommendation to the Minister to appoint Forest Officers under Section 41(1) of the Act shall be in Form 54 of Schedule 1.

58. INSTRUMENT OF APPOINTMENT OF FOREST OFFICERS

An instrument of appointment of Forest Officers by the Minister for Forests under Section 41(1) of the Act shall be in Form 55 of Schedule 1

59. BOARD RECOMMENDATION TO MINISTER TO APPOINT FOREST INSPECTORS

A Board's recommendation to the Minister for Forests to appoint Forest Inspectors under Section 41(2) of the Act shall be in Form 56 of Schedule 1.

60. INSTRUMENT OF APPOINTMENT OF FOREST INSPECTORS

An instrument of appointment of Forest Inspectors by the Minister for Forests under Section 41(2) of the Act shall be in Form 57 of Schedule 1.

61. MINISTER'S CONSULTATION WITH THE BOARD ON PROPOSED ESTABLISHMENT OF A STATE MARKETING AGENCY

The Minister for Forests consultation with the Board on a proposed establishment of a State Marketing Agency under Section 42(1) of the Act shall be in Form 58 of Schedule 1.

62. BOARD'S ADVICE TO MINISTER FOR FOREST ON PROPOSAL BY MINISTER TO ESTABLISH A STATE MARKETING AGENCY

The Board's advice to the Minister on the Minister's proposal to establish a State Marketing Agency shall be in Form 59 of Schedule 1.

63. DETERMINATION BY THE BOARD FOR THE MANAGEMENT STAFFING AND CONTROL OF THE STATE MARKETING AGENCY ESTABLISHED AS A DIVISION OF THE NATIONAL FOREST SERVICE BY THE MINISTER FOR FORESTS

A determination by the Board for the management, staffing and control of a State Marketing Agency established as a division of the National Forest Service by the Minister for Forests under Section 42(2) of the Act shall be in Form 60 of Schedule 1.

64. ESTABLISHMENT OF A STATE MARKETING AGENCY AS A DIVISION OF THE NATIONAL FOREST SERVICE BY THE MINISTER FOR FOREST OR OTHERWISE

An establishing of a State Marketing Agency as a Division of the National Forest Service by the Minister for Forest or otherwise under Section 42(1) of the Act shall be in Form 61 of Schedule 1.

65. NOTICE TO MINISTER FOR FINANCE OF BOARD'S INTENTION TO EXECUTE A PROJECT AGREEMENT AND SEEKING THE MINISTER FOR FINANCE'S APPROVAL

A Notice to the Minister for Finance of the Board's intention to execute a Project Agreement and seeking the Minister for Finance's approval under Section 61(2) of the Public Finance Management Act shall be in Form 62 of Schedule 1.

66. MINISTER FOR FINANCE'S APPROVAL FOR BOARD TO EXECUTE A PROJECT AGREEMENT

An approval by the Minister for Finance for the Board to execute a Project Agreement under Section 61(2) of the Public Finance Management Act shall be in form 63 of Schedule 1.

67. NOTICE TO MINISTER FOR FINANCE OF BOARD'S INTENTION TO EXECUTE A CONTRACT AND SEEKING THE MINISTER FOR FINANCE'S APPROVAL

A Notice to the Minister for Finance of the Board's intention to execute a contract (other than a project agreement) and seeking the Minister for Finance's approval under Section 61(2) of the Public Finance Management Act shall be in Form 64 of Schedule 1.

68. MINISTER FOR FINANCE'S APPROVAL FOR BOARD TO EXECUTE A CONTRACT

An approval by the Minister for Finance for the Board to execute a contract (other than a project agreement) under Section 61(2) of the Public Finance Management Act shall be in Form 65 of Schedule 1.

69. NATIONAL FOREST INVENTORY AND ANNUAL STATEMENT BY BOARD OF ALLOWABLE CUT VOLUMES

(1) A National Forest Inventory referred to in Section 47(2)(b) of the Act shall include the following particulars:

- (a) a precise description of those parts of the national forest estate which are deemed suitable for long term sustainable management by location, type, area and estimated merchantable volume; and
- (b) a description of the national forest estate presenting broad details of all forests by location, type and area; and
- (c) such other particulars as the Board may specify from time to time.

(2) The content of the National Forest Inventory shall be revised from time to time to take account of known changes in the nature and size of the national forest resource, data obtained from successive or more detailed forest resource assessments and knowledge obtained through forest research.

(3) A document purporting to be the National Forest Inventory or a revision thereof shall be of no force and effect unless it has been certified as such by the Chairman pursuant to a resolution of the Board to the effect that the Board is

satisfied that the information contained therein is the best available at the time and is suitable for inclusion in the Inventory.

(4) A certificate certifying a National Forest Inventory under Section 47(2)(b) of the Act shall be in Form 66 of Schedule 1.

(5) Within 30 days of certification under Subsection (4), the Authority shall make and offer for sale to the public, at a price determined by the Managing Director, printed copies of the National Forestry Inventory or a revision thereof, and the Authority may make and offer for sale to the public consolidated copies of the Inventory and revisions thereof on such occasions as it sees fit.

(6) An Annual Statement by the Board of allowable cut volumes under Section 47(2)(c)(iii) of the Act shall be in Form 67 of Schedule 1.

70. LETTER OF TRANSMITTAL OF A NATIONAL FOREST PLAN BY THE CHAIRMAN OF THE BOARD TO THE MINISTER

A transmittal by the Chairman of the Board to the Minister under Section 48 of the Act of a National Forest Plan shall be accompanied by a letter of transmittal in Form 68 of Schedule 1.

71. SUBMISSION OF PROVINCIAL FOREST PLAN TO BOARD

A submission to the National Forest Board of a copy of a Provincial Forest Plan or a renewal thereof pursuant to Section 50(1) of the Act shall be in Form 69 of Schedule 1.

72. REFERRAL BY BOARD OF PROVINCIAL FOREST PLAN TO PROVINCIAL GOVERNMENT

A referral by the Board to a Provincial Government of a Provincial Forest Plan under Section 50(2) of the Act shall be in Form 70 of Schedule 1.

73. RE-SUBMISSION OF A PROVINCIAL FOREST PLAN TO BOARD.

A re-submission by the Minister responsible for forestry functions in a Provincial Executive Council of a Provincial Government to the Board of a Provincial Forest Plan under Section 50(3) of the Act shall be in Form 71 of Schedule 1.

74. BOARD'S NOTIFICATION TO CHAIRMAN OF THE COMMITTEE OF THE PROVINCIAL EXECUTIVE COUNCIL RESPONSIBLE FOR FORESTRY FUNCTION RELATING TO A PROVINCIAL FOREST PLAN

A notification by the Board under Section 51(a) of the Act to the Chairman of the Committee of the Provincial Executive Council responsible for forestry functions in a Provincial Government that the Provincial Forest Plan is consistent with the National Forestry Development Guidelines shall be in Form 72 of Schedule 1.

75. LETTER OF TRANSMITTAL OF A PROVINCIAL FOREST PLAN BY THE BOARD TO THE MINISTER

A letter of transmittal by the Board to the Minister of a Provincial Forest Plan shall be in Form 73 of Schedule 1.

76. DECLARATION OF RESTRICTED AREA BY MANAGING DIRECTOR.

A declaration by the Managing Director of a restricted area under Section 52 of the Act shall be in Form 74 of Schedule 1.

77. BURNING PERMIT

A burning permit issued by a Forest Officer under Section 53 of the Act shall be in Form 75 of Schedule 1.

78. APPLICATION TO MANAGING DIRECTOR FOR A BURNING PERMIT

An application for a burning permit shall -

- (a) be in Form 76 of Schedule 1; and
- (b) contain the information and particulars specified in the form or as are required in any particular case by the Managing Director.

79. FOREST MANAGEMENT AGREEMENT

A Forest Management Agreement under Section 58 of the Act shall contain those particulars as set out in Section 58 of the Act and such other particulars as the Board may specify from time to time.

80. APPROVAL OF A FOREST MANAGEMENT AGREEMENT BY MINISTER FOR FORESTS

The approval of the Minister for Forests to a Forest Management Agreement under Section 56(2) of the Act shall be in Form 77 of Schedule 1.

81. BOARD'S REQUEST TO THE MINISTER TO APPROVE A FOREST MANAGEMENT AGREEMENT

A Board request to the Minister to approve a Forest Management Agreement under Section 56(2) of the Act shall be in Form 78 of Schedule 1.

82. CERTIFICATE FROM PROVINCIAL FOREST MANAGEMENT COMMITTEE ON FOREST MANAGEMENT AGREEMENT.

A certificate from a Provincial Forest Management Committee under Section 58(f) of the Act shall be in Form 79 of Schedule 1 and shall be annexed to a Forest Management Agreement referred to in Section 58 of the Act.

83. BOARD CONSULTATION WITH CUSTOMARY OWNERS, ETC.,

To enable the Board to carry out its obligation under Section 59 of the Act to consult with those persons and provincial government referred to in Section 59 of the Act the Board shall forward to such persons and provincial government a Notice in Form 80 of Schedule 1.

84. BOARD DIRECTION TO THE NATIONAL FOREST SERVICE OR A CONTRACTOR TO CARRY OUT DEVELOPMENT OPTIONS STUDIES OVER A PROPOSED PROJECT AREA

The Board's direction to the National Forest Service or a contractor to carry out development options studies over a proposed project area under Section 62(1) of the Act shall be in Form 81 of Schedule 1.

85. BOARD'S REQUEST TO PROVINCIAL FOREST MANAGEMENT COMMITTEE TO GIVE DIRECTIONS TO THE BOARD ON THE CARRYING OUT OF A DEVELOPMENT OPTIONS STUDY

A request by the Board to a Provincial Forest Management Committee requiring the Provincial Forest Management Committee to give the Board directions on the carrying out of a Development Options Study shall be in Form 82 of Schedule 1.

86. DIRECTIONS TO THE BOARD FROM PROVINCIAL FOREST MANAGEMENT COMMITTEE ON DEVELOPMENT OPTIONS STUDY

A provincial Forest Management Committee's direction to the Board under Section 62(3)(b) of the Act shall be in Form 83 of Schedule 1.

87. PROVISION OF DEVELOPMENT OPTIONS STUDY TO MINISTER AND PROVINCIAL FOREST MANAGEMENT COMMITTEE

(a) The provision by the Board to the Minister and the Provincial Forest Management Committee of true copies of a development option study under Section 62(4) of the Act shall be in Form 84 of Schedule 1.

(b) Any person may on payment of the prescribed fee in Schedule 3, make application in Form 232 of Schedule 1 to the National Forest Service for a copy of a development option study.

88. SUBMISSION TO BOARD OF DRAFT PROJECT GUIDELINES BY PROVINCIAL FOREST MANAGEMENT COMMITTEE

A submission by a Provincial Forest Management Committee to the Board of draft project guidelines under Section 63(2) of the Act shall be in Form 85 of Schedule 1.

89. BOARDS ISSUANCE OF FINAL PROJECT GUIDELINES FOR FOREST DEVELOPMENT PROJECT

(a) The issuing of final project guidelines by the Board under Section 63(2) of the Act shall be in Form 86 of Schedule 1.

(b) Any person may on payment of the prescribed fee in Schedule 3, make application in Form 232 of Schedule 1 for a copy of final Project Guidelines for a Forest Development Project.

90. EXPRESSIONS OF INTEREST IN A FOREST DEVELOPMENT PROJECT AND PROJECT PROPOSAL

(a) The Registration of an Expression of interest in a Forest Development Project and the lodgement of a Project Proposal under Section 64 of the Act from a registered forestry industry participant shall be in Form 87 of Schedule 1 and both the Expression of Interest and Project Proposal must be lodged together in accordance with the manner and procedures as determined by the Board and as set out in any public advertisement calling for tenders to lodge Expressions of Interest in a Forest Development Project and to lodge Project Proposals.

(b) Where the Board has determined under Section 64(3) of the Act to consider Expressions of Interest in a Forest Development Project and Project Proposals without advertisement for open tender then such expressions of interest and project proposals shall be lodged together directly with the Managing Director and shall be in Form 92 of Schedule 1.

(c) The fee payable on lodging an expression of interest and accompanied project proposal under Section 66 of the Act shall be as specified in Schedule 3.

91. NOTIFICATION BY BOARD TO APPLICANT RELATING TO AN EXTENSION OF AN EXISTING APPROVED OPERATION

A Notification by the Board to an applicant relating to an application for an extension of an applicants existing approved operation shall be in Form 88 of Schedule 1.

92. APPLICATION BY THE HOLDER OF A TIMBER PERMIT TO THE BOARD TO APPROVE A FOREST DEVELOPMENT PROJECT AS AN EXTENSION OF AN EXISTING APPROVED OPERATION

(a) On the invitation of the Board or on its own accord, a registered forest industry participant who is the holder of a timber permit may make application to the Board in Form 89 of Schedule 1 to approve a forest development project as an extension of the timber permit holders existing approved operation.

(b) Such application may only be made if Development Options Study under Section 62 of the Act has been completed and formal Project Guidelines under Section 63 of the Act have been issued.

(c) The fee payable on an application to the Board to approve a forest development project as an extension of an existing approved operation under this Regulation shall be as specified in Schedule 3.

93. GRANT OR REFUSAL OF PERMISSION TO CARRY OUT FEASIBILITY STUDIES, ETC.,

The Managing Director's grant of permission under Section 65 of the Act shall be in Form 90 of Schedule 1.

94. APPLICATION TO MANAGING DIRECTOR TO CARRY OUT FEASIBILITY STUDIES, ETC.,

(a) An application under Section 65 of the Act by a registered forest industry participant or consultant to enter a project area and carry out those activities referred to in Section 65 of the Act shall be in Form 91 of Schedule 1.

(b) The fee payable on making an application under Section 65 of the Act shall be as specified in Schedule 3.

95. PROJECT PROPOSALS

(1) A project proposal referred to in Section 66 of the Act shall be accompanied by the following particulars:-

- (a) a description of the proposed use of the forest resource; and
- (b) the proposed forest harvesting methods; and
- (c) details of employment potential in relation to the project; and
- (d) detailed financial analysis in relation to the project including projected revenue flows, cost flows, particulars of debt servicing and rates of return; and
- (e) an undertaking and guarantee that the proponents will comply with contemporary environmental control standards and the Authority's Manuals titled "Planning, Monitoring and Control Procedures for Natural Forest Logging Operations under a Timber Permit", "P.N.G. Logging Code of Practice" and "Procedures for Exporting Logs" (or any revisions thereof); and
- (f) detailed description and independent valuation of the proponents proposals for landowner benefits; and
- (g) details of proposed measures to implement the principles of sustainable forest management which shall include but are not limited to all of the following:-
 - (i) resource replacement
 - (ii) selective logging
 - (iii) enrichment planting
 - (iv) harvesting practices
 - (v) reforestation
- (h) a copy of certificate of registration as a forest industry participant; and
- (i) supporting documentation from the proponents Bankers, financiers or others confirming the ability of the proponent to undertake the proposed project.
- (j) the name, postal address, address for service in Papua New Guinea of legal process, telephone number and facsimile number of the proponent; and
- (k) where the proponent is a corporate person -
 - (i) the shareholding structure; and
 - (ii) the name, office or position held in the company, nationality, place of residence, details of formal qualifications, relevant work experience of, and other current or prior offices held by, each director, office-bearer or senior management executive; and

- (iii) the proponents experience in proposals of a similar nature.
- (l) the name, address, telephone and facsimile number of the applicant's bankers; and
- (m) any permit, licence or timber authority applied for or held by the Proponent; and
- (n) where the proponent is a corporate person -
 - (i) a copy of the certificate of incorporation; and
 - (ii) the shareholding structure of any incorporated shareholders; and
- (o) audited financial statements for the year ending 31 December previously; and

96. REFERENCE OF A PROJECT PROPOSAL TO A PROVINCIAL FOREST MANAGEMENT COMMITTEE

A reference of a project proposal by the Managing Director under Section 67(1) of the Act to a Provincial Forest Management Committee for evaluation shall be in Form 93 of Schedule 1.

97. PROVINCIAL FOREST MANAGEMENT COMMITTEE INVITATION TO PROPONENT FOR FURTHER INFORMATION, ETC.

An invitation by a Provincial Forest Management Committee under Section 68(1) of the Act to a proponent to provide further information shall be in Form 94 of Schedule 1.

98. REPORT AND RECOMMENDATION OF PROVINCIAL FOREST MANAGEMENT COMMITTEE ON PROJECT PROPOSAL TO THE BOARD

A Provincial Forest Management Committees report and recommendations to the Board under Section 69 of the Act shall be in Form 95 of Schedule 1.

99. BOARDS CONSULTATION WITH MINISTER FOR FORESTS ON REPORT AND RECOMMENDATIONS OF A PROVINCIAL FOREST MANAGEMENT COMMITTEE

The Board's consultation with the Minister for Forests on a report and recommendation of a Provincial Forest Management Committee under Section 70(1)(a) of the Act shall be in Form 96 of schedule 1.

100. MINISTER FOR FORESTS VIEWS ON PROVINCIAL FOREST MANAGEMENT COMMITTEE'S REPORT AND RECOMMENDATIONS AND ON THE BOARDS VIEWS

The Minister for Forests views on Provincial Forest Management Committee's reports and recommendations and on the Board's views under Section 70(a) of the Act shall be in Form 97 of Schedule 1.

101. BOARD DIRECTIONS TO PROVINCIAL FOREST MANAGEMENT COMMITTEE ON PROJECT AGREEMENT.

A direction by the Board to the Provincial Forest Management Committee under Section 70(1)(b) of the Act shall be in Form 98 of Schedule 1.

102. BOARD RECOMMENDATION TO THE PROVINCIAL FOREST MANAGEMENT COMMITTEE ON THE PARAMETERS WITHIN WHICH NEGOTIATIONS SHOULD BE CONDUCTED AND RECOMMENDATIONS ON THE COMPOSITION OF A NEGOTIATING COMMITTEE

The Board's recommendation to the Provincial Forest Management Committee on the parameters within which negotiations should be conducted and recommendations on the composition of a negotiating committee under Section 70(1)(c) and (d) of the Act shall be in Form 99 of Schedule 1.

103. PROVINCIAL FOREST MANAGEMENT COMMITTEES CONFIRMATION TO THE BOARD ON THE PARAMETERS WITHIN WHICH NEGOTIATIONS ARE TO BE CONDUCTED AND OF THE COMPOSITION OF A NEGOTIATING COMMITTEE

The recommendations to the Board by the Provincial Forest Management Committee on the parameters within which negotiations should be conducted and of the composition of a negotiating committee under Section 70(1)(c) and (d) of the Act shall be in Form 100 of Schedule 1.

104. CONFIRMATION BY THE BOARD TO THE PROVINCIAL FOREST MANAGEMENT COMMITTEE OF THE PARAMETERS WITHIN WHICH NEGOTIATIONS ARE TO BE CONDUCTED AND ON THE COMPOSITION OF A NEGOTIATING COMMITTEE

The Board's determination of the parameters within which negotiations shall be conducted and on the composition of a negotiating committee under Section 70(1)(c) and (d) of the Act shall be in Form 101 of Schedule 1.

105. ADVICE TO BOARD BY PROVINCIAL FOREST MANAGEMENT COMMITTEE THAT NEGOTIATIONS HAVE FAILED IN RESPECT TO A FINAL DRAFT OF A PROJECT AGREEMENT

Where the Provincial Forest Management Committee are unable to submit to the Board a final draft or further final draft of a project agreement as required by Section 71 or 72 of the Act the Provincial Forest Management Committee shall advise the Board of the reasons why negotiations have failed in Form 102 of Schedule 1.

106. SUBMISSION OF FINAL DRAFT OF PROJECT AGREEMENT BY A PROVINCIAL FOREST MANAGEMENT COMMITTEE TO BOARD

A submission to the Board by a Provincial Forest Management Committee under Section 71(b) of the Act of a final draft of a project agreement to the Board shall be in Form 103 of Schedule 1.

**107. BOARD RECOMMENDATION TO MINISTER TO GRANT A
TIMBER PERMIT**

A recommendation by the Board to the Minister under Section 72(1)(b)(ii) of the Act to grant a timber permit shall be in Form 104 of Schedule 1.

**108. BOARD REFERRAL TO PROVINCIAL FOREST MANAGEMENT
COMMITTEE OF DRAFT PROJECT AGREEMENT**

A referral from the Board to the Provincial Forest Management Committee under Section 72(1)(c) of the Act shall be in Form 105 of Schedule 1.

**109. SUBMISSION TO BOARD OF FURTHER FINAL DRAFT PROJECT
AGREEMENT BY PROVINCIAL FOREST MANAGEMENT
COMMITTEE**

A submission of a further final draft project agreement under Section 72(2) of the Act by a Provincial Forest Management Committee to the Board shall be in Form 106 of Schedule 1.

**110. MINISTERS INVITATION TO A PERSON TO MAKE AN
APPLICATION FOR A TIMBER PERMIT**

An invitation by the Minister under Section 73(1) or Section 75(1) of the Act to a person to make an application under Section 77 of the Act for the grant of a timber permit shall be in Form 107 of Schedule 1.

**111. MINISTERS NON-ACCEPTANCE OF BOARDS
RECOMMENDATION TO GRANT A TIMBER PERMIT AND
REFERRAL TO BOARD**

The Minister's notification to the Board under Section 73(4) of the Act of his non-acceptance of a Board recommendation made under Section 72(1)(b)(ii) of the Act shall be in Form 108 of Schedule 1.

**112. BOARD'S FINAL RECOMMENDATION TO THE MINISTER TO
GRANT A TIMBER PERMIT**

A final recommendation by the Board to the Minister under Section 74 of the Act to grant a timber permit shall be in Form 109 of Schedule 1.

**113. MINISTER FOR FOREST REFERRAL OF BOARD
RECOMMENATION FOR A GRANT OF A TIMBER PERMIT TO
NATIONAL EXECUTIVE COUNCIL**

The Minister for Forests referral to the National Executive Council of a recommendation of the Board to grant a timber permit under Section 75(2) of the Act shall be in Form 110 of Schedule 1.

114. DIRECTION OF NATIONAL EXECUTIVE COUNCIL TO THE MINISTER FOR FORESTS TO ACCEPT THE RECOMMENDATION OF THE BOARD OF THE FOREST AUTHORITY TO GRANT A TIMBER PERMIT

A direction of the National Executive Council to the Minister for Forests to accept the recommendation of the Forest Authority to grant a Timber Permit under Section 76 of the Act shall be in Form 111 of Schedule 1.

115. DIRECTION OF NATIONAL EXECUTIVE COUNCIL TO THE MINISTER FOR FORESTS TO REJECT THE RECOMMENDATION OF THE BOARD OF THE FOREST AUTHORITY TO GRANT A TIMBER PERMIT

A direction of the National Executive Council to the Minister for Forests to reject the recommendation of the Board of the Forest Authority to grant a Timber Permit under Section 76 of the Act shall be in Form 112 of Schedule 1.

116. MINISTER'S ADVICE TO THE BOARD OF NATIONAL EXECUTIVE COUNCIL'S DIRECTION TO THE MINISTER FOR FORESTS TO ACCEPT THE RECOMMENDATION OF THE BOARD OF THE FOREST AUTHORITY TO GRANT A TIMBER PERMIT

The Minister's advice to the Board made pursuant to Section 76 (2)(b) of the Act of a National Executive Council direction to the Minister for Forests to accept the recommendation of the Board of the Forest Authority to grant a Timber Permit shall be in Form 113 of Schedule 1.

117. MINISTER'S ADVICE TO THE BOARD OF NATIONAL EXECUTIVE COUNCIL'S DIRECTION TO THE MINISTER FOR FORESTS TO REJECT THE RECOMMENDATION OF THE BOARD OF THE FOREST AUTHORITY TO GRANT A TIMBER PERMIT

The Minister's advice to the Board made pursuant to Section 76 (2)(b) of the Act of a National Executive Council direction to the Minister for Forests to reject the recommendation of the Board of the Forest Authority to grant a Timber Permit shall be in Form 114 of Schedule 1.

118. TIMBER PERMIT

A timber permit under Section 73 of the Act shall -

- (a) be in Form 115 of Schedule 1; and
- (b) contain such conditions as are provided for in Section 73(2) of the Act and as are specified in Form 115 of Schedule 1.

119. APPLICATION FOR A TIMBER PERMIT

(1) An application for a timber permit under Section 77(1) of the Act shall be in Form 116 of Schedule 1.

(2) An application for a timber permit shall contain the information and particulars as required under Section 77(2) of the Act and as are specified in Form 116 of Schedule 1 and the following particulars:-

- (a) an approval of the environmental plan referred to in Section 77(2)(c)(iii) of the Act by the National Executive Council under Section 18 of the *Environmental Planning Act* (Chapter 370)

(3) The fee payable on an application for a timber permit shall be as specified in Schedule 3.

120. RETURN OF AN APPLICATION FOR A TIMBER PERMIT

The return of an application for a Timber Permit by the Managing Director under Section 77(1) of the Act shall be in Form 117 of Schedule 1.

121. TIMBER PERMIT EXTENSION OR RENEWAL OF TERM

A timber permit extension or renewal of term under Section 78(4) of the Act shall -

- (a) be in Form 118 of Schedule 1; and
- (b) contain such conditions as provided for in Section 78 of the Act and as are specified in Form 118 of Schedule 1.

122. RETURN BY MANAGING DIRECTOR OF APPLICATION FOR EXTENSION OR RENEWAL OF THE TERM A TIMBER PERMIT

The return of an application for an extension or renewal of the term a Timber Permit by the Managing Director under Section 78(1) of the Act shall be in Form 119 of Schedule 1.

123. APPLICATION FOR EXTENSION OR RENEWAL OF TERM OF TIMBER PERMIT.

(1) An application for an extension or renewal of a term of a timber permit under Section 78(2) of the Act shall be in Form 120 of Schedule 1.

(2) An application for extension or renewal of a timber permit shall not be considered by the Board until the information and particulars as are specified in Section 78(3) of the Act have been obtained and any application must contain a brief submission setting out why the extension or renewal is desired.

(3) An application must be lodged no later than 90 days before the expiry of the timber permit.

(4) The fee payable on an application for an extension or renewal of term shall be as specified in Schedule 3.

124. BOARD REQUEST TO PROVINCIAL FOREST MANAGEMENT COMMITTEE FOR A REPORT ON TIMBER PERMIT EXTENSION OR RENEWAL OF TERM

A Board request to a Provincial Forest Management Committee under Section 78(3) of the Act shall be in Form 121 of Schedule 1.

125. REPORT TO THE BOARD BY A PROVINCIAL FOREST MANAGEMENT COMMITTEE ON AN APPLICATION FOR AN EXTENSION OR RENEWAL OF THE TERM OF A TIMBER PERMIT EXTENSION

A report to the Board by a Provincial Forest Management Committee on an application for an extension or renewal of the term of a Timber Permit extension under Section 78(3) of the Act shall be in Form 122 of Schedule 1.

126. REJECTION BY BOARD OF APPLICATION FOR EXTENSION OR RENEWAL OF TERM OF A TIMBER PERMIT

A rejection by the Board of an application for an extension or renewal of term of a Timber Permit under Section 78(4) of the Act shall be in Form 123 of Schedule 1.

127. RECOMMENDATION BY BOARD TO THE MINISTER FOR TIMBER PERMIT EXTENSION, ETC.

A recommendation from the Board to the Minister under Section 78(4) of the Act to extend or renew the term of a timber permit shall be in Form 124 of Schedule 1.

128. BOARD NOTICE TO A HOLDER OF A TIMBER PERMIT THAT IT REQUIRES AN AMENDMENT TO A TIMBER PERMIT

A Board notice to a holder of a Timber Permit that it requires an amendment to a Timber Permit under Section 79(3) of the Act shall be in Form 125 Schedule 1

129. MANAGING DIRECTORS NOTICE OF MINISTERS APPROVAL OF TRANSFER OF A TIMBER PERMIT

A Notice by the Managing Director of the Ministers approval under Sections 81(1) and 83(1) of the Act of a transfer of a timber permit shall be in Form 126 of Schedule 1.

130. MANAGING DIRECTORS NOTICE OF MINISTERS APPROVAL OF SURRENDER OF A TIMBER PERMIT

A Notice by the Managing Director of the Ministers approval under Section 81(1) and 83(1) of the Act of a surrender of a timber permit shall be in Form 127 of Schedule 1.

131. MANAGING DIRECTORS NOTICE OF MINISTERS APPROVAL OF AMENDMENT OF A TIMBER PERMIT

A notice by the Managing Director of the Ministers approval under Section 81(1) and 83(1) of the Act of an amendment of a timber permit shall be in Form 128 of Schedule 1.

132. CONDITIONS OF A TRANSFER SURRENDER OR AMENDMENT OF A TIMBER PERMIT

The Ministers approval of a transfer, surrender or amendment of a timber permit shall contain such conditions as are provided for in Section 81 of the Act and as are specified in the relevant forms.

133. APPLICATION TO TRANSFER ETC. A TIMBER PERMIT

(1) An application under Section 79(1) of the Act for the transfer, amendment or surrender of a timber permit shall -

- (a) be in Form 129 of Schedule 1; and
- (b) contain the information and particulars as specified in Form 129 of Schedule 1.

(2) The fee payable on an application to transfer, amend or surrender a timber permit shall be as specified in Schedule 3.

134. RETURN BY MANAGING DIRECTOR OF AN APPLICATION TO TRANSFER AMEND OR SURRENDER A TIMBER PERMIT

A return by the Managing Director of an application to transfer, amend or surrender a Timber Permit under Section 79(1) of the Act shall be in Form 130 of Schedule 1.

135. BOARD RECOMMENDATION TO MINISTER TO TRANSFER, ETC., TIMBER PERMIT

A recommendation from the Board to the Minister under Section 80(b) of the Act for the grant of a transfer amendment or surrender of a timber permit shall be in Form 131 of Schedule 1.

136. APPROVAL OF MINISTER TO TRANSFER, ETC., TIMBER PERMIT

The approval of the Minister to the Board under Section 81(1) of the Act of a recommendation of the Board to a transfer, amendment or surrender of a timber permit shall be in Form 132 of Schedule 1.

137. MINISTERS REFERRAL OF APPLICATION TO TRANSFER, ETC., A TIMBER PERMIT FOR BOARDS RECOMMENDATION.

A referral from the Minister under Section 81(3) of the Act to the Board for its reconsideration shall be in Form 133 of Schedule 1.

138. BOARDS FINAL RECOMMENDATION TO MINISTER ON TRANSFER, ETC. , A TIMBER PERMIT.

After a reconsideration of the application a final recommendation from the Board to the Minister under Section 82 of the Act in respect of the transfer, amendment or surrender of a timber permit shall be in Form 134 of Schedule 1.

139. APPROVAL OF MINISTER TO TRANSFER, ETC., TIMBER PERMIT AFTER RECEIVING BOARDS FINAL RECOMMENDATION

The approval of the Minister under Section 83(1) of the Act of a final recommendation of the Board to a transfer amendment or surrender of a timber permit shall be in Form 135 of Schedule 1.

140. MINISTER FOR FORESTS REFERRAL OF AN APPLICATION FOR A TRANSFER AMENDMENT OR SURRENDER OF A TIMBER PERMIT TO THE NATIONAL EXECUTIVE COUNCIL

The Minister for Forests referral of an application for the transfer, amendment or surrender of a Timber Permit to the National Executive Council under Section 83(3) of the Act shall be in Form 136 of Schedule 1.

141. DIRECTIONS OF NATIONAL EXECUTIVE COUNCIL TO THE MINISTER FOR FORESTS TO ACCEPT THE RECOMMENDATION OF THE BOARD OF THE FOREST AUTHORITY FOR A TRANSFER AMENDMENT OR SURRENDER OF A TIMBER PERMIT

Directions of the National Executive Council to the Minister for Forests to accept the recommendation of the Board of the Forest Authority for a transfer, amendment or surrender of a Timber Permit under Section 84 of the Act shall be in Form 137 of Schedule 1.

142. DIRECTIONS OF NATIONAL EXECUTIVE COUNCIL TO THE MINISTER FOR FORESTS TO REJECT THE RECOMMENDATION OF THE BOARD OF THE FOREST AUTHORITY FOR A TRANSFER AMENDMENT OR SURRENDER OF A TIMBER PERMIT

Directions of the National Executive Council to the Minister for Forests to reject the recommendation of the Board of the Forest Authority for a transfer, amendment or surrender of a Timber Permit under Section 84 of the Act shall be in Form 138 of Schedule 1.

143. MINISTER'S ADVICE TO THE BOARD AND THE HOLDER OF A TIMBER PERMIT OF NATIONAL EXECUTIVE COUNCIL'S DIRECTIONS TO THE MINISTER FOR FORESTS TO ACCEPT THE RECOMMENDATION OF THE BOARD OF THE FOREST AUTHORITY FOR A TRANSFER AMENDMENT OR SURRENDER OF A TIMBER PERMIT

The Minister's advice to the Board and the Holder of a Timber Permit pursuant to Section 84(2)(a) of the Act of a National Executive Council direction to the Minister for Forests to accept the recommendation of the Board of the Forest Authority for the transfer, amendment or surrender of a Timber Permit shall be in Form 139 of Schedule 1.

144. MINISTER'S ADVICE TO THE BOARD AND THE HOLDER OF A TIMBER PERMIT OF NATIONAL EXECUTIVE COUNCIL'S DIRECTIONS TO THE MINISTER FOR FORESTS TO REJECT THE RECOMMENDATION OF THE BOARD OF THE FOREST AUTHORITY FOR A TRANSFER AMENDMENT OR SURRENDER OF A TIMBER PERMIT

The Minister's advice to the Board and the Holder of a Timber Permit pursuant to Section 84(2)(a) of the Act of a National Executive Council direction to the Minister for Forests to reject the recommendation of the Board of the Forest Authority for the transfer, amendment or surrender of a Timber Permit shall be in Form 140 of Schedule 1.

145. SUSPENSION OF RIGHTS OF A TIMBER PERMIT, ETC.

Suspension of rights in a timber permit, timber authority or a licence under Section 85 of the Act shall be in accordance with Form 141 of Schedule 1.

146. NOTICE OF INTENTION TO SUSPEND RIGHTS

A notice of intention under Section 85(2) of the Act to suspend rights under a timber permit, timber authority or licence shall be in accordance with Form 142 of Schedule 1.

147. REQUEST OF HOLDER OF TIMBER PERMIT, ETC., TO BE HEARD ON SUSPENSION OF RIGHTS

A request by the holder of a timber permit, timber authority or licence under Section 85(4) of the Act to be heard shall be in Form 143 of Schedule 1.

148. APPLICATION OF HOLDER OF TIMBER PERMIT, ETC., TO RE-INSTATE RIGHTS SUSPENDED

An application by the holder of a timber permit, timber authority or licence under Section 85(5) of the Act to re-instate rights suspended under Section 85 of the Act shall be in Form 144 of Schedule 1.

149. RECISSION OF NOTICE OF SUSPENSION BY THE MANAGING DIRECTOR

A recission of a notice under Section 85(4) of the Act of suspension by the Managing Director shall be in Form 145 of Schedule 1.

150. RE-INSTATEMENT BY MANAGING DIRECTOR OF RIGHTS SUSPENDED

The re-instatement of rights suspended under a timber permit, timber authority or licence by the Managing Director under Section 85(5) shall be in Form 146 of Schedule 1.

151. CANCELLATION OF TIMBER PERMIT BY MINISTER

Cancellation of a timber permit under Section 86 of the Act by the Minister shall be in accordance with Form 147 of Schedule 1.

152. NOTICE OF INTENTION TO CANCEL TIMBER PERMIT

A notice of intention under Section 86(3) to cancel a timber permit shall be in Form 148 of Schedule 1.

153. REPRESENTATIONS TO MANAGING DIRECTOR FROM HOLDER OF TIMBER PERMIT

Representations by the holder of a timber permit under Section 86(3)(b) of the Act shall be in Form 149 of Schedule 1.

154. REQUEST OF HOLDER OF TIMBER PERMIT TO BE HEARD ON PROPOSED CANCELLATION OF A TIMBER PERMIT

A request by the holder of a timber permit under Section 86(4) of the Act to be heard shall be in Form 150 of Schedule 1.

155. MANAGING DIRECTOR'S REPORT TO THE BOARD OF HEARING ON PROPOSED CANCELLATION OF A TIMBER PERMIT

A report to the Board by the Managing Director pursuant to Section 86(7) (a) of the Act of a hearing under Section 86(4) of the Act shall be in Form 151 of Schedule 1.

156. MANAGING DIRECTOR'S REPORT TO THE BOARD WHEN THERE HAS BEEN NO REPRESENTATIONS MADE OR REQUEST TO BE HEARD

Where there has been no representations by a holder of timber permit under Section 86(3) of the Act or a request to be heard under Section 86(4) of the Act the Managing Director shall make a report to the Board in Form 152.

157. RECOMMENDATIONS BY BOARD TO MINISTER ON PROPOSED CANCELLATION OF TIMBER PERMIT

Recommendations by the Board to the Minister under Section 86(7)(b) shall be in Form 153 of Schedule 1.

158. ADVICE TO THE MINISTER TO CANCEL A TIMBER PERMIT

Where there has been no representation made by the holder of a timber permit under Section 86(3) of the Act or a request to be heard under Section 86(4) of the Act the Board shall advise the Minister in Form 154 of Schedule 1.

159. TIMBER AUTHORITY FOR DOMESTIC PROCESSING, ETC.

A timber authority under Section 87 of the Act and which is to harvest less than 5000m³ per year by selection logging for domestic processing shall be in Form 155 of Schedule 1 and shall be subject to all of the conditions set out in that Form.

160. APPLICATION FOR TIMBER AUTHORITY FOR DOMESTIC PROCESSING, ETC.,

(1) An application for a timber authority under Section 88 of the Act shall where the application is to harvest not more than 5000m³ per year by selection logging for domestic processing shall be in Form 156 of Schedule 1 and contain the particulars as set out in that Form and shall have attached to such application the following documentation:-

- (a) a Verification of Ownership and consent of landowners form which shall be in Form 165 of Schedule 1; and
- (b) A copy of a Sale and Purchase Agreement between the applicant and the customary owners, which relates to the purchase, harvesting, processing or marketing of timber and other forest products from the project area and such Agreement shall be in Form 166 of Schedule 1; and
- (c) contain those particulars as set out in Section 88(c) of the Act.

(2) The fee payable on an application for a timber authority under this Regulation shall be as specified in Schedule 3.

161. TIMBER AUTHORITY FOR ROADLINE CLEARANCE, ETC.

(1) A timber authority under Section 87 of the Act and which is for roadline clearance shall be in Form 157 of Schedule 1 and shall be subject to all of the conditions as set out in that Form.

(2) The maximum roadline corridor which may be cleared under a single timber authority for this purpose shall not exceed -

- (a) corridor length - the length of road planned to be constructed in the particular timber authority period; and
- (b) corridor width - 40 metres and such said width shall not be more than 20 metres on either side of the centre of the road.

(3) Any grant of a timber authority for roadline clearance shall be granted for the period of the total roadline clearance project.

(4) A timber authority granted for forest clearance for road construction may be suspended where:-

- (a) construction of the road in the corridor cleared under the timber authority is not progressing according to the Department of Transport and Works approved implementation schedule; or
- (b) the applicant has not provided the Authority with a certificate from the Department responsible for road works matters confirming that the length of road constructed in the roadline cleared in accordance with any stage of an implementation schedule meets the road construction standards of that Department.

(5) The construction of new public roads through forested area shall not be funded by the logging of a wide forest corridor, and the timber authority shall prescribe that forest clearance for road construction shall only be authorised in stages in order to ensure actual construction takes place. An applicant for a timber authority must satisfy the Managing Director that he is able to fund the roadline clearance and for this purpose the applicant may factor into their financial proposals estimates of income to the resource owners and themselves from the projected sale of forest resources.

(6) Before a Timber Authority is processed by the Forest Authority, the relevant Provincial Government must confirm in writing that the proposed road is on the National and or Provincial transport plan and that it agrees with the road being built, and that where it is to be responsible for the roads maintenance, it can afford to maintain the road.

162. APPLICATION FOR TIMBER AUTHORITY FOR ROADLINE CLEARANCE, ETC.

(1) An application for a timber authority under Section 88 of the Act shall where the application is to harvest logs for commercial use from forest clearing operations be in Form 158 of Schedule 1 and shall have attached to such application the following documentation:-

- (a) a Verification of Ownership and consent of landowners form which shall be in Form 165 of Schedule 1; and
- (b) A copy of a Sale and Purchase Agreement between the applicant and the customary owners, which relates to the purchase, harvesting, processing or marketing of timber and other forest products from the project area and such Agreement shall be in form 166 of Schedule 1; and
- (c) contain those particulars as set out in Section 88(c) of the Act.

(2) The fee payable on an application for a timber authority under this Regulation shall be as specified in Schedule 3.

163. TIMBER AUTHORITY FOR AGRICULTURAL OR OTHER LAND USE

(1) A timber authority under Section 87 of the Act and which is for agricultural or other land use shall be in Form 159 of Schedule 1 and shall be subject to all of the conditions as set out in that Form.

(2) Any grant of a timber authority for agricultural or other land use shall be granted for the period of the total agriculture or other land use project.

(3) A timber authority granted for forest clearing for agricultural or other land use shall prescribe that any forest clearing shall only be authorized in stages in order to ensure that the planned land use actually takes place and for this purpose, the maximum forest area which may be cleared in any one stage shall be limited to a maximum of 2,500 hectares and may be limited to such lesser area as is determined appropriate in the circumstances by the Board. The Board shall have regard to and comply with the approved implementation schedule determined by the Department of Agriculture and Livestock.

(4) A further stage under the same Timber Authority may only be granted for the same purposes of forest clearance for agriculture or other land use where all conditions relating to an agricultural development plan implementation schedule have been satisfied.

(5) A timber authority granted for agriculture and other land use may be suspended where:-

- (a) the planned land use is not progressing according to the Department of Agriculture and Fisheries approved implementation Schedule; or
- (b) the applicant has not provided the Authority with a certificate from the Department responsible for Agriculture and Fisheries confirming that the requirements of agriculture contained in the

timber authority are in accordance with any stage of an implementation schedule and meets the standards of that Department.

(6) An applicant for a timber authority for agriculture or other land use must satisfy the Managing Director that it is able to fund the agriculture or other land use project and for this purpose the applicant may factor into their financial proposals estimates of income to the resource owners and themselves from the projected sale of forest resources.

164. APPLICATION FOR TIMBER AUTHORITY FOR AGRICULTURAL OR OTHER LAND USE

(1) An application for a timber authority under Section 88 of the Act, where the application is to harvest logs for commercial use from forest clearing operations for agricultural or other land use development (except roadline clearance), be in Form 160 of Schedule 1 and shall have attached to such application the following documentation:-

- (a) a verification of ownership and consent of landowners form which shall be in Form 165 of Schedule 1; and
- (b) a copy of a Sale and Purchase Agreement between the applicant and the customary owners which relates to the purchase, harvesting, processing or marketing of timber and other forest products from the project area and shall be in Form 166 of Schedule 1; and
- (c) contain those particulars as set out in Section 88(c) of the Act.

(2) The fee payable on an application for a timber authority under this Regulation shall be as specified in Schedule 3.

165. TIMBER AUTHORITY TO HARVEST OTHER FOREST PRODUCTS

A timber authority under Section 87 of the Act and which is for the harvesting of other forest products other than plantation material shall be in Form 161 of Schedule 1 and shall be subject to all of the conditions as set out in that Form.

166. APPLICATION FOR TIMBER AUTHORITY TO HARVEST OTHER FOREST PRODUCTS

(1) An application for a timber authority under Section 88 of the Act where the application is to harvest forest products other than timber shall be in Form 162 of Schedule 1 and shall have attached to such application the following documentation:-

- (a) a verification of ownership and consent of landowners form which shall be in Form 165 of Schedule 1; and
- (b) a copy of a Sale and Purchase Agreement between the applicant and the customary owners which relates to the purchase, harvesting, processing or marketing of timber and other forest products from the project area and shall be in Form 166 of Schedule 1; and
- (c) contain those particulars as set out in Section 88(c) of the Act.

(2) The fee payable on an application for a timber authority under this Regulation shall be as specified in Schedule 3.

167. TIMBER AUTHORITY TO HARVEST PLANTATION MATERIAL ON GOVERNMENT, STATE LEASEHOLD, PRIVATE LEASEHOLD OR PRIVATE FREEHOLD LANDS

A timber authority to harvest plantation material on government, state leasehold, private leasehold or private freehold land under Section 87 of the Act shall be in Form 163 of Schedule 1.

168. APPLICATION FOR TIMBER AUTHORITY TO HARVEST PLANTATION MATERIAL ON GOVERNMENT, STATE LEASEHOLD, PRIVATE LEASEHOLD OR PRIVATE FREEHOLD LAND

(1) An application for a timber authority under Section 88 of the Act where the application is to harvest plantation material on Government, State Leasehold, Private Leasehold or Private Freehold land shall be in Form 164 of Schedule 1 and shall have attached to such application documentary evidence to satisfaction of the Managing Director of:

- (a) the legal ownership of the plantation land and of the plantation material and the consent of the legal owners of the plantation and of the owners of the plantation material where applicable; and
- (b) where appropriate and to the satisfaction of the Managing Director, a copy of a Sale and Purchase Agreement between the applicant and the owner of the plantation material which relates to the purchase, harvesting, processing or marketing of plantation material from the project area; and
- (c) contain those particulars as set out in Section 88(c) of the Act.

(2) The fee payable on an application for a timber authority under this Regulation shall be as specified in Schedule 3.

169. MANAGING DIRECTOR'S NOTICE TO APPLICANT FOR TIMBER AUTHORITY

Where an application for a timber authority does or does not contain the particulars as required under Section 88 of the Act and those particulars as specified in the relevant form then the Managing Director shall by notice in writing in Form 167 of Schedule 1 advise the applicant accordingly.

170. MANAGING DIRECTOR'S REFERRAL OF TIMBER AUTHORITY APPLICATION TO PROVINCIAL FOREST MANAGEMENT COMMITTEE

A referral of an application by the Managing Director to the Provincial Forest Management Committee under Section 89(1) of the Act shall be in Form 168 of Schedule 1.

171. REJECTION BY A PROVINCIAL FOREST MANAGEMENT COMMITTEE OF AN APPLICATION FOR A TIMBER AUTHORITY

The rejection by a Provincial Forest Management Committee of an application for a Timber Authority under Section 89(4) of the Act shall be in Form 169 of Schedule 1.

172. RECOMMENDATIONS OF PROVINCIAL FOREST MANAGEMENT COMMITTEE ON TIMBER AUTHORITY APPLICATIONS

(1) A recommendation made under Section 89(4) of the Act by a Provincial Forest Management Committee to the Chairman of the Committee of the Provincial Executive Council responsible for forestry functions shall be in Form 170 of Schedule 1.

(2) A recommendation shall have attached to it a draft timber authority which has been approved by the Provincial Forest Management Committee.

(3) A copy of the recommendation shall be forwarded to the Board and the Managing Director.

173. NOTICE OF INTENTION TO BOARD TO GRANT A TIMBER AUTHORITY

(1) A Notice of Intention to issue a timber authority over a project area and requesting consent of the Board to issue a timber authority and made under Section 89(5) of the Act by the Chairman of the Committee of the Provincial Executive Council responsible for forestry functions shall be in Form 171 of Schedule 1.

(2) A copy of the proposed timber authority shall be attached to the Notice of Intention.

174. CONSENT OR NON-CONSENT OF BOARD TO THE GRANT OF A TIMBER AUTHORITY

The Board's consent or non-consent under Section 89 of the Act to a grant of a timber authority by the Chairman of the Committee of the Provincial Executive Council responsible for forestry matters shall be in Form 172 of Schedule 1.

175. CANCELLATION OF A TIMBER AUTHORITY

A cancellation of a timber authority made under Section 90 of the Act by the Chairman of the Committee of the Provincial Executive Council responsible for forestry functions shall be in Form 173 of Schedule 1.

176. NOTICE OF INTENTION TO CANCEL A TIMBER AUTHORITY

A Notice of intention by the Chairman of the Committee of the Provincial Executive Council responsible for forestry functions to cancel a timber authority shall be in Form 174 of Schedule 1.

177. LICENCE

A licence to engage in forest industry activities under Section 91 of the Act shall be in Form 175 of Schedule 1.

178. RETURN BY MANAGING DIRECTOR OF AN APPLICATION FOR A LICENCE

A return by the Managing Director of an application for a Licence under Section 91(1) of the Act shall be in Form 176 of Schedule 1.

179. APPLICATION FOR A LICENCE

- (1) An application for a licence under Section 92 of the Act shall -
 - (a) be in Form 177 of Schedule 1; and
 - (b) contain the information and particulars as required by Section 92 of the Act and those particulars as are specified in Form 177 of Schedule 1 and the particulars set out in subsection 2.
- (2) The particulars referred to subsection 1(b) are as follows:-
 - (a) the proposed felling and logging methods of forest produce; or
 - (b) the proposed methods and arrangements in relation to the transportation of forest produce (if applicable); or
 - (c) the proposed methods and arrangements in relation to the sale and/or purchase of forest produce (if applicable); or
 - (d) the proposed methods and arrangements in relation to the marketing of forest produce (if applicable); or
 - (e) the proposed methods and arrangements in relation to the processing of forest produce (if applicable); or
 - (f) the proposed methods and arrangements in relation to the grading of forest produce (if applicable); or
 - (g) the proposed consulting activities to be undertaken; or
 - (h) any other proposed activities other than those activities specified in subsection (a), (b), (c), (d), (e), (f) and (g); or
- (3)
 - (a) the proposed forest harvesting methods if applicable; and
 - (b) details of employment potential in relation to the licence; and
 - (c) detailed financial analysis in relation to the licence activities including projected revenue flows, cost flows, particulars of debt servicing and rates of return; and
 - (d) covenant and undertaking of the applicant to comply with contemporary environmental control standards and the Authority's Manuals titled "Planning, Monitoring and Control Procedures for Natural Forest Logging Operations under a Timber Permit", "The Papua New Guinea Logging Code of Practice" and "Procedures for Exporting Logs" (or any revisions thereof); and
 - (e) detailed description and independent valuation of the applicants proposals for landowner benefits (if applicable); and
 - (f) name of proposed contractor; and
 - (g) a copy of certificate of registration as a forest industry participant; and

- (h) supporting documentation from the applicants Bankers, financiers or others confirming the ability of the applicant to undertake the proposed activities; and
 - (i) the name, postal address, address for service in Papua New Guinea of legal process, telephone number and facsimile number of the applicant; and
 - (j) where the applicant is a corporate person -
 - (i) the shareholding structure including shareholding structure of any incorporated shareholders; and
 - (ii) the name, office or position held in the company, nationality, place of residence, details of formal qualifications, relevant work experience of, and other current or prior offices held by, each director, office-bearer or senior management executive; and
 - (iii) the applicants experience in proposals of a similar nature.
 - (k) the name, address, telephone and facsimile number of the applicant's bankers; and
 - (l) any permit, licence or timber authority presently applied for or held by the applicant; and
 - (m) audited financial statements for the year ending 31 December previously; and
 - (n) a copy of the applicants Investment Promotion Authority certificate (if applicable); and
- (4) The Authority may in additions to the above information and in its discretion, require the applicant to provide further or additional information.
- (5) The fee payable on an application for a licence shall be as specified in Schedule 3.

180. RETURN OF APPLICATION FOR A LICENCE

If an application for a Licence is not completed or further or additional information is required by the Managing Director before it is referred to the Authority the Managing Director shall return the application to the applicant by using Form 178.

181. REFERRAL TO BOARD FOR CONSIDERATION OF APPLICATION FOR A LICENCE

A referral by the Managing Director under Section 93(1) of an application for a licence shall be in Form 179 of Schedule 1.

182. BOARD DETERMINATION TO SEEK ASSISTANCE FROM THE NATIONAL FOREST SERVICE OR ANY RELEVANT DEPARTMENT IN EVALUATING AN APPLICATION FOR THE ISSUE OF A LICENCE

A Board's determination to seek assistance from the National Forest Service or any relevant Department in evaluating an application for the issue of a Licence under Section 93(3) of the Act shall be in Form 180 of Schedule 1.

183. REJECTION BY BOARD OF AN APPLICATION FOR A LICENCE

A Board determination to reject an application for a licence made under Section 92 of the Act shall be in Form 181 of Schedule 1.

184. CANCELLATION OF LICENCE

A cancellation by the Minister of a licence under Section 97 of the Act shall be in Form 182 of Schedule 1.

185. NOTICE OF INTENTION TO CANCEL LICENCE

A notice of an intention to cancel a licence under Section 97(3) of the Act shall be in Form 183 of Schedule 1.

186. REPRESENTATIONS TO MANAGING DIRECTOR FROM HOLDER OF A LICENCE

Representations by the holder of a licence under Section 97(3)(b) of the Act shall be in Form 184 of Schedule 1.

187. REQUEST BY HOLDER OF A LICENCE TO BE HEARD ON PROPOSED CANCELLATION OF A LICENCE

A request by the holder of a licence under Section 97(4) of the Act to the Board shall be in Form 185 of Schedule 1.

188. REPORT OF HEARING TO BOARD ON PROPOSED CANCELLATION OF A LICENCE

A report to the Board of a hearing under Section 97(4) of the Act shall be in Form 186 of Schedule 1.

189. RECOMMENDATIONS BY BOARD TO MINISTER ON PROPOSED CANCELLATION OF A LICENCE

Recommendations by the Board to the Minister under Section 97(7)(b) shall be in Form 187 of Schedule 1.

190. MANAGING DIRECTOR'S REPORT TO BOARD WHERE THERE HAS BEEN NO REPRESENTATION MADE OR HEARING REQUESTED IN RESPECT OF A PROPOSED CANCELLATION OF A LICENCE

A report by the Managing Director to the Board where there has been no representations made or hearing requested in respect of a proposed cancellation of a licence shall be in Form 188 of Schedule 1.

191. BOARD'S ADVICE TO MINISTER TO CANCEL A LICENCE

The Board's advice to the Minister where he is required to cancel a licence under Section 97(5) of Act shall be in Form 189 of Schedule 1.

192. EXTENSION OF TERM OF LICENCE

An extension of term of a licence to engage in forestry industry activities under Section 95 of the Act shall be in Form 190 of Schedule 1.

193. APPLICATION FOR AN EXTENSION OF A LICENCE

(1) An application for an extension of a licence under Section 95 of the Act shall be in Form 191 of Schedule 1 and shall be lodged with the Managing Director not less than 60 days before the expiration of the applicant's current licence.

(2) The Managing Director shall submit an application lodged under Subsection (1) to the Board together with a report on the performance of the licensee in carrying out the activities authorized by the licence.

(3) The Board shall consider an application submitted to it at its first meeting after it is received and where it is satisfied with the performance of the applicant, shall recommend to the Minister that an extension be granted and the Minister may grant the extension.

(4) Where an application for extension is made more than 60 days in advance of the expiration of the licence and the licensee is not notified of the outcome of the application before the expiration of the licence, the licence shall be deemed to be extended until such notification is made.

(5) Where the Board is not satisfied with the performance of a licence it may -

- (a) offer the applicant an opportunity of providing a written explanation of any alleged breach of the licence conditions; and
- (b) after considering any explanation provided under Paragraph (a), reject the application by notice in writing to the applicant or recommend its extension.

(6) Where an Incorporated Land Group or other party to a Forest Management Agreement gives written notice to the Managing Director of an alleged breach of the conditions of a licence in respect of activities within the area covered by the Agreement, the Managing Director shall cause an investigation to be made of the allegation and shall submit a report of the investigation to the Board.

(7) The fee for an application for an extension of a licence shall be as specified in Schedule 3.

194. RETURN BY MANAGING DIRECTOR OF AN APPLICATION FOR EXTENSION OF TERM OF A LICENCE

A rejection by the Managing Director of an application for an extension of term of a Licence under Section 95(1) of the Act shall be in Form 192 of Schedule 1.

195. REJECTION OF AN APPLICATION BY THE BOARD FOR AN EXTENSION OF TERM OF A LICENCE

A rejection of an application by the Board for an extension of term of a Licence under Section 95(2) of the Act shall be in Form 193 of Schedule 1.

196. PERFORMANCE BOND

(1) In this section -

“holder” means the holder of a timber authority, timber permit or licence.

(2) A performance bond required to be lodged with a bank under Section 98 of the Act by a holder shall be lodged with a Bank approved by the Managing Director and shall be in Form 194 of Schedule 1 or substantially in that form and shall be in the form of a Deed.

(3) When the performance bond has been executed by an approved Bank as a Deed, a holder shall then as soon as practicable provide to the Authority a stamped original copy of the said Deed and a confirmation of lodgement of Performance Bond in Form 195 of Schedule 1.

(4) In respect of a timber permit the amount of the performance bond shall be not less than the equivalent of the total of the royalty rate plus the average of all landowner premiums and levies payable multiplied by the annual allowable cut divided by six, plus where there is an obligation in the project agreement for a processing plant, 10 percent of the estimated capital costs of the proposed processing plant, or at the discretion of the Board in any particular case an amount greater than what is specified in this Regulation and expressed in the following formula:

$$P = \frac{(A + B) \times C}{6} + (D \times 0.1) \quad \text{where}$$

P = Performance Bond required
A = Gross Royalty rate payable
B = Assessed average gross rate of all levies (including Project Development Levy) and premiums payable
C = Average annual allowable harvest volume
D = Estimated capital cost of proposed processing plant and facilities

(5) Subject to Clause 6 hereof the amount of the performance bond in respect of timber authorities and licences shall be as determined by the Board

(6) In respect of timber authorities which are for agricultural projects of 50 hectares or more or for roadline clearing the amount of the performance bond shall be that amount as determined by the Board in any particular case after consultation with, in the case of agricultural projects the Department of Agriculture and Livestock, and in the case of roadline clearing the Department of Main Roads.

(7) A holder of a timber permit, timber authority or licence shall not be regarded as having lodged a performance bond until it has delivered an original copy to the Managing Director together with a duly completed confirmation of performance bond to the Managing Director.

197. PROCEDURE FOR DRAWING ON A PERFORMANCE BOND

- (1) The procedures for drawing on a bond are as follows:-
 - (a) before the Authority draws on a performance bond, the Managing Director or his delegate shall serve a notice on the holder in Form 196 of Schedule 1 -
 - (i) specifying the alleged non-performance; and
 - (ii) allowing the holder at least 14 days after the date of serving the notice to -
 - (A) remedy the non-performance; or
 - (B) provide a written explanation or denial of the alleged non-performance;
 - (b) upon expiration of the notice period the Managing Director may -
 - (i) arrange for the Authority to draw on the bond in accordance with the prescribed scale of deductions; or
 - (ii) if satisfied with the explanation provided by the holder, determine that the Authority will not draw on the bond subject to the holder taking such remedial action, if any, as he directs; or
 - (iii) if he is of the opinion that the holder is not in breach or that it has taken satisfactory remedial action, determine that the authority will not draw on the bond and in all cases shall notify the holder in writing of his decision by a Notice in Form 197 of Schedule 1;
- (2)(a) Upon termination of the timber permit, timber authority or licence in respect of which the bond was lodged, the Managing Director shall arrange for delivery to the bank of an authorization in Form 198 of Schedule 1, under seal of the Authority, to release the balance of bond money (if any), after the Authority has drawn any money due to it and the Authority shall be permitted to delay giving such authorization until it has had a reasonable opportunity to assess whether the holder has committed any breaches;
- (b) prior to the delivery of authorization under paragraph (a) no bond moneys shall be released to the holder by the Bank;
- (c) bond moneys shall be deposited in a separate bank account maintained solely for that purpose and any moneys deposited with the bank pursuant to Section 98(3) of the Act shall be paid into that account and any interest earned on funds within the account shall not form part of the bond moneys;

- (d) where the Authority has drawn on the performance bond of any holder, such holder shall, within 30 days of the date of the notification by the Authority of the drawdown by the Authority, replenish the bond as prescribed by Section 98(3) of the Act and if the holder does not provide evidence to the Managing Director that the amount in the performance bond account has been restored in full the Managing Director may, at the expiration of the 14 days, suspend the timber permit, timber authority or licence under Section 85 of the Act.
- (e) a notification to the holder of a timber permit, timber authority or licence under Section 98(3) of the Act shall be in Form 199 of Schedule 1.

198. PRESCRIBED SCALE OF DEDUCTIONS FOR BREACHES OF CONDITIONS OF TIMBER PERMITS, ETC.

The prescribed scale of the deductions for breaches of conditions or requirements of a timber permit, timber authority or licence for breaches of conditions or requirements shall be specified in the terms and conditions of the permit, authority or licence as the case may and the breaches and the scale of deductions for such said breaches shall be as specified in Schedule 2.

199. PROJECT STATEMENT

(1) A project statement as required under Section 100 of the Act shall be in Form 200 of Schedule 1 and shall contain the following details:-

- (a) Permit Holders company profile including details of all senior personnel employed; and
- (b) Permit Holders experience in the carrying out of similar projects; and
- (c) Permit Holders proposed method or methods and mode of operations in the harvesting, processing and sale of forest produce in the project; and
- (d) Permit Holders proposed method of project management; and
- (e) Permit Holders objectives and strategies in respect to the project for each successive five year periods during the term of the timber permit; and
- (f) such other detail as are determined by the Board from time to time.

(2) The fee payable on the submission of a project statement shall be as specified in Schedule 3.

200. FIVE YEAR WORKING PLANS

(1) A five year working plan as required under Section 101 of the Act shall be in Form 201 of Schedule 1 and shall contain the following details:-

- (a) A map of the entire project area at a scale of 1:50,000 (blow-ups of the standard PNG 1:100,000 topographic map series are acceptable) showing:
- Areas already logged (if any) and year of logging
 - Areas to be logged during the next five years. The area shown must be the gross loggable area, i.e. excluding major areas where logging may not take place (e.g. conservation areas, swamps, areas exceeding 30 degrees slope, extensive village/garden areas), and areas of unmerchantable forest where logging is not planned, but note smaller scale exclusion areas to be delineated at the operational or set-up planning stage (e.g. buffer zones, small cultural sites).
 - Permanent forest roads and bridges to be constructed during the five years.
 - The location of any log ponds to be constructed during the five years. Planners preparing a Five Year Plan should note that specific approval to establish a new log pond must be obtained before any construction commences.
 - The location of any new logging base camps to be constructed during the five years. Planners preparing a Five Year Plan should note that specific approval to establish a new logging base camp must be obtained before any construction commences.
 - The location of the volumetric survey lines or plots.
- (b) A Schedule showing the planned order of logging, including estimates of net loggable areas, and net harvestable volumes (including species distribution) for each year's area of operations. The estimate of net harvestable volume must be based at minimum on a 1% sample of the gross loggable area (as would be provided for example by parallel survey lines consisting of continuous line plots 5m wide at 500m intervals). For new projects a 1% sample will have already been assessed as part of the Feasibility Study. For existing projects a minimum 1% volumetric survey must be undertaken.

The details of net harvestable volumes presented must be based on actual inventory of the areas to be logged, and not on historical data from previously logged areas.

- (c) A schedule detailing all landowner benefits which are to be delivered during the five year period, plus a delivery schedule.
 - (d) Five bound copies of the plan shall be attached to Form 201 of Schedule 1.
 - (e) Such other detail as are determined by the Board from time to time.
- (2) The fee payable on the submission of a five year working plan shall be as specified in Schedule 3.

201. ANNUAL LOGGING PLAN

(1) An annual logging plan as required under Section 102 of the Act shall be in Form 202 of Schedule 1 and shall contain the following details:-

- (a) an endorsement letter signed by the Authority's field based Project Supervisor.
- (b) a map at a scale of 1:25,000 (blow-up of the standard PNG 1:100,000 topographic map series are acceptable) clearly showing:
 - the areas to be logged during the next 12 months split into set-ups of a maximum of 150 hectares each. Set-up boundaries must reflect natural features (where these exist), especially water courses. Areas with no identifiable natural features may be split upon a grid basis.

where natural features exist with no reference to the field, the map will not be accepted. Set-ups must be numbered.
 - areas not to be logged e.g. conservation areas, low merchantable volume areas, village reserves, cultural and historic sites.
 - the existing road network, and any existing permanent roads to be decommissioned during the year.

- any new permanent forest roads and bridges to be constructed during the year. Typically permanent roads are constructed up to 12 months ahead of logging. The map must show all permanent roads to be constructed during the year, including those roads which will not be used until the following year. Road corridors to be cleared for permanent forest road construction must be split into one or more set-ups, and numbered.
- log volume production and use i.e. exported, converted to wood products (sawn timber, plywood, chips, other - including processed product output volumes), changes in stocks;
- new construction undertaken (forest roads, log ponds, logging base camps, and landowner infrastructure);
- existing construction which has been decommissioned (forest roads, log ponds and logging base camps);
- a list of the set-ups from the previous year's Annual Logging Plan for which no application for a Set-up Plan approval was made, and which have been renumbered and included in the current year's Annual Logging Plan.
- infrastructure and other landowner benefits delivered during the year.
- the location of any gravel sources to be exploited during the year.
- existing log ponds, and the location of any new log ponds to be constructed during the year. Planners preparing an Annual Logging Plan should note that specific Authority's approval to establish a new log pond must be obtained before any construction commences.
- existing logging base camps, and the location of any new logging base camps to be constructed during the year. Planners preparing an Annual Logging Plan should note that specific Authority's approval to establish a new logging base camp must be obtained before any construction commences.

- (c) A schedule showing the planned order of logging the set-ups (including both selection logging set-ups and permanent roading set-ups), including set-up number, and for each set-up an estimate of the net loggable area, and an estimate of the harvestable volume (including species distribution). The estimate of net harvestable volume may be based on the 1% sample of the loggable area already presented in the Five Year Plan.
- (d) A schedule detailing road and water crossing standards for the permanent forest roads to be constructed during the year.
- (e) A schedule setting out the equipment (types and numbers) and logging methods to be used during the 12 months period.
- (f) A schedule detailing all landowner benefits which are to be delivered during the year. For infrastructure the Schedule must indicate construction start-up time, estimated completion time, construction standards, an estimate of total costs, and an indicative infrastructure maintenance plan (including responsibility and cost estimates).
- (g) A report on the implementation of the previous year's Annual Logging Plan, comparing plan with actual performance, and summarising:
- (h) Five bound copies of the plan shall be attached to Form 202 of Schedule 1.
- (i) Such other detail as are determined by the Board from time to time.

(2) Before logging commences in each harvest area the holder of a timber permit shall apply in writing to a Forest Officer or Forest Inspector for a harvest authorization.

(3) Before a harvest authorization is granted for a particular area the holder of the timber permit shall, in accordance with directions issued from time to time by the Managing Director -

- (a) conduct and submit the results of an inventory as directed by the Managing Director from time to time; and
- (b) produce a detailed map of the area showing the location of proposed logging roads and skid trails and areas where logging is not to occur for environmental and cultural reasons; and
- (c) specify any site-specific measures to avoid or mitigate environmental damage; and
- (d) comply with such general directions as from time to time, are given by the Managing Director.

(4) A holder of a timber permit shall notify the Authority upon completion of logging, forest management and related work carried out by him in accordance with any standards and directions set by the Managing Director from time to time.

(5) As soon as practicable after notification under Subsection (4) is received by the Authority, a Forest Officer or Forest Inspector shall -

- (a) carry out an inspection of the work as prescribed; and
- (b) if work has been carried out in compliance with the standards and directions required, issue a certificate in Form 203 of Schedule 1 to that effect in accordance with Section 102(3) of the Act; and
- (c) if work has not been carried out in compliance with the standards and directions required, issue a Notice of Unsatisfactory Completion of Work in Form 204 of Schedule 1.

(6) Harvest authorization to commence logging in successive harvest areas designated in an annual logging plan may be granted subject to and conditional upon the holder of the timber permit obtaining a certificate under Section 102(3) of the Act in respect of a previous harvest authorization.

(7) Commencement of logging in an area without a harvest authorization shall constitute an offence and a breach of the offender's timber permit, timber authority or licence.

(8) The fee payable on submission of an Annual Logging Plan shall be as specified in Schedule 3.

202. FAILURE TO LODGE SATISFACTORY STATEMENTS AND PLANS

Where the holder of a timber permit fails to lodge a project statement, 5 year working plan or annual logging plan and have same approved by the Board before the expiration of the preceding statement or plan, the timber permit may be suspended in accordance with Section 85 of the Act or cancelled in accordance with Section 86 of the Act until such time as the outstanding statement or plan is approved and compliance with approved statements and plans is deemed to be a condition of a timber permit.

203. PRESERVATION REQUIREMENTS

The requirement for preservation of forest produce as required by Section 117 of the Act shall be those as set out in the National Standards Council of Papua New Guinea Standard 1293-1989 for Preservation specification for sawn and round timber.

204. LOG IDENTIFICATION SCALING METHODS AND REPORTING AND ROYALTY SELF-ASSESSMENT

(1) In respect of a timber permit, timber authority or licence the following provisions shall apply -

- (a) The Forest Authority's Manual of Procedures for the Identification Scaling and reporting (including royalty self assessment) on Logs harvested from

- Natural Forest Logging Operations” (or any revisions thereof) shall form part of the Regulations; and
- (b) only licensed log scalers may measure and identify logs; and
 - (c) it shall be an offence if any person identifies or measures logs otherwise than in accordance with the Regulations or makes a false statement in any scaling statement or declaration; and
Penalty: A fine not exceeding K50,000.00.
 - (d) Log tags will be supplied by the Authority, or on behalf of the Authority by an agent on making application in Form 232 of Schedule 1 and on payment of the fee as determined from time to time by the Managing Director; and
 - (e) The Authority may from time to time specify different methods of identification, measurement and branding for different categories of timber and specify different procedures relating thereto.

205. LICENSING OF LOG SCALERS

(1) The Managing Director shall appoint an officer of the National Forest Service to be the Authority’s Chief Log Scaler.

(2) A -

- (a) person shall not work as a log scaler; and
- (b) logging operator shall not employ a person as a log scaler, unless that person -
 - (i) has been awarded a log scaling certificate by the Timber Industry Training College; and
 - (ii) is licensed in accordance with this regulation.

Penalty: A fine not exceeding K200.00.

(3) A Log Scaler’s Licence shall be Form 205 of Schedule 1 and shall be issued for a period of two years by the Chief Scaler, who shall maintain a register of log scalers.

(4) A log scaler who has been licensed shall be provided with an Identity card by the Chief Scaler and shall, whilst carrying out scaling activities, carry the identity card on his person and produce it on demand to a Forest Officer or Inspector.

(5) Any person, whether self-employed, employed by the holder of a timber permit or timber authority or by a logging company may apply for a Log Scaler’s Licence to the Chief Scaler enclosing -

- (i) an application which shall be in Form 206 of Schedule 1; and
- (ii) a copy of the applicant’s log scaling certificate awarded by the Timber Industry Training College; and
- (iii) two passport size photographs, one of which will be attached to the licence; and
- (iv) a cash performance bond of K500.00 which, subject to Subsection (5), is refundable when the licence lapses; and

(v) a two year licence fee as specified in Schedule 3.

- (6) The cash performance bond lodged under Subsection (4) shall be -
- (a) forfeited to the Authority in the event of cancellation by the Chief Log Scaler on the grounds of failure by the Log Scaler to comply with the Regulations relating to log scaling; and
 - (b) otherwise, be repaid to the person lodging the bond on the expiry or cancellation of the Log Scaler's Licence.

(7) A licensed log scaler shall ensure that his licence is renewed as required and where a licensed log scaler intends to cease practising before his current licence expires he may apply to the Chief Log Scaler for his licence to be cancelled and his performance bond to be returned.

206. NOTICE OF INTENTION TO CANCEL SCALER'S LICENCE

A notice of intention by the Chief Log Scaler to cancel a scaler's licence shall be Form 207 of Schedule 1.

207. CANCELLATION OF LOG SCALER'S LICENCE

Cancellation of a log scaler's licence shall be in Form 208 of Schedule 1

208. REGISTRATION OF A FOREST INDUSTRY PARTICIPANT

A certificate of registration of a forest industry participant shall be in Form 209 of Schedule 1.

209. APPLICATION FOR REGISTRATION AS A FOREST INDUSTRY PARTICIPANT.

(1) An application for registration as a forest industry participant shall be in Form 210 of Schedule 1.

- (2) An application under Subsection (1) shall contain particulars of -
- (a) the name, postal address, address for service in Papua New Guinea of legal process, telephone number and facsimile number of the applicant; and
 - (b) where the applicant is a corporate person -
 - (i) the shareholding structure; and
 - (ii) the name, office or position held in the company, nationality, place of residence, details of formal qualifications, relevant work experience of, and other current or prior offices held by, each director, office-bearer or senior management executive; and
 - (c) the name, address, telephone and facsimile number of the applicant's bankers; and
 - (d) the proposed activities; and
 - (e) any permit, licence or timber authority granted under the repealed Acts; and
 - (f) any agreement under the repealed Acts to which the applicant was a party; and

- (g) such other information as required by Form 210.
- (3) An application under Subsection (1) shall be accompanied by -
 - (a) where the applicant is a corporate person -
 - (i) a copy of the certificate of incorporation; and
 - (ii) the shareholding structure of any incorporated shareholders; and
 - (b) a summary of proposed forest industry activities; and
 - (c) financial statements for the three years immediately prior to the date of application; and
 - (d) The application fee as specified in Schedule 3.
- (4) The fee payable on an application for registration as a forest industry

210. REGISTRATION OF A FOREST INDUSTRY CONSULTANT

A certificate of registration of a forest industry consultant shall be in Form 211 of Schedule 1.

211. APPLICATION FOR REGISTRATION AS A CONSULTANT.

- (1) An application for registration as a consultant shall be in Form 212 of Schedule 1.
- (2) An application under Subsection (1) shall contain particulars of -
 - (a) the name, type of entity, postal address, address for service in Papua New Guinea of legal process, telephone number and facsimile number of the applicant; and
 - (b) where the applicant is a corporate person -
 - (i) the shareholding structure; and
 - (ii) the name, office or position held in the company, nationality, place of residence, details of formal qualifications, relevant work experience and other current or prior offices held by each director, office-bearer or senior management executive; and
 - (c) the type of expertise offered; and
 - (d) the proposed consultancy activities; and
 - (e) such other information as is required by Form 212.
- (3) An application under Subsection (1) shall be accompanied by -
 - (a) a resume of qualifications and work experience of the applicant and of consultants employed by the applicant; and
 - (b) where the applicant is a corporate person -
 - (i) a copy of the certificate of incorporation; and
 - (ii) the shareholding structure of any incorporated shareholders; and
 - (c) the application fee as specified in Schedule 3.

(4) The fee payable on an application for registration as a forest industry consultant shall be as specified in Schedule 3.

212. RETURN BY THE MANAGING DIRECTOR OF AN APPLICATION FOR REGISTRATION AS A FOREST INDUSTRY PARTICIPANT OR CONSULTANT

A return by the Managing Director of an application for registration as a Forest Industry Participant or Consultant under Section 107 or 108 of the Act shall be in Form 213 of Schedule 1.

213. NOTIFICATION OF CHANGE OF PARTICULARS

(1) A registered forest industry participant or registered consultant shall, within 28 days of a change of any of the particulars submitted with his application for registration as a forest industry participant or consultant give written notification to the Managing Director in Form 214 of Schedule 1 of the particulars of such change.

(2) The Managing Director may on receipt of a Notification of Change of particular request such further or additional information as he thinks fit.

(3) Where the Notification particulars are of such a nature that there is a change in ownership, share holding or beneficial ownership or control and such change is:-

- (a) more than 10% in any one year; or
- (b) represents a change of more than 25% in the ownership of the forest industry participant or consultant enterprise (except where the registered forest industry participant or consultant is a subsidiary of a holding company and the ownership of the holding company does not change and the registered forest industry participant enterprise remains a subsidiary of that holding company) as from the date of registration under the Act then such change may be deemed sufficient grounds to justify cancellation of registration and the Board may require the registered forest industry participant or consultant to make a new application for registration as a forest industry participant or consultant.
- (c) in this Section “subsidiary” and “holding company” have the same meanings as defined in the Companies Act.

(4) Nothing in this Section restricts the Managing Director from exercising the power contained in Section 112 of the Act.

(5) A person, who fails to comply with the provisions of Subsection (1), is guilty of an offence.

Penalty: A fine not exceeding K10,000.00.

(6) The fee payable on a notification of change of particulars shall be as specified in Schedule 3.

214. NOTIFICATION OF INTENTION TO MAKE REFERRALS TO THE BOARD FOR CANCELLATION OF REGISTRATION

A notification of intention to make referral to the Board under Section 112 of the Act shall be in Form 215 of Schedule 1.

215. REFERRALS TO THE BOARD FOR CONSIDERATION OF CANCELLATION OF REGISTRATION

A referral for consideration of cancellation of registration under Section 112 of the Act shall be in Form 216 of Schedule 1.

216. NOTICE OF BOARD DIRECTIONS

A notice of Board Directions under Section 112 of the Act shall be in Form 217 of Schedule 1.

217. APPEAL TO MINISTER ON REGISTRATION, ETC.

(1) An appeal to the Minister under Section 113 of the Act shall be in Form 218 of Schedule 1.

(2) The fee payable on an appeal to the Minister shall be as specified in Schedule 3.

218. MINISTERS DECISION ON APPEAL

A decision of the Minister under Section 113 of the Act shall be in Form 219 of Schedule 1.

219. EXEMPTION

(1) An officer or employee of the National Forest Service does not require to be registered as a consultant in respect of work undertaken by him in the course of his employment as such officer or employee.

(2) A person engaged in an aid project approved by the Government of Papua New Guinea does not require to be registered as a consultant in respect of work undertaken by him in connection with such aid project.

220. STATE PURCHASE OPTION

(1) A form of Notice under Section 115(2) of the Act shall be in Form 220 of Schedule 1.

(2) The procedure to be followed in accordance with Section 115(4) of the Act are as follows:-

- (i) on the first day of the third month of each quarter of each Permit Year the Permit Holder shall, in writing, offer to sell, in relation to logs in proportions approximately representative of the mix species of logs to be harvested that Permit Year, at least one-sixteenth (1/16) of that Permit Year's permitted log export volume to the State or its nominee for delivery within a period of one (1) months from the end of that quarter on dates to be agreed upon and on payment terms substantially consistent with those in effect with respect to the Permit Holder's other customers; and

- (ii) the offer will include details of the size and grade of each log, by species, with prices differentiated by size, grade, and species and shall be in that form and contain such other particulars as determined from time to time by the State Marketing Agency; and
- (iii) the offer or part thereof will be accepted or rejected in writing by the State or its nominee within ten (10) working days of its receipt; and
- (iv) if an offer is accepted the State shall deliver to the holder of the timber permit a Notice of Proposal to exercise option in Form 220 of Schedule 1; and
- (v) if and to the extent that the State or its nominee rejects the offer with respect to any quarter, it will forego the right to purchase that amount of logs for that quarter under this Section; and
- (vi) if the State rejects or fails to respond to the aforesaid offer within the ten (10) working days provided, the Permit Holder shall not sell the logs or any part thereof to any other party at lesser prices or on terms more favourable to the buyer than those offered to the State or its nominee without first re-offering the logs to the State or its nominee at such lesser price or such more favourable terms, whereupon, as before, the State shall, within ten (10) working days of the receipt of the offer, accept or reject it; and
- (vii) the obligation to make offers under Subsection 1 above will cease when the State or its nominee has acquired twenty-five percent (25%) of the Permit Holder's permitted log export volume for the relevant Permit Year; and
- (viii) logs purchased under this Regulation will be on a free-on-board basis, and the price paid by the State or its nominee shall be the price accepted pursuant to Subsection 3 less any duty payable on the export of the said logs; and
- (ix) logs purchased by the State or its nominee pursuant to this Regulation shall cause the Permit Holder's permitted log export volume for that permit year to be reduced accordingly by the volume of logs purchased by the State.
- (x) the administrative operation of this Regulation may be reviewed, and, if necessary, revised annually by the State to ensure that it effectively enables the State to purchase up to twenty-five percent (25%) of the Permit Holder's permitted annual log export volume.
- (xi) the Managing Director shall have authority on behalf of the State to exercise the rights conferred on the State by this Regulation, and may appoint a nominee on behalf of the State to exercise these rights.

221. TRANSFER PRICING

- (1) For the purposes of this Regulation and of Section 118 of the Act -
"arms length" means a transaction where -

- (a) the parties, in negotiating the transaction, have sought to promote their own best interests in accordance with fair and honest business methods; and
- (b) there is no other consideration for the provision of goods or services other than a monetary consideration, being the price; and
- (c) the terms of the transaction have not been affected by, nor determined as a consequence of, any other agreement, or proposed agreement, or understanding, or any direct or indirect relationship (other than the relationship created by the transaction) between one party, or a shareholder of that party, or a company in which that party or a shareholder of the party; and a company in which that party is a shareholder; and
- (d) in the case of a sale, neither the seller nor any person connected with it, through shareholding or otherwise, has any direct or indirect interest in the subsequent resale or disposal by the buyer of any of the products or services purchased pursuant to the agreement.

“transfer pricing” means the pricing of inter-company loans, or transfer of goods or services such that -

- (a) in respect of the Company receiving the loans, goods or services, the interest or other monies paid or payable by the Company for such loans, goods or services is higher than the value received by the Company; and
- (b) in respect of the Company is providing the loans, goods or services, the interest or other moneys received or receivable by the Company for such loans, goods or services is lower than the value received by the other party;

“value received”, in the case of a transfer of goods and services, is the price which would have been obtained on an arm’s length transaction, and in the case of a loan, shall be the interest and other moneys payable for a loan in the same amount for the same period and on the same terms and conditions which a Company of similar standing to the Company could, in seeking to promote its own best interest in accordance with fair and honest business methods, have negotiated from a lending institution of international repute.

- (2) A person, who practices transfer pricing, is guilty of an offence.

Penalty: A fine of twice the “value received” as defined in Subsection (1) or K100,000.00, whichever is the greater amount.

- (3) For the purpose of enabling the Authority to satisfy itself as to compliance by a Company with its obligations under this section not to practise transfer pricing, the Company, on written request by the Authority, shall promptly furnish the Authority with -

- (a) full details of the parties to, and the conditions of, any loans, transfers of goods or services to, or by, the Company; and

- (b) copies of all agreements, documents, and correspondence in respect thereof; and
- (c) full details of any other agreements or undertakings entered into, or reached by, the Company, or a shareholder of the Company or by a company in which the Company is a shareholder.

222. VARIATION BY THE MINISTER FOR FOREST OF ROYALTY PAYABLE UNDER A TIMBER PERMIT

A variation by the Minister for Forests of the royalty payable under a Timber Permit under Section 120 of the Act shall be in Form 221 of Schedule 1.

223. LEVIES

(1) A levy or levies fixed under Section 121 of the Act shall be payable by the holder of a timber permit, timber authority or licence (as the case may be) at the time or times specified in and to the person specified in the notice in the National Gazette fixing the levy.

(2) The holder of a timber permit, timber authority or licence, who fails to pay a levy fixed under Section 121 of the Act at the time and to the person specified in the notice referred to in Subsection (1), is guilty of an offence.

Penalty: A fine up to but not exceeding K500,000.00.

Default Penalty: A fine not exceeding K500,000.00.

(3) The method of payment and collection of levies shall be as follows:-

(a) the Managing Director or his regional representative shall prepare and deliver a Notice of assessment of levy and forward it by post or otherwise to the holder of a timber permit, timber authority or licence as the case may be and the holder of such timber permit, timber authority or licence must pay the amount assessed, clear of all deductions, within 14 days after the date specified in the assessment and such payment shall be by bank cheque.

Penalty: A fine not exceeding K1,000.00.

(b) without prejudice to any other imposition, suspension or penalty that may be made or imposed under this Regulation, any amount of levy that remains unpaid after the expiration of the period specified in Subsection 3(a) may be recovered by the Authority as a debt and in addition thereto the holder of a timber permit, timber authority or licence as the case may be shall not be permitted to export any forest produce while levies or any part thereof remain unpaid.

(4) A notice of a levy under Section 121 shall be in Form 222 of Schedule 1.

224. LAWFUL DIRECTION

A lawful direction under Section 122 of the Act shall be in Form 223 of Schedule 1.

225. NOTICE OF SEIZURE

Notice of seizure of timber or forest produce or other property pursuant to Section 214 of the Act shall be in Form 224 of Schedule 1.

226. ACT OF SEIZURE

(1) A Forest Inspector or Forest Officer shall have a hammer brand with a distinguishing number or figure on one face of a type which the Managing Director may approve from time to time.

(2) The face referred to in Subsection 1 shall be used for marking any timber or forest produce seized under the Act.

227. NOTICE OF FORFEITURE

Notice of forfeiture under Section 124 of the Act shall be in Form 225 of Schedule 1.

228. DECLARATION BANNING EXPORT ETC.

A declaration banning or restricting export of a species or class of timber under Section 134 of the Act shall be in Form 226 of Schedule 1.

229. REGISTRATION OF BRAND

Registration of a brand shall be in Form 227 of Schedule 1.

230. APPLICATION TO REGISTER IN THE AUTHORITY A BRAND

An application to register in the Authority a brand under Section 135(1)(2)(b) of the Act shall be in Form 228 of Schedule 1.

231. SAFETY

(1) A tramway truck or vehicle used for the transport of forest produce shall -

- (a) be strongly and properly made; and
- (b) be provided with proper and efficient brake-gear for regulating and controlling its speed and running power.

(2) A tramway and every part of a tramway shall be kept and maintained in good order and repair for the purpose of transporting forest produce and any other freight that is authorized, and for the safety of persons and animals carried or employed on and such said forest produce shall at all times be properly secured.

(3) A Forest Inspector or Forest Officer may -

- (a) suspend the working of a tramway, or the use and employment of any locomotive, mill-truck, winch, cable, or hauling machinery, that he regards as unsafe or not in proper repair; and
- (b) notify the holder of the timber permit or his agent accordingly and direct such repair or renewals as he thinks proper, and the holder of the timber permit shall comply immediately with the notice and without delay effect the repairs or renewals directed to the satisfaction of a Forest Inspector or Forest Officer.

Penalty: A fine not exceeding K1,000.00.

232. ACCESS RIGHTS

(1) Where it is, in the opinion of a Forest Inspector or a Forest Officer, necessary, and subject to charges having been paid as provided for in Subsection (2) hereof, a holder of a timber permit shall at all reasonable times afford to other holders of timber permits and to licensees facilities for the carriage of forest produce over tramways, roads, waterways and airways owned or operated by him.

Penalty: A fine not exceeding K1,000.00.

(2) All charges by the holder of a timber permit for the carriage of forest produce or running rights over the tramway shall be on a reasonable scale and are subject to the approval of the Managing Director.

233. SHIP LOADING AUTHORISATION AND SUSPENSION OF SHIP LOADING AUTHORISATION

Authorization to load a ship with timber or forest produce and a Notice of suspension of ship loading shall be in such Forms as are provided for in the Authority's Manual titled "Procedures for Exporting Logs" (or any revision thereof made from time to time.

234. LOG EXPORTS

(1) The procedures and requirements which shall be followed in an application under Section 134 of the Act to export logs shall be those procedures and requirements as contained in the Authority's Manual titled "Procedures for Exporting Logs" (or any revisions thereof).

(2) A person, who fails to comply with the provisions of this Regulation is guilty of an offence.

Penalty: A fine not exceeding K50,000.00.

(3) A person, who makes a false statement in any return or other document furnished to the National Forest Service, the Authority or the Minister in connection with an application to export timber, is guilty of an offence.

Penalty: A fine not exceeding K50,000.00.

235. ROLE AND RECOGNITION OF BODIES REPRESENTING CUSTOMARY OWNERS

(1) Subject to Subsection (3), the customary owners in relation to an area of land covered by a timber permit (in this section referred to as the "project area") shall appoint or establish, and nominate for recognition by the Managing Director, a corporate body or Local-Level Government body to represent them.

(2) Subject to Subsection (3), where the Managing Director is of the opinion that a body nominated under Subsection (1) satisfactorily represents in accordance with this section the customary owners in the project area, he shall recognise the body for such purpose, and notify the body accordingly.

(3) Where the Managing Director, in consultation with the Provincial Forest Management Committee, is satisfied that -

- (a) due to the special circumstances of the customary owners from a project area, it is impracticable for all such customary owners to be represented by a single representative body; and
- (b) it is in the best interests of the customary owners from that project area that they appoint or establish more than one representative body, the Managing Director may recognise more than one body nominated by customary owners from a project area provided that -
 - (i) each such body shall represent customary owners from a clearly defined area within the project area; and
 - (ii) the aggregate of such areas shall make up the whole of the project area.

(4) Where the Managing Director recognises more than one body in accordance with Subsection (3), he shall also determine the arrangements under which payments shall be apportioned between the bodies.

(5) The Managing Director may issue Guidelines on the formation and structure of bodies which he will consider as satisfactorily representing customary owners.

(6) A body recognised under this section may expend and invest moneys received by it as it considers fit, subject to -

- (a) the articles, constitution or rules governing or establishing the body; and
- (b) any reasonable rules and procedures regarding management of bank accounts which may be determined by the Board, for the purpose of ensuring that payments are invested or expended for the collective benefit of customary owners in the project area.

(7) Where the Board, on reasonable grounds, is of the opinion that moneys have been expended or invested in breach of any articles, constitution or rules and procedures determined by the Board under Subsection (6), it may, by notice to the representative body and to the bank where the account is held, suspend the operation of the account.

236. CANCELLATION OF RECOGNITION

(1) Where a body recognised in accordance with Regulation 235 or any of its principals -

- (a) fails to comply with any rules or procedures determined by the Board in relation to bank accounts; or
- (b) fails adequately to account for funds in accordance with any procedures provided for under the law governing its establishment or incorporation, the Managing Director may cancel its recognition.

(2) For the purposes of Subsection (1), "principal" includes director, manager, secretary, executive committee member or public officer, or any other similar office or any person purporting to act in such a capacity.

(3) On cancellation under Subsection (1), the Managing Director may withhold moneys in trust.

237. RETURNS AND RECORDS

The holder of a timber permit, timber authority or licence shall maintain such records and submit such returns in the form and in the manner as set out in the Authority's manuals titled "Procedures for the Identification, Scaling and Reporting (including royalty self-assessment) on logs harvested from Natural Forest Logging Operations" and "Procedures for Exporting Logs" (or any revision thereof).

238. DESTRUCTION OF FOREST PRODUCE

A person, who fells, removes, damages, or destroys any timber or merchantable forest produce on government land unless authorized to do so under this Act or any other law or except as the unavoidable result of carrying out an activity authorized under another law, is guilty of an offence.

Penalty: A fine not exceeding K100,000.00.

239. REGISTRATION OF TIMBER PROCESSING PLANT

A certificate of registration of a timber processing plant and of the registered operator of such plant shall be in Form 229 of Schedule 1.

240. APPLICATION FOR REGISTRATION OF TIMBER PROCESSING PLANT

(1) A person who proposes to operate any plant for processing timber shall apply to the Managing Director for registration of such plant as a timber processing plant and of himself as an operator of such plant.

(2) The fee payable on submitting an application shall be as specified in Schedule 3.

(3) An application under Subsection (1) shall be in Form 230 of Schedule 1.

(4) An officer of the National Forest Service may at any reasonable time inspect any plant used for processing timber or which he believes is used for processing timber, whether or not such plant is registered.

(5) The person responsible for the operation of a registered plant shall, by 31 March in each year, submit to the Managing Director an Annual Return for the preceding year setting out details of the operations of the plant in a form and manner and containing such particulars as are specified from time to time by the Managing Director.

(6) Any change in the operator of a timber processing plant shall be notified within 7 days to the Managing Director.

(7) A person, who operates a timber processing plant which is not registered under this section, is guilty of an offence.

Penalty: A fine not exceeding K10,000.00.

241. LOGGING AND ROADING STANDARDS AND PRACTICES.

A holder of -

- (a) a timber permit; or
- (b) a timber authority, where that authority was applied to harvest less than 5000m³ per year by selection logging from customary land; or
- (c) a licence

shall ensure that forest roading and logging and all other forestry activities of whatsoever nature is undertaken according to the Authority's standards and practices as set out in the Authority's Manuals titled "Papua New Guinea's Logging Code of Practice", "Planning, Monitoring and Control Procedures for Natural Forest Logging Operations, under a timber permit" and "Procedures for Exporting Logs" (or any revisions thereof).

242. BOARD NOTICE TO VARY TERMS OR CONDITIONS OF REGISTRATION, PERMIT, LICENCE, TIMBER RIGHTS PURCHASE AGREEMENT, AUTHORITY OR AGREEMENT

A Board notice to vary terms or conditions of Registration, Permit, Licence, Timber Rights Purchase Agreement, Authority or Agreement under Section 137 of the Act shall be in Form 231 of Schedule 1.

243. OFFENCES GENERALLY

(1) A person, who contravenes or fails to comply with any provision of this Regulation is guilty of an offence.

(2) A person, who attempts, aids, abets, counsels, or procures, or is in any way knowingly concerned in an offence against this Regulation, is deemed to have committed that offence.

(3) Where, by the authority of the Act or this Regulation, a direction is given to a person and such direction is not complied with, then that person is guilty of an offence.

(4) Where no other penalty is expressly provided in respect of an offence a person guilty of that offence against any provision of this Regulation shall be liable to a penalty by way of a fine of -

- (a) where the person is a natural person - an amount not exceeding K1,000.00; or
- (b) where the person is a body corporate - an amount not exceeding K10,000.00.

(5) In addition to any penalty under Subsection (4), a person guilty of an offence involving timber or other forest produce shall -

- (a) forfeit such timber or forest produce to the owner, or in the case where the offender is the owner, to the Authority; and
- (b) be liable also to compensate the Authority or owner of timber or other forest produce in respect of any loss or damage caused in the commission of an offence.

(6) All timber and forest produce harvested pursuant to a timber permit or timber authority on which any royalties, levies or other charges are payable under the Act may be seized by the Authority until the royalties, levies or other charges are paid, and if payment is not made within 20 days of seizure, may be disposed of by the Authority.

244. FEES

Fees paid by or on behalf of a person or company are non-refundable.

245. MAPS, ETC

Upon application being made in Form 232 of Schedule 1 the Authority may provide log tags, copies of maps, publications and other documents at a fee determined from time to time by the Managing Director.

246. FORMS

(1) Except where the Managing Director otherwise determines, forms prescribed by the Regulations shall be printed on behalf of the Authority and shall be available upon application being made in Form 232 of Schedule 1 to any person on payment of the fee as determined by the Managing Director from time to time.

(2) Forms required to be signed by or on behalf of the Managing Director, the Authority, the Minister, or any officer of the National Forest Service may be numbered and shall be kept in a secure place.

247. TENDERS

(1) Rules and procedures for tenders shall be as determined by the Board.

(2) An application for tender documentation/specifications (if any) relating to any tender (other than documentation/specifications relating to a project proposal) shall be in Form 232 of Schedule 1 and shall be accompanied by the prescribed fee in Schedule 3 which shall be non-refundable.

248. SERVICE OF NOTICE ETC

Service on a forest industry participant of any notice or other document required or permitted to be served under the Act may be effected by sending such notice or document by pre-paid post or by facsimile to the participant's postal address or address for service.

249. PUBLIC REGISTERS

There shall be established a public register of registered Forest Industry Participants and Consultants, Licensed Scalers, registered timber processing plants Timber Permit holders, Timber Authority holders, Licence holders and forest potential areas and any person may make application to the Authority in Form 232 of Schedule 1 and on payment of the prescribed fee as set out in Schedule 3 for the following extracts of information:-

- (a) in the case of Registered Forest Industry Participants and Consultants, licensed scalers, registered timber processing plants an extract of the Certificate of Registration or licence as the case may be; and
- (b) in the case of Timber Permits, Authorities or Licences, an extract containing the name of the timber area, the name of the permit holder, the permit number and duration; and
- (c) in the case of forest potential areas an extract containing details of forest potential areas and unallocated areas as the case may be

250. FOREST INDUSTRIES ACTIVITIES

No person may engage in any forest industry activities as such is defined in the Act unless they are the holder of a Timber Permit, timber authority or licence notwithstanding that any such person does not come within the definition of a "forest industry participant" as defined in the Act.

Nothing in this section limits customary land owners from engaging in forest industry activities to the extent of harvesting timber or rattan for their own domestic use providing always that they do not come within the definition in the Act of "Forest Industry Participant".

251. DISASTERS

In any case where a Provincial Disaster Committee has declared any area which contains or comprises forests therein and the Provincial Disaster Committee which has been established under relevant legislation has made a recommendation to the Managing Director of the National Forest Service relating to salvaging the forest produce or to carry out reforestation or to convert to any other land use then the Managing Director may suspend all or any requirement in the Act or Regulations and-

- (a) invite any person or persons who are registered forest industry participants to salvage the forest produce and to carry out any other forest industry activity as defined in such disaster area on such terms and conditions as he thinks fit; or
- (b) permit such person or persons or the National Forest Service itself to undertake any reforestation or other land use in the disaster area on such terms and conditions as he thinks fit.

252. REPEAL

The Forest Regulation 1992 is hereby repealed.

253. TRANSITIONAL

Forest Industry Participants or Consultants who have been registered under the repealed Regulations shall be deemed to have been registered under these Regulations.

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