

# ***PR 2003/12A - Addendum - Income tax: Forest Enterprises Plantation Project 2003***

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## Addendum

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### Income tax: Forest Enterprises Plantation Project 2003

This Addendum applies on and from 9 April 2003.

PR 2003/12 is amended to clarify to whom the ruling applies as follows:

#### **1. Paragraph 19**

Omit the second sentence and substitute with:

Growers will become 2003 Growers where a Power of Attorney is entered into, their application is accepted and a Management Agreement then becomes binding to both parties by 30 June 2003.

#### **2. Paragraph 33**

Omit the second sentence and substitute with:

The term of the Lease is from the date of allocation of the Land by FEA Plantations, until the final clear fell of the trees upon the land.

#### **3. Paragraph 34**

Omit the paragraph and substitute with:

34. 'Under the Management Agreement and the Lease a Grower will pay the following fees per Woodlot:

- An initial fee for Establishment Services of \$2,750 per Woodlot is payable for services provided in the first 12 months after acceptance of the application;
- A Lease fee of 10% of the gross Harvest Proceeds received by the Grower, payable by retention from the gross Harvest Proceeds;
- A Management fee of 2% of the gross Harvest Proceeds received by the Grower, payable by retention from the gross Harvest Proceeds;
- A fee for Harvesting, payable by retention from the Harvest Proceeds;

- Marketing costs will be retained from the Harvest Proceeds on a proportional basis of Grower's participation; and
- In addition to the above, Growers will be invoiced for any legal costs, stamp duty and insurance in relation to their participation, and for the portion of land taxes represented by the value attributed to their standing trees.'

#### **4. Paragraph 37**

Omit the paragraph and substitute with:

37. The security for the loan is provided by the assignment to FEA Ltd, over the term of the loan, of the Grower's rights and interest in the Management Agreement and the trees planted under it, and every other document, interest or right held in connection with the cultivation of the trees, including the Lease.

#### **5. Paragraph 41**

Omit the first sentence and substitute with:

'This Ruling applies only to a Grower who is accepted to participate in the Project:

- On or before 30 June 2003 and who has executed an Investment Application Form and Power of Attorney and becomes bound by a Management Agreement on or before that date. This Investment Application Form and Power of Attorney grants to FEA Plantations the power to execute a Lease on the Grower's behalf (a '2003 Grower'); and/or
- On or after 1 July 2003 and before 12 months from acceptance, such date being no later than 30 June 2004 where the Grower has executed an Investment Application Form and Power of Attorney and becomes bound by a Management Agreement on or between those dates. This Investment Application Form and Power of Attorney grants to FEA Plantations the power to execute a Lease on the Grower's behalf (a '2004 Grower').'

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**Commissioner of Taxation**

25 June 2003

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ATO references:

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