

[AS REPORTED FROM THE PRIMARY PRODUCTION COMMITTEE]

House of Representatives, 9 November 1988.

Words struck out are shown in italics within bold round brackets, or with black rule at beginning and after last line; words inserted are shown in roman underlined with a single rule, or with single rule before first line and after last line.

Hon. Colin Moyle

WOOL TESTING AUTHORITY DISSOLUTION

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A BILL INTITULED

An Act—

- (a) To dissolve the New Zealand Wool Testing Authority; and
- 5 (b) To provide for the incorporation of a company to take over the business of the New Zealand Wool Testing Authority; and
- (c) To provide for the disposal of the shares in the company; and

No. 75—2

Price
incl. GST \$1.90

New

**(ca) To vest certain leases in the Crown; and
(cb) To empower the Crown to transfer certain leases
to the New Zealand Wool Board; and**

(d) To repeal the Wool Testing Authority Act 1964 5

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

1. Short Title and commencement—(1) This Act may be cited as the Wool Testing Authority Dissolution Act 1988.

(2) Except as provided in subsection (3) of this section and in section 24 (3) of this Act, this Act shall come into force on the 10 date on which it receives the Royal assent.

(3) Sections 14 to 23 of, and the Second Schedule to, this Act shall come into force on a date to be appointed by the Governor-General by Order in Council.

2. Interpretation—In this Act, unless the context otherwise 15 requires,—

“Appointed day” means the date appointed by the Governor-General under section 1 (3) of this Act:

“Authority” means the New Zealand Wool Testing Authority established under the Wool Testing 20 Authority Act 1964:

“The company” means Fibre Testing Laboratories Limited, a company to be formed as a private company under the Companies Act 1955:

“Liabilities” means liabilities, debts, charges, duties, and 25 obligations of every description (whether present or future, actual or contingent, and whether payable or to be observed or performed in New Zealand or elsewhere):

“Property” means property of every kind whether tangible 30 or intangible, real or personal, corporeal or incorporeal and, without limiting the generality of the foregoing, includes—

(a) Choses in action and money:

(b) Goodwill: 35

(c) Rights, interest, and claims of every kind in or to property, whether arising from, accruing under, created or evidenced by, or the subject of, an

instrument or otherwise and whether liquidated or unliquidated, actual, contingent, or prospective:

“Rights” means all rights, powers, privileges, and immunities, whether actual, contingent, or prospective:

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“Shareholding Ministers” means the Minister of Agriculture and the Minister of Finance:

“Undertaking” means the property, rights, and liabilities of the Authority.

10 **3. Act to bind the Crown**—This Act shall bind the Crown.

4. Responsibility of Ministers—The shareholding Ministers shall be responsible to the House of Representatives for the performance of the functions given to them by this Act.

5. Incorporation of company—(1) Notwithstanding any thing in the Companies Act 1955 or any other enactment or rule of law, the shareholding Ministers may form and register under the Companies Act 1955 a private company limited by shares that has the name “Fibre Testing Laboratories Limited”.

(2) All the shares in the capital of the company shall on its incorporation be subscribed for by the shareholding Ministers on behalf of the Crown in equal proportions and no shares in the capital of the company shall be issued or allotted by the company before the appointed day unless those shares are issued or allotted to the shareholding Ministers in equal proportions.

(3) On the appointed day all the shares in the capital of the company subscribed for in accordance with subsection (2) of this section and any other shares in the capital of the company issued to the shareholding Ministers before the appointed day shall be deemed to have been allotted as fully paid up to each shareholding Minister in equal proportions.

(4) Nothing in section 60 of the Companies Act 1955 (which relates to returns of allotments and prescribes the documents that must be delivered to the Registrar of Companies when shares are allotted for a consideration other than cash) shall apply to shares which are deemed to have been allotted pursuant to subsection (3) of this section.

(5) Except as provided in subsections (1) and (4) of this section and in section 19 of the State-Owned Enterprises Act 1986 (as applied to the company by section 13 of this Act), the Companies Act 1955 shall apply to the company.

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(6) Nothing in this section prevents the name of the company being changed in accordance with the provisions of the Companies Act 1955.

6. Transfer of undertaking of Authority—On the appointed day, by virtue of this Act, the undertaking of the Authority shall vest in the company. 5

7. Consequential provisions on transfer of undertaking of Authority—Without limiting the generality of section 6 of this Act, the following provisions shall have effect on and after the appointed day: 10

- (a) A reference (express or implied) to the Authority in any other Act, or in any regulation, order, or notice made or given under any enactment, or in any instrument, register, record, notice, security, document or communication, made, given, passed, or executed before, on, or after the appointed day, shall be read and construed as a reference to the company: 15
- (b) All contracts, agreements, conveyances, deeds, leases, licences, and other instruments, undertakings, and notices, (whether or not in writing), entered into by, made with, given to or by, or addressed to the Authority (whether alone or with any other person) before the appointed day and subsisting immediately before the appointed day shall, to the extent that they were previously binding on and enforceable by, against, or in favour of the Authority, be binding on and enforceable by, against, or in favour of the company as fully and effectually in every respect as if, instead of the Authority, the company had been the person by whom they were entered into, with whom they were made or to or by whom they were given or addressed, as the case may be: 20 25
- (c) An instruction, order, direction, mandate, or authority given to the Authority and subsisting immediately before the appointed day shall be deemed to have been given to the company: 30 35
- (d) A security held by the Authority as security for a debt or other liability to the Authority incurred before the appointed day shall be available to the company as security for the discharge of that debt or liability and, where the security extends to future or prospective debts or liabilities, shall be available as security for the discharge of debts or liabilities to the company 40

- 5 incurred on or after the appointed day; and, in relation to a security, the company shall be entitled to all the rights and priorities (howsoever arising) and shall be subject to all liabilities to which the Authority would have been entitled or subject if this Act had not been passed:
- (e) All the rights and liabilities of the Authority as bailor or bailee of documents or chattels shall be vested in and assumed by the company:
- 10 (f) A negotiable instrument or order for payment of money which before the appointed day is drawn on or given to or accepted or indorsed by the Authority or payable at a place of business of the Authority shall, unless the context otherwise requires, have the same effect on and after the appointed day as if it had been drawn on or given to or accepted or indorsed by the company instead of the Authority or was payable at the place of business of the company; except that nothing in this paragraph shall be construed as a merger of the parties to any negotiable instrument:
- 15
- 20 (g) Any action, arbitration or proceedings or cause of action which immediately before the appointed day is pending or existing by, against, or in favour of the Authority or to which the Authority is a party may be prosecuted, and without amendment of any writ, pleading or other document, continued and enforced by, against, or in favour of the company.
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New

- 30 **7A. Vesting of leases in the Crown**—(1) Notwithstanding anything in sections 6 and 7 of this Act, where the Authority is, immediately before the appointed day, registered as the proprietor of a lease described in Part I of the First Schedule to this Act, the estate or interest of the Authority as set forth in the lease, with all rights, powers, and privileges thereto
- 35 belonging or appertaining, shall, on the appointed day, vest in the Crown, subject to all encumbrances, liens, and interests then affecting that estate or interest; and the Crown shall thereupon become subject to and liable for all and every the same requirements and liabilities to which the Crown would
- 40 have been subject and liable if named in the lease originally as lessee of the land.

New

(2) Notwithstanding anything in sections 6 and 7 of this Act, where the Authority is, immediately before the appointed day, the lessee under the Deed of Lease described in Part II of the First Schedule to this Act, the estate or interest of the Authority as set forth in that Deed of Lease, with all rights, powers, and privileges thereto belonging or appertaining shall, on the appointed day, vest in the Crown, subject to all encumbrances, liens, and interests then affecting that estate or interest; and the Crown shall thereupon become subject to and liable for all and every the same requirements and liabilities to which the Crown would have been subject and liable if named in the lease originally as lessee of the demised premises.

7B. Power to transfer leases to New Zealand Wool Board—(1) Notwithstanding any Act, rule of law, or agreement or any other provision of this Act, where the Crown is, by virtue of section 7A(1) of this Act, registered as the proprietor of any lease described in Part I of the First Schedule to this Act, the Minister of Agriculture may, on behalf of the Crown, transfer to the New Zealand Wool Board, for such consideration and on such terms and conditions as the Minister of Agriculture may agree with the New Zealand Wool Board, the estate or interest of the Crown as set forth in that lease.

(2) The Minister of Agriculture shall lay before the House of Representatives any contract or other document entered into pursuant to subsection (1) of this section within 12 sitting days after the date of that contract or document.

(3) An estate or interest may be transferred to the New Zealand Wool Board pursuant to subsection (1) of this section whether or not any Act or agreement relating to that estate or interest permits such transfer or requires consent to such transfer.

(4) Where any estate or interest vested in the Crown by section 7A(1) of this Act is, immediately before its transfer to the New Zealand Wool Board pursuant to subsection (1) of this section, subject to any encumbrance, lien, or interest, the Minister of Agriculture may, out of the consideration paid to it by the New Zealand Wool Board under any agreement entered into pursuant to subsection (1) of this section, discharge any such encumbrance, lien, or interest.

New

- 7c. Power of Minister of Agriculture to exercise the Crown's powers as lessee**—(1) Notwithstanding any Act, rule of law, or agreement or any other provision of this Act, where
- 5 the estate or interest of the lessee under the Deed of Lease described in **Part II** of the **First Schedule** to this Act is, by virtue of **section 7A (2)** of this Act, vested in the Crown, the Minister of Agriculture may, on behalf of the Crown,—
- 10 (a) Surrender that Deed of Lease for such consideration and on such terms and conditions as the Minister of Agriculture may agree with the lessor for the time being; or
- 15 (b) Assign that Deed of Lease for such consideration and on such terms and conditions as the Minister of Agriculture may agree with the assignee; or
- (c) Sublet the premises demised by that Deed of Lease or any part of those premises for such consideration and on such terms and conditions as the Minister of Agriculture may agree with the sublessee; or
- 20 (d) Exercise any of the lessee's rights, powers, and authorities under that Deed of Lease.
- (2) The Minister of Agriculture shall lay before the House of Representatives any contract or other document entered into pursuant to **paragraph (a) or paragraph (b) or paragraph (c) of subsection (1)**
- 25 of this section within 12 sitting days after the date of that contract or document.

- 8. Certain matters not affected by transfer of undertaking of Authority**—Nothing effected or authorised by this Act—
- 30 (a) Shall be regarded as placing the Authority, or the company, or any other person in breach of contract or confidence or as otherwise making any of them guilty of a civil wrong; or
- 35 (b) Shall be regarded as giving rise to a right for any person to terminate or cancel any contract or arrangement or to accelerate the performance of any obligation; or
- (c) Shall be regarded as placing the Authority, or the company, or any other person in breach of any enactment or rule of law or contractual provision
- 40 prohibiting, restricting, or regulating the assignment

- or transfer of any property or the disclosure of any information; or
- (d) Shall release any surety wholly or in part from any obligation; or
- (e) Shall invalidate or discharge any contract or security. 5

9. Officers and employees—Notwithstanding any other provision of this Act—

- (a) On the appointed day each employee of the Authority shall cease to be an employee of the Authority and shall become an employee of the company but, for the purposes of every enactment, law, award, determination, contract, and agreement relating to the employment of each such employee, his or her contract of employment shall be deemed to have been unbroken and the period of his or her service with the Authority shall be deemed to have been a period of service with the company; and 10
- (b) The terms and conditions of the employment of each transferred employee with the company shall—
- (i) On the appointed day (and thereafter until varied) be identical with the terms and conditions of his or her employment with the Authority immediately before the appointed day and be capable of variation in the same manner; and 20
- (ii) Subject to any enactment, law, award, or determination relating to those terms and conditions, also be capable of variation in the same manner as the general terms and conditions of employment of other persons employed by the company are capable of variation; and 25 30
- (c) A transferred employee shall not be entitled to receive any payment or other benefit by reason only of his or her ceasing by virtue of this Act to be an employee of the Authority; and
- (d) Nothing in this Act, other than paragraph (c) of this section, shall affect any rights or liabilities under any provident, benefit, superannuation, or retirement fund or scheme relating to employees of the Authority. 35 40

10. Crown shareholding—(1) Each shareholding Minister may, from time to time, on behalf of the Crown subscribe for or otherwise acquire shares in the capital of the company in addition to the shares subscribed for under section 5 of this Act.

- (2) Any money required to be paid by a shareholding Minister for the purpose of subsection (1) of this section shall be paid out of the Consolidated Account or Loans Account from money appropriated by Parliament for the purpose.
- 5 (3) Shares in the capital of the company in the name of a person described as the Minister of Agriculture or the Minister of Finance shall be held by the person for the time being holding the office of Minister of Agriculture or Minister of Finance, as the case may be.
- 10 (4) Notwithstanding any other enactment or rule of law, it shall not be necessary to complete or register a transfer of shares in the capital of the company consequent upon a change in the person holding office as the responsible Minister or the Minister of Finance, as the case may be.
- 15 (5) Each shareholding Minister who holds shares in the company may exercise on behalf of Her Majesty the Queen all or any of Her Majesty's rights and powers as the holder of those shares.

- 11. Books and documents to remain evidence—**(1) Any
- 20 document, matter, or thing, which, if this Act had not been passed, would have been admissible in evidence in respect of any matter for or against the Authority shall, on and after the appointed day, be admissible in evidence in respect of the same matter for or against the company.
- 25 (2) In this section, "document" has the same meaning as in section 2 (1) of the Evidence Amendment Act (No. 2) 1980.

- 12. Registers—**(1) No Registrar of Deeds or District Land Registrar or any other person charged with the keeping of any books or registers shall be obliged solely by reason of the
- 30 foregoing provisions of this Act to change the name of the Authority to that of the company in those books or registers or in any document.
- (2) The presentation to any registrar or other person of any instrument, whether or not comprising an instrument of
- 35 transfer by the company,—
- (a) Executed or purporting to be executed by the company; and
- (b) Relating to any property held immediately before the appointed day by the Authority; and
- 40 (c) Containing a recital that that property has become vested in the company, by virtue of the provisions of this Act—

shall, in the absence of evidence to the contrary, be sufficient proof that the property is vested in the company.

13. Application of State-Owned Enterprises Act 1986—

(1) While a shareholding Minister holds any shares in the capital of the company, Part III of the State-Owned Enterprises Act 1986 shall apply to the company and for that purpose the company shall be deemed to be a State enterprise within the meaning of section 2 of that Act. 5

(2) On the date on which Part III of the State-Owned Enterprises Act 1986 ceases to apply to the company— 10

- (a) The Audit Office shall cease to be the auditor of the company and every subsidiary of the company:
- (b) Any person or firm holding office as an additional auditor of the company or any subsidiary of the company under section 19 (3) of that Act shall cease to hold that office: 15
- (c) The directors of the company and of every subsidiary of the company shall appoint an auditor or auditors of the company and of every subsidiary of the company and every such appointment shall be deemed to have been made by the directors to fill a casual vacancy in the office of auditor under section 163 (5) of the Companies Act 1955. 20

14. Dissolution of Authority—The Authority is dissolved as from the commencement of the appointed day. 25

15. Final report of Authority—(1) As soon as reasonably practicable after the appointed day the company shall arrange for a final report of the Authority to be sent to the Minister of Agriculture showing the Authority's operations for the period beginning with the 1st day of July immediately preceding the appointed day and ending with the commencement of the appointed day, and shall attach to the report a copy of the Authority's accounts for that period certified by the Audit Office. 30

(2) A copy of the report and accounts shall be laid before the House of Representatives as soon as practicable after their receipt by the Minister of Agriculture. 35

16. Consequential amendment to Ministry of Agriculture and Fisheries Act 1953—The Ministry of Agriculture and Fisheries Act 1953 is amended as from the commencement of the appointed day by omitting from the 40

Schedule (as substituted by section 4 (1) of the Ministry of Agriculture and Fisheries Amendment Act 1972) the words “The Wool Testing Authority Act 1964”, and substituting the words “The Wool Testing Authority Dissolution Act 1988”.

5 **17. Consequential amendment to Public Bodies Contracts Act 1959**—The Public Bodies Contracts Act 1959 is amended as from the commencement of the appointed day by omitting from Part II of the First Schedule the item relating to the New Zealand Wool Testing Authority.

10 **18. Consequential amendment to Local Authorities (Members’ Interests) Act 1968**—The Local Authorities (Members’ Interests) Act 1968 is amended as from the commencement of the appointed day by omitting from Part II of the First Schedule the item relating to the New Zealand Wool
15 Testing Authority.

19. Amendment to Income Tax Act 1976—The Income Tax Act 1976 is amended as from the commencement of the appointed day by inserting in the Fourteenth Schedule (as substituted by section 23 (1) of the State Services Conditions of
20 Employment Amendment Act 1987), in its appropriate alphabetical order, the item “Fibre Testing Laboratories Limited”.

20. Consequential amendments to Wool Industry Act 1977—(1) Section 51 (3) of the Wool Industry Act 1977 is
25 amended as from the commencement of the appointed day by repealing paragraph (a), and substituting the following paragraph:

 “(a) The grower or the grower’s agent may elect to have the characteristics of the wool tested by a testing house
30 approved by the Board; and the Board shall then reappraise the wool having regard to the result of the test.”

 (2) Section 75 of the Wool Industry Act 1977 is amended as from the commencement of the appointed day by repealing
35 subsection (3).

21. Consequential amendment to Higher Salaries Commission Act 1977—The Higher Salaries Commission Act 1977 is amended as from the commencement of the appointed day by omitting from the First Schedule (as substituted by

section 14 of the Higher Salaries Commission Amendment Act 1988) the item “The New Zealand Wool Testing Authority”.

22. Consequential amendments to Official Information Act 1982—(1) The Official Information Act 1982 is amended as from the commencement of the appointed day by omitting 5 from the First Schedule (as substituted by section 23 (1) of the Official Information Amendment Act 1987) the item “New Zealand Wool Testing Authority”.

(2) The Official Information Act 1982 is further amended as from the commencement of the appointed day by inserting in 10 the First Schedule (as substituted by section 23 (1) of the Official Information Amendment Act 1987), in its appropriate alphabetical order, the item “Fibre Testing Laboratories Limited”.

23. Repeals—The enactments specified in the Second 15 Schedule to this Act are repealed as from the commencement of the appointed day.

24. Amendments consequential on disposal by the Crown of shares in the company—(1) The Income Tax Act 1976 is amended as from the commencement of the date 20 appointed under **subsection (3)** of this section by omitting from the Fourteenth Schedule (as substituted by section 23 (1) of the State Services Conditions of Employment Amendment Act 1977) the item “Fibre Testing Laboratories Limited” (as 25 inserted by **section 19** of this Act).

(2) The Official Information Act 1982 is amended as from the commencement of the date appointed under **subsection (3)** of this section by omitting from the First Schedule (as substituted by section 23 (1) of the Official Information Act 1987) the item “Fibre Testing Laboratories Limited” (as inserted by **section** 30 22 (2) of this Act).

(3) Subject to **subsection (4)** of this section, this section shall come into force on a date to be appointed by the Governor-General by Order in Council.

(4) A date may be appointed under **subsection (3)** of this section 35 only where the Governor-General in Council is satisfied, at the time of the making of the Order in Council appointing the date, that at least 50 percent of the ordinary shares in the capital of Fibre Testing Laboratories Limited are no longer held on behalf of Her Majesty the Queen. 40

New

SCHEDULES

FIRST SCHEDULE

Section 7A

PART I

LEASES VESTED IN THE CROWN

1. Memorandum of lease No. 230109 of all that piece of land containing 1214 square metres, more or less, being part Town Section 610, and being all the land comprised and described in certificate of title No. C4/1148 (Hawkes Bay Registry).
2. Memorandum of lease No. 65497 of all those pieces of land containing together 1289 square metres, more or less, being Lots 1 and 2, Town Section 611, and being all the land comprised and described in certificate of title No. 58/257 and certificate of title No. 58/258 (both Hawkes Bay Registry).
3. Memorandum of lease No. 124014 of all that piece of land containing 551 square metres, more or less, being part Lot 1, Town Section 612, and being all the land comprised and described in certificate of title No. F4/1059 (Hawkes Bay Registry).
4. Memorandum of lease No. 8510 of all that piece of land containing 607 square metres, more or less, being part Lot 2, Town Section 612, and being all the land comprised and described in certificate of title No. 58/260 (Hawkes Bay Registry).
5. Memorandum of lease No. 429787.2 of all that piece of land containing 938 square metres, more or less, being Lot 1, Deposited Plan No. 17631, and being all the land comprised and described in certificate of title No. K2/1414 (Hawkes Bay Registry).
6. Memorandum of lease No. 6957 of all that piece of land containing 878 square metres, more or less, being Lot 2, Deposited Plan No. 17631, and being all the land comprised and described in certificate of title No. K2/1415 (Hawkes Bay Registry).
7. Memorandum of lease No. 152847 of all that piece of land containing 1542 square metres, more or less, being Lot 42 on Deeds Plan 216, and being all the land comprised and described in certificate of title No. 58/267 (Hawkes Bay Registry).

PART II

DEED OF LEASE VESTED IN THE CROWN

The Deed of Lease, dated the 15th day of April 1986, by which Aulsebrooks Limited, a duly incorporated company having its registered office at Auckland, demised the lessor's building at 70 St. Asaph Street, Christchurch, and certain fixtures, fittings, floor coverings, chattels, and equipment of the lessor (which building is located on all that parcel of land containing 3981 square metres or thereabouts being Lot 3 on Deposited Plan 50068 and being all the land comprised and described in certificate of title No. 29B/268 (Canterbury Registry)) to the Authority for a term of 10 years from and including the 15th day of August 1980.

SECOND SCHEDULE

Section 23

ENACTMENTS REPEALED

- 1964, No. 46—The Wool Testing Authority Act 1964. (R.S. Vol. 13, p. 891).
- 1973, No. 100—The Wool Testing Authority Amendment Act 1972. (R.S. Vol. 13, p. 900).
- 1980, No. 11—The Wool Testing Authority Amendment Act 1980. (R.S. Vol. 13, p. 900).
- 1987, No. 61—The Wool Testing Authority Amendment Act 1987.