



ANALYSIS

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1997, No. 107

An Act to consolidate and amend the Wool Industry Act 1977
[17 December 1997]

BE IT ENACTED by the Parliament of New Zealand as follows:

1. Short Title—This Act may be cited as the Wool Board Act 1997.

PART 1
 PRELIMINARY

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

“Annual general meeting” means meeting held under section 19 (1):

“The Board”, except when followed by the words “of directors”, means the New Zealand Wool Board established by section 4 (1):

“The board of directors” means directors of the Board constituting a quorum under clause 5 (3) of Schedule 2:

“The Board’s activities” means the Board’s past, present, and likely future objectives, operations, policies, and strategies; and includes how and to what extent the Board has taken account of grower concerns:

“Collection agent” means person for the time being designated under section 37 (1):

“The Council” means the body that, on the commencement of this section, was known as the National Council of New Zealand Wool Interests Incorporated:

“Director” means director of the Board:

“Document” means document in any form; and includes—

(a) Any writing on or in any material; and

(b) Information recorded or stored by means of a tape recorder, computer, or other device; and material subsequently derived from information so recorded or stored; and

(c) A record, book, graph, or drawing; and

(d) A photograph, film, negative, tape, disk, or other device in which 1 or more visual images are embodied or stored so as to be capable (with or without the aid of equipment) of being reproduced:

“Financial year” means period of 12 months ending with 30 June:

“The former Act” means the Wool Industry Act 1977:

“The former Board” means the New Zealand Wool Board established by section 4 (1) of the former Act:

“Grower” means person engaged in New Zealand in the business of farming sheep (whether in conjunction with any other business or not):

“Grower concerns” means concerns and views about the Board’s activities—

(a) Expressed directly to the Board by growers, or by organisations representing the interests of growers or groups of growers; or

(b) Reported to the Board by people consulting growers on the Board’s behalf:

“Kind” includes description:

“The levy” means the levy imposed by section 39 (1):

“Levy money” means money paid or payable in respect of the levy:

“Levy return” means return required to be made under section 41 (1):

“Market” includes 2 or more markets, state, and group of states:

“The Minister” means the Minister of the Crown who, under the authority of any warrant or with the authority of the Prime Minister, is for the time being responsible for the administration of this Act:

“Occupier”,—

(a) In relation to any place physically occupied by any person, means that person; and

(b) In relation to any other place, means the owner of the place; and

(c) In relation to any place, includes any agent, employee, or other person, acting or apparently acting in the general management or control of the place:

“Performance audit” means performance and efficiency audit carried out, or required to be carried out, under section 30:

“Sale” includes barter, and exchange or supply for reward; and “to sell” has a corresponding meaning:

“Sheep” includes lambs:

“Specified activity” means activity for the time being declared by a notice under section 38 (1) to be an activity that determines when and by which person the levy is to be collected or paid under section 39 (2) (b):

“Statement of strategic and consultative intent” means statement for the time being maintained under section 7 (1):

“Wool” means the wool of sheep, whether greasy, scoured, washed, carbonised, fellmongered, or slipped; and includes—

(a) Dag wool, wool on the skin (whether tanned or not), processed wool, and manufactured wool (including wool noils and wool waste); and

(b) Any other item or substance produced from the wool of sheep that is for the time being declared by the Governor-General by Order in Council to be wool for the purposes of this Act.

3. Act binds the Crown—This Act binds the Crown.

PART 2

NEW ZEALAND WOOL BOARD

4. Establishment of Board—(1) This subsection establishes a body called the New Zealand Wool Board.

(2) The Board is a body corporate with perpetual succession.

(3) The Board is the same body corporate as the former Board.

(4) The Board’s assets belong ultimately to wool growers, and are for the time being held and administered for the benefit of growers.

5. Object of Board—(1) The object of the Board is to help in the attainment, in the interests of growers, of the best possible net ongoing returns for New Zealand wool.

(2) In pursuing its object, the Board must have regard to the desirability of the wool industry's making the best possible net ongoing contribution to the New Zealand economy.

6. Functions of Board—(1) The functions of the Board are,—

- (a) With a view both to increasing the volumes sold and to obtaining higher returns for each unit sold, to increase the demand for New Zealand wool and wool products (in existing and new markets); and
- (b) To maintain the confidence of buyers and users of wool and wool products in the New Zealand wool industry; and
- (c) To help obtain improved access to overseas markets for New Zealand wool and wool products; and
- (d) To conduct (whether alone or jointly with other bodies) research and development into sheep and wool, including research and development into—
 - (i) The rearing of sheep; and
 - (ii) Increasing the quantity or quality of the wool produced by sheep in New Zealand; and
 - (iii) The harvesting, handling, preparation, and processing of wool; and
 - (iv) The manufacture of wool products; and
 - (v) The handling, marketing, packaging, product development, and transport, of New Zealand wool and wool products; and
- (e) To encourage the adoption of more efficient processes and practices for—
 - (i) The rearing of sheep in New Zealand; and
 - (ii) Increasing the quantity or quality of the wool produced by sheep in New Zealand; and
 - (iii) The harvesting, handling, preparation, and processing of New Zealand wool; and
 - (iv) The manufacture of New Zealand wool into products; and
 - (v) The handling, marketing, packaging, product development, and transport, of New Zealand wool and wool products; and
- (f) To collect, process, maintain, and make available, information for the purposes of assisting production, investment, processing, product development, and marketing decisions in respect of—
 - (i) Market requirements for wool and wool products; and

- (ii) Other matters relevant to the New Zealand sheep and wool industries; and
 - (g) To account to growers on the Board's activities and its use of levy money and other resources; and
 - (h) To discuss the Board's activities with any persons and organisations in the New Zealand wool industry the Board thinks fit; and
 - (i) To perform such other functions as are conferred on the Board by this Act or any other enactment.
- (2) The Board may perform any of the functions specified in paragraphs (a) to (f) of subsection (1) (or any element of any of those functions) alone, or—
- (a) In a partnership or joint venture with; or
 - (b) By arranging for its performance by—
- any other person or persons (including a company or companies in which the Board holds shares).
- (3) The Board may perform any of the Board's functions, or arrange for its performance, to the extent only that its performance is consistent with the Board's object.
- (4) It is also a function of the Board to report regularly to the Minister on—
- (a) The performance and present state of the New Zealand wool industry; and
 - (b) The Board's achievement of its object; and
 - (c) The Board's performance of its functions; and
 - (d) Any other matters the Board thinks fit or the Minister requests.
- (5) In the exercise of its functions, the Board must have regard to the need for it to have adequate financial reserves.
- (6) The Board must not determine that a function or element of a function is to be performed by a particular mechanism and entity (that is to say the Board, a partnership or joint venture, or some person other than the Board) unless it has—
- (a) Considered other mechanisms and kinds of entity that might reasonably be expected to be able to perform the function or element efficiently and effectively; and
 - (b) Satisfied itself that the mechanism and entity are likely to be the most efficient and effective means of performing the function or element.

7. Board to prepare and maintain statement of strategic and consultative intent—(1) The Board must prepare, from time to time reconsider and (if appropriate) amend, and maintain a written statement of—

- (a) The Board's strategic intent in relation to—
- (i) The nature and scope of its operations; and
 - (ii) Its income (including levy income) and expenditure, objectives, performance targets, and policies; and
 - (iii) Its significant assets; and
- (b) How and to what extent the Board intends to consult growers on the Board's activities, and (to the extent, if any, that it intends to arrange for people to consult growers on its behalf) how grower concerns should be reported back to it by people consulting growers on its behalf.

(2) The Board must, without charge, make a copy of its current statement of strategic and consultative intent available to any grower who asks for one; and for that purpose must ensure that there are available at every annual general meeting copies for growers attending.

(3) As soon as is practicable after an annual general meeting finishes, the Board must give the Minister a copy of its current statement of strategic and consultative intent.

8. Board to consult growers—The Board must make reasonable efforts to consult growers, in accordance with its statement of strategic and consultative intent, about the Board's activities.

9. Board to consult representative organisations—The Board must make reasonable efforts to consult about the Board's activities (often enough to keep it satisfactorily informed about changes of opinion and circumstance among growers and other groups) organisations representing the interests of—

- (a) Growers generally; or
- (b) Groups of growers whose interests differ or are likely to differ from those of growers generally (otherwise than simply because they farm in a particular region); or
- (c) Other groups with a particular stake or interest in the New Zealand wool industry.

10. Board to take account of growers' concerns and views—Subject to section 5, in performing its functions, or preparing, reconsidering, or amending its statement of strategic and consultative intent, the Board must take account of grower concerns.

11. Powers of Board—(1) Except as provided in this Act, the Board has—

- (a) The rights, powers, and privileges of a natural person; and
- (b) The power to issue debentures; and
- (c) The power to grant floating charges on the Board's undertaking or property, or any of it; and
- (d) The power to do any other thing it is authorised to do by—
 - (i) This Act; or
 - (ii) Any other enactment; or
 - (iii) Any rule of law.

(2) Paragraphs (b) to (d) of subsection (1) do not affect the generality of paragraph (a) of that subsection.

(3) The Board must not exercise any of its rights, powers, or privileges, except for the purpose of—

- (a) Achieving its object; or
- (b) Performing its functions; or
- (c) Entering into any financial transaction or financial obligation intended to—
 - (i) Avoid or lessen any present or possible future risk to the Board's current or future income or assets; or
 - (ii) Lessen any liability of the Board; or
 - (iii) Avoid or lessen any possible future liability of the Board; or
 - (iv) Maximise the Board's current or future income (whether net or gross).

12. International obligations—(1) The Minister of the Crown who (under the authority of any warrant or with the authority of the Prime Minister) is in charge of international trade may give the Board a written notice, specifying—

- (a) A particular international obligation of New Zealand; and
- (b) An element of the performance of the Board's functions or the exercise of the Board's powers to which, in the Minister's opinion, the obligation is relevant.

(2) Until the notice is revoked, the Board must ensure that its performance or exercise of the element is consistent with the obligation.

13. Management of Board—(1) The affairs of the Board are to be managed by, or under the supervision or direction of, the board of directors.

- (2) The board of directors comprises—

- (a) Six directors elected, on the basis required by section 14, by growers; and
 - (b) Four directors (being people who, in the Board's opinion, are qualified by relevant expertise to be directors) appointed by the Minister on the Board's recommendation.
- (3) Before making any recommendation for the purposes of subsection (2) (b), the Board must prepare a list of possible appointees, taking particular care to ensure that there are included—
- (a) Suitable people available for appointment who are qualified by relevant knowledge and experience to represent to the Board the aims, aspirations, and interests of beneficiaries of trusts, and shareholders in Maori incorporations, owning Maori land used by those trusts and incorporations for wool growing; and
 - (b) Suitable women available for appointment.
- (4) The Board must not recommend a person whose name is not on the list; and in making its recommendation must take account of—
- (a) The desirability of its having at least 1 director qualified by relevant knowledge and experience to represent to it the aims, aspirations, and interests of beneficiaries of trusts, and shareholders in Maori incorporations, owning Maori land used by those trusts and incorporations for wool growing; and
 - (b) The desirability of its appointed directors' having, collectively, the background, experience, and expertise likely to be most valuable to it (in the light of the background, experience, and expertise of its elected directors) in the performance of its functions.
- (5) The Minister must not appoint any person to be a director under subsection (2) (b) unless satisfied that the Board has complied with subsections (3) and (4) in recommending the person for appointment.

14. Basis of election of directors by growers—(1) No grower is eligible to vote in any election of directors by growers unless, on 30 June before the day on which the election is held, the grower owned at least 250 sheep (of any age).

(2) In any election of directors by growers, each grower eligible to vote has 1 vote for every 250 sheep owned on that 30 June; and no account is to be taken of sheep owned in excess of an exact multiple of 250.

(3) Except as provided in subsections (1) and (2), every election of directors by growers is to be conducted in accordance with regulations made under this Act.

15. Associate directors—(1) The Board may appoint any person to be an associate director of the Board for any term not longer than 3 years; and, notwithstanding subclauses (2) and (3) of clause 1 of Schedule 2, the person must (if the person has not already died, resigned, or been removed from office) go out of office when that term expires.

(2) The Board must not have more than 1 associate director at any time.

(3) An associate director—

(a) May not vote on any matter before the Board; and

(b) Must not be counted when it is being determined whether a quorum of directors is present at any meeting of the Board; and

(c) May not be elected Chairperson or Deputy Chairperson of the Board, or be appointed to preside at any meeting of the Board.

(4) No deputy may be appointed under clause 3 of Schedule 2 to act for an associate director during incapacity.

(5) Except as otherwise provided in this section, this Act has effect as if an associate director is a director appointed under section 13 (2) (b).

16. Application of Part II of Commerce Act 1986—

(1) Nothing in Part II of the Commerce Act 1986 applies in respect of any act, matter, or thing done—

(a) By the Board, (or by any agent, director, employee, or officer of the Board) under Part 4 of this Act; or

(b) By any person in compliance with any provision of that Part.

(2) In the determination for the purposes of section 43 (1) of the Commerce Act 1986 of whether any act, matter, or thing of a kind not referred to in subsection (1) is or was specifically authorised by any enactment or Order in Council made under any Act, no regard may be had to subsection (1).

17. Provisions applying to directors—The provisions in Schedule 1 apply to directors.

18. Provisions applying to Board and board of directors—The provisions in Schedule 2 apply to the Board and the board of directors.

PART 3

ADMINISTRATION

Meetings of Growers

19. Meetings of growers—(1) In every financial year, the Board must,—

(a) Not later than 30 July in that financial year, fix the day (being a day not earlier than 3 months after the day on which it was fixed and not later than 31 October in that financial year) for a meeting of growers; and

(b) On the day fixed, hold such a meeting.

(2) For each region it for the time being recognises for the purpose, the Board must, in accordance with regulations made under this Act (if any), at least once in every financial year before the annual general meeting, call and hold a meeting of growers.

(3) The Board—

(a) May at any time, in accordance with regulations made under this Act (if any); and

(b) Where any such regulations require it to do so, must,— call and hold a special meeting of growers.

(4) Any grower may attend any annual general meeting or special meeting of growers held under this Act, even if it was resolved at the annual general meeting most recently held before it that growers should be elected to represent other growers in their regions at meetings of that kind held during the next financial year.

(5) Except as provided in this Act and in regulations made under it, the procedure for a meeting held under this section is to be determined at that meeting.

20. Matters for consideration at annual general meeting—(1) The Board must ensure that at every annual general meeting—

(a) Its statement of strategic and consultative intent is discussed; and

(b) Enough time is allocated to the discussion to give growers a reasonable opportunity to participate in and contribute to it; and

(c) Directors participate responsibly in the discussion and, in particular, respond helpfully to all reasonable questions and concerns raised by growers about—

(i) The statement itself; or

(ii) The Board's strategic intent in relation to any of the matters referred to in section 7 (1) (a); or

(iii) How and to what extent it intends to consult growers on the Board's activities, and (to the extent, if any, that it intends to arrange for people to consult growers on its behalf) how grower concerns should be reported back to it by people consulting growers on its behalf.

(2) The Board must ensure that at every annual general meeting resolutions are considered and voted on in relation to each of the following matters:

(a) Whether to approve the Board's recommendation in respect of the appointment or reappointment of an auditor to audit the Board's financial statements for the current financial year:

(b) Whether growers should be elected to represent other growers in their regions—

(i) At annual general meetings; or

(ii) At special meetings; or

(iii) At meetings of either kind,—
held during the next financial year:

(c) If it has been resolved that growers should be elected to represent other growers in their regions at meetings of any kind held during the next financial year, whether (and if so to what extent) they will be entitled to have the expenses they incur in attending the meetings reimbursed by the Board:

(d) Where and when the next annual general meeting should be held:

(e) Such other matters as may be prescribed by regulations made under this Act.

(3) Subject to section 32 (4) (b), the Board may put before any annual general meeting resolutions to approve either or both of the following matters:

(a) Terms of reference for a proposed performance audit:

(b) Giving the Board authority to select and appoint a person to conduct it.

(4) A resolution passed at an annual general meeting under subsection (2) (in respect of any matter referred to in any of paragraphs (a) to (c) of that subsection) is binding on the Board according to its tenor.

(5) The Board may put before any annual general meeting a resolution to approve maximum annual aggregate remuneration and benefits to be paid to directors (for services as a director) during the next financial year.

(6) Notwithstanding subsection (5), the Board may put before any annual general meeting a resolution to approve maximum

annual aggregate remuneration and benefits (being greater than the maximum annual aggregate last approved under that subsection) to be paid to directors (for services as a director) during the current financial year.

Remuneration of Directors, and Indemnity and Insurance of Directors, Employees, Etc.

21. Remuneration of directors—(1) Subject to subsections (2) to (4), there must be paid to each director such remuneration and benefits as the Board from time to time determines.

(2) During any financial year to which a resolution under section 20 (5) (or, as the case requires, section 20 (6)) applies, the Board must not pay to directors (for services as a director) remuneration and benefits that are in the aggregate more than the maximum aggregate remuneration and benefits approved by the resolution.

(3) During any financial year after the first year to which a resolution under section 20 (5) applies (being a year to which neither a resolution under section 20 (5) nor a resolution under section 20 (6) applies), the Board must not pay to directors (for services as a director) remuneration and benefits that are in the aggregate more than the maximum aggregate remuneration and benefits approved by the most recently passed resolution under section 20 (5).

(4) During any financial year before the first year to which a resolution under section 20 (5) applies, the Board must not—

- (a) Pay to the Chairperson of the Board (for services as Chairperson of the Board and a director) remuneration and benefits whose sum is greater than the sum of the remuneration and benefits paid to the Chairman of the former Board during the last complete financial year before the commencement of this Act; or
- (b) Pay to the Deputy Chairperson of the Board (for services as Deputy Chairperson of the Board and a director) remuneration and benefits whose sum is greater than the sum of the remuneration and benefits paid to the Deputy Chairman of the former Board during the last complete financial year before the commencement of this Act; or
- (c) Pay to any other director (for services as a director) remuneration and benefits whose sum is greater than the average sum of the remuneration and benefits paid to members (other than the Chairman and

Deputy Chairman) of the former Board during the last complete financial year before the commencement of this Act.

(5) In this section and section 20, “benefit”,—

(a) In relation to any goods or service of a non-monetary nature provided to or for a director or put at a director’s disposal, means the monetary value of those goods or that service; but

(b) Does not include (or include the monetary value of)—

(i) Any insurance of any kind in respect of any of the matters specified in paragraphs (a) and (b) of section 22 (2) provided or paid for by the Board; or

(ii) Any thing done or payment made by the Board in indemnifying a director in respect of any matters specified in paragraphs (a) and (b) of section 22 (2).

22. Restrictions on indemnity and insurance—(1) In this section and sections 23 to 25,—

“The corporation”,—

(a) In relation to an official in his or her capacity as a director, former director, officer, former officer, employee, or former employee, of the Board, means the Board; and

(b) In relation to an official in his or her capacity as a director, former director, officer, former officer, employee, or former employee, of a subsidiary of the Board, means the subsidiary:

“Effect insurance” includes pay, whether directly or indirectly, the costs of any insurance; and “effecting insurance” has a corresponding meaning:

“Indemnify” includes relieve or excuse from liability, whether before or after the liability arises; and “indemnification” and “indemnity” have corresponding meanings:

“New Zealand company” means company within the meaning of section 2 (1) of the Companies Act 1993:

“Official” means person who is a director, former director, officer, former officer, employee, or former employee, of the Board or a subsidiary of the Board:

“Proceeding” includes claim:

“Subsidiary of the Board” means body corporate (whether or not a New Zealand company) that, if it and the Board were each a New Zealand company, would be a subsidiary of the Board within the meaning of section 5 of the Companies Act 1993.

(2) Except as provided in sections 23 to 25, the Board must not indemnify or agree to indemnify an official, or directly or indirectly effect insurance for an official, in respect of—

(a) Liability for any act or omission in the official's capacity as an official of the corporation; or

(b) Costs incurred by the official in defending or settling any proceeding relating to any such liability.

(3) An indemnification or agreement to indemnify effected or entered into in breach of subsection (2) is void.

(4) If the Board becomes aware that any amount has been paid in breach of subsection (2),—

(a) The Board must take all reasonable steps to recover it from the person to whom it was paid or the person on whose behalf it was paid; or

(b) If—

(i) It is impossible, impracticable, or in all the circumstances inappropriate to recover the amount from the person to whom it was paid; and

(ii) It is impossible, impracticable, or in all the circumstances inappropriate to recover the amount from the person on whose behalf it was paid,—
the Board must take all reasonable steps to recover an equivalent amount from the person or persons responsible for paying the amount in breach of that subsection.

(5) The board of directors must ensure that particulars of every indemnification of or agreement to indemnify an official, and particulars of all insurance effected for any official,—

(a) Are as soon as is possible recorded in the records of the Board; and

(b) Are retained by the Board.

Cf. 1993, No. 105, s. 162

23. Permitted indemnities—(1) The Board may indemnify or agree to indemnify an official for any costs incurred by the official in any proceeding relating to liability for any act or omission in the official's capacity as an official of the corporation—

(a) If judgment is given in the official's favour; or

(b) If the official is acquitted; or

(c) If the proceeding is discontinued, and its discontinuance has not arisen during or as a consequence of its settlement.

(2) The Board may indemnify or agree to indemnify an official in respect of liability (to any person other than the

Board or any subsidiary of the Board) for any act or omission in the official's capacity as an official of the corporation, other than a liability of a kind described in subsection (4).

(3) The Board may indemnify or agree to indemnify an official in respect of costs incurred by the official in defending or settling any proceeding relating to any liability (to any person other than the Board or any subsidiary of the Board) for any act or omission in the official's capacity as an official of the corporation, other than a liability of a kind described in subsection (4).

(4) In relation to any official, the kinds of liability referred to in subsections (2) and (3) are—

(a) Criminal liability:

(b) Liability in respect of an act or omission in the official's capacity as a director of the Board that is in breach of the duty imposed by clause 1 of Schedule 1:

(c) Liability in respect of an act or omission in the official's capacity as a director of a subsidiary of the Board that, if the subsidiary and the Board were each a New Zealand company, would be in breach of the duty imposed by section 131 (1) of the Companies Act 1993:

(d) Liability in respect of an act or omission in the official's capacity as an officer or employee of the corporation that is in breach of any fiduciary duty owed by the official to the corporation.

Cf. 1993, No. 105, s. 162

24. Permitted insurance for directors—(1) The Board may, with the prior approval of the board of directors, effect insurance for a director of the Board in respect of—

(a) Liability (not being criminal liability) for any act or omission in the director's capacity as a director, officer, or agent of the Board or a subsidiary of the Board; or

(b) Costs incurred by the director in defending or settling any proceeding relating to any such liability; or

(c) Costs incurred by the director in defending any criminal proceeding, in respect of an act or omission in the director's capacity as a director, officer, or agent of the Board or a subsidiary of the Board, in which the director is acquitted.

(2) The directors who vote in favour of the Board's effecting insurance under subsection (1) must sign a certificate stating

that, in their opinion, the cost of effecting the insurance is fair to the Board.

(3) Where—

(a) Insurance not authorised by subsection (1) is effected for any director; or

(b) Insurance authorised by subsection (1) is effected for any director, but—

(i) Subsection (2) has not been complied with; or

(ii) Subsection (2) has been complied with, but reasonable grounds did not exist for the opinion set out in the certificate given under it,—

the director is personally liable to the Board for the cost of effecting the insurance, except to the extent that the director proves that it was fair to the Board at the time the insurance was effected.

Cf. 1993, No. 105, s. 162

25. Permitted insurance for other officials—(1) The Board may, with the approval of the board of directors (given before or after the insurance is effected), effect insurance for any official in respect of—

(a) Liability (not being criminal liability) for any act or omission in the official's capacity as an official of the corporation; or

(b) Costs incurred by the official in defending or settling any proceeding relating to any such liability; or

(c) Costs incurred by the official in defending any criminal proceeding, in respect of an act or omission in the official's capacity as an official of the corporation, in which the official is acquitted.

(2) Subsection (1) does not authorise the Board to effect insurance for any director of the Board.

(3) If it becomes aware that any insurance permitted by subsection (1) has been effected without its approval, the Board must promptly give its approval or cancel the insurance.

(4) If it becomes aware that any insurance not permitted by subsection (1) has been effected without its approval, the Board must immediately cancel the insurance.

Cf. 1993, No. 105, s. 162

Other Matters

26. Board to prepare financial statements—(1) As soon as is practicable after the last day of each financial year but not

later than the next annual general meeting, the Board must prepare—

- (a) Financial statements for the Board for that year; and
- (b) Financial statements for the Board and every subsidiary (within the meaning of sections 158 and 158A of the Companies Act 1955 or sections 5 and 6 of the Companies Act 1993, as the case may be) of the Board for that year.

(2) The Financial Reporting Act 1993 applies to the Board and all the financial statements referred to in subsection (1) as if—

- (a) The Board's subsidiaries were companies within the meaning of that Act; and
- (b) The Board and the Board's subsidiaries were a group within the meaning of that Act; and
- (c) The Board were both a company and an issuer within the meaning of that Act (and a company within the meaning of the Companies Act 1993).

27. Audit of financial statements—(1) Subject to subsection (2),—

- (a) The statements referred to in section 26 must be audited by an auditor appointed or reappointed by the Board within 12 months before the end of the period to which the statements relate; but
- (b) The Board must not appoint or reappoint an auditor without the approval of growers obtained, within 12 months before the end of the period to which the statements relate, at an annual general meeting.

(2) Where, at the end of the period to which any statements referred to in section 26 relate, there is no person appointed auditor under subsection (1), the statements must be audited by an auditor appointed by the Minister.

(3) For the purposes of the audit of any statement referred to in section 26, an auditor appointed under this section has, and may exercise and perform, all the functions, duties, and powers of an auditor under the Companies Act 1993.

(4) Where the Board or the Minister appoints the Audit Office to audit any statements, the Audit Office may audit them.

28. Remuneration of auditor—For auditing its financial statements, the Board must pay the person who audits them—

- (a) The remuneration agreed between the Board and the person, if the Board appointed the person:

- (b) The remuneration agreed between the Minister and the person (after the Minister has consulted the Board), if the Minister appointed the person.

29. Annual report and statements to be presented to House of Representatives—(1) As soon as is practicable after the statements referred to in section 26 have been prepared in respect of any financial year and audited, the Board must prepare and give to the Minister—

- (a) A report of its operations and proceedings for the year, including—
 - (i) A report on the exercise of its statutory powers during the year; and
 - (ii) Details of all particulars of indemnity and insurance recorded during the year under section 22 (5); and
- (b) A copy of the statements and the report of its auditor on them; and
- (c) A report of the matters required to be included in the annual report of a company by paragraphs (e), (f), and (g) of section 211 (1) of the Companies Act 1993; and those paragraphs apply as if references to—
 - (i) An accounting period were references to that year; and
 - (ii) A company were references to the Board; and
 - (iii) A director or former director were references to a director or former director of the Board; and
- (d) The maximum annual aggregate remuneration and benefits approved for that year; and
- (e) Where a resolution under section 20 (5) applicable to the next financial year was approved at an annual general meeting in that year, the maximum annual aggregate remuneration and benefits approved by that resolution.

(2) As soon as is practicable after receiving copies of any such report or copy, the Minister must present a copy of it to the House of Representatives.

(3) The Board must, without charge, make copies of the reports and statements most recently given to the Minister under subsection (1) available to all growers who ask for them, and for that purpose must ensure that there are available at every annual general meeting copies for growers attending.

Performance and Efficiency Audits

30. Performance and efficiency audits—(1) From time to time there must be conducted, in accordance with this section and sections 31 to 36, an audit of how effectively and efficiently the Board is performing in relation to the achievement of its object in terms of—

- (a) The Board's performance of its functions and use of its powers under this Act; and
- (b) The objectives, policies, and strategies established or put in place by the Board and any operating companies of the Board; and
- (c) The matters referred to in paragraphs (a) and (b) of section 7 (1); and
- (d) The procedures adopted by the Board and any operating companies.

(2) While a performance audit relates to how effectively and efficiently the Board is performing, the person conducting it—

(a) Must conduct it on the basis of—

(i) The Board's performance on the day to which it relates; and

(ii) The Board's prospective future performance; but

(b) May have regard to the Board's performance during the 5 years before the day to which it relates.

(3) A performance audit includes the making of recommendations as to how the Board might perform better in respect of all or any of the matters specified in subsection (1).

31. Timing of performance audits—(1) The first performance audit must be conducted as soon as is practicable after 1 July 2000; and must relate to that day.

(2) Later performance audits must be conducted as soon as is practicable after—

(a) 1 July in the year 5 years after the day to which the most recent audit related; or

(b) Any earlier 1 July fixed by the Board at least 12 months before that day;—

and must relate to that 1 July.

(3) The person conducting a performance audit may, before the day to which it relates,—

(a) Undertake any preliminary work:

(b) Examine, consider, or investigate, any action, circumstance, event, or inaction, that has already occurred or is occurring.

32. Terms of reference—(1) In every financial year ending immediately before the day to which a performance audit relates, the Board must, at least 12 weeks before the day fixed for the holding of that year's annual general meeting, consult the Minister as to the terms of reference for the audit.

(2) No more than 2 months after the consultation, the Minister must give the Board written notice of the Minister's views on the terms of reference for the audit.

(3) Subject to subsection (4), the terms of reference for a performance audit must be determined by the Board.

(4) The Board—

(a) Must not determine terms of reference for a performance audit without obtaining the approval of an annual general meeting; and

(b) Must not seek that approval before making known to the annual general meeting the views expressed by the Minister under subsection (2).

(5) Notwithstanding subsection (3), where—

(a) The Board has failed to comply with subsection (1) or subsection (4) (b) in relation to a performance audit; or

(b) The Board has failed to gain the approval referred to in subsection (4) (a) to any proposed terms of reference for a performance audit,—

the Minister must, after consultation with the Board, prescribe the terms of reference for the audit by written notice to the Board.

(6) If the Minister has, by written notice to the Board, prescribed the terms of reference for a performance audit,—

(a) As soon as is practicable after doing so, the Minister must publish in the *Gazette* a notice that the Minister has done so; and

(b) The Board must make a copy of the written notice available free to any grower who asks for one.

33. Appointment of person to conduct performance audit—(1) Every performance audit must be conducted by a person (not being an officer or employee of the Board or a director or former director, or a former director of the former Board) appointed by the Board at least 1 month before the day to which it relates, after consultation with the Minister.

(2) The Board must not appoint a person to conduct an audit without obtaining authority to select and appoint some person to do so at an annual general meeting.

(3) Where 1 month before the day to which the audit relates the Board—

- (a) Has purported to appoint a person to conduct it without—
 - (i) Consulting with the Minister under subsection (1); or
 - (ii) Obtaining the authority required under subsection (2); or
- (b) Has failed or refused to appoint a person to conduct it,—the audit must be conducted by a person appointed by the Minister after consultation with the Board.

34. Conduct of performance audit—The person appointed to conduct a performance audit must, in determining how effectively and efficiently the Board is performing, take into account—

- (a) The object for which the Board has been established; and
- (b) Any objectives established by the Board; and
- (c) The extent to which those objectives are in keeping with the achievement of its object and the effective carrying out of its functions under this Act; and
- (d) The nature of those objectives, the manner in which they were established, and any systems established by the Board for revising or reviewing them; and
- (e) The progress the Board is making towards the achievement of its object and of any objectives; and
- (f) The extent to which the Board has put in place and implemented policies and strategies to use its resources effectively and efficiently for the purpose of achieving its object and performing its functions and achieving any objectives; and
- (g) The nature of those policies and strategies, the manner in which they were put in place, and any systems for revising or reviewing them; and
- (h) The manner in which the Board is—
 - (i) Performing its functions; and
 - (ii) Exercising its powers; and
 - (iii) Carrying on its activities; and
 - (iv) Implementing its policies and strategies; and
- (i) Where the Board has operating companies, the contribution that they are making towards its progress in achieving its object, achieving any objectives, and implementing its policies and strategies;—

but the fact that any other matter is determined under section 32 (3) (or prescribed under section 32 (5)) is conclusive evidence that it relates to the performance and efficiency of the Board.

35. Report on performance and efficiency of Board—

(1) Every person who conducts a performance audit must, after conducting it,—

(a) Prepare—

(i) A written report on the conclusions reached and recommendations formulated as a result of conducting it; and

(ii) A written summary of those conclusions and recommendations; and

(b) Give copies of the report and summary to the Minister and the Board.

(2) If asked by a grower to do so, the Board must without charge give the grower a copy of the written summary prepared under subsection (1) (a) (ii) most recently given to it.

36. Board to pay for performance audits—For conducting a performance audit, the Board must pay the person who conducts it—

(a) The remuneration agreed between the Board and the person, if the Board appointed the person:

(b) The remuneration agreed between the Minister and the person (after the Minister has consulted the Board), if the Minister appointed the person.

PART 4

WOOL BOARD LEVY

37. Board may designate collection agents—(1) For the purpose of enabling the orderly and efficient payment of the levy to the Board, the Board may from time to time, by written notice to any person, designate that person to collect the levy for the Board; and may at any time in the same manner cancel any person's designation.

(2) The designation takes effect—

(a) On a day (more than a month after the Board gives the notice to the person) specified in the notice, if the notice specifies such a day:

(b) A month after the Board gives the notice to the person, in any other case.

(3) The cancellation of a designation takes effect—

- (a) On a day specified in the notice, if the notice specifies a day:
- (b) On the day the Board gives the notice to the person, in any other case.
- (4) The Board must—
 - (a) Keep a list of all persons who or that are for the time being collection agents:
 - (b) Take all practicable steps to ensure that every collection agent is regularly given, free, a copy of the list:
 - (c) On payment of any reasonable fee for the time being fixed by the Board, give a copy of the list to any other person who asks for it.
- (5) Every person who, immediately before the commencement of this Act was a licensed wool exporter, a manufacturer, a registered private wool buyer, a registered wool exchange operator, or a wool broker (that is to say a person who, in the ordinary course of business, regularly sells wool at auction sales), is deemed on that commencement to have been designated to collect the levy for the Board; but—
 - (a) The person's designation may at any time be cancelled under subsection (1); and
 - (b) If not earlier cancelled, will be deemed to have been cancelled on the day 4 months after that commencement.
- (6) A person may be designated under subsection (1) to collect the levy for the Board while still deemed to have been so designated under subsection (5).
- (7) In subsection (5), the terms "licensed wool exporter", "manufacturer", "registered private wool buyer", and "registered wool exchange operator" have the meanings given to them by section 2 of the former Act.

38. Minister may specify activities—(1) The Minister may by notice in the *Gazette* specify activities that determine when and by which person the levy is to be collected or paid.

(2) A notice comes into force a month (or any longer period specified in it) after it is published.

(3) Until the first notice under subsection (1) comes into force, the activities specified in Schedule 3 are deemed to be specified activities.

39. Levy on wool—(1) This subsection imposes a levy on wool produced in New Zealand.

(2) The levy becomes payable on any wool when it is—

- (a) Sold to or through a collection agent; or

(b) Subjected to a specified activity by a collection agent; or
(c) Exported from New Zealand,—
(whichever first occurs).

(3) The levy is payable in accordance with this Part and any regulations made under this Act.

(4) Subject to subsection (5), the levy payable on wool of any particular kind or kinds produced in New Zealand and at any time—

(a) Sold in any particular manner or circumstances (or manner and circumstances); or

(b) Subjected to any particular specified activity in any particular manner or circumstances (or manner and circumstances); or

(c) Exported from New Zealand,—
must be calculated at a rate and on a basis then prescribed by the Board by notice in the *Gazette* for wool of that kind or those kinds so sold, subjected to that activity, or exported.

(5) A notice published before 1 May in any year comes into force on 1 July in that year.

(6) A notice published after 30 April in any year comes into force on 1 July in the next year.

(7) If, when wool of a particular kind produced in New Zealand is—

(a) Sold in any particular manner or circumstances (or manner and circumstances); or

(b) Subjected to any particular specified activity in any particular manner or circumstances (or manner and circumstances); or

(c) Exported from New Zealand,—
no rate and basis are prescribed for wool of that kind so sold, subjected to that activity, or exported, no levy is (in relation to the sale, subjection to that activity, or export, concerned) payable on that wool.

(8) All levy money paid to the Board forms part of its funds; and the Board deals with it accordingly.

(9) Where—

(a) The transaction that has attracted the payment of the levy on any wool is not a sale; and

(b) The basis for the calculation of the levy on that wool is or includes its value,—

the Board may assess its value in any reasonable manner the Board thinks fit.

(10) Until the first notice under subsection (4) comes into force or the close of 30 June 1999 (whichever is the sooner),—

- (a) To the extent that immediately before the commencement of this Act elements of the Wool Industry Regulations 1978 and the notice published in the *Gazette* on 23 May 1996 at page 1351 together prescribed rates of the funding levy under the former Act, those rates are deemed to have been prescribed under subsection (4), and to have come into force, on that commencement; and
- (b) To the extent that immediately before the commencement of this Act elements of those regulations and that notice together prescribed bases for the calculation of that funding levy, those bases are deemed to have been prescribed under subsection (4), and to have come into force, on that commencement.
- (11) Notwithstanding subsections (4) and (10), the consequences set out in subsection (12) will occur if—
- (a) A rate and basis are deemed by subsection (10) to have been prescribed under subsection (4) for wool of a particular kind produced in New Zealand—
- (i) Sold in any particular manner or circumstances;
 - or
 - (ii) Subjected to any particular specified activity in any particular manner or circumstances (or manner and circumstances); or
 - (iii) Exported from New Zealand; and
- (b) By the close of 31 January 1999 the Board has not prescribed a rate and basis for the calculation of the levy on wool of that kind so sold, subjected to that activity, or exported.
- (12) The consequences are,—
- (a) At any time before 1 May 1999, the Minister may, by notice in the *Gazette*, prescribe a rate and basis for the calculation of the levy on wool of the kind concerned (as the case may be)—
- (i) Sold in the manner or circumstances concerned;
 - or
 - (ii) Subjected to the activity concerned in the manner or circumstances (or manner and circumstances) concerned; or
 - (iii) Exported from New Zealand:
- (b) Any notice has effect as a notice under subsection (4);
- (c) Whether or not the Minister publishes a notice, the Board has no power between the close of 31 January 1999 and the close of 30 April 1999 to prescribe a rate and

basis for the calculation of the levy on wool of that kind so sold, subjected to that activity, or exported.

40. Board to notify collection agents of rates and bases of levy—The Board must take all practicable steps to ensure that, as soon as may be after prescribing a rate and basis of calculation of the levy for wool of any kind, all collection agents who are reasonably likely to have to pay the levy on wool of that kind are given written notice of that rate, basis, and kind of wool.

41. Levy returns—(1) Every collection agent must, in accordance with this section and any regulations made under this Act, make to the Board returns of wool on which the levy has become payable under section 39 (2).

(2) Every levy return—

(a) Must be in a form determined by the Board; and

(b) Must be made in respect of such periods as the Board for the time being specifies in that behalf by notice in the *Gazette*; and different periods may be specified in respect of all or any of the following matters:

(i) Wool of different kinds:

(ii) Wool subjected to different specified activities:

(iii) Wool sold to or through, or subjected to a specified activity by, collection agents of different kinds:

(iv) Wool exported by persons of different kinds:

(v) Wool sold, subjected to a specified activity, or exported, in different circumstances:

(vi) Wool sold, subjected to a specified activity, or exported, in different manners; and

(c) Must be made to the Board within such time after the end of the period to which it relates as the Board for the time being specifies in that behalf by notice in the *Gazette*; and different times may be specified in respect of any of the periods specified under paragraph (b).

(3) Every levy return for the period before notices under subsection (2) take effect,—

(a) In the case of wool sold at auction in New Zealand, must be made to the Board in respect of all wool sold at the auction to or through the person making the return, within 18 days of the day on which the auction took place; and

- (b) In every other case, must be made to the Board in respect of a month, within 18 days of the month in respect of which it is made.

42. Payment of levy—(1) Where the levy becomes payable on wool when it is sold through a collection agent, the levy on that wool must be paid by that agent.

(2) Where the levy becomes payable on wool when it is sold to a collection agent (otherwise than through some other collection agent), the levy on that wool must be paid by that agent.

(3) Where the levy becomes payable on wool when it is subjected to a specified activity by a collection agent, the levy on that wool must be paid by that agent.

(4) Where the levy becomes payable on wool when it is exported from New Zealand, the levy on that wool must be paid by the exporter; and if the exporter is not a collection agent, sections 41, 44, and 49 apply to the exporter as if the exporter is a collection agent.

(5) Every person who makes a levy return must, unless the amount of levy money payable in respect of the wool to which it relates has already been sent to or paid into a bank account of the Board,—

- (a) Send that amount to the Board with the return; or
(b) Send that amount to or pay it into a bank account of the Board, before the close of the day on which the return is due.

(6) The Board may, if a levy return is not made to it within the time required by section 41 or if it is not satisfied that the information contained in a levy return is complete and correct,—

- (a) Estimate the levy money payable under this Act in respect of the period to which that levy return should have related or related; and
(b) Make a written demand for the levy money estimated.

(7) Every person to whom a demand is made under subsection (6) must send the amount demanded to the Board, or pay it into a bank account of the Board,—

- (a) If the person concerned has not earlier under section 43 disputed the validity of the estimate concerned, within 18 days or any longer period the Board allows of the making of the demand:
(b) If the estimate concerned has been confirmed or substituted under section 43 (2) (c), within 18 days or

any longer period the Board allows of the giving of the notice confirming it or substituting it for another.

43. Estimate may be disputed—(1) Within 10 days of the making of a demand under section 42 (6) to any person (other than a demand substituted for another under subsection (2) (c) (i) of this section), the person may dispute the estimated amount demanded, by written notice to the Board—

- (a) Containing or accompanied by any written evidence or argument the person wishes to bring to the Board's attention; and
- (b) Accompanied by a copy of the demand.

(2) Within 15 days of receiving a notice of dispute, the Board must—

- (a) Consider the matters raised in it; and
- (b) Undertake any audit of the operations of the person concerned that the Board thinks appropriate and the person allows; and
- (c) By written notice to the person,—
 - (i) Withdraw the demand, and substitute another for it; or
 - (ii) Withdraw the demand, and indicate that no other will be substituted for it; or
 - (iii) Confirm the demand.

44. Collection agents may recover levy money from owners—A collection agent who—

- (a) Has paid any levy money payable in respect of any wool; but
- (b) Was not the owner of the wool when the levy on it became payable,—

may recover from the owner of the wool when the levy on it became payable all or any part of the amount paid, as a debt, or by deducting it from any money in the agent's hands belonging or payable to the owner.

45. Refunds—(1) If the Board finds in any case that levy money has been overpaid or wrongfully paid, it must refund from its funds the amount overpaid or wrongfully paid.

(2) The Board must not refund any amount to any person under subsection (1) unless—

- (a) The person—
 - (i) Has not been reimbursed for the amount; or

- (ii) Has been reimbursed for the amount but has since repaid it to the person from whom it was reimbursed; and
- (b) The person provides to the Board such levy return or other information, verified in such manner as the Board may require, as in the Board's opinion enables the Board to determine the amount to be refunded.

46. Levy money to be held in trust accounts—(1) Subject to section 47, every collection agent must keep a bank account (in this section referred to as a trust account) at a registered bank within the meaning of the Reserve Bank of New Zealand Act 1989; and—

- (a) Ensure that it is so named as to identify that it is a trust account kept by that person for the purposes of this section; and
- (b) Take all practicable steps to ensure that—
 - (i) It is used only for holding amounts required by subsection (3) to be deposited in it; and
 - (ii) The balance in it on any day is not less than the amount outstanding to the Board on that day under subsection (2).
- (2) For the purposes of this section, the amount outstanding to the Board by any collection agent on any day is the amount (if any) by which—
 - (a) The total of all amounts required by subsection (3) to be deposited in the trust account by the collection agent no later than a day before that day; is greater than
 - (b) The total of all amounts of levy money already paid by the collection agent to the Board before that day.
- (3) No later than the day—
 - (a) Specified in that behalf by; or
 - (b) Ascertained or calculated by reference to,—
 - regulations made under this Act (or if no regulations then in force specify a day, or a means for ascertaining or calculating a day, the day 11 days after the day the levy becomes payable on the wool concerned), a collection agent—
 - (c) Required by section 42 to pay the levy on any wool; and
 - (d) Required by subsection (1) to keep a trust account,—
 - must deposit an amount equal to the levy on that wool in the trust account maintained by the agent.
- (4) There is be deemed to be held in trust for the Board (as levy money)—

- (a) The amount outstanding to the Board by a collection agent held in the trust account maintained by the agent; or
 - (b) Where the amount held in the account is less than the amount outstanding, all the money in the account.
- (5) Money deemed by subsection (4) to be held in trust—
- (a) Is not available for the payment of; and
 - (b) Is not liable to be attached or taken in execution at the instance of,—
- any creditor of the collection agent concerned (other than the Board).
- (6) A person required by subsection (1) to keep a trust account who ceases to be a collection agent must continue to maintain the account until all levy money payable to the Board in respect of the period during which the person was a collection agent has been paid.

47. Board may authorise collection agents to dispense with operating trust account—(1) A collection agent is not required to keep a trust account if—

- (a) The Board has, by written notice to the agent, exempted the agent from the obligation to do so, and—
 - (i) The agent has instead posted a deposit under section 48; and
 - (ii) The Board has not later caused the deposit to be forfeited; or
 - (b) The Board has, by written notice to the agent, exempted the agent from the obligation to do so, and—
 - (i) The agent has given the Board an undertaking (satisfactory to the Board) to pay levy money directly to the Board within a period specified by the Board for the purpose by notice in the *Gazette* (or where no period is specified, 11 working days) after the sale to or through the agent of the wool to which the payment relates; and
 - (ii) The Board has not under subsection (2) cancelled the exemption.
- (2) If satisfied on reasonable grounds that a collection agent who has given it an undertaking under subsection (1)(b)(i) is not paying levy money to it in terms of that undertaking, the Board may, by written notice to the agent, cancel the agent's exemption under subsection (1).

48. Deposits—(1) With the Board's approval a collection agent may post with the Board or a bank approved by the

Board for the purpose a deposit of an amount approved by the Board for the purpose (taking into account the amounts of levy money likely to be payable by the agent).

(2) The Board may cause a deposit to be forfeited if the collection agent concerned has not within 30 days of the day on which any levy money is payable to the Board paid that money to the Board.

(3) The Board must not cause a deposit to be forfeited without first notifying the collection agent concerned of its intention to do so.

(4) Where a deposit is forfeited,—

(a) It forms part of the Board's funds (and the Board may deal with it accordingly); and

(b) All amounts of levy money owing to the Board by the collection agent concerned continue to be owed to the Board by the agent.

49. Records relating to levy to be kept—(1) Every person who makes a levy return under section 41 or pays levy money under section 42 must keep accurate records of the payment and full particulars of the transaction to which the payment related.

(2) All such records must be preserved for a period of not less than 2 years from the date they are made.

50. Levy to constitute debt due to Board—(1) When it has become payable, a levy is a debt due to the Board; and is recoverable as a debt by the Board in any Court of competent jurisdiction.

(2) The Board may assess, sue for, or recover levy money even if information has not been provided or a return has not been made.

51. Power of inspection in relation to levy—(1) An authorised person may exercise the powers specified in subsection (2) at any reasonable time (within or outside business hours) for the purpose of—

(a) Ascertaining whether the requirements of this Part are being met; or

(b) Obtaining evidence that those requirements (or any of them) are not being met.

(2) The powers referred to in subsection (1) are the power to—

(a) Enter any place where—

- (i) Any document relating to levy money, wool, or wool product is held or is likely to be held; or
- (ii) Any wool or wool product is held or is likely to be held; and
- (b) Inspect any document, wool, or wool product referred to in paragraph (a); and
- (c) Take or make copies of, or extracts from, any document inspected under this section; and for that purpose may—
 - (i) Take possession of and remove any such document from the place where it is held, for any reasonable period;
 - (ii) Require a person to reproduce, or assist the authorised person to reproduce, in usable form any information recorded or stored on a document electronically or by other means.
- (3) An authorised person must not under subsection (1) or subsection (2) enter any place that is not a place of business except with—
 - (a) The consent of an occupier; or
 - (b) A warrant under section 52.
- (4) In this section and section 52, “authorised person” means a person who is for the time being an employee or agent of the Board authorised by the Board to exercise the powers conferred by subsections (1) and (2).

52. Warrant to inspect place other than place of business—(1) A District Court Judge or a Court Registrar (not being a member of the Police), who on an application in writing made on oath by an authorised person is satisfied that there are reasonable grounds to believe that—

- (a) An offence against subsection (1) or subsection (2) of section 56 has been committed; and
 - (b) There is or is likely to be in some place that is not a place of business—
 - (i) Any document relating to levy money, wool, or wool product; or
 - (ii) Any wool or wool product,—
 that is evidence of the commission of that offence,—
- may issue to the authorised person a warrant authorising the person to enter and inspect the place.

(2) A District Court Judge or a Court Registrar (not being a member of the Police), who on an application in writing made on oath by an authorised person is satisfied that, as a consequence of the inspection under section 51 of a place of

business, there are reasonable grounds to believe that there is or is likely to be in some other place that is not a place of business—

(a) Any document relating to levy money, wool, or wool product; or

(b) Any wool or wool product,—

may issue to the authorised person a warrant authorising the person to enter and inspect the other place.

(3) The warrant must be in the appropriate form in Schedule 4, and may be issued unconditionally or subject to conditions.

53. Duties of persons executing warrants—A person executing a warrant issued under section 52 in respect of any place—

(a) Must produce the warrant on initial entry and, if asked by an occupier, at any time afterwards; and

(b) If an occupier is present on initial entry, must identify himself or herself to that occupier; and

(c) If asked by an occupier to do so, must produce evidence of identity.

54. Other duties of persons carrying out inspections—

(1) A person who carries out an inspection under section 51 when an occupier of the place inspected was not present must, on completing the inspection, leave prominently in the place a notice stating—

(a) The day and time when the inspection was carried out; and

(b) The person's name.

(2) If the person who carries out an inspection under section 51 takes a document, article, or thing from the place inspected, the person must, on completing the inspection, leave prominently in the place a schedule of all documents, articles, and things taken.

(3) If it is not practicable to prepare the schedule on completing the inspection, or if an occupier of the place inspected consents, the person who carries out the inspection must,—

(a) Instead of leaving the schedule, leave a notice that—

(i) A document, article, or thing has been taken; and

(ii) Within 7 days of the inspection the schedule will be delivered to, left for, or posted to an occupier; and

(b) Within 7 days of the inspection,—

- (i) Deliver the schedule to an occupier; or
 - (ii) Leave the schedule prominently in the place; or
 - (iii) Post the schedule by registered mail to an occupier.
- (4) The schedule must specify—
- (a) The documents, articles, and things taken; and
 - (b) The place or places where they are being held; or
 - (c) If more than 1 place is specified, the documents, articles, and things held in each.

PART 5

MISCELLANEOUS PROVISIONS

55. Requirement for certain persons to provide certain information to Board—(1) An exporter of wool or wool products must provide to the Board (within a reasonable time specified in the notice requesting it) all information that the Board, by notice in writing, requests from the exporter in respect of any or all of the following matters:

- (a) The quantities of wool and wool products exported;
- (b) The estimated value of the wool and wool products exported;
- (c) The port of discharge, and destination, of the wool and wool products exported.

(2) A person who or that subjects wool to a specified activity must provide to the Board (within a reasonable time specified in the notice requesting it) all information that the Board, by notice in writing, requests from the person in respect of either or both of the following matters:

- (a) The amount of wool subjected to the activity;
- (b) The amount of wool or wool product produced by the activity.

(3) A single notice may request information to be supplied regularly, at specified intervals or in respect of specified periods.

(4) A notice may request information—

- (a) In relation to wool or wool products generally; or
- (b) In relation to wool or wool products of kinds specified in the request.

(5) Instead of requesting any information under subsection (1), the Board may request it from the person holding office under the State Sector Act 1988 as the chief executive of the department of State referred to in section 5 of the Customs and Excise Act 1996; and in that case (notwithstanding any enactment to the contrary) the chief executive may cause to be

supplied to the Board such of that information as is available to the chief executive.

(6) The Board—

(a) Must not publish or disclose to any person any information obtained under this section that enables the identity of the person to whom it relates to be identified, except—

(i) For the purposes of the performance or exercise of any of the Board's functions or powers under this Act; or

(ii) For the purposes of an action brought under or in relation to this Act; or

(iii) While giving evidence in any legal proceeding taken under or in relation to this Act; or

(iv) With the consent of every identifiable person to whom it relates; and

(b) Must not use any information obtained under this section in any way for gain or reward.

(7) A person to whom any information obtained under this section is published or disclosed (whether or not in accordance with subsection (6) or this subsection)—

(a) Must not publish or disclose to any person any information obtained under this section that enables the identity of the person to whom it relates to be identified, except—

(i) For the purposes of the performance or exercise of any of the Board's functions or powers under this Act; or

(ii) For the purposes of an action brought under or in relation to this Act; or

(iii) While giving evidence in any legal proceeding taken under or in relation to this Act; or

(iv) With the consent of every identifiable person to whom it relates; and

(b) Must not use any information obtained under this section in any way for gain or reward.

56. Offences and penalties—(1) Every person who knowingly fails to comply with section 46 (1) (b) (ii) commits an offence, and is liable on summary conviction—

(a) To a fine not exceeding \$150,000, if the shortfall in the account exceeds \$500,000:

(b) To a fine not exceeding \$80,000, if the shortfall in the account exceeds \$100,000 but does not exceed \$500,000:

- (c) To a fine not exceeding \$30,000, if the shortfall in the account does not exceed \$100,000.
- (2) Every person commits an offence, and is liable on summary conviction to a fine not exceeding \$20,000, who—
- (a) Knowingly makes a false or misleading levy return; or
 - (b) Fails or refuses to comply with section 41, section 42 (5), section 42 (7), or section 49; or
 - (c) Wilfully prevents, obstructs, or hinders, a person exercising or attempting to exercise any of the powers conferred by subsections (1) and (2) of section 51; or
 - (d) Fails or refuses to make available to any person exercising any of the powers conferred by subsections (1) and (2) of section 51—
 - (i) Any document relating to levy money, wool, or wool products; or
 - (ii) Any wool or wool product.
- (3) Every person who—
- (a) Fails or refuses to comply with subsection (1) or subsection (2) of section 55; or
 - (b) In response to a request under subsection (1) or subsection (2) of section 55, wilfully gives the Board false or misleading information,—
- commits an offence, and is liable on summary conviction to a fine not exceeding \$15,000.

57. Regulations—(1) The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes:

- (a) Providing for and regulating the assessment, collection, estimation, payment, and receipt, of levy money and of any additional levy or charge for late payment of levy money:
- (b) Empowering the Board in any particular case to waive all or any part of any additional levy or charge for late payment that might otherwise be payable:
- (c) Providing for and regulating the rates of any additional levy or charge for late payment of levy money:
- (d) Preventing the evasion of the payment of levy money and any additional levy or charge in respect of its late payment:
- (e) Providing for the making of levy returns to, or the obtaining of any information or particulars by, the Board for the purposes of this Act, in relation to the levy:

- (f) Prescribing offences against the regulations; and prescribing penalties for such offences not exceeding \$5,000:
- (g) Prescribing the manner and circumstances in which meetings held under section 19 may or must be called:
- (h) Prescribing procedures (not inconsistent with this Act) for meetings held under section 19, including—
 - (i) Who (if anybody) may attend in addition to the growers entitled to attend by virtue of section 19 (4); and
 - (ii) Who is eligible to vote; and
 - (iii) Who may cast a vote as representative of an eligible body corporate, trust, partnership, or body of persons; and
 - (iv) Who (if anybody) may cast a vote as a proxy for an eligible grower, and the circumstances (if any) in which a proxy vote may be cast; and
 - (v) Any weighting to be given to votes cast (or any means by which such a weighting may be calculated or ascertained):
- (i) Prescribing procedures (not inconsistent with this Act) for elections of directors, including—
 - (i) Who is eligible to vote; and
 - (ii) Who may cast a vote as representative of an eligible body corporate, trust, partnership, or body of persons; and
 - (iii) Any weighting to be given to votes cast (or any means by which such a weighting may be calculated or ascertained):
- (j) Providing for the disclosure or publication of corporate intent and accountability arrangements of companies wholly or partly owned by the Board:
- (k) Providing for such matters as are contemplated by or necessary for giving full effect to the provisions of this Act and for its due administration.

(2) Where regulations made under this Act provide for the payment of an additional charge or levy, every reference to the levy in this Act is deemed to include a reference to the additional charge or levy.

58. Notices—(1) The Board may give any person a notice under this Act by causing it to be—

- (a) Delivered to the person; or

- (b) Addressed to the person and left at the person's home or business; or
 - (c) Transmitted to the person at the person's home or business by facsimile; or
 - (d) Transmitted to the person at the person's home or business by or through any other device or system of devices from or through which the person might reasonably be expected to receive it; or
 - (e) Posted in a letter addressed to the person at the person's home or business.
- (2) For the purposes of subsection (1), a person's home or business—
- (a) Is the person's usual or last known place of abode or business; but
 - (b) Includes any place whose address is specified by the person (for the purpose of communication) in any application, notice, or other document received from the person by the Board.
- (3) If any such notice is posted to any person by registered letter, it is deemed to have been given to the person when it would have been delivered in the ordinary course of post; and in proving the delivery it is sufficient to prove that the letter was properly addressed and posted.

59. Transitional provisions relating to directors of former Board—(1) After the commencement of this Act, this Act applies to every person who immediately before that commencement was a grower director of the former Board as if the person were a director elected under section 13 (2) (a); and, subject to this Act, every such person continues in office as a director,—

- (a) In the case of a person who—
 - (i) Was elected to be a director in the 1995 triennial elections; or
 - (ii) Was elected under the former Act to fill a vacancy caused by the death, resignation, or removal from office of a director elected in the 1995 triennial elections or a successor to such a director,—
until the close of 31 October 1998:
- (b) In the case of a person who—
 - (i) Was elected to be a director in the 1996 triennial elections; or
 - (ii) Was elected under the former Act to fill a vacancy caused by the death, resignation, or removal

from office of a director elected in the 1996 triennial elections or a successor to such a director,—
until the close of 31 October 1999:

(c) In the case of a person who—

(i) Was elected in the 1997 triennial elections to be the director representing the North Island (Eastern) Ward; or

(ii) Was elected under the former Act to fill a vacancy caused by the death, resignation, or removal from office of that director or a successor to that director,—

until the close of 31 October 1999:

(d) In the case of a person (other than a person referred to in paragraph (c)) who—

(i) Was elected to be a director in the 1997 triennial elections; or

(ii) Was elected under the former Act to fill a vacancy caused by the death, resignation, or removal from office of a director elected in the 1997 triennial elections or a successor to such a director,—
until the close of 31 October 2000.

(2) Until the close of 31 December 1998, this Act has effect as if—

(a) Section 13 (2) (a) were amended by omitting the words “on the basis required by section 14”, and substituting the words “in accordance with regulations made under this Act”; and

(b) Section 14 were repealed.

(3) Notwithstanding anything in this Act, every person who immediately before the commencement of this Act was a director of the former Board (other than grower director) is deemed to have become a director appointed under section 13 (2) (b) on that commencement; and continues in office until the earliest of the following days:

(a) The day on which that person dies, resigns, or is removed from office:

(b) The day 6 months after that commencement:

(c) The day on which the first appointment of any director under section 13 (2) (b) takes effect.

(4) Of the 4 directors first appointed under section 13 (2) (b) after the commencement of this Act,—

(a) One must be appointed for a term expiring with the close of 31 October 1999; and

(b) One must be appointed for a term expiring with the close of 31 October 2000; and

- (c) Two must be appointed for terms expiring with the close of 31 October 2001.

60. Transitional provisions relating to officers and employees of Board—(1) Notwithstanding anything in this Act, every person who immediately before the commencement of this Act was an officer or employee of the former Board is deemed to have become an officer or employee of the Board on that commencement.

(2) For the purposes of any fund or scheme for the purpose of providing superannuation or retiring allowances, the service of any person to whom subsection (1) applies as an officer or employee of the former Board must be treated as service as an officer or employee of the Board.

61. Consequential amendments—(1) The enactments specified in Schedule 5 are amended in the manner indicated in that Schedule.

(2) Regulation 2 of the Wool Board Regulations 1995 is amended by revoking the definitions of the terms “the “Act”, “the Board”, and “growers’ representative”, and inserting, in their appropriate alphabetical order, the following definitions:

“‘The Act’ means the Wool Board Act 1997:

“‘The Board’ means the New Zealand Wool Board established by section 4 (1) of the Act:

“‘Eligible grower’,—

“(a) At a time before 1 January 1999, means grower who then owns at least 100 sheep in New Zealand:

“(b) At a time after 31 December 1998, means grower who then owns at least 250 sheep in New Zealand:

“‘Growers’ representative’ means a director of the Board holding office under section 13 (2) (a) of the Act:”.

(3) Regulation 2 is further amended by adding, as subclauses (2) and (3), the following subclauses:

“(2) In these regulations, unless the context otherwise requires, terms defined in section 2 of the Act have the meanings given to them by that section.

“(3) Every reference in these regulations to a grower must be read as a reference to an eligible grower.”

(4) The Wool Board Regulations 1995 may be amended or revoked as if the amendments effected by this section had been effected by Order in Council and not by this section.

62. Consequential repeals and revocations—(1) The enactments specified in Schedule 6 are repealed.

(2) The following enactments are revoked:

- (a) The Wool Carriage by Sea or Air Notice 1974 (*Gazette* 1974, Vol. 1, p. 443):
 - (b) The Wool Marketing Corporation Regulations 1974 (S.R. 1974/208):
 - (c) The Wool Industry Act Commencement Order 1978 (S.R. 1978/5):
 - (d) The Wool Industry Regulations 1978 (S.R. 1978/6):
 - (e) The Fixing of Wool Board Levy Notice (*Gazette* 1996, p. 1351).
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SCHEDULES

SCHEDULE 1

Section 17

PROVISIONS APPLYING TO DIRECTORS

1. Duty of directors to act in good faith and to best attain object of Board—A director, when exercising powers or performing duties, must act in good faith and as the director believes will best attain the object of the Board.

2. Exercise of powers in relation to employees—(1) Nothing in clause 1 limits the power of a director to make provision for the benefit of employees of the Board in connection with the Board's ceasing to carry on the whole or part of its affairs.

(2) In subclause (1),—

“Board” includes a subsidiary of the Board:

“Employees” includes former employees and the dependants of employees or former employees; but does not include an employee or former employee who is or was a director.

3. Powers to be exercised for proper purpose—A director must exercise a power for a proper purpose.

4. Directors to comply with Act—A director must not act, or agree to the Board's acting, in a manner that contravenes this Act.

5. Reckless trading—A director must not—

- (a) Agree to the affairs of the Board being carried on in a manner likely to create a substantial risk of serious loss to the Board's creditors; or
- (b) Cause or allow the affairs of the Board to be carried on in a manner likely to create a substantial risk of serious loss to the Board's creditors.

Cf. 1993, No. 105, s. 135

6. Duty in relation to obligations—A director must not agree to the Board's incurring an obligation unless the director believes at that time on reasonable grounds that the Board will be able to perform the obligation when it is required to do so.

7. Director's duty of care—A director, when exercising powers or performing duties as a director, must exercise the care, diligence, and skill that a reasonable director would exercise in the same circumstances taking into account, but without limitation,—

- (a) The nature of the Board; and
- (b) The nature of the decision; and
- (c) The position of the director and the nature of the responsibilities undertaken by him or her.

8. Use of information and advice—(1) Subject to subclause (2), a director, when exercising powers or performing duties as a director, may rely on reports, statements, and financial data and other information prepared or supplied, and on professional or expert advice given, by any of the following persons:

SCHEDULE 1—*continued*PROVISIONS APPLYING TO DIRECTORS—*continued*

- (a) An employee of the Board whom the director believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
 - (b) A professional adviser or expert in relation to matters which the director believes on reasonable grounds to be within the person's professional or expert competence;
 - (c) Any other director, or committee of persons established by the Board (upon which the director did not serve), in relation to matters within the director's or committee's designated authority.
- (2) Subclause (1) applies to a director only if the director—
- (a) Acts in good faith; and
 - (b) Makes proper inquiry where the need for inquiry is indicated by the circumstances; and
 - (c) Has no knowledge that such reliance is unwarranted.

9. Meaning of "interested"—(1) For the purposes of this Schedule, a director is interested in a transaction to which the Board is a party if, and only if, the director—

- (a) Is a party to, or will or may derive a material financial benefit from, the transaction; or
- (b) Has a material financial interest in another party to the transaction; or
- (c) Is a director, officer, or trustee of another party to, or person who will or may derive a material financial benefit from, the transaction, not being a party or person that is a wholly-owned subsidiary of the Board; or
- (d) Is the parent, child, or spouse of another party to, or person who will or may derive a material financial benefit from, the transaction; or
- (e) Is otherwise directly or indirectly materially interested in the transaction.

(2) For the purposes of this Schedule, a director is not interested in a transaction to which the Board is a party if the transaction comprises only the giving by the Board of security to a third party which has no connection with the director, at the request of the third party, in respect of a debt or obligation of the Board for which the director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity, or by the deposit of a security.

10. Disclosure of interest—(1) A director must, forthwith after becoming aware of the fact that he or she is interested in a transaction or proposed transaction with the Board, cause to be entered in the interests register and disclose to the board of directors,—

- (a) If the monetary value of the director's interest is able to be quantified, the nature and monetary value of that interest; or
- (b) If the monetary value of the director's interest cannot be quantified, the nature and extent of that interest.

(2) For the purposes of subclause (1), a general notice given to the board of directors to the effect that a director is a shareholder, director, officer or trustee of a person named in the notice and is to be regarded as interested in any transaction which may, after the day on which the notice is given to the board of directors, be entered into by the Board with that person, is a sufficient disclosure of interest in relation to that transaction.

SCHEDULE 1—*continued*PROVISIONS APPLYING TO DIRECTORS—*continued*

(3) A failure by a director to comply with subclause (1) does not affect the validity of a transaction entered into by the Board or the director.

(4) Every director who fails to comply with subclause (1) commits an offence and is liable on summary conviction to a fine not exceeding \$10,000.

11. Avoidance of transactions—(1) A transaction entered into by the Board in which a director is interested may be avoided by the Board at any time before the expiration of 3 months after the transaction is disclosed to the board of directors.

(2) A transaction cannot be avoided if the Board receives fair value under it.

(3) For the purposes of subclause (2), the question whether the Board receives fair value under a transaction is to be determined on the basis of the information known to the Board and to the interested director at the time the transaction is entered into.

(4) If a transaction is entered into by the Board in the ordinary course of its business and on usual terms and conditions, the Board is presumed to receive fair value under the transaction.

(5) For the purposes of this clause,—

(a) A person seeking to uphold a transaction who knew or ought to have known of the director's interest at the time the transaction was entered into has the onus of establishing fair value; and

(b) In any other case, the Board has the onus of establishing that it did not receive fair value.

(6) A transaction in which a director is interested can be avoided only on the ground of the director's interest in accordance with this clause.

12. Effect on third parties—The avoidance of a transaction under clause 11 does not affect the title or interest of a person in or to property which that person has acquired if the property was acquired—

(a) From a person other than the Board; and

(b) For valuable consideration; and

(c) Without knowledge of the circumstances of the transaction under which the person referred to in paragraph (a) acquired the property from the Board.

13. Application of clauses 10 and 11 in certain cases—Nothing in clauses 10 and 11 applies in relation to—

(a) The fixing of any levy by the Board; or

(b) Remuneration or any other benefit given to a director in his or her capacity as a director; or

(c) An indemnity given to or insurance provided for a director in his or her capacity as a director.

14. Interested director may vote—Subject to any rules adopted by the Board for the purpose of this clause, a director who is interested in a transaction entered into, or to be entered into, by the Board, may—

(a) Vote on a matter relating to the transaction; and

(b) Attend a meeting of the board of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purpose of a quorum; and

SCHEDULE 1—*continued*PROVISIONS APPLYING TO DIRECTORS—*continued*

- (c) Sign a document relating to the transaction on behalf of the Board;
and
 - (d) Do any other thing in his or her capacity as a director in relation to the transaction,—
- as if the director were not interested in the transaction.

15. Use of Board information—(1) A director who has information in his or her capacity as a director or employee of the Board, being information that would not otherwise be available to him or her, must not disclose that information to any person, or make use of or act on the information, except—

- (a) For the purposes of the Board; or
- (b) As required by law; or
- (c) In accordance with subclause (2); or
- (d) In complying with clause 10.

(2) A director may disclose, make use of, or act on the information if—

- (a) Particulars of the disclosure, use, or act in question, are entered in the interests register; and
- (b) The director is first authorised to do so by the board of directors; and
- (c) The disclosure, use, or act in question will not, or will not be likely to, prejudice the Board.

16. Duties owed to Board—The duties of the directors of the Board set out in this Schedule are owed to the Board.

SCHEDULE 2

Section 18

PROVISIONS APPLYING TO BOARD AND BOARD OF DIRECTORS

Directors

1. Term of office of directors—(1) Except as otherwise provided in this Act, a director holds office for a term expiring at the close of 31 October in the year 3 years after the year in which the director was elected or appointed.

(2) A director may continue in office after the expiry of the term for which the director was elected or appointed if the Minister—

(a) Authorises the director to continue in office; and

(b) Determines the length of the director's extended term,—
before that expiry (or before the expiry of any extension or extensions of that term authorised under this subclause).

(3) If a director continues in office for any period after the expiry of the director's term, the successor's term of office must be reduced by that period.

(4) Any director may from time to time be re-elected or reappointed.

(5) Notwithstanding subclause (1), the director elected for the North Island (Eastern) Ward in 1997 holds office for a term of 2 years only.

2. Extraordinary vacancies—(1) The Minister may remove a director from office for disability affecting performance of duty, bankruptcy, breach of any duty set out in Schedule 1 that applies to the director, or misconduct, proved to the Minister's satisfaction.

(2) A director may resign by written notice to the Minister.

(3) If a director dies, or resigns, or is removed from office and the residue of the term of the vacating director—

(a) Does not exceed 12 months, the Minister may, on the recommendation of the board of directors, appoint a director for the residue of the term for which the vacating director was elected or appointed; or

(b) Exceeds 12 months, the vacancy must be filled,—

(i) Where the vacating director was an elected director, by electing a director in the manner specified in section 13 (2) (a):

(ii) Where the vacating director was an appointed director, by appointing a director in the manner specified in section 13 (2) (b).

(4) The powers of the Board or the board of directors are not affected by any vacancy in the board of directors.

3. Deputies of directors—(1) If satisfied that a director is, because of illness, absence, or other sufficient cause, incapable of performing the duties of a director, the Minister may, on the recommendation of the board of directors, appoint a deputy to act for the director during the director's incapacity.

(2) A deputy appointed under this section is deemed for all purposes to be a director.

(3) No appointment of a deputy, no acts done by the deputy, and no acts done by the board of directors while any deputy is acting, may in any proceedings be questioned on the ground that the occasion for appointment had not arisen or had ceased.

4. Powers of board of directors—The board of directors has all the powers necessary—

SCHEDULE 2—*continued*PROVISIONS APPLYING TO BOARD AND BOARD OF DIRECTORS—*continued**Directors—continued*

- (a) For managing, and for directing and supervising the management of, the affairs of the Board; and
- (b) For exercising the powers of the Board.

Meetings of Board

5. Meetings of Board—(1) Meetings of the board of directors must be held at times and places it appoints.

(2) The Chairperson of the board of directors or any 3 directors may at any time call a special meeting of the board of directors.

(3) At all meetings of the board of directors, the quorum necessary for the transaction of business is 6 directors.

(4) All questions arising at any meeting of the board of directors must be decided by a majority of the votes cast by the directors present at the meeting.

(5) A resolution assented to by letter, telegram, telex, facsimile message, or electronic message by all directors is as valid and effectual as if it had been passed at a meeting of the board of directors duly called and constituted.

(6) Where—

- (a) There is held a telephone or video conference of at least 6 directors of the Board; and
- (b) All reasonable efforts have been made to enable every director to participate in the conference; and
- (c) A resolution is assented to by a majority of the directors participating in the conference,—

the resolution is as valid and effectual as if it had been passed at a meeting of the board of directors duly called and constituted.

(7) Except as provided in this Act and any regulations made under it, the board of directors may regulate its procedure at meetings in any manner it thinks fit.

6. Chairperson and Deputy Chairperson—(1) At its first meeting after 31 October in each year, the board of directors must elect a Chairperson and a Deputy Chairperson from among the directors.

(2) If a Chairperson or a Deputy Chairperson vacates office as Chairperson or Deputy Chairperson or ceases to be a director, the board of directors must elect from among its members a Chairperson or a Deputy Chairperson, who holds office until the next election of a Chairperson and Deputy Chairperson.

(3) If present, the Chairperson must preside at all meetings of the board of directors.

(4) If the Chairperson is absent from any meeting of the board of directors and the Deputy Chairperson is present, the Deputy Chairperson must preside.

(5) If both the Chairperson and Deputy Chairperson are absent from any meeting of the board of directors, the directors present must appoint one of their number to preside at the meeting.

(6) At any meeting of the board of directors, the person presiding has a deliberative vote and, in the case of an equality of votes, also has a casting vote.

SCHEDULE 2—*continued*PROVISIONS APPLYING TO BOARD AND BOARD OF DIRECTORS—*continued**Meetings of Board—continued*

(7) A Chairperson or Deputy Chairperson may from time to time be re-elected.

Miscellaneous Provisions

7. Contracts of Board—(1) Subject to clause 8, a contract or other enforceable obligation may be entered into by the Board as follows:

- (a) An obligation which, if entered into by a natural person, would, by law, be required to be by deed, may be entered into on behalf of the Board in writing signed under the name of the Board by—
 - (i) Two or more directors; or
 - (ii) One or more persons authorised by the Board under clause 8:
 - (b) An obligation which, if entered into by a natural person, is, by law, required to be in writing, may be entered into on behalf of the Board in writing by a person acting under the Board's express or implied authority:
 - (c) An obligation which, if entered into by a natural person is not, by law, required to be in writing, may be entered into on behalf of the Board in writing or orally by a person acting under the Board's express or implied authority.
- (2) Nothing in subclause (1) limits or prevents the Board entering into a contract or other enforceable obligation in writing under its seal, if it has one.
- (3) Subclause (1) applies to a contract or other obligation—
- (a) Whether or not that contract or obligation was entered into in New Zealand; and
 - (b) Whether or not the law governing the contract or obligation is the law of New Zealand.
- (4) Notwithstanding anything in subclauses (1) to (3), no contract made by or on behalf of the Board is invalid by reason only that it was not made in the manner provided by this clause, if it was made under or to give effect to a resolution of the Board.

8. Delegation of functions and powers of Board—(1) The Board may, either generally or in relation to a particular matter, delegate to a director or officer or employee of the Board any of the functions and powers of the Board under this Act, including the power to execute deeds, but not including this power of delegation.

- (2) A delegation under subclause (1), may be made to—
- (a) A specified person; or
 - (b) Persons of a specified class; or
 - (c) The holder for the time being of a specified office; or
 - (d) The holders for the time being of offices of a specified class.
- (3) With the Board's prior written approval, the chief executive of the Board may delegate to any officer or employee of the Board any function or power of the Board delegated to the chief executive by the Board.
- (4) Subject to any general or special directions or conditions given or imposed by the Board or the chief executive, as the case may be, the person to whom any function or power is delegated may perform or exercise it in

SCHEDULE 2—*continued*PROVISIONS APPLYING TO BOARD AND BOARD OF DIRECTORS—*continued**Miscellaneous Provisions—continued*

the same manner and with the same effect as if it had been conferred on that person directly by this Act and not by delegation.

(5) Every person purporting to act pursuant to a delegation under this clause is, in the absence of proof to the contrary, presumed to be acting in accordance with the terms of the delegation.

(6) A delegation under this clause may be revoked at any time.

(7) The delegation of a power or function under this clause does not—

(a) Prevent the Board or the chief executive, as the case may be, exercising the same power or function; or

(b) Affect the responsibility of the Board for the actions of the person acting under the delegation.

9. Expenditure not otherwise authorised—The Board may, in any financial year, expend out of the funds of the Board for purposes not otherwise authorised by this Act or any other enactment any sum or sums not exceeding \$5,000 in total.

Section 38 (2)

SCHEDULE 3

ACTIVITIES DEEMED TO BE SPECIFIED ON COMMENCEMENT OF ACT

1. *Activity relating to dags containing wool*

Crushing.

2. *Activities relating to wool, and wool on the skin*

Carbonising, carding, combing, fellmongering, felting, knitting, needle-punching, scouring, slipping, sliver-knitting, spinning, tanning, tufting, washing, weaving.

SCHEDULE 4

Section 52

FORMS OF WARRANT TO SEARCH PLACE OTHER THAN PLACE OF BUSINESS
WARRANT UNDER SECTION 52 (1) OF WOOL BOARD ACT 1997 TO CONDUCT
SEARCH WHERE OFFENCE SUSPECTED

To:

authorised person

Being satisfied on an application in writing made on oath by an authorised person that there are reasonable grounds to believe that—

- (a) An offence against subsection (1) or subsection (2) of section 56 of the Wool Board Act 1997 has been committed; and
- (b) There is or is likely to be in [*here describe place*] (being a place that is not a place of business) any or all of the following things that is evidence of the commission of that offence:
 - (i) Any document relating to money paid or payable in respect of the levy imposed by section 39 (1) of that Act:
 - (ii) Any document relating to wool or wool products:
 - (iii) Any wool or wool product,—

by this warrant I authorise you, on one occasion within 30 days of the issue of this warrant, to enter that place and inspect any documents relating to money paid or payable in respect of the levy imposed by section 39 (1) of that Act, any documents relating to wool or wool products, any wool, and any wool product.

Dated at this day of

Conditions (if any) subject to which warrant issued:

.....
District Court Judge (*or*
Court Registrar (not being
a member of the Police)).



SCHEDULE 4—*continued*

FORMS OF WARRANT TO SEARCH PLACE OTHER THAN PLACE OF BUSINESS—
continued

WARRANT UNDER SECTION 52 (2) OF WOOL BOARD ACT 1997 TO CONDUCT
SEARCH ARISING OUT OF SEARCH OF BUSINESS PREMISES

To:

authorised person

Being satisfied on an application in writing made on oath by an authorised person that, as a consequence of the inspection under section 51 of the Wool Board Act 1997 of a place of business, there are reasonable grounds to believe that there is or is likely to be in *[here describe place]* (being a place that is not a place of business) any or all of the following things:

(a) Any document relating to money paid or payable in respect of the levy imposed by section 39 (1) of that Act:

(b) Any document relating to wool or wool products:

(c) Any wool or wool product,—

by this warrant I authorise you, on one occasion within 30 days of the issue of this warrant, to enter that place and inspect any documents relating to money paid or payable in respect of the levy imposed by section 39 (1) of that Act, any documents relating to wool or wool products, any wool, and any wool product.

Dated at this day of

Conditions (if any) subject to which warrant issued:

.....
District Court Judge (or
Court Registrar (not being
a member of the Police)).

SCHEDULE 5
CONSEQUENTIAL AMENDMENTS

Section 61 (1)

Enactment Amended	Amendment
1961, No. 5—Dairy Board Act 1961 (R.S. Vol. 26, p. 63)	By omitting from section 39 (1)(ea) (as inserted by section 2 (1) of the Dairy Board Amendment Act 1971) the words “and the New Zealand Wool Marketing Corporation, or with any of those bodies” (as inserted by section 6 (1) of the Wool Marketing Corporation Act 1971), and substituting the words “or with either of those Boards”.
1975, No. 1—The Statistics Act 1975 (R.S. Vol. 26, p. 791)	<p>By repealing the definitions in section 37F (1) of the terms “Wool grower” and “Wool Board”, and substituting the following definitions:</p> <p style="padding-left: 40px;">“Wool Board’ means the New Zealand Wool Board established by section 4 (1) of the Wool Board Act 1997.</p> <p style="padding-left: 40px;">“ ‘Wool grower’, at any time, means a grower (within the meaning of section 2 of the Wool Board Act 1997) who or that then owns (in New Zealand) 250 or more sheep.”.</p> <p>By repealing section 37F (5) (a), and substituting the following paragraph:</p> <p style="padding-left: 40px;">“(a) For the purposes of regulations prescribing procedures for the election of directors; or”.</p>

Section 62

SCHEDULE 6

ENACTMENTS REPEALED

- 1968, No. 35—The Estate and Gift Duties Act 1968: Section 17 (4) (aa):
(R.S. Vol. 28, p. 341.)
- 1977, No. 92—The Wool Industry Act 1977: (R.S. Vol. 24, p. 861.)
- 1978, No. 22—The Estate and Gift Duties Amendment Act 1978: (R.S.
Vol. 28, p. 440.)
- 1983, No. 120—The Wool Industry Amendment Act 1983: (R.S. Vol. 24,
p. 893.)
- 1988, No. 87—The Wool Industry Amendment Act 1988: (R.S. Vol. 24,
p. 894.)
- 1988, No. 166—The Wool Testing Authority Dissolution Act 1988: Section
23.
- 1990, No. 64—The Goods and Services Tax Amendment Act 1990:
Section 2 (4). (R.S. Vol. 27, p. 601.)

This Act is administered in the Ministry of Agriculture and Forestry.
