

Forest Products Amendment Bill 2004
Explanatory Clause Notes

FOREST PRODUCTS AMENDMENT BILL 2004
EXPLANATORY MEMORANDUM

This Bill amends the *Forest Products Act 2000*.

In these notes, clause numbers in the Bill are printed in bold type face and references to sections of the Act being amended are in normal typeface.

Part 1 Preliminary

- c.1.** A formal clause titling the Bill.
- c.2.** Specifies when the Act comes into operation.
- c.3.** Specifies that the amendments are to the *Forest Products Act 2000*.

Part 2 Amendments

The amendments relate to provisions in the Act which operate to limit both the period of operation of a production contract to the period of operation of a Forest Management Plan under the *Conservation and Land Management Act 1984*, and the ability of the Forest Products Commission, for a fee, to perform or provide services related to the management of plantations on land belonging to third parties.

For the purposes of production contracts under the Act the period of operation of a Forest Management Plan is 10 years unless revoked earlier.

The first amendment is intended to permit the Forest Products Commission to enter into production contracts for management, harvesting, and sale of non-indigenous forest products on departmental land for terms exceeding 10 years and up to 25 years (including any period of extension or renewal of such contracts) with the concurrence of the Minister administering the *Conservation and Land Management Act 1984*. It also provides for plantation product contracts for terms exceeding ten years to be tabled before each House of Parliament, or dealt with in accordance with section 69.

The second amendment allows the Forest Products Commission, for a fee, to perform, or provide services related to, the establishment, maintenance, management, harvesting or marketing of plantations on land belonging to third parties.

c.4. A new clause 4 provides for amendment to section 10, relating to the functions of the Forest Products Commission, permitting the Commission for a fee, to perform, or provide services related to, the establishment, maintenance, management, harvesting or marketing of plantations on land belonging to third parties.

c.5. Three new definitions are added to section 55 of the Act:

“plantation product” is defined to mean forest products derived from plantation trees.

“plantation product contract” defines a contract for management, harvesting or sale of plantation products in terms of excluding forest products which are not plantation trees.

“plantation tree” ensures that plantation products contracts relate only to non-indigenous tree-species occurring in plantations maintained by the Forest Products Commission on departmental land.

c.6. This clause amends section 58 of the Act, which makes production contracts subject to a relevant forest management plan, by excluding plantation products contracts from its operation.

An alternative mechanism is introduced under **clause 7**.

c.7. This clause adds a further section (section 58A) to the Act which operates as follows:

- (a) to ensure a plantation product contract is consistent with the forest management plan in force at the date the contract is entered into; and
- (b) to ensure that any renewal or extension of a plantation product contract is consistent with the forest management plan in force when the renewal or extension is entered into.

Further, the proposed new section 58A

- (a) adds a definition of “management plan” specifically relating to plantation product contracts;
- (b) prohibits the Forest Products Commission from entering into, renewing or extending the period of operation of a plantation contract beyond 10 years from the commencement date of the term without the concurrence of the Minister administering the *Conservation and Land Management Act 1984*;
- (c) prohibits the Forest Products Commission from entering into a plantation products contract for a term exceeding 25 years (including any period of renewal or extension); and

(d) requires the Minister, within 28 days of entering into a plantation product contract exceeding a term of 10 years, or extending a plantation product contract beyond 10 years from the original date of commencement, to cause a copy of the contract to be tabled in both Houses of Parliament or dealt with in accordance with section 69.

c.8. This clause amends section 61 of the Act and adds 2 new subsections to provide that, whatever the Term of a plantation products contract, it remains subject to the forest management plan in force at the date it was entered into or, in the case of renewal or extension, subject to the forest management plan in effect at the date of such renewal or extension.

c.9. This clause amends section 69 of the Act to include the provision of a new subsection 58A(5) as circumstances in which the supplementary provision about laying documents before Parliament may apply.