

The lands shown in Table (2) are therefore excluded, together with an approximate area of 67,000 acres covered by sawmill licenses and reservations in existence when the State forest Proclamations were issued. The rights under these sawmill licenses and reservations are protected by sections 3 and 35 of the Forests Act, 1921–22, so that the revenues of local bodies will not suffer in this respect except in cases where sawmilling licenses are forfeited or surrendered, in which case the State forest reservation fully operates, and any future moneys received from timber-cutting will become State forest revenue.

Table (3), it will be observed, has been framed to show the timber formerly under the jurisdiction of the Warden separate from the timber formerly under the control of the Lands Department, and to furnish any fair estimation of the prospective loss which can justly be attributed to the new forestry legislation is a matter of extreme difficulty.

In the first place, I think it is safe to assume that had the new forestry legislation never been passed, further reservations for State forests would have been made by the Lands Department under the State Forests Act, 1908, in the ordinary course of events.

The system adopted by the Government of selling timber for a lump sum in lieu of on a royalty basis must also be taken into consideration in view of the decision that “halves” are not payable in the case of the former.

The remarks embodied in the preceding paragraph apply more particularly to the timber which was formerly under the control of the Lands Department, but it cannot be overlooked that a similar contingency may have arisen at any time so far as the balance of the lands are concerned, even if the Forests Act had not been passed, in view of the fact that strong recommendations had been made by previous Commissions that the Warden’s control should be abolished and the administration of timber-cutting for commercial purposes placed under the jurisdiction of the Lands Department.

Prospective loss from timber formerly under administration of Lands Department.

So far as concerns the land included in column (3), which it is estimated contains 6,184,303,786 superficial feet of timber, valued at £5,825,792 calculated at current rates, as this timber was formerly under the control of the Lands Department, and having regard to the practice adopted by that Department in selling timber, I cannot place any prospective loss other than perhaps from small quantities of scattered timber which it might be found more convenient to deal with on a royalty basis.

Prospective loss from timber formerly under administration of Warden.

In regard to the balance of the lands, the local bodies would have had reasonable grounds to look forward to receiving (subject to any deductions provided for in section 148 (b) of the Mining Act, 1908) one-half of the royalties derived from time to time from the disposal of the timber included in column (1)—viz., 5,747,374,000 superficial feet approximately, valued at £2,873,827, so long as the Warden’s control and the mining laws and regulations governing the disposal of timber remained unaltered.

As to the lands included in column (2), containing 861,151,000 superficial feet of timber, valued at £430,576, these are situated within Midland Railway mining reserves, and are subject to the special statutory provisions embodied in section 148 (a) of the Mining Act, 1908, which provides that the rents, royalties, and fees from timber-cutting rights shall be deemed to be goldfields revenue. Local bodies were, therefore, entitled to look forward to receiving the whole of the royalties subject to any deductions provided for in section 409 (2) of the Mining Act, 1908.

Royalties from timber-cutting for strictly mining purposes.

In regard to the question of royalties from timber-cutting rights granted in State forests by the Warden for strictly mining purposes pursuant to section 35 of the Forests Act, 1921–22, it would appear from the wording of section 37 (c) of that Act that any moneys received under this head will be State forest revenues.

Since the Act was passed, however, I find that only one right has been granted by the Warden within provisional State forests, the revenue received being £18.

I do not forecast any appreciable loss of revenue to local bodies from this source.

Effect of Regulations made under section 34, War Legislation and Statute Law Amendment Act, 1918.

Turning now to the regulations made pursuant to section 34 of the War Legislation and Statute Law Amendment Act, 1918, I find that these deal with the imposing of conditions on the sale of standing timber and on the grant of licenses to cut standing timber other than for mining purposes under the Mining Act, 1908, or for coal-mining purposes under the Coal-mines Act, 1908.