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PORT MORESBY, THURSDAY, 11th JULY,

[1996

Forestry Act 1991

NOTICE OF LEVY UNDER SECTION 121

I, Andrew Baing, Minister for Forests, by virtue of the powers conferred on me by Section 121 of the *Forestry Act 1991* (as amended), and all other powers me enabling, after consultation with the Board of the Papua New Guinea Forest Authority pursuant to Section 121 of the Act, hereby fix, until further notice, the following Project Development Levy on the holders of all timber permits. Such said levy shall be paid to the Authority and placed in a trust account administered by the Authority.

The Authority shall pay 40% of the levy money as a cash payment to the land groups in the timber permit area on an area basis to be used by the land groups for ongoing development purposes.

A Project Development Committee comprising representatives of the Authority, the Provincial Government and the Timber Permit Holder shall be established and such committee shall apply 60% of the levy for infrastructure development in the timber permit area as it determines as being fair and equitable.

The rules and procedures of the committee shall be as determined by the Authority.

1. Subject to clauses 3 and 4 hereof the Project Development Levy is hereby imposed on all logs exported and at the following rates:

Export Log Price (Kina/M ³)	PDL Payment (Kina/cubic metre)
K91.00 — K110.00	K2.00
K111.00 — K130.00	K5.00
K131.00 — K150.00	K8.00
K151.00 — K200.00	K13.00
Over K200.00	K13.00 + 7.5% of FOB prices over K200.00.

2. Subject to clauses 3 and 4 hereof the Project Development Levy hereby fixed as above is payable by the holders of all timber permits current as at the date of this Notice and is payable on all logs exported at the above rates and shall be paid by the Timber Permit Holder in respect of each and every shipment of logs prior to such said shipment being cleared by Customs for departure and all payments of the Project Development Levy by the Timber Permit Holder shall be paid to the Authority by bank cheque only to the Papua New Guinea Forest Authority, c/- P.O. Box 5055, Boroko, National Capital District, Papua New Guinea. Failure to comply with this Notice will render the holder liable to penalties as prescribed.

Notice of Levy Under Section 121—continued

3. Notwithstanding the provisions contained in clauses 1 and 2 hereof where the value of existing landowner benefits (other than royalties) as assessed by the Authority which are payable by the Timber Permit Holder exceeds the value of the Project Development Levy hereto then all such said Timber Permit Holders shall be exempt from the obligation to pay the said Project Development Levy.
4. Notwithstanding the provisions contained in clauses 1 and 2 hereof where the value of existing landowner benefits (other than royalties) which are payable by Timber Permit Holder are less than the value of the Project Development Levy hereto then all such said Timber Permit Holder shall be required to pay the difference between the Project Development Levy and the value of the existing landowner benefits as assessed by the Authority and such said difference shall become and be deemed to be the Project Development Levy payable by the Timber Permit Holder in such said cases.
5. The payment and collection of the Project Development Levy where the provisions of clause 4 hereto apply shall not be paid until the Authority has completed an audit study to determine the value of landowner benefits as described aforesaid and shall then be payable in accordance with invoices prepared and sent out by the Authority to the Timber Permit Holder and shall be payable by bank cheque to the Authority at its address aforesaid.

Dated this 8th day of July, 1996.

A. BAING,
Minister for Forests.