

House of Representatives  
**Supplementary Order Paper**

**Wednesday, 20 June 2007**

**State-Owned Enterprises (AgriQuality Limited and Asure  
New Zealand Limited) Bill**

---

*Proposed amendments*

Hon Trevor Mallard, in Committee, to move the following amendments:

*Clause 3*

To insert the following definition after the definition of **Board** (after line 18 on page 2):

**examination services** means services involving routine examinations of animal material or animal products by official assessors, appointed under section 79 of the Animal Products Act 1999, for the purpose of, amongst other things, enabling official assurances to be given under that Act

*Clause 5(1)(a)*

To omit this paragraph (lines 9 to 15 on page 3) and substitute the following paragraph:

- (a) a direction that AgriQuality Limited must not provide the examination services specified in the notice:

*New subparts 3 and 4*

To add the following subparts (after line 16 on page 7):

Subpart 3—Commerce Commission investigation  
and report

**12 Investigation and report by Commerce Commission on  
examination services**

- (1) The Commerce Commission must, within 3 years after the commencement of this Act,—
  - (a) investigate the prices charged for examination services;  
and

- (b) report to the Minister of Commerce on whether it is necessary or desirable for examination services to be controlled under Part 4 of the Commerce Act 1986.
- (2) The Commission must not commence its investigation under **subsection (1)** earlier than 2 years after the commencement of this Act.
- (3) However, **subsections (1) and (2)** do not apply if—
  - (a) the Minister of Commerce and the Meat Industry Association of New Zealand (Incorporated) agree that an investigation and a report under **subsection (1)** are not necessary; and
  - (b) the Minister of Commerce gives written notice to the Commission to that effect within 2 years after the commencement of this Act.

### 13 Commerce Commission process

The Commerce Commission must carry out its investigation and report to the Minister of Commerce under **section 12(1)** as if that section was a request from the Minister under section 56 of the Commerce Act 1986, and Part 4 of that Act applies accordingly with all necessary modifications.

### 14 Levy of Asure New Zealand Limited or merged company

- (1) Asure New Zealand Limited or, if there has been a merger of AgriQuality and Asure (as defined in **section 7**), the new company formed as a result of the merger must pay to the Crown the levy prescribed by regulations made under **subsection (2)**.
- (2) The Governor-General may, by Order in Council made on the recommendation of the Minister of Commerce, make regulations—
  - (a) specifying the amount of levies, or method of calculating or ascertaining the amount of levies, on the basis that the actual costs of performing or exercising the Commerce Commission's functions, powers, and duties under this subpart, and of collecting the levy money, should be met fully out of levies:
  - (b) including in levies, or providing for inclusion in levies of, any potential or likely shortfall in recovering those actual costs:
  - (c) refunding, or providing for refunds of, any over-recovery of those actual costs:
  - (d) providing for the payment and collection of those levies.
- (3) The amount of any unpaid levy is recoverable in any court of competent jurisdiction as a debt due to the Crown.

Subpart 4—Ongoing negotiations and obligations  
concerning examination services

**15 Obligations concerning examination services**

- (1) The Crown will continue to negotiate with New Zealand's international trading partners for the acceptance of international guidelines on meat hygiene as set out in the Codex Alimentarius's Code of Practice, "Code of Hygienic Practice for Meat" (CAC/RCP 58-2005) (the **Code**).
- (2) If more than 66.6% of the total value of New Zealand's post-mortem red meat exports (of both ovine and bovine origin) are made to international trading partners of New Zealand who have agreed to accept the international guidelines on meat hygiene as set out in the Code, the Executive Government of New Zealand must permit—
  - (a) competitive tendering for the provision of examination services to occur; and
  - (b) examination services to be provided by persons who are not employed under the State Sector Act 1988.

---

**Explanatory note**

This Supplementary Order Paper amends the State-Owned Enterprises (AgriQuality Limited and Asure New Zealand Limited) Bill. It inserts a new definition of **examination services** in *clause 3* of the Bill and consequentially amends *clause 5*. It also adds 2 new subparts to *Part 2* of the Bill.

*New subpart 3* requires the Commerce Commission to investigate and report on the prices charged for animal material and animal products examination services provided in accordance with the Animal Products Act 1999.

*New subpart 4* provides for the Crown to continue to negotiate with its international trading partners in order to allow animal material and animal products examination services to be provided by agencies other than the Crown.