

## WOOL PROCEEDS RETENTION BILL

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### EXPLANATORY NOTE

THIS Bill provides for the temporary retention of a portion of the proceeds received by wool growers from the sale of wool.

The Bill applies to wool sold by the growers on or after 13th November, 1950, and to wool exported by the growers on or after 1st December, 1950.

The proportion of the sale value to be retained is to be prescribed by regulations made under the Act.

*Clause 4* provides for further voluntary retentions subject to regulations, which may prescribe a maximum for them.

Retained moneys are to be collected in the manner provided by regulations from the brokers in the case of wool sold by auction, and from the growers in the case of wool sold to dealers or exported. All retained moneys will be paid to the New Zealand Wool Disposal Commission, and the Commission will pay the amount retained on behalf of each grower to the grower's trading bank, to be held by the bank in a special deposit account, to be called a wool retention account. In special cases where the grower has no bank account the regulations may provide for his wool retention account to be kept by the stock and station agent with whom he keeps a current account; and the moneys to the credit of all such wool retention accounts will be kept by the stock and station agent in a special deposit account at a bank, on which no interest will be payable.

Retained moneys in a wool retention account will not bear interest, and they will not be available for any purpose until authority is given in accordance with the regulations for all or a part of the moneys to be paid out of the wool retention account.

For the purposes of income tax and social security charge retained moneys will not be deemed to be received by the grower until they are paid out of his wool retention account.

Regulations may be made to give effect to the Act and to provide for its administration, and in particular including provision for the setting up of an advisory committee to assist in the administration of the Act.

*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,*

*29th November, 1950*

*Right Hon. Mr. Holland*

## WOOL PROCEEDS RETENTION

### ANALYSIS

Title.	5. Retained moneys to be deposited in grower's wool retention account.
1. Short Title.	6. Wool retention accounts.
2. Interpretation.	7. Retained moneys not alienable.
3. Retention of prescribed proportion of sale value of wool sold or exported by grower.	8. Income tax on retained moneys to be chargeable when moneys received by grower.
4. Voluntary retention of part of sale value.	9. Regulations.

### A BILL INTITULED

AN ACT to Make Provision for the Temporary Retention of Part of the Proceeds from the Sale of Wool. 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 Wool Proceeds Retention Act, 1950. Short Title.

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

10 “Bank” means any bank carrying on business in New Zealand, other than a trustee savings bank or the Post Office Savings Bank:

“Commission” means the New Zealand Wool Disposal Commission established under the Wool Disposal Act, 1945: 1945, No. 32

15 “Grower”, in relation to any wool, means the person by whom the wool was produced, and, where the grower is deceased, means his personal representatives:

“ Prescribed ” means prescribed by regulations made under this Act:

“ Sale value ”, in relation to any wool, means the sale value of that wool as prescribed by regulations made under this Act: 5

“ Wool ” means sheep’s wool or lambs’ wool, whether greasy, washed, scoured, or carbonized; but does not include slipe wool, manufactured wool (including wool tops), fell-mongered wool, wool noils, dags, dag wool, or wool waste, or, except in relation to wool sold for delivery after shearing, wool on the skin: 10

“ Wool retention account ”, in relation to any grower, means the wool retention account kept in his name under this Act. 15

Retention of prescribed proportion of sale value of wool sold or exported by grower.

**3.** (1) Where the grower of any wool produced in New Zealand sells the wool in New Zealand or exports it from New Zealand, the prescribed proportion of the sale value of the wool shall be paid to the Commission by the prescribed person at the prescribed time and in the prescribed manner. 20

(2) This section applies to—

(a) Wool sold by the grower on or after the thirteenth day of November, nineteen hundred and fifty; and 25

(b) Wool exported by the grower on or after the first day of December, nineteen hundred and fifty.

Voluntary retention of part of sale value.

**4.** Subject to any regulations made under this Act, the grower of any wool may pay or cause to be paid to the Commission such part of the sale value of the wool as the grower thinks fit, whether or not the prescribed proportion of the sale value is also required to be paid under section *three* of this Act. 30

Retained moneys to be deposited in grower’s wool retention account.

**5.** All moneys received by the Commission under this Act in respect of any wool shall be paid by the Commission to the credit of the grower’s wool retention account, being a special deposit account to be kept in the name of the grower as hereinafter provided. 35

Wool retention accounts.

**6.** (1) Every wool retention account shall be kept by a bank at a branch in New Zealand: 40

Provided that, in such cases and upon or subject to such conditions as may be prescribed, a wool retention account may be kept by a prescribed company, or by a company of a prescribed class, at a branch in New Zealand. 45

(2) No moneys shall be paid to the credit of a wool retention account except by the Commission as aforesaid.

(3) No moneys shall be paid out of a wool retention account except by authority of the prescribed person  
5 given in the prescribed manner.

(4) No interest shall be payable in respect of the moneys in any wool retention account.

(5) All moneys paid to the credit of any wool retention account or accounts kept by a company shall be paid  
10 by the company to the credit of a special deposit account to be kept in the name of the company by a bank at a branch in New Zealand. No other moneys shall be paid to the credit of any such deposit account. No interest shall be payable in respect of the moneys in any such  
15 deposit account. No moneys shall be paid out of any such deposit account except for the purpose of meeting authorized payments out of a grower's wool retention account kept by the company.

7. No moneys paid or required to be paid to the  
20 Commission under this Act in respect of any grower's wool shall be in any way assigned or charged or pass to any other person by operation of law, or be assets for the payment of the grower's debts or liabilities, or (in the event of his death) of the debts or liabilities of his estate,  
25 at any time before they have been duly paid out of his wool retention account.

Retained moneys not alienable.

8. For the purpose of assessing the income tax and social security charge payable by any grower any moneys paid to the Commission under this Act in respect of his  
30 wool shall be deemed to be derived by him when they are duly paid out of his wool retention account, and not before.

Income tax on retained moneys to be chargeable when moneys received by grower.

9. (1) The Governor-General may from time to time,  
35 by Order in Council, make all such regulations as may in his opinion be necessary or expedient for giving effect to the provisions of this Act and for the due administration thereof.

Regulations.

(2) Without limiting the general power hereinbefore conferred, it is hereby declared that regulations may be  
40 made under this section for all or any of the following purposes:—

(a) Prescribing the proportion of the sale value of any wool to be paid under section *three* of this Act:

- (b) Prescribing the maximum proportion of the sale value of any wool that may be paid under section *four* of this Act:
- (c) Providing for the exemption of specified classes of growers from liability to the payment of moneys under section *three* of this Act: 5
- (d) Providing for and regulating the assessment, collection, receipt, and payment of moneys required or permitted to be paid under this Act (including a penalty or additional payment for late payment), and the remuneration of collectors (whether by the deduction of a commission or otherwise); and preventing the evasion of payments required under this Act: 10
- (e) Prescribing companies or classes of companies that may keep wool retention accounts, and prescribing the cases or classes of cases in which and the conditions upon or subject to which they may do so: 15
- (f) Prescribing the functions, duties, and powers of banks, companies, and other persons in relation to wool retention accounts and the moneys therein: 20
- (g) Providing for the granting of authority for payments from wool retention accounts, and prescribing conditions upon or subject to which authority may be granted: 25
- (h) Providing for the appointment of an advisory committee and prescribing its functions, duties, and powers, and providing for the remuneration and expenses of its members: 30
- (i) Obtaining any information or particulars that may be required for the purposes of this Act, whether in relation to retained moneys or otherwise: 35
- (j) Prescribing punishments for offences against this Act or against the regulations, not exceeding a fine of five hundred pounds or imprisonment for six months.
- (2) All regulations made under this section shall be laid before Parliament within twenty-eight days after the date of the making thereof if Parliament is then in session and, if not, shall be laid before Parliament within twenty-eight days after the commencement of the next ensuing session. 40 45