

TOBACCO GROWING INDUSTRY AMENDMENT BILL

EXPLANATORY NOTE

Clause 1 relates to the Short Title.

Clause 2 provides that the Minister may appoint one of the members of the Tobacco Board as Deputy Chairman.

Clause 3 inserts a new provision in the Act to enable the Board, after giving reasonable notice, to enter the land of any licensee in order to survey and measure the land that is included in the licence.

If any survey shows that the area of land included in the licence is incorrect the Board is to notify the Tobacco Quota Committee who may amend the area of land included in the licence accordingly and appropriately adjust the basic quota applicable to that land.

Clause 4 provides that any appeal against any decision of the Tobacco Quota Committee is to be lodged within 28 days of the notification of the decision.

Clause 5: At present section 41 provides for each manufacturer to notify the Board annually of its definite requirements of quota leaf for the 2 forthcoming seasons, its minimum requirements for the following season, and its estimated requirements for the next 2 seasons. The manufacturer is then obliged to purchase the amount stated for those 2 forthcoming seasons.

Subclause (1) amends section 41 whereby each manufacturer is to notify the Board of its definite requirements for the forthcoming season, its minimum requirements for the next season, and its estimated requirements for the next season, and is obliged to purchase its requirements for the forthcoming season.

Subclause (2) phases in the change from the present return covering 5 years' requirements to the proposed return covering 3 years' requirements.

Clause 6 provides that, in calculating the Domestic Tobacco Quota for the season that commenced on 1 September 1980, the Board is to take into account a minimum of 380,000 kilograms of over-quota leaf, and for the season commencing on 1 September 1981, any balance of over-quota leaf held on that date.

It also provides that for the season that commences on 1 September 1980 the quota is to be determined within 4 weeks of this Bill being enacted.

Clause 7: Section 43 provides the matters to be taken into account when determining the adjusted quota of each licensee for any season. These are—

- (a) The basic quota of the licensee; and

- (b) The Domestic Tobacco Quota for that season; and
- (c) Any export orders for that season's quota leaf.

This amendment provides that the matters now to be taken into account are—

- (a) The total manufacturer's requirements for that season; and
- (b) The amount of over-quota leaf produced by the licensee in previous seasons; and
- (c) The basic quota of the licensee; and
- (d) The amount of quota leaf produced from the licensee's land in the best 4 of the last 5 seasons, or, where the land has not been used for growing tobacco for the last 5 seasons, the amount produced in each of the previous season or seasons, as the case may be; and
- (e) The area of land on which the tobacco is to be grown pursuant to the licence; and
- (f) Such other matters as the Committee thinks fit in order to determine equitably the adjusted quota for that season.

The total adjusted quotas for all licensees are not to exceed the Domestic Tobacco Quota.

Clause 8 provides that each manufacturer's requirements for any season are to be met—

- (a) From stocks of over-quota leaf as determined by the Committee; and
- (b) In so far as it cannot be so met, from the adjusted quotas of licensees allocated to that manufacturer.

Clause 9 provides that the Board's power to declare over-quota leaf to be part of a licensee's adjusted quota is to cease with the season commencing on 1 September 1981 and that the Board shall have no power to deal with or dispose of over-quota leaf produced in any season commencing on or after 1 September 1982.

Right Hon. Mr Adams-Schneider

TOBACCO GROWING INDUSTRY AMENDMENT

ANALYSIS

Title	5. Manufacturers to inform Board of quota leaf requirements
1. Short Title	6. Board to determine Domestic Tobacco Quota
2. Membership of Board	7. Committee to determine adjusted quotas
3. Measurement of tobacco growing areas	8. Sale of quota leaf
4. Appeals	9. Over-quota leaf

A BILL INTITULED

An Act to amend the Tobacco Growing Industry Act 1974

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

1. Short Title—This Act may be cited as the Tobacco Growing Industry Amendment Act 1980, and shall be read together with and deemed part of the Tobacco Growing Industry Act 1974* (hereinafter referred to as the principal
10 Act).

2. Membership of Board—(1) Section 4 of the principal Act is hereby amended by adding the following subsections:

*1974, No. 50

Amendments: 1976, No. 62; 1977, No. 65

“(3) The Minister may, on the recommendation of the Board, by notice in the *Gazette* appoint one of the members of the Board appointed under any of paragraphs (b) to (e) of subsection (1) of this section to be Deputy Chairman.

“(4) In any case where the Chairman becomes incapable of acting by reason of illness, absence, or other sufficient cause, or during any vacancy in the office of Chairman, or if the Chairman deems it not proper or desirable that he should perform the duties of his office, the Deputy Chairman shall have and may exercise all the powers, functions, and duties of the Chairman, and while he acts as such, be deemed to be the Chairman of the Board.”

(2) Section 8 (1) of the principal Act is hereby consequentially repealed.

(3) Section 9 of the principal Act is hereby consequentially amended—

(a) By omitting from subsection (3) the words “his deputy appointed pursuant to section 8 of this Act”, and substituting the words “the Deputy Chairman”:

(b) By omitting from subsection (5) the words “his deputy”, and substituting the words “the Deputy Chairman”.

3. Measurement of tobacco growing areas—The principal Act is hereby further amended by inserting, after section 32, the following section:

“32A. (1) On giving reasonable notice to the licensee, the Board, or any of its members, officers, servants, or agents may enter upon the land of the licensee in order to carry out a survey and measurement of the land included in the licence of that licensee.

“(2) Where, as a result of the survey and measurement, whether carried out before or after the commencement of this section, the Board is satisfied that the area of land in respect of which the licence was granted or amended under section 32 of this Act is incorrect, the Board shall notify the Committee and the Committee shall amend the area of land included in the licence accordingly and make appropriate adjustments to the basic quota of tobacco leaf applicable to that land.”

4. Appeals—Section 36 (3) of the principal Act is hereby amended by inserting, after paragraph (c), the following paragraph:

5 “(d) Every appeal shall be brought by lodging a notice of appeal with the Committee within 28 days of the decision of the Committee being notified to the appellant.”

5. Manufacturers to inform Board of quota leaf requirements—(1) Section 41 of the principal Act is hereby further
10 amended by repealing subsections (1) and (2), and substituting the following subsections:

“ (1) On or before the 31st day of July in each year, every manufacturer shall furnish to the Board a return in writing, specifying—

15 “(a) Its requirements of quota leaf, expressed in terms of green-weight, to be purchased in New Zealand for the season commencing on the next succeeding 1st day of September:

20 “(b) Its minimum requirements of quota leaf, expressed in terms of green-weight, to be purchased in New Zealand for the season next succeeding that season:

25 “(c) Its estimated requirements of quota leaf, expressed in terms of green-weight, to be purchased in New Zealand for the season next succeeding that season.

“(2) Every manufacturer shall be obliged to purchase the quantity of quota leaf specified by that part of the return which relates to subsection (1) (a) of this section in the
30 season to which that part relates.”

(2) Notwithstanding anything in section 41 (1) of the principal Act (as substituted by subsection (1) of this section),—

35 (a) The return that would otherwise be furnished on or before the 31st day of July 1980 shall be furnished within 14 days after the date on which this section comes into force:

40 (b) The amount of the requirements for the season that commenced on the 1st day of September 1980 specified in that return shall not be less than the amount that would have been specified in the corresponding return under section 41 (1) of the principal Act if subsection (1) of this section had not been enacted.

6. Board to determine Domestic Tobacco Quota—(1) The principal Act is hereby amended by repealing section 42, and substituting the following section:

“42. (1) Before the commencement of each season, the Board shall determine the Domestic Tobacco Quota for that season: 5

“Provided that the determination that would otherwise be made in respect of the season that commenced on the 1st day of September 1980 shall be made within 4 weeks after the date on which this section comes into force. 10

“(2) In determining the Domestic Tobacco Quota, the Board shall take into account—

“(a) In respect of the season commencing on the 1st day of September 1980, a minimum amount of 380,000 kilograms of over-quota leaf: 15

“(b) In respect of the season commencing on the 1st day of September 1981, the total stocks of over-quota leaf held on that date.”

(2) Section 2 of the principal Act is hereby amended by repealing the definition of the expression “Domestic Tobacco Quota”, and substituting the following definition: 20

“‘Domestic Tobacco Quota’, in relation to any season, means the green-weight quantity of quota leaf to be grown during that season as determined by the Board pursuant to section 42 of this Act:” 25

(3) Section 2 of the principal Act is hereby amended by omitting from the definition of the expression “shortfall” the words “offered for sale”, and substituting the word “grown”.

7. Committee to determine adjusted quotas—(1) Section 43 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsection: 30

“(2) The adjusted quota of each licensee shall be determined by taking into consideration—

“(a) The total manufacturers’ requirements for that season; and 35

“(b) The quantity of over-quota leaf produced by the licensee in previous seasons; and

“(c) The basic quota of the licensee; and

“(d) The amount of quota leaf produced from the licensee’s land, during the best 4 of the preceding 5 seasons 40 or, in the case of land which has not been used for the growing of tobacco for the previous 5 seasons, the amount of quota leaf produced from the land during each of the preceding season or seasons, as the case may be; and 45

“(e) The area of land on which the tobacco is to be grown pursuant to the licence; and

“(f) Such other matters as the Committee thinks fit in order to determine equitably the adjusted quota for that season:

5

“Provided that the total adjusted quotas for all licensees for that season shall not exceed the Domestic Tobacco Quota for that season as set by the Board.”

(2) Notwithstanding anything in section 43 of the principal Act, the Committee shall determine the adjusted quota of each licensee for the season commencing on the 1st day of September 1980 as soon as practicable after this Act comes into force.

8. Sale of quota leaf—(1) Section 44 (3) of the principal Act is hereby amended by repealing paragraph (a), and substituting the following paragraph:

15

“(a) Every manufacturer shall be obliged to purchase the quantity of quota leaf specified by it pursuant to section 41 (1) (a) of this Act—

20

“(i) From the stocks of over-quota leaf held at the commencement of the season as determined by the Committee; and

25

“(ii) To the extent that the obligation of the manufacturer cannot be met under subparagraph (i) of this paragraph, from the adjusted quotas of the licensees allocated to it under paragraph (d) of this subsection:”.

(2) Section 44 (3) of the principal Act is hereby further amended by repealing paragraph (d), and substituting the following paragraph:

30

“(d) On or before the 31st day of December in every season the Committee shall allocate each adjusted quota to a manufacturer:”.

(3) Section 44 (3) (e) of the principal Act is hereby amended by omitting the word “Board”, and substituting the word “Committee”.

35

9. Over-quota leaf—(1) Section 48 of the principal Act is hereby amended by inserting in subsection (1) and in subsection (2), after the words “any season”, in each case the words “commencing before the 1st day of September 1982”.

40

(2) Section 48 (3) of the principal Act is hereby amended by adding the following proviso:

“Provided that the Board shall not deal with or dispose of any over-quota leaf produced in any season commencing on or after the 1st day of September 1982”.

(3) Section 2 of the principal Act is hereby amended by repealing the definition of the expression “over-quota leaf”, and substituting the following definition: 5

“‘Over-quota leaf’ means—

“(a) Quota leaf produced by any licensee in any season in excess of his adjusted quota; and 10

“(b) Quota leaf produced by any licensee in any season within his adjusted quota, but not purchased by a manufacturer by the end of that season:”.