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*This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.*

*House of Representatives.*

*26th October, 1922.*

*Hon. Mr. Nosworthy.*

DAIRY INDUSTRY AMENDMENT.

Title.	ANALYSIS.
1. Short Title.	
2. Section 2 of principal Act amended.	
3. Testing of milk or cream purchased for manufacture.	6. Powers of Audit officer in conduct of investigation.
4. Certified statement of overrun to be furnished to suppliers.	7. Cost of investigation.
5. Supplier may ask for independent investigation.	8. Regulations.
	9. Export of cheese deficient in fats prohibited.
	10. Extension of provisions of Part III of principal Act (relating to co-operative dairy companies).

A BILL INTITULED

AN ACT to amend the Dairy Industry Act, 1908.

Title.

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Dairy Industry Amendment Act, 1922, and shall be read together with and deemed part of the Dairy Industry Act, 1908 (hereinafter referred to as the principal Act).

Short Title.

2. Section two of the principal Act is hereby amended as follows:—

Section 2 of principal Act amended.

(a.) By inserting, after the definition of "conveyance," the following definition:—

"Cream" includes whey-cream.

(b.) By omitting the definition of "dairy factory," and substituting the following:—

"Dairy factory" means a cheese-factory, butter-factory, condensed-milk factory, milk-powder factory, or other factory engaged in the manufacture of dairy-produce, and includes a skimming-station, a buying or receiving station, or any other premises ancillary to a dairy factory.

3. (1.) Where milk or cream purchased for the manufacture of dairy-produce is to be paid for according to the percentage of butter-fat contained therein, such percentage shall be determined by the Babcock, Gerber, or other prescribed test.

Testing of milk or cream purchased for manufacture.

(2.) The test shall be carried out by the owner of the dairy factory purchasing the milk or cream in such manner and at such times as are prescribed.

(3.) For the purposes of this Act milk or cream shall be deemed to be purchased by the owner of a dairy factory if it is received and accepted for the manufacture of dairy-produce at the factory.

Certified statement  
of overrun to be  
furnished to  
suppliers.

4. (1.) Not later than two months after the close of each financial year every owner of a butter-factory or cheese-factory shall forward to each person from whom he has purchased milk or cream during that year a statement, certified as correct by an accountant registered under the New Zealand Society of Accountants Act, 1908, and not in the employ of such owner in any capacity other than that of auditor, showing for the year,—

- (a.) The weight of butter (correct to four places of decimals) made from each pound of butterfat used for the manufacture of butter : 10
- (b.) The percentage which the weight of unsalted butter manufactured bears to the total weight of butter manufactured : 15
- (c.) The weight of cheese (correct to two places of decimals) made from each pound of butterfat used for the manufacture of cheese.

(2.) In calculating, for the purposes of the abovementioned statement, the weight of cheese manufactured at a dairy factory the weight as ascertained at the factory shall be taken as the correct weight : 20

Provided that, in respect of that portion of the output of the factory which is exported, the factory weight shall be corrected by reference to check-weights (if any) supplied to the owner of the factory by a Grader under the principal Act in respect of each lot of cheese forwarded for grading prior to export. 25

(3.) The date of the close of the financial year of a dairy factory shall be determined in each year by the owner of the factory with reference to the close of the dairying season, but not later in any case than the thirty-first day of August in any year. The financial year shall be the period from the close of one financial year to the close of the next financial year. 30

Supplier may ask  
for independent  
investigation.

5. (1.) Within six months after the receipt of the statement referred to in the *last preceding* section any person from whom milk or cream has been purchased by the factory may make application, in the prescribed manner to the Minister of Agriculture, for an independent investigation into the correctness of the statement. 35

(2.) On receipt of such application, and on approved security being lodged by the applicant to cover the cost of the investigation, the Minister may, by writing, request the Audit Office to make an examination of the books and accounts of the factory, and to report as to the correctness or otherwise of the particulars set out in the statement and as to the amount of error, if any, and the Audit Office shall so soon as practicable thereafter proceed to make such examination accordingly. 40 45

Powers of Audit  
officer in conduct of  
investigation.

6. (1.) On the request of the Audit officer appointed to conduct the investigation it shall be the duty of the owner of the butter-factory or cheese-factory, and of all servants and agents of the owner, to produce for his examination all books and documents in their custody or control. 50

(2.) The Audit officer may examine on oath the owner of the factory, or any of his servants or agents, or any other persons, as to the business of the factory, and may administer such oath accordingly.

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(3.) Every person who refuses to comply with any lawful request made by the Audit officer or to answer any lawful question put by him in the course of the investigation is liable for each offence to a fine of *fifty* pounds.

5 7. The cost of any such investigation shall be borne by the applicant for the investigation : Cost of investigation.

10 Provided that if the investigation by the Audit Office discloses an error of more than one-half per centum in the particulars set out in the statement regarding the weight of butter or cheese made from each pound of butterfat the cost of the investigation shall be borne by the owner of the factory issuing the statement, and the fee of the Audit Office shall be recoverable from him as a debt due to the Crown.

15 8. The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes :— Regulations.

(a.) Regulating the sampling, testing, and weighing of milk or cream purchased by owners of dairy factories :

(b.) Prescribing records to be kept or returns to be furnished by owners of dairy factories :

20 (c.) Prescribing the powers and duties of Inspectors :

(d.) Prescribing such other matters as are contemplated or desirable for giving full effect to this Act.

25 9. Section twenty-two of the principal Act as amended by section two of the Dairy Industry Amendment Act, 1915, is hereby further amended by inserting, after paragraph (d) in subsection one, the following paragraph :— Export of cheese deficient in fats prohibited.

30 “(dd.) Sends to any grading-store for the purpose of being graded any cheese of which the water-free substance consists of less than fifty per centum of fats wholly derived from milk, or exports, or attempts to export, any such cheese.”

35 10. Section forty-eight of the principal Act is hereby amended by omitting from subsection one all words after the words “ the principal object of which is ” and substituting the words “ the manufacture of butter, cheese, dried milk, casein, or other article from milk or cream supplied to the company by its shareholders, or the collection, treatment, and distribution for human consumption of milk or cream so supplied to the company.” Extension of provisions of Part III of principal Act (relating to co-operative dairy companies).