



28 March 2019

Document
Number: Sub19-0023

Cabinet Legislation Committee paper for commodity levy orders on avocados and potatoes

Purpose:

Attached for your signature is a submission to the Cabinet Legislation Committee, seeking authorisation to submit the following two commodity levy orders to the Executive Council:

- a. Commodity Levies (Avocados) Order 2019; and
- b. Commodity Levies (Potatoes) Order 2019.

Minister	Action Required:	Minister's Deadline
Minister of Agriculture	Agree to submit the attached paper to Cabinet Office for consideration by the Cabinet Legislation Committee.	By 10am 24 April 2019, for consideration by the Cabinet Legislation Committee on 30 April 2019.

Contact for telephone discussion (if required)

	Name	Position	Work	Mobile
Responsible Manager	Privacy	Acting Manager, Forestry & Plant Policy	Privacy	Privacy
Principal Author	Privacy	Policy Analyst, Forestry & Plant Policy	Privacy	

Key Messages

1. In February 2019, you agreed to proceed with the preparation of the following commodity levy orders, based on the Ministry for Primary Industries' (MPI) assessment that these applications meet the requirements of the Commodity Levies Act 1990 (the Act) [B18-0992 and B18-0993 refer]:
 - a. Commodity Levies (Avocados) Order 2019; and
 - b. Commodity Levies (Potatoes) Order 2019.
2. The proposed orders will replace the Commodity Levies (Avocados) Order 2013 and the Commodity Levies (Potatoes) order 2013. These orders expire on 10 June 2019 and 12 May 2019 respectively.
3. It is strongly recommended that the proposed levy order on potatoes be made before 25 May 2019. The Act requires that a support referendum for the proposed levy order be held within the preceding 12 months to the order being made. The support referendum held by Potatoes New Zealand (Potatoes NZ) closed on 25 May 2018.
4. If the order is not made by 25 May 2019, Potatoes NZ will need to hold a new support referendum and will be unable to collect a mandatory levy past the expiry of the current order. This will have a serious impact on Potatoes NZ's ability to continue to undertake its current work programme and industry-good activities.
5. To ensure the new levy order is made before 25 May 2019, MPI recommends that you submit the attached paper to Cabinet Office by 24 April 2019, for consideration by the Cabinet Legislation Committee on 30 April 2019.
6. The Parliamentary Counsel Office (PCO) has drafted the proposed levy orders and has certified them as being ready for submission to Cabinet. PCO will submit the orders directly to Cabinet Office.
7. MPI has noted feedback from the Cabinet Legislation Committee for the Minister to consider options for simplifying the commodity levy-making process [LEG-19-MIN-0015 refers]. Officials will look to initiate work in this area.

Recommendations

8. The Ministry for Primary Industries recommends that you:

- a) **Note** that the New Zealand Avocado Growers Association Incorporated has applied for a new levy order on avocados under the Commodity Levies Act 1990, to replace the Commodity Levies (Avocados) Order 2013, which expires on 10 June 2019;

Noted

- b) **Note** that Potatoes New Zealand Incorporated has applied for a new levy order on potatoes under the Commodity Levies Act 1990, to replace the Commodity Levies (Potatoes) Order 2013, which expires on 12 May 2019;

Noted

- b) **Note** that in February 2019, you agreed to proceed with the preparation of the above orders, based on MPI's assessment that the applications meet the requirements of the Commodity Levies Act 1990; and

Noted

- c) **Agree** to submit the attached paper to Cabinet Office by 24 April, for consideration by the Cabinet Legislation Committee on 30 April 2019.

Agreed / Not Agreed

Penny Nelson
Deputy Director-General
Policy and Trade
for Director-General

Hon Damien O'Connor
Minister of Agriculture

/ / 2019