

## HOUSE OF REPRESENTATIVES

# Supplementary Order Paper

Wednesday, the 31st Day of July 1974

## TOBACCO INDUSTRY BILL

*Proposed Amendments*

*Clause 1:* To omit this clause, on page 2, and substitute the following clause:

**1. Short Title and application—**(1) This Act may be cited as the Tobacco Growing Industry Act 1974.

(2) This Act shall, in so far as it relates to the growing of tobacco, apply with respect to the season commencing on the 1st day of September 1974 and to every succeeding season.

*Clause 2:* To insert on page 2, after the definition of the expression "Domestic Tobacco Quota", the following definition:

"Green-weight" means the weight of unmanufactured tobacco submitted for classification or offered for sale by the grower:

To insert on page 4, after the definition of the expression "shortfall", the following definition:

"Tobacco Research Council" means the Tobacco Research Council established pursuant to section 9 of the Scientific and Industrial Research Act 1974:

*Clause 8:* To omit lines 30 to 37 on page 6, and substitute the following words:

**8. Appointment of deputy members—**(1) Where the Minister is satisfied that the Chairman of the Board is, by reason of illness, absence, or other sufficient cause, incapacitated from performing the duties of his office, the Minister may appoint a deputy to act for the Chairman during his incapacity, and any such deputy shall, while he acts as such, be deemed to be the Chairman of the Board.

(1A) Any person who is a member of the Board by virtue of being a growers' representative or a manufacturers' representative may, with the approval of the Chairman, authorise

another person to perform the duties of his office as a member of the Board when the member is, by reason of illness, absence, or other sufficient cause, incapacitated from performing those duties.

*Clause 10:* To insert in paragraph (a) of subclause (1), after the word "tobacco" in line 36 on page 7, the word "growing".

To insert in paragraph (d) of subclause (1), before the word "industry" in line 43 on page 7, the words "tobacco growing".

*Clause 11:* To omit from subclause (2) the word "leaf" in line 3 on page 9, and substitute the words "raw tobacco".

To omit from paragraph (a) of subclause (4) the word "quantity" in line 12 on page 9, and substitute the word "green-weight".

To omit from paragraph (b) of subclause (4) the words "quantity of raw" in line 14 on page 9, and substitute the words "green-weight of".

To omit from paragraph (c) of subclause (4) the words "quantity of raw" in line 16 on page 9, and substitute the words "green-weight of".

To omit from paragraph (d) of subclause (4) the word "raw" in line 18 on page 9, and substitute the words "green-weight of".

*Clause 21:* To add to subclause (1) in line 39 on page 12 the word "green-weight".

*Clause 32:* To omit this clause on page 18, and substitute the following clause:

**32. Grant and amendment of licences—**(1) On application in the prescribed manner by any person, and on payment of the prescribed fee (if any), the Committee may, subject to this Act and any regulations made thereunder, grant to that person a licence authorising him to grow tobacco on the land specified in the licence in accordance with this Act, or, where that person is a licensee under this section, amend the licence to include a further area of land or to include a lesser area of land.

(2) In exercising its functions under this section, the Committee shall not unreasonably refuse to grant a licence to an applicant in respect of any area of land where it is satisfied that the applicant was the holder of a licence granted under the Tobacco Growing Industry Act 1935 in respect of an equivalent area of land, being a licence in force on the 31st day of July 1974, and that the applicant has applied for the licence within a reasonable period after the commencement of this Act.

(3) Every licence granted or amended under this section shall specify—

- (a) The name of the licensee; and
- (b) The land on which the tobacco is to be grown; and
- (c) The basic quota of tobacco leaf determined by the Committee as applicable to that land.

(4) Every licence granted or amended under this section shall apply only in respect of tobacco grown—

- (a) Subject to section 33 of this Act, by the licensee specified in the licence; and

(b) On the land specified in the licence,—  
and no tobacco leaf grown by any licensee on any land other than the land specified in the licence shall form part of his basic quota or adjusted quota.

(5) No person shall hold more than one licence under this section and, where necessary, a licence shall be amended to include all land used by the one licensee under that one licence, and any other licence held by him shall be revoked.

(6) It shall be a condition of every licence granted or amended under this section that the licensee, in the growing of all tobacco leaf, shall use only those insecticides, sprays, or other materials for the control of insects, disease, pests, weeds, or suckers as shall from time to time be approved and published by the Board on the recommendation of the Tobacco Research Committee.

(7) Every licence granted or amended under this section shall continue in force in respect of the land specified in the licence until it is revoked under this Act or surrendered by the licensee:

Provided that the Committee may, in special circumstances, grant or amend a licence in respect of a specified period only.

(8) Where a decision against which the applicant may appeal is given under the foregoing provisions of this section, the reason therefor shall be stated in writing.

*Clause 33:* To omit this clause on page 18 and 19, and substitute the following clause:

**33. Transfer of licence—**(1) With the prior approval in writing of the Committee, a licence granted under section 32 of this Act in respect of any land may be transferred to any other person and shall continue in force in respect of that land as if that licence had been granted to that person in respect of that land:

Provided that if the licence in respect of part only of the land specified in the licence is transferred to any person, the Committee shall grant a new licence to that person in respect of the land so transferred and determine the basic quota applicable thereto, and shall amend the licence of the original licensee in respect of the land retained and determine the basic quota applicable thereto.

(2) The approval of the Committee to the transfer of a licence pursuant to subsection (1) of this section shall not be unreasonably withheld.

(3) With the prior approval in writing of the Committee a licence granted under section 32 of this Act in respect of any land may be transferred, in whole or in part, to any other land, either indefinitely or for a restricted period, and the licence shall be amended accordingly and shall continue in force in respect of that other land as if it had been granted in respect of that other land.

(4) Where a decision against which the applicant may appeal is given under the foregoing provisions of this section, the reason therefor shall be stated in writing.

*Clause 35:* To omit lines 21 to 23 on page-20, and substitute the following paragraphs:

- (i) Revoke his licence; or
- (ii) Reduce the amount of his basic quota by such amount as is specified in the notice.

*Clause 40:* To insert, after the word "manufacturer" in line 12 on page 23, the words "in the manufacture of tobacco and cigarettes".

*Clause 41:* To add to paragraph (a) of subclause (1) in line 25 on page 23 the words "and for the next succeeding season".

To omit from paragraph (b) of subclause (1) the words "2 seasons next succeeding that season" in lines 28 and 29 on page 23, and substitute the words "season next succeeding those seasons".

To omit from paragraph (c) of subclause (1) in lines 32 and 33 on page 23 the words "those seasons", and substitute the words "that season".

To omit from the proviso to subclause (1) in line 36 on page 23 the word "passing", and substitute the word "commencement".

To omit lines 11 to 13 on page 24, and substitute the following words:

the Board—

- (a) May permit that amount to be reduced by such amount as it considers equitable in any subsequent return by that manufacturer in respect of that season; and
- (b) May increase the minimum amounts that any other manufacturers who have increased sales of manufactured tobacco are obliged to purchase to be increased by such amounts as the Board considers equitable, not exceeding in total the amount of the reduction under paragraph (a) of this proviso, in any subsequent returns by those manufacturers in respect of that season.

*Clause 43:* To omit line 40 on page 24, and substitute the following words:

- (c) Any export orders for that season's quota leaf,—  
but may be amended from time to time to meet changing circumstances.

*Clause 44:* To insert after paragraph (b) of subclause (3) on page 25 the following proviso:

Provided that the information which would otherwise be furnished under this paragraph on or before the 1st day of August 1974 shall be furnished within one month after the commencement of this Act:

*Clause 45:* To omit this clause on page 26, and substitute the following clause:

**45. Classification of tobacco leaf.**—Prior to the purchase of any tobacco leaf by any manufacturer, or by the representative of any manufacturer, or by any other person, the leaf shall be classified, in accordance with the Schedule of Standard Grades, by persons appointed, on the advice of the Board, by the Minister from time to time for such period as he may specify.

## EXPLANATORY NOTE

*Clause 1:* This amendment changes the Short Title to the Tobacco Growing Industry Act 1974 and omits the reference to a specific commencement date.

*Clause 2:* The two amendments insert definitions of the expressions "green-weight" and "Tobacco Research Council".

*Clause 3:* This amendment provides that the Minister is still to appoint a deputy to act for the Chairman during his incapacity but that any person who is a member of the Board by virtue of being a growers' representative or a manufacturers' representative may, with the approval of the Chairman, authorise any other person to act for him during his incapacity.

*Clause 10:* These amendments are consequential upon the change in the Short Title.

*Clause 11:* These amendments are minor drafting amendments and make it clear that the information to be supplied by the grower is to be given in green-weight.

*Clause 21:* This amendment makes it clear that the levy payable by growers on tobacco leaf is based upon green-weight.

*Clause 32:* This clause has been redrafted to make it clear that only one licence is issued to any grower, but that the licence can be amended to include additional land or less land.

*Clause 33:* This clause has been redrafted. The main effect is that a licence can be transferred to other land without the restriction that it is to be for a maximum of 2 seasons only. The other changes are to bring the clause into line with the amended *clause 32* and to permit the transfer of the licence in respect of part of the land specified in the licence.

*Clause 35:* This amendment corrects a drafting error in the numbering of the paragraphs.

*Clause 40:* This amendment provides that the obligation to use 30 percent (or such other percentage as may be specified by Order in Council) of raw tobacco grown in New Zealand relates to the manufacture of tobacco and cigarettes only, i.e., it does not include raw tobacco used in the manufacture of cigars and snuff.

*Clause 41:* The first 3 amendments provide that instead of specifying, on or before 1 July in each year, its definite requirements of quota leaf for the next season, and its minimum requirements for the next 2 succeeding seasons, each manufacturer is to specify its definite requirements for the next 2 seasons, and its minimum requirements for the succeeding season.

The fourth amendment is a minor drafting amendment.

The last amendment rewrites the proviso to subclause (3). At present it provides that where the Board is satisfied that, by reason of a substantial decrease in the sales of manufactured tobacco by any manufacturer it would be inequitable for that manufacturer to be obliged to purchase the minimum amount specified in *paragraph (b) of subclause (1)*, the Board may permit that amount to be reduced in any subsequent return to such amount that it considers equitable.

The amendment adds a further provision that in any such case the Board may increase the minimum amounts that other manufacturers who have increased sales of manufactured tobacco are obliged to purchase by such amounts that the Board considers equitable, not exceeding in total the amount of the reduction referred to in the previous paragraph.

*Clause 43:* This amendment provides that while the adjusted quota of each licensee shall be determined on or before 31 October in each season, it may be amended from time to time to meet changing circumstances.

*Clause 44:* The amendment provides that the date by which each licensee shall forward to the Board in writing the name of the manufacturer to which he desires his adjusted quota to be allocated shall, in respect of this year, be the date one month after the commencement of the Act.

*Clause 45:* This clause has been rewritten to apply to all tobacco leaf sold to any person, and empowers the Minister to appoint persons to classify tobacco leaf from time to time and for such period as he may specify. The clause is now to come into force on the same date as the rest of the Bill.