

PR 2001/25A2 - Addendum - Income tax: The Timber Australia Project

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Addendum

Income tax: The Timber Australia Project

The Applicant has requested that the period for accepting Growers into the Project for the year ended 30 June 2002 be extended from 31 December 2001 to 23 April 2002 being the expiry date of the Prospectus. The Applicant has confirmed that they will not accept applications into the Project unless all services that are to be provided to Growers by 30 June 2002 can be completed in the required timeframe.

At paragraph 16, delete:

- Additional correspondence received from the Applicant up to and including correspondence received on 8 March 2001; 29 May 2001 and 30 May 2001.

And replace with:

- Additional correspondence received from the Applicant up to and including correspondence received on 8 March 2001; 29 May 2001, 30 May 2001, 3 October 2001, 26 November 2001 21 December 2001 and 4 January 2002;
- **Management Agreement "B" between ARG Management Ltd, Timber Australia Properties Ltd (as grantor of the licence to occupy each Woodlot) and the Grower, being incorporated in section 12 of the Prospectus dated 23 April 2001; and**
- The Timber Australia Project - Fourth Supplementary Prospectus, dated 28 December 2001.

At paragraph 19 delete:

31 December 2001

and replace with:

23 April 2002.

After paragraph 35 add new paragraph:

35A. Growers who make application and are accepted into the Project after 1 January 2002 will become a party to Management Agreement "B". As per clauses 5.1 and 5.2 of the Management Agreement "B", the following fees are due and payable on the dates specified for the respective period and may be paid by cheque or through the use of a credit card facility. The fee structure as per Management Agreement "B" is for Growers who enter the Project between 1 January 2002 and 23 April 2002. The fees payable per Woodlot are as follows:

- Year 1 Plantation Fee of \$5,500 payable at the time of application to the Responsible Entity, for the establishing then managing and maintaining the Grower's Woodlot for the period from the date of execution of the Management Agreement to 30 June 2002, (clause 5.2);
- Year 2 Planting Fee of \$550 for planting of trees by 31 December 2002 payable by 30 September 2002 (clause 5.2);
- There is no plantation fee in respect of the period 1 July 2002 and 30 June 2003;
- Year 3 Plantation Fee of \$770, for managing and maintaining the Grower's Woodlot for the period 1 July 2003 to 30 June 2004 payable on 30 June 2003 (clause 5.2(a) and 15);
- Year 4 Plantation Fee of \$660 for managing and maintaining the Grower's Woodlot for the period 1 July 2004 to 30 June 2005 payable on 30 June 2004 (clause 5.2(b) and 15);
- Year 5 Plantation Fee of \$660 for managing and maintaining the Grower's Woodlot for the period 1 July 2005 to 30 June 2006 payable on 30 June 2005 (clause 5.2(c) and 15);
- Year 6 Plantation Fee of \$660 for managing and maintaining the Grower's Woodlot for the period 1 July 2006 to 30 June 2007 payable on 30 June 2006 (clause 5.2(d) and 15); and
- From Year 7 to Year 15, in accordance with clause 5.3(a) of the Management Agreement, the Plantation Fee will be:
 - (a) 10% of the net income attributable to the Grower's Woodlot in any year, being gross

- income less all operational costs (without any margin being charged on such costs); plus
- (b) 25% of the net income for that part of the net income that exceeds projections of the net income shown in the Prospectus in any year.

Delete paragraph 40 and replace with:

40. For each Woodlot, in consideration of the Responsible Entity carrying out its duties in Section B of Schedule 3 of the Management Agreement prior to 31 December 2001 (Management Agreement "B" prior to 31 December 2002), the Responsible Entity is entitled to be paid \$550 for planting of each Grower's Woodlot. This payment is due on 30 September 2001 for those Growers who apply on or before 30 September 2001. Where a Grower applies for a Woodlot on or after 1 October 2001, the planting fee of \$550 will be payable on application.

At paragraphs 53, 56 and 59, delete:

31 December 2001

and replace with

23 April 2002

At paragraphs 59, and 82, after "inclusive" add:

for Growers accepted into the Project by 15 June 2001, and for the income years ending 30 June 2002 to 2006 for Growers who accepted into the Project between 1 July 2001 and 23 April 2002.

Commissioner of Taxation

16 January 2002

ATO references:

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