



Commodity Levies (Meat) Order 2021

Cindy Kiro, Governor-General

Order in Council

At Wellington this 26th day of October 2021

Present:

The Right Hon Jacinda Ardern presiding in Council

This order is made under section 4 of the Commodity Levies Act 1990—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister for Primary Industries given in accordance with sections 5 and 6 of that Act.

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Order

1 Title

This order is the Commodity Levies (Meat) Order 2021.

2 Commencement

This order comes into force on 7 December 2021.

3 Interpretation

In this order, unless the context otherwise requires,—

Act means the Commodity Levies Act 1990

beef means meat derived from cattle, including beef cattle and dairy cattle but excluding bobby calves

collection agent means a person operating commercial slaughter premises

commercial slaughter premises means the premises of an animal product business within the meaning of the Animal Products Act 1999 in which live-stock are slaughtered under a risk management programme registered under Part 2 of that Act or a regulated control scheme made under Part 3 of that Act

company means the company that is known on the commencement of this order as Beef + Lamb New Zealand Limited

Director-General means the chief executive of the department for the time being responsible for the administration of this order

GST means goods and services tax payable under the Goods and Services Tax Act 1985

levy means the levy imposed by clause 4

levy money means money paid or payable under this order as a levy

levy year—

- (a) means a period of 12 months that begins on 1 October and ends on 30 September; and
- (b) includes both of the following periods:
 - (i) the period starting on the commencement of this order and ending on 30 September 2022;
 - (ii) the period starting on 1 October 2027 and ending on the revocation of this order

livestock means cattle (including beef cattle and dairy cattle but excluding bobby calves) or sheep

livestock farmer means a person who—

- (a) owns livestock; and
- (b) is in the business of farming livestock, whether or not in conjunction with another business

meat means beef or sheepmeat intended for human consumption

mediator means a person appointed under clause 26(3), and, in relation to a dispute, means a mediator appointed to resolve the dispute

other agent means an agent specified by the company to whom the levy is payable

sheepmeat means meat derived from sheep

trust account means a bank account at a registered bank within the meaning of the Reserve Bank of New Zealand Act 1989.

4 Levy imposed

- (1) This order imposes a levy on meat from livestock slaughtered at commercial slaughter premises.
- (2) The levy is payable to the company.

Responsibility for payment of levy

5 Livestock farmer primarily responsible for paying levy

- (1) A livestock farmer who produces meat is primarily responsible for paying the levy on it.
- (2) No livestock farmer is exempt from paying the levy.

6 Collection agent to pay levy on meat and recover it from livestock farmer

- (1) A collection agent who slaughters livestock at commercial slaughter premises must pay the levy on the livestock slaughtered (and any GST payable on the levy) to the Director-General or other agent.
- (2) A collection agent may recover the levy (and any GST payable on the levy)—
 - (a) by deducting the amount of the levy from the payment made to the livestock farmer for the livestock, if the collection agent buys the livestock from the farmer; or
 - (b) by recovering the amount of the levy as a debt due from the livestock farmer, if the collection agent slaughters the livestock on the farmer's behalf.
- (3) A collection agent must disclose to a livestock farmer the amount of levy money deducted under this order.
- (4) A collection agent may charge a collection fee of not more than 0.25% of the levy payable (exclusive of GST) plus the GST payable on the fee by deducting the amount of the fee before paying the levy to the Director-General or other agent.

7 Collection agent must operate trust account

- (1) A collection agent who slaughters livestock at commercial slaughter premises must—
 - (a) keep a trust account that covers all of its commercial slaughter premises; and
 - (b) deposit an amount of money equal to the levy on the livestock (and any GST payable on the levy) in the trust account within 15 days after the date of slaughter of the livestock.
- (2) A collection agent must—

- (a) ensure that the trust account is identified as a trust account kept by the collection agent for the purposes of this order; and
- (b) take all practicable steps to ensure that—
 - (i) the trust account is used for holding amounts required to be held by this order; and
 - (ii) the balance in the trust account on any day is not less than the amount outstanding to the Director-General or other agent on that day by the collection agent.
- (3) The amount outstanding to the Director-General or other agent by a collection agent on any day is the remainder obtained by subtracting—
 - (a) the total of all levy money paid by the collection agent to the Director-General or other agent before that day as required by this order; from
 - (b) the total of all amounts required to be deposited in the trust account by the collection agent up to and including the previous day.
- (4) The amount in the trust account that is due to be paid to the Director-General or other agent—
 - (a) is to be treated as held on trust for the company; and
 - (b) is not available for the payment of any creditor of the collection agent (except the company); and
 - (c) is not liable to be attached or taken in execution at the instance of any creditor of the collection agent (except the company).
- (5) A person who ceases to be a collection agent must continue to maintain the trust account until all the money payable to the Director-General or other agent in respect of the period during which the person was a collection agent has been paid.
- (6) Subclause (5) does not limit or affect any obligation or liability under this order of any person who has become a collection agent.

Setting levy rate

8 Basis of calculation of levy

The levy payable in a levy year must be calculated on the basis of the number of livestock (per head) slaughtered at commercial slaughter premises.

9 Returns must be supplied to Director-General or other agent

- (1) A collection agent must supply to the Director-General or other agent, in a form of return specified by the company, any information that the company or the Director-General or other agent reasonably requires in order to determine the amounts of levy payable, including the number and classes of livestock slaughtered at the commercial slaughter premises.

- (2) Returns must be supplied within 10 days after the end of each week to which the return relates.

10 Different rates of levy

A different rate of levy may be fixed for different classes of cattle and sheep slaughtered.

11 Maximum rate of levy

The maximum rate of the levy (exclusive of GST) is,—

- (a) for beef, \$5.95 per head of cattle slaughtered; and
- (b) for sheepmeat, \$0.95 per head of sheep slaughtered.

12 Actual rate of levy

The company must fix the actual rate of levy in accordance with its constitution and after consulting livestock farmers.

13 Rate if no rate fixed before beginning of levy year

- (1) The rates of the levy for the period that begins on 1 October 2021 and ends on 30 September 2022 are as follows:
- (a) for beef, \$5.20 per head of cattle slaughtered; and
 - (b) for sheepmeat, \$0.75 per head of sheep slaughtered.
- (2) If the company does not fix the actual rate of levy before the beginning of a levy year, the levy for that year is payable at the rate last fixed.

14 Notification of levy rate

As soon as practicable after the rate of levy is fixed for a levy year, the company must notify the change—

- (a) in the *Gazette*; and
- (b) in a newsletter to all levy payers known to the company; and
- (c) by means of a letter to each known levy collection agent.

Payment of levy

15 When levy payable

- (1) The due date for payment of the levy to the Director-General or other agent is the date on which the livestock is slaughtered at commercial slaughter premises.
- (2) The latest date for payment of the levy is 10 days after a demand is made by the Director-General or other agent or any longer period that the company allows.
- (3) Clause 16(4) overrides subclause (2) if a demand for an estimated amount of levy is made.

16 Demands for estimated amounts of levy money

- (1) The company may estimate the levy money payable and the Director-General or other agent may provide a levy demand for that estimated amount if—
 - (a) a return has not been supplied within the time specified in clause 9(2); or
 - (b) the company is not satisfied that the information contained in a return is complete and correct.
- (2) A collection agent who receives a demand under subclause (1) may dispute the estimated amount demanded within 10 days of the demand being made by giving a notice of dispute to the Director-General or other agent, who must then refer it to the company; however, this applies only to the initial demand and not to a substitute demand made under subclause (3)(c)(i).
- (3) Within 15 days of receiving a notice of dispute,—
 - (a) the company must consider the matters raised in it; and
 - (b) the company must undertake any audit of the operations of the collection agent concerned that the company thinks appropriate and the collection agent allows; and
 - (c) by written notice to the collection agent depending on the company's decision on the dispute, the Director-General or other agent must—
 - (i) withdraw the demand, and substitute another for it; or
 - (ii) withdraw the demand, and indicate that no other demand will be substituted for it; or
 - (iii) confirm the demand.
- (4) The latest date for payment of the levy is—
 - (a) 10 days after the demand is made or any longer period that the company allows, unless the collection agent has, within those 10 days, disputed the estimate under subclause (2) or clause 26; or
 - (b) if the estimate has been disputed, within 10 days after the demand is confirmed or substituted under subclause (3) or the dispute has been resolved under clause 33.

17 Penalty for late payment

- (1) If any levy money (or GST payable on that money) has not been paid on or before the latest date for payment, the collection agent must pay an additional amount of 10% of the amount owing at the end of each month.
- (2) However, the company may waive the payment of the additional amount and allow the collection agent an extension of time in which to pay the levy money if the company considers that the default arose because of extraordinary circumstances beyond the control of the collection agent.

18 Refunds

- (1) The Director-General or other agent must refund levy money found to have been overpaid or paid in error to the appropriate person unless that person has already received reimbursement of the amount.
- (2) However, before paying a refund under subclause (1), the Director-General or other agent may—
 - (a) require the person to be refunded to provide the Director-General or other agent with the relevant levy returns and any other information justifying the refund and allowing the Director-General or other agent to determine or check the amount of the refund; and
 - (b) verify the returns and any information provided under paragraph (a) in any way the Director-General or other agent thinks fit.

19 Payment of levy money by Director-General or other agent to company

- (1) All levy money (and any GST payable on the money) received by the Director-General or other agent must be paid to the company.
- (2) Payments of levy money made by the Director-General to the company are subject to section 17 of the Ministries of Agriculture and Forestry (Restructuring) Act 1997.

*Expenditure of levy money***20 Company or subsidiary must spend levy money**

The company or a subsidiary of the company must spend or (pending expenditure) invest all levy money paid to it.

21 Purposes for which levy money may be spent

- (1) The company or a subsidiary of the company may spend levy money for the following purposes relating to the meat industry:
 - (a) investing in research and development that meets the needs of farmers and the sector:
 - (b) developing recruitment and training options:
 - (c) delivering knowledge that drives farm performance:
 - (d) supporting the sector's market opportunities:
 - (e) advocating for farmers' ability to operate:
 - (f) building the sector's confidence and profile within communities and consumers:
 - (g) the day-to-day administration of the company.
- (2) The company must not spend any levy money on commercial or trading activities.

- (3) The company must consult livestock farmers on how it proposes to spend levy money in accordance with its constitution.
- (4) Subclause (3) does not apply to the levy year beginning on the commencement of this order.

Record-keeping and information requirements

22 Records

- (1) A livestock farmer must, in each levy year, keep records of the number of livestock sent, and the dates on which they were sent, to commercial slaughter premises for slaughter.
- (2) A collection agent must, in each levy year, keep records of—
 - (a) the name, contact details, and GST numbers of each livestock farmer from whom the collection agent collects or recovers levy money; and
 - (b) for each livestock farmer, the number of livestock slaughtered in each species and class within species, and the date of slaughter; and
 - (c) the amount of levy paid to the Director-General or other agent and the date of payment.
- (3) The company must, in each levy year, keep records of—
 - (a) each amount of levy money paid to it and the date of payment; and
 - (b) the name and contact details of every person from whom the Director-General or other agent (as the case may be) or the company received levy money; and
 - (c) how levy money was spent or invested.
- (4) Each livestock farmer and collection agent must—
 - (a) retain the records prepared under subclause (1) or (2) for at least 2 years after the date of payment to the company of the levy to which the records relate; and
 - (b) for the purposes of determining the levy payable, or for enabling the company to meet its obligations under this order, provide the company with a copy of those records within 20 working days after receiving from the company a written request for a copy of those records.
- (5) The company must retain the records prepared under subclause (3) for at least 2 years after the levy year to which the records relate.

23 Confidentiality of information

- (1) This clause applies to information obtained—
 - (a) under or because of this order; or
 - (b) under the Act in relation to this order.

- (2) A person must not disclose information to anyone other than an officer or employee of the company, or a collection agent or an officer or employee of a collection agent, unless the disclosure is—
 - (a) the giving of evidence in any legal proceedings taken in relation to this order; or
 - (b) required by law; or
 - (c) the production of records or accounts under section 17(1) of the Act; or
 - (d) the production of any statement under section 25 of the Act.
- (3) The company or a collection agent may disclose information—
 - (a) for statistical or research purposes that do not require the disclosure of personal information; or
 - (b) for the purpose of invoicing or collecting the levy; or
 - (c) for the purpose of communicating with and supporting a levy-paying livestock farmer, provided the information relates only to that farmer; or
 - (d) if every identifiable person to whom the information relates consents; or
 - (e) as required by law; or
 - (f) for the purposes of information transfer and farmer technology adoption practices.

Miscellaneous

24 Conscientious objectors

- (1) A livestock farmer or collection agent who objects on conscientious or religious grounds to the manner of recovery by the company of an amount of levy money may pay the amount concerned to the Director-General.
- (2) The Director-General must pay the amount to the company.

25 Remuneration of auditor

A person appointed as an auditor under section 15 of the Act must be remunerated by the company at a rate determined by the Minister after consultation with the company.

Mediation of disputes

26 Mediation of disputes

- (1) This clause applies to any dispute about—
 - (a) whether a person is required to pay the levy; or
 - (b) the amount of levy payable, including a dispute about a demand for an estimated amount under clause 16.

- (2) Any party to the dispute may ask the President of the Arbitrators and Mediators Institute of New Zealand Incorporated to appoint a person to resolve the dispute by mediation.
- (3) If asked under subclause (2), the President (or a person authorised by the President) may appoint a person to resolve the dispute by mediation.
- (4) The mediator's appointment ends if—
 - (a) the parties to the dispute resolve it by agreement; or
 - (b) the mediator resolves the dispute under clause 33.

27 Remuneration of mediator

- (1) A mediator must be paid the remuneration (by way of fees and allowances) agreed to by the parties to the dispute.
- (2) If the parties to a dispute cannot agree on a mediator's remuneration, the President of the Arbitrators and Mediators Institute of New Zealand Incorporated (or a person authorised by the President to do so) must—
 - (a) fix the remuneration to be paid to the mediator; and
 - (b) specify the amount (if any) each party is to pay.
- (3) A party must pay to the mediator any amount specified as payable by that party under subclause (2)(b).

28 Conference to resolve dispute

- (1) A mediator may organise, and preside at, 1 or more conferences between the parties to a dispute to try to resolve the dispute.
- (2) A conference organised under subclause (1) is to be held on a day, and at a time and place, fixed by the mediator and notified in writing to the parties.

29 Conference to be held in private

Only the mediator and the parties to a dispute may attend a conference, unless clause 30 applies.

30 Representatives

A mediator may allow a representative of a party to a dispute to attend a conference if the mediator is satisfied that it is appropriate in the circumstances.

31 Right to be heard

The following persons may be heard at a conference:

- (a) any party to the dispute; and
- (b) a representative of a party allowed by the mediator to attend a conference under clause 30.

32 Evidence

- (1) A mediator may hear and take into account any relevant evidence or information, whether or not it would be admissible in a court of law.
- (2) A mediator may, on the mediator's own initiative, seek and receive any evidence, and make any investigations and inquiries, that the mediator thinks desirable to resolve a dispute.
- (3) A mediator may require any person giving evidence at a conference of the parties to a dispute to verify the evidence by statutory declaration.

33 Mediator may resolve dispute in certain cases

- (1) A mediator may resolve a dispute for the parties if—
 - (a) the dispute is not resolved at a conference organised by the mediator; or
 - (b) the mediator believes that the parties are unlikely to resolve the dispute, whether or not they confer directly.
- (2) A mediator who resolves a dispute under subclause (1) must give each of the parties written notice of the mediator's decision and the reasons for the decision.
- (3) The parties must comply with the mediator's decision.

34 Costs of mediation

Each party must pay the party's own costs in relation to the mediation.

35 Appeal to District Court

- (1) A party to a dispute who is dissatisfied with the decision made by a mediator under clause 33 may appeal to a District Court against the decision.
- (2) The appeal must be brought by the filing of a notice of appeal—
 - (a) within 28 days after the making of the decision concerned; or
 - (b) within any longer time that a District Court Judge allows.
- (3) The Registrar of the court must—
 - (a) fix the time and place for the hearing of the appeal; and
 - (b) notify the appellant and the other parties to the dispute; and
 - (c) serve a copy of the notice of appeal on every other party to the dispute.
- (4) Every party may appear and be heard at the hearing of the appeal.
- (5) On hearing the appeal, the court may confirm, vary, or reverse the mediator's decision.
- (6) The filing of a notice of appeal does not operate as a stay of any process for the enforcement of the mediator's decision.

36 Order revoked

The Commodity Levies (Meat) Order 2015 (LI 2015/307) is revoked.

Michael Webster,
Clerk of the Executive Council.

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order, which comes into force on 7 December 2021, replaces the Commodity Levies (Meat) Order 2015.

The order imposes a levy on meat (defined as beef and sheepmeat) produced by livestock farmers. The levy is payable to Beef + Lamb New Zealand Limited. Livestock farmers are primarily responsible for paying the levy but persons operating commercial slaughter premises will act as collection agents in respect of animals slaughtered on the premises.

This order is a confirmable instrument under section 47B of the Legislation Act 2012. It is revoked at the close of 31 December 2022, unless earlier confirmed by an Act of Parliament. That stated time is the applicable deadline under section 47C(1)(b) of that Act. If this order is confirmed, it will be revoked at the end of 6 December 2027 (the day before the sixth anniversary of the date on which it came into force), unless it is extended under section 13(2) of the Commodity Levies Act 1990.

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 28 October 2021.

This order is administered by the Ministry for Primary Industries.