

COMMODITY LEVIES AMENDMENT BILL

EXPLANATORY NOTE

Clause 1 relates to the Bill's Short Title.

Clause 2 amends section 5 of the Commodity Levies Act 1990, which imposes restrictions on the ability of the Minister of Agriculture to recommend the making of an Order in Council imposing a levy on a commodity for the benefit of an organisation.

At present the Minister is required not to recommend the making of an order unless satisfied that considerably more than half the persons who would have to pay the levy support the imposition of the levy; and (depending on whether the levy is to be imposed on the basis of production, value, land area, or some thing associated with the commodity) unless satisfied that persons who produce considerably more than half of the commercial production of the commodity, or produce considerably more than half of the value of the commercial production of the commodity, or control considerably more than half of the land used for the commercial production of the commodity, or control considerably more than half of the "things" associated with the commercial production of the commodity, support the imposition of the levy.

The amendment has 2 effects. First, an organisation wishing to have a levy imposed for its benefit must now have held, within the 12 months before the Minister recommends the making of an order imposing the levy, a referendum of the persons who will have to pay it. The referendum must have been competently devised; must have indicated clearly whether the imposition of the levy on the commodity is intended to be on the basis of production, value, area of land, or "things"; must have been adequately publicised; and must have been carried out in such a way that the persons who will have to pay the levy had a reasonable chance to participate.

Secondly, the present requirements described above for "considerably more than half" are replaced by requirements for simple majorities ascertained by reference only to the persons who took part in the referendum.

Hon. Denis Marshall

COMMODITY LEVIES AMENDMENT

ANALYSIS

Title	1. Short Title 2. Restrictions on making of orders
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A BILL INTITULED

An Act to amend the Commodity Levies Act 1990

BE IT ENACTED by the Parliament of New Zealand as follows:

5 **1. Short Title**—This Act may be cited as the Commodity Levies Amendment Act 1993, and shall be read together with and deemed part of the Commodity Levies Act 1990* (hereinafter referred to as the principal Act).

10 **2. Restrictions on making of orders**—Section 5 (2) of the principal Act is hereby amended by repealing paragraphs (a) to (f), and substituting the following paragraphs:

15 “(aa) That within the previous 12 months the organisation has caused to be carried out a referendum, of persons who (if the order had been in force when the referendum was carried out) would have been primarily responsible for paying the levy, on whether a levy payable to the organisation should be imposed on the commodity (in paragraphs (ab) to (a) of this subsection referred to as the support referendum); and

20 “(ab) That the support referendum was competently devised, and indicated clearly whether the imposition of the levy on the commodity was proposed to be on the basis of—

25 “(i) Production of the commodity; or

“(ii) The value of the commodity; or

*1990, No. 127

“(iii) The area of land devoted to the production of the commodity; or

“(iv) The number, quantity, or size, of a thing or things of a specified kind connected with the production of the commodity (for example, the number of breeding stock, chicks, embryos, hives, or trees, or the total capacity or size of plant or buildings); and

“(ac) That the support referendum was so publicised that persons entitled to participate in it had a reasonable opportunity to be adequately informed about the carrying out, nature, and possible consequences of the referendum; and

“(ad) That the support referendum was so carried out that persons entitled to participate in it were given a reasonable opportunity to do so; and

“(ae) That of the persons participating in the support referendum, more than half supported the imposition of the levy on the commodity; and

“(af) Where it was indicated in the support referendum that the imposition of the levy on the commodity was proposed to be on the basis of production of the commodity, that—

“(i) The total annual production for commercial purposes of the commodity in New Zealand of the persons participating in the support referendum who supported the imposition of the levy on the commodity—
was more than half of—

“(ii) The total annual production for commercial purposes of the commodity in New Zealand of all the persons participating in the support referendum; and

“(ag) Where it was indicated in the support referendum that the imposition of the levy on the commodity was proposed to be on the basis of the value of the commodity, that—

“(i) The value (ascertained by the same means as that to be used to ascertain the value in respect of which the levy is to be paid) of the total annual production for commercial purposes of the commodity in New Zealand of the persons participating in the support referendum who

supported the imposition of the levy on the commodity—

was more than half of—

5 “(ii) The value (so ascertained) of the total annual production for commercial purposes of the commodity in New Zealand of all the persons participating in the support referendum; and

10 “(ah) Where it was indicated in the support referendum that the imposition of the levy on the commodity was proposed to be on the basis of the area of land devoted to the production of the commodity, that—

15 “(i) The total area of land used for the production for commercial purposes of the commodity in New Zealand by the persons participating in the support referendum who supported the imposition of the levy on the commodity—

was more than half of—

20 “(ii) The total area of land so used by all the persons participating in the support referendum; and

25 “(ai) Where it was indicated in the support referendum that the imposition of the levy on the commodity was proposed to be on the basis of the number, quantity, or size, of a thing or things of a specified kind connected with the production of the commodity, that—

30 “(i) The total number or quantity of those things or that thing used in connection with the production for commercial purposes of the commodity in New Zealand while under the control or management of a person participating in the support referendum who supported the imposition of the levy on the commodity—

was more than half of—

35 “(ii) The total number or quantity of those things or that thing so used while under the control or management of any person participating in the support referendum; and

40 “(a) That the organisation has consulted adequately persons (other than persons entitled to participate in the support referendum) likely to be affected by the payment or collection of the levy; and”.