

ALCOHOLIC LIQUOR ADVISORY COUNCIL BILL

EXPLANATORY NOTE

THIS Bill establishes and makes provision for an Alcoholic Liquor Advisory Council having as its primary objective the promotion of moderation in the use of alcoholic liquor, and the reduction of personal, social, and economic evils resulting from the misuse of alcoholic liquor. The financing of the Council's activities is to be by way of a levy on liquor imported into or manufactured in New Zealand, and provision is made for the calculation, imposition, and collection of such levies.

Clause 1 relates to the Short Title and commencement. The provisions relating to the levy on imported and manufactured liquor are to apply in respect of the income year commencing with the 1st day of April 1978, and thereafter. A related amendment to the Sale of Liquor Act 1962 effected by *clause 39* of the Bill is to come into force on that day. Those provisions apart, the Bill is to come into force on the day on which it receives the Governor-General's assent.

Clause 2 relates to interpretation.

Constitution of Council

Clause 3 constitutes the Alcoholic Liquor Advisory Council, which is to consist of 9 members. Six members are to be appointed by the Governor-General on the recommendation of the Minister. The other 3 members are to be representatives of the Treasury, and the Departments of Health and Social Welfare.

Clause 4 relates to the term of office of appointed members of the Council. Each such member is to be appointed for a term of 3 years, and may be reappointed.

Clause 5 makes provision for a Deputy Chairman to be elected by the members of the Council.

Clause 6 makes provision for deputy members.

Objective, Functions, and Powers of Council

Clause 7 provides that the primary objective of the Council shall be to encourage and promote moderation in the use of liquor, to discourage and reduce its misuse, and to minimise the personal, social, and economic evils resulting from the misuse of liquor.

No. 113—1

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Clause 8 sets out the functions of the Council. Broadly, these relate to research into the use and misuse of liquor, the dissemination of information about liquor-related problems, education programmes to combat such problems, and the care of persons suffering from the misuse of liquor, and the making of recommendations to bodies concerned with any such matters.

The Council is not to be primarily concerned with road safety or industrial safety, but it is required, in performing its functions, to have regard to the effect that the misuse of liquor may have in these fields.

Clause 9 sets out the powers of the Council. In particular, the Council is empowered to make grants out of the Alcoholic Liquor Fund (established by *clause 20*) to any body, association, or person engaged in any activity in any field with which the Council is concerned.

Clause 10 empowers the Council to appoint advisory and technical committees, and *clause 11* empowers it to co-opt specialist advice.

Administrative Provisions

Clause 12 provides for meetings of the Council.

Clause 13 requires the Council to appoint a chief executive officer, and *clause 14* makes provision for the appointment of such other staff as may be necessary.

Clause 15 empowers the Council to insure its members against loss by personal injury while on official business.

Clause 16 provides for the payment of remuneration and expenses to members of the Council and of any committee appointed by the Council.

Clause 17 provides for salaries and administration expenses to be paid out of the Alcoholic Liquor Fund.

Clause 18 relates to the formal requirements of contracts entered into by the Council.

Clause 19 provides that the Crown may enter into contracts with the Council for the provision of services to the Council.

Alcoholic Liquor Fund

Clause 20 establishes an Alcoholic Liquor Fund into which all levies payable under the Bill are to be paid.

Clause 21 provides for all money belonging to the Fund to be paid into an Alcoholic Liquor Account at the Reserve Bank. The Account is to be operated upon by cheque signed by 2 members of the Council.

Clause 22 authorises the investment of money in the Fund in any of the modes of investment specified in the clause.

Clause 23 provides for the audit of the accounts of the Fund by the Audit Office.

Imposition and Payment of Levies

Clause 24 requires the Council to submit its annual budget to the Minister.

Clauses 25 to 27 set out the basis on which levies payable under *clause 28* are to be calculated.

The first step (*clause 25 (1)*) is for the Minister, after considering the Council's budget and after consultations with the Council, to assess the aggregate expenditure figure for the year under consideration. This figure is to be the amount that, in the Minister's opinion, would be reasonable for the Council to expend during that year in the performance of its functions.

Having assessed this figure, the Minister must then fix the aggregate levy figure (*clause 25 (2)*). This figure is to be the amount equal to the aggregate expenditure figure less the amount that the Council is expected to receive during the year by way of interest on invested funds.

Clause 26 then requires the Minister to determine the proportion of the aggregate levy figure that is to be borne by each of the following classes of liquor, that is, beer, spirits, fortified wine, and unfortified wine. The proportion of the figure to be borne by each of those classes is to be fixed in the same ratio as the total number of alcohol units of liquor of that class (determined in accordance with *subclauses (2) to (4) of clause 2*) imported into or manufactured in New Zealand during the preceding statistical year bears to the total number of alcohol units of all those classes of liquor imported into or manufactured in New Zealand during that year.

Clause 27 then requires the Minister to fix the amount of the levy payable on each basic unit of liquor of each class. This is to be the rate that, in the Minister's opinion, is likely to yield an amount equal to the proportion of the aggregate levy figure that is to be borne by that class of liquor.

Clause 28 provides for the payment of the levy on liquor imported into or manufactured in New Zealand.

Clause 29 provides for the collection of levies on beer. The levies are to be collected by the Collector of Customs as if, in the case of New Zealand beer, they are payable by way of beer duty, and, in the case of imported beer, they are payable by way of customs duty.

Clause 30 provides for the collection of levies on spirits. The levies are to be collected by the Collector of Customs as if, in the case of New Zealand spirits, they are payable by way of excise duty, and, in the case of imported spirits, they are payable by way of customs duty.

Clause 31 provides for the collection of levies on wine. Levies on New Zealand grape wine are to be collected by the Wine Institute of New Zealand Incorporated as if they are payable by way of the annual grape wine makers' levy imposed by *clause 3* of the Wine Makers Levy Bill, presently before Parliament.

Levies on New Zealand fruit wine are to be collected by the Clerk of the local Licensing Committee as if they are fees payable on the renewal of a wine maker's licence.

Levies on imported wine are to be collected by the Collector of Customs as if they are payable by way of customs duty.

Clause 32 requires all levies collected to be paid to the Council, but *clause 33* provides for the Crown and the Institute to retain up to 5 percent of levies collected to meet costs incurred in the collection.

Miscellaneous Provisions

Clause 34 is a transitional provision relating to the funding of the Council's activities during the period commencing on the passing of the Bill and ending with the 31st day of March 1978, when the levy provisions commence.

This clause provides that all net profits of the Licensing Fund (established under section 17 of the Sale of Liquor Act 1962) comprising part of the Fund at the commencement of the Bill shall be paid to the Council. It also provides that all such profits accruing during the period commencing with the passing of the Bill and ending with the 31st day of March 1978 shall be paid to the Council.

Clause 35 provides for receipts on behalf of the Council to be a sufficient discharge to a trustee for money donated or bequeathed to the Council.

Clause 36 provides for the exemption of the Council from liability to pay taxes and duties.

Clause 37 requires the Council to submit an annual report to the Minister who shall lay it before Parliament.

Clause 38 empowers the making of regulations for the purposes of the Bill.

Clause 39 effects a consequential amendment to the Sale of Liquor Act 1962. As from 1 April 1976 profits from the Licensing Fund will be available for distribution for the purposes of hotel staff training and tourist promotion only.

Hon. Mr Thomson

ALCOHOLIC LIQUOR ADVISORY COUNCIL

ANALYSIS

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A BILL INTITULED

An Act to provide for the establishment of an Alcoholic Liquor Advisory Council having as its primary objective the promotion of moderation in the use of alcoholic liquor and the reduction of the personal, social, and economic evils resulting from the misuse of alcoholic liquor, to define the Council's functions and powers, and to make provision for the funding of the Council's activities by means of a levy on alcoholic liquor imported into or manufactured in New Zealand

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BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

1. Short Title and commencement—(1) This Act may be cited as the Alcoholic Liquor Advisory Council Act 1976. 15

(2) Sections 25 to 33 and section 39 of this Act shall come into force on the 1st day of April 1978.

(3) Except as provided in subsection (2) of this section, this Act shall come into force on the date on which it receives the Governor-General's assent. 20

2. Interpretation—(1) In this Act, unless the context otherwise requires,—

“Aggregate expenditure figure”, in relation to any financial year, means the aggregate expenditure figure assessed in respect of that year by the Minister under section 25 (1) of this Act: 25

“Aggregate levy figure”, in relation to any financial year, means the aggregate levy figure determined in respect of that year by the Minister under section 25 (2) of this Act: 30

“Alcoholic Liquor Account” means the Alcoholic Liquor Account established under section 21 of this Act:

“Alcoholic Liquor Fund” or “Fund” means the Alcoholic Liquor Fund established under section 20 of this Act:

“Appointed member” means a member of the Council appointed under section 3 (2) (a) of this Act: 35

“Basic unit of liquor” means—

(a) In relation to beer, fortified wine, and unfortified wine, a litre:

(b) In relation to spirits, a proof litre:

5 “Beer” includes ale, porter, and all other malt liquor, or fermented beverages made in imitation of beer or malt liquor, and brewed in whole or in part from any substance other than malt:

10 “Chairman” means the Chairman of the Council appointed under section 3 (3) of this Act:

15 “Collector of Customs” or “Collector” means any person employed in the service of the Customs appointed as Collector of Customs at any port or in respect of any district; and includes the Comptroller of Customs; and also includes the chief officer of Customs at any port or other place, and any proper officer acting for the time being in place of the Collector either generally or in respect of any of his functions or powers, whether during any vacancy in the office of Collector or otherwise:

20 “Council” means the Alcoholic Liquor Advisory Council constituted by section 3 of this Act:

“Financial year” means a period of 12 consecutive months commencing with the 1st day of April in every year:

25 “Fruit wine” means wine, cider, or perry manufactured from any fruit (not being grapes) grown in New Zealand, or from any vegetables grown in New Zealand:

30 “Grape wine” means wine manufactured from grapes grown in New Zealand:

“Hotel Investment Account” means the Hotel Investment Account established for the purposes of section 20 of the Sale of Liquor Act 1962:

35 “Levy” means a levy payable under section 28 of this Act:

“Licensing Fund” means the Licensing Fund established under section 17 of the Sale of Liquor Act 1962:

“Minister” means the Minister of Justice:

40 “Official member” means a person who is for the time being a member of the Council under or by virtue of any of paragraphs (b) to (d) of section 3 (2) of this Act:

“Preceding statistical year” means the latest complete period of 12 consecutive months in respect of which, at any material time, the following information is available to the Minister, that is the total number of proof litres of beer, spirits, and wine imported into, and manufactured, in New Zealand during that period: 5

“Primary objective”, in relation to the Council, means the primary objective of the Council as set out in section 7 of this Act: 10

“Spirits” includes alcohol, brandy, rum, gin, whisky, low wines, feints, and every other description of spirituous liquor:

“Wine” includes any liquor that is produced from any fruit or vegetable (whether the fruit or vegetable is cultivated or not) and is of a strength not exceeding 40 percent of proof spirit. 15

(2) For the purposes of section 26 (2) of this Act, “the number of alcohol units”, in relation to spirits imported into or manufactured in New Zealand during any statistical year, means the total number of proof litres of spirits so imported or manufactured during that year. 20

(3) For the purposes of the said section 26 (2), the number of alcohol units of beer, or fortified wine, or unfortified wine, imported into or manufactured in New Zealand during any statistical year shall be calculated by multiplying the total number of litres of that class of liquor so imported or manufactured during that year— 25

(a) By 3, in the case of beer:

(b) By 18, in the case of fortified wine: 30

(c) By 11, in the case of unfortified wine.

(4) For the purposes of the said section 26 (2), and of subsection (3) of this section, the total number of litres of wine manufactured in New Zealand during any statistical year shall be deemed to be the same as the total number of litres of wine sold by the holders of wine makers’ licences during that year. 35

Constitution of Council

3. Constitution of Alcoholic Liquor Advisory Council—

(1) For the purposes of this Act there shall be a council, to be called the Alcoholic Liquor Advisory Council. 40

- (2) The Council shall consist of 9 members being—
- (a) Six persons to be appointed by the Governor-General on the recommendation of the Minister:
 - 5 (b) The Secretary to the Treasury, or any other officer of the Treasury nominated by the Secretary:
 - (c) The Director-General of Health, or any other officer of the Department of Health nominated by the Director-General:
 - 10 (d) The Director-General of Social Welfare, or any other officer of the Department of Social Welfare nominated by the Director-General.
- (3) One of the appointed members of the Council shall be appointed as Chairman of the Council by the Governor-General on the recommendation of the Minister.
- 15 (4) The powers of the Council shall not be affected by any vacancy in its membership.

4. Term of office of members of Council—(1) Subject to the succeeding provisions of this section, every appointed member of the Council shall hold office for a term of 3 years, but may from time to time be reappointed.

(2) Any appointed member of the Council may resign his office at any time by written notice given to the Minister.

25 (3) Any appointed member of the Council may be removed from office at any time by the Governor-General on the recommendation of the Minister for disability, bankruptcy, neglect of duty, or misconduct, proved to the satisfaction of the Minister.

30 (4) If any appointed member of the Council dies, resigns, or is removed from office, the vacancy so created shall be filled in the manner in which the appointment to the vacant office was originally made, and every person appointed under this subsection shall hold office for the remainder of the term for which his predecessor was appointed.

35 (5) Every member of the Council, unless he sooner vacates his office, under subsection (2) or subsection (3) of this section, shall continue in office until his successor comes into office.

5. Deputy Chairman—(1) At its first meeting in each financial year, the members of the Council shall elect one of their number to be Deputy Chairman.

40 (2) Any person elected as Deputy Chairman shall hold office as such for the financial year in which he is elected or until he sooner vacates office as a member of the Council.

(3) At the first meeting of the Council after a vacancy occurs in the office of Deputy Chairman, the Council shall elect one of its members to be Deputy Chairman.

(4) Subject to the provisions of this Act, the Deputy Chairman shall have and may exercise all the powers and duties of the Chairman during his absence or incapacity or while there is a vacancy in the office of Chairman. 5

(5) No acts done by a Deputy Chairman acting as the Chairman shall in any proceedings be questioned on the ground that the occasion for his so acting had ceased or had not arisen. 10

6. Deputies of members—(1) In any case where the Minister is satisfied that any appointed member of the Council is incapacitated by illness, absence, or other sufficient cause from performing the duties of his office, the Minister may appoint a person to act in the place of that member during his incapacity. 15

(2) If any official member of the Council is unable to attend any meeting of the Council the Secretary to the Treasury or the Director-General of Health or the Director-General of Social Welfare, as the case may require, may appoint any other officer of the Treasury or the Department of Health or the Department of Social Welfare, as the case may require, to deputise for that member at that meeting. 20

(3) Any person appointed under this section shall, while he acts as such, be deemed to be a member of the Council, and any person appointed in the place of the Chairman shall have all the powers of the Chairman. 25

(4) No appointment of a person under this section and no acts done by him while acting as a member of the Council, and no acts done by the Council while any person is acting as such, shall in any proceedings be questioned on the ground that the occasion for his appointment had not arisen or had ceased. 30

Objective, Functions, and Powers of Council 35

7. Primary objective of Council—The primary objective of the Council shall be to encourage and promote moderation in the use of liquor, to discourage and reduce its misuse, and to minimise the personal, social, and economic evils resulting from the misuse of liquor. 40

8. Functions of Council—(1) In pursuing its primary objective the Council shall have the following functions:

- (a) To encourage, promote, sponsor, and co-operate in research into—
 - (i) The use of liquor in New Zealand:
 - (ii) Public attitudes in New Zealand towards the use of liquor:
 - (iii) Problems associated with or consequent upon the misuse of liquor in New Zealand:
 - (iv) Means of minimising the harmful effects of liquor:
- (b) To encourage, promote, sponsor, and co-operate in the dissemination to the public or to any class of persons of information relating to any problem that is or may be associated with or consequent upon the misuse of liquor:
- (c) To devise, promote, sponsor, and conduct, and to encourage and co-operate in the preparation and conduct of, educational programmes for the public or for any class of persons (including persons attending schools or other educational institutions, and persons who may for any reason be at special risk in respect of liquor-related problems) designed to discourage the misuse of liquor, to encourage moderation in its use, and to promote and encourage responsible attitudes towards its use:
- (d) To encourage, promote, sponsor, and co-operate in the treatment, care, and rehabilitation of persons adversely affected by the use of liquor, whether by themselves or others:
- (e) With respect to any of the matters referred to in paragraphs (a) to (d) of this subsection, to make recommendations to the Government, departments of State, authorities in the fields of health, education, social welfare, and industry, and any other public or private bodies, associations, or persons:
- (f) To make recommendations to the Minister with respect to the advertising of liquor, whether generally or through any particular medium, and the need to regulate or in any way restrict any such advertising:

(g) To consider and report upon to the Minister such matters relating to the law governing the sale and consumption of liquor and any proposed changes thereto, or to the use or misuse of liquor, as may be referred to the Council from time to time by the Minister: 5

(h) To undertake and perform such other activities as, in the Council's opinion, will assist in the pursuit of its primary objective.

(2) Without limiting its functions under subsection (1) of this section, the Council shall have the following further functions:

(a) To encourage, promote, sponsor, and co-operate in the preparation, publication, and dissemination to interested bodies, associations, and persons of research papers, theses, and other reports relating to any matter with which the Council is concerned: 15

(b) To obtain, monitor, analyse, collate, and disseminate to interested bodies, associations, and persons in New Zealand information from overseas relating to any matter with which the Council is concerned: 20

(c) To encourage, promote, sponsor, and co-operate in the preparation and publication of a bibliography of literature relating to any matter with which the Council is concerned. 25

(3) It shall not be a function of the Council to promote road safety or industrial safety, but in performing its functions under this Act it shall have regard to the effect that the misuse of liquor may have in those fields.

9. Powers of Council—(1) The Council shall have all such powers, rights, and authorities as may be reasonably necessary to enable it to carry out its functions. 30

(2) Without limiting subsection (1) of this section, the Council may—

(a) Make grants out of the Alcoholic Liquor Fund to any body, association, or person engaged in any activity in any field with which the Council is concerned: 35

(b) Co-operate with any body, association, or person engaged in any activity in any field with which the Council is concerned: 40

(c) Charge such fees (if any) as it may from time to time think reasonable for any material published by it and made available to the public.

10. Council may appoint advisory and technical committees—(1) The Council may from time to time appoint advisory committees, technical committees, and committees to advise it on such matters as it may refer to them.

5 (2) Every such committee may, in addition and on its own initiative, furnish to the Council reports on any matter in respect of which the members of the Committee have special knowledge or experience.

(3) Any person may be appointed to be a member of any
10 such committee, notwithstanding that he is not a member of the Council.

(4) Every such committee shall in all matters be subject to the control of the Council, and shall carry out all directions, general or special, of the Council in relation to the Council or
15 its affairs.

(5) Subject to the provisions of this Act, every committee appointed under this section may regulate its procedure in such manner as it thinks fit.

11. Council may co-opt specialist advice—(1) The Council
20 and any advisory or technical committee appointed by the Council may from time to time invite any person or any officer employed in any Government department, or a representative of any organisation who, in its opinion, possesses expert knowledge or is otherwise able to assist it in connection
25 with the exercise of its functions, to attend any of its meetings or to advise it on any matter with which it is concerned.

(2) Any person attending a meeting under this section may, if invited, take part in any discussion at the meeting, but shall
30 not have any voting rights.

Administrative Provisions

12. Meetings of Council—(1) The first meeting of the Council shall be held on a day to be fixed by the Chairman.

(2) Subsequent meetings of the Council shall be held at
35 such times and places as the Council or the Chairman from time to time decides.

(3) The Chairman or any 2 members of the Council may at any time call a special meeting of the Council.

(4) At all meetings of the Council, the quorum necessary
40 for the transaction of business shall be not less than 5 members, of whom at least 3 shall be appointed members.

(5) All questions arising at any Council meeting shall be decided by a majority of the valid votes recorded by the members present and entitled to vote. Any member may demand a poll to decide any question, but otherwise voting shall be carried out by a show of hands. 5

(6) A resolution in writing signed, or assented to by letter or telegram, by all the members of the Council shall be as valid and effectual as if it had been passed at a meeting of the Council duly called and constituted.

(7) The Chairman shall preside at all meetings at which he is present. 10

(8) In the absence from any meeting of the Chairman and the Deputy Chairman, the members present shall elect one of their number to act as chairman of that meeting.

(9) At any meeting, the Chairman or the person acting as such shall have a deliberative vote and, in the case of an equality of votes, shall also have a casting vote. 15

(10) The Chairman or person for the time being acting as such may adjourn any meeting until a specified time and to a specified place if he considers that deliberation on a question will be furthered by such a course of action. 20

(11) Subject to the provisions of this Act and to any regulations made under this Act, the Council may regulate its procedure in such manner as it thinks fit.

13. Council to appoint chief executive officer—(1) The Council shall appoint and employ a suitably qualified person to act as chief executive officer to the Council. 25

(2) The chief executive officer shall carry out such duties as may from time to time be assigned to him by the Council, and shall be responsible for the supervision of officers and employees appointed pursuant to section 14 of this Act. 30

(3) The Council may, subject to any contract of service with the chief executive officer, at any time for reasonable cause, remove him from his employment.

(4) The Council may pay to the chief executive officer such remuneration by way of fees, salary, or allowances, and such travelling allowances and expenses, as may from time to time be fixed by the Minister of Finance. 35

(5) Where the chief executive officer was not, immediately preceding his appointment, a contributor to the Government Superannuation Fund, the Council may out of its funds subsidise or contribute to the National Provident Fund, or any other fund or scheme established with the approval of the Minister of Finance, for the purpose of providing the officer with a superannuation or retiring allowance. 40 45

(6) In the event of any person being appointed to be the Council's chief executive officer while he is an officer of or is employed in any branch of the Government service, he shall, on the termination of that appointment, have the same rights
5 in relation to employment in the Government service as if his service as chief executive officer had been service in the branch of the Government service in which he was so employed immediately before his appointment as chief executive officer.

10 (7) In the event of any person being appointed to be the Council's chief executive officer while he is a contributor to the Government Superannuation Fund under Part II of the Superannuation Act 1956, his service as chief executive officer shall be deemed for the purposes of the Superannuation Act
15 1956 to be employment in the Government service.

14. Other officers—(1) Subject to subsection (2) of this section, the Council may from time to time appoint such other officers and employees as may be required to enable the Council to carry out its functions under this Act.

20 (2) The number of persons that may be appointed under this section, whether generally or in respect of any specified duties or class of duties, shall from time to time be determined by the Minister of Justice.

25 (3) The Council may pay to any such officers and employees such remuneration by way of fees, salary, wages, or allowances, and such travelling allowances and expenses, as may from time to time be fixed, either generally or in respect of any particular person or persons, by the Minister of Finance.

30 **15. Council may insure members**—The Council may from time to time enter into contracts of insurance insuring its appointed members, any associate and temporary members, and members of any advisory or technical committee appointed by it, against loss from personal accident arising out
35 of and in the course of the exercise of their powers and duties as Council or committee members, and may pay the premiums payable in respect of any such contract.

16. Fees and travelling allowances—(1) The Council is hereby declared to be a statutory Board within the meaning
40 of the Fees and Travelling Allowances Act 1951.

(2) There shall be paid to the members of the Council, and to every member of any committee appointed by the Council, remuneration by way of fees, salary, or allowances, and travelling allowances and expenses, in accordance with the Fees and Travelling Allowances Act 1951, and the provisions of that Act shall apply as if, in the case of any such committee, that committee were a statutory Board within the meaning of that Act. 5

17. Salaries, etc., to be payable out of Fund—All fees, salaries, allowances, and other expenditure payable or incurred under or in the administration of this Act shall be payable out of the Alcoholic Liquor Fund. 10

18. Contracts of Council—(1) Any contract that, if made between private persons, must be by deed shall, when made by the Council, be in writing signed by the Chairman and 2 other members of the Council. 15

(2) Any contract that, if made between private persons, must be in writing signed by the parties to be charged therewith may, when made by the Council, be in writing signed by any person acting on behalf of and under the express or implied authority of the Council. 20

(3) Any contract that, if made between private persons, may be made orally may, when made by the Council, be made orally by any person acting on behalf of and under the express or implied authority of the Council, but no oral contract shall be made for any sum exceeding \$50. 25

19. Crown may provide services for Council—The Crown, acting through any department of State, may from time to time, at the request of the Council, execute any work or enter into arrangements for the execution or provision by the department for the Council of any work or service, or for the supply to the Council of any goods, stores, or equipment, on and subject to such terms and conditions as may be agreed. 30

Alcoholic Liquor Fund

20. Establishment of Fund—(1) For the purposes of this Act there shall be a fund, to be called the Alcoholic Liquor Fund. 35

(2) There shall from time to time be paid into the Fund—

(a) All money payable to the Council in respect of levies imposed under this Act: 40

- (b) Any other money that may be lawfully payable into the Fund pursuant to this Act or any other enactment:
 - (c) Any money that may be donated or bequeathed to the Council for the purposes of the Council.
- 5 (3) There shall from time to time be paid out of the Fund any money that may be lawfully payable out of the Fund pursuant to this Act or any other enactment.

10 **21. Alcoholic Liquor Account**—(1) All money payable to the Fund shall be paid to the credit of an account called the Alcoholic Liquor Account, to be kept at the Reserve Bank of New Zealand.

(2) The Alcoholic Liquor Account shall be operated upon by cheque signed by any 2 members of the Council.

15 **22. Investment of Fund**—Any money belonging to the Fund and available for investment may from time to time be invested by the Council—

- (a) In New Zealand Government securities:
 - (b) On deposit in the Post Office Savings Bank:
- 20 (c) On deposit in any bank or banks approved by the Minister of Finance:
- (d) In any manner, or in any securities, that may from time to time be authorised by the Minister of Finance.

25 **23. Audit of accounts**—For the purpose of the audit of accounts, all money belonging to the Fund shall be deemed to be public money within the meaning of the Public Revenues Act 1953; and the Audit Office shall have the same duties and powers in respect thereof, and of every person dealing
30 therewith, as it has in respect of public money and accounts and of persons dealing therewith.

Imposition and Payment of Levies

35 **24. Council to prepare and submit annual budget**—The Council shall, in respect of each financial year, prepare and submit to the Minister, not later than 28 days before the commencement of that year, a statement of its proposed expenditure for that year.

25. Minister to assess aggregate expenditure figure and determine aggregate levy figure—(1) In respect of each financial year the Minister, acting with the concurrence of the Minister of Finance, shall, after considering the statement submitted to him by the Council under section 24 of this Act in respect of that year, and after consultations with the Council, assess the aggregate expenditure figure for that year, being the amount that, in the opinion of the Minister, would be reasonable for the Council to expend during that year in the performance of its functions.

(2) Having assessed the aggregate expenditure figure in respect of any financial year under subsection (1) of this section the Minister shall determine the aggregate levy figure for that year, being an amount equal to the aggregate expenditure figure less the amount that, in the Minister's opinion, is likely to be received by the Council during the financial year by way of interest on money invested by the Council pursuant to section 22 of this Act.

26. Minister to fix proportion of aggregate levy figure to be borne by various classes of liquor—(1) Having assessed the aggregate levy figure in respect of any financial year under section 25 of this Act the Minister shall, in accordance with subsection (2) of this section, determine the proportion of the aggregate levy figure that is to be borne for that year by each of the following classes of liquor:

- (a) Beer:
- (b) Spirits:
- (c) Fortified wine:
- (d) Unfortified wine.

(2) In every financial year the proportion of the aggregate levy figure that is to be borne by each of those classes of liquor shall be fixed by the Minister in the same ratio as the number of alcohol units of that class of liquor (calculated in the case of beer, fortified wine, or unfortified wine, in accordance with section 2 (2) of this Act) imported into or manufactured in New Zealand during the preceding statistical year bears to the total number of alcohol units of all those classes of liquor imported into or manufactured in New Zealand during that statistical year.

27. Minister to fix rate of levy payable in respect of various classes of liquor—(1) Having assessed the proportion of the aggregate levy figure to be borne in any financial year by each of the classes of liquor referred to in section 26 of this

- 5 Act in accordance with the provisions of that section, the Minister shall, by notice in the *Gazette*, and in accordance with the provisions of subsection (2) of this section, fix the rate at which the levy imposed by section 28 of this Act is to be payable on each basic unit of liquor of each such class.
- 10 (2) In respect of every financial year the Minister shall fix the rate of the levy payable in respect of each class of liquor as the rate that, in the opinion of the Minister, is likely to yield, during that financial year, an amount equal to the proportion of the aggregate levy figure to be borne, pursuant to
- 15 section 27 of this Act, by that class of liquor.

28. Levies payable by importers and manufacturers of liquor—In every financial year there shall be payable by every person who—

- 20 (a) Imports into New Zealand any liquor of any of the classes referred to in section 26 of this Act; or
- (b) Manufactures in New Zealand any beer or spirits; or
- (c) Manufactures in New Zealand and sells any fortified wine or unfortified wine,—
- a levy at the rate for the time being fixed by the Minister in
- 25 accordance with section 27 of this Act.

29. Payment and collection of levies in respect of beer—

- (1) All levies payable under this Act in respect of any beer shall be payable to and collected by the Collector of Customs, in addition to any duty payable to him in respect of that beer
- 30 under any other enactment.
- (2) For the purposes of subsection (1) of this section,—
- (a) All amounts payable by way of levies on beer manufactured in New Zealand shall be deemed to be amounts payable by way of beer duty under Part III of the Finance Act 1915:
- 35 (b) All amounts payable by way of levies on beer imported into New Zealand shall be deemed to be amounts payable by way of customs duty under Part V of the Customs Act 1966.

30. Payment and collection of levies in respect of spirits—

(1) All levies payable under this Act in respect of any spirits shall be payable to and collected by the Collector of Customs, in addition to any duty payable to him in respect of the spirits under any other enactment. 5

(2) For the purposes of subsection (1) of this section,—

(a) All amounts payable by way of levies on spirits manufactured in New Zealand shall be deemed to be amounts payable by way of excise duty under Part V of the Distillation Act 1971: 10

(b) All amounts payable by way of levies on spirits imported into New Zealand shall be deemed to be amounts payable by way of customs duty under Part V of the Customs Act 1966.

31. Payment and collection of levies in respect of wine— 15

(1) All levies payable under this Act—

(a) In respect of any grape wine manufactured in New Zealand shall be payable to and collected by the Wine Institute of New Zealand Incorporated:

(b) In respect of any fruit wine manufactured in New Zealand shall be payable to and collected by the Clerk of the Licensing Committee of the licensing district in which the wine is manufactured: 20

(c) In respect of any wine imported into New Zealand shall be payable to and collected by the Collector of Customs, in addition to any duty payable to him in respect of that wine under any other enactment. 25

(2) For the purposes of subsection (1) of this section,—

(a) All amounts payable by way of levies on grape wine manufactured in New Zealand shall be deemed to be amounts payable by way of the annual grape wine makers levy under section 3 of the Wine Makers Levy Act 1976: 30

(b) All amounts payable by way of levies on fruit wine manufactured in New Zealand shall be deemed to be fees payable on the renewal of a wine maker's licence under section 153 of the Sale of Liquor Act 1962: 35

(c) All amounts payable by way of levies on wine imported into New Zealand shall be deemed to be amounts payable by way of customs duty under Part V of the Customs Act 1966. 40

32. All levies collected to be paid to Council—Subject to section 34 of this Act, all levies received under this Act by the Collector of Customs, the Wine Institute of New Zealand Incorporated and any Clerk of a Licensing Committee shall be paid to the Council by the Collector, the Institute, or the Clerk, as the case may be.

33. Crown and Institute may be reimbursed for collection of levies—(1) Subject to subsection (3) of this section, for the purpose of reimbursing the Crown for any expenses incurred by the Collector of Customs or by any Clerk of any Licensing Committee in collecting any levies under this Act, the Collector or Clerk may retain such percentage of every levy collected by him as may be determined by the Minister of Finance after consultations with the Council.

15 (2) Subject to subsection (3) of this section, for the purpose of reimbursing the Wine Institute of New Zealand Incorporated for any expenses incurred by the Institute in collecting any levies under this Act, the Council may permit the Institute to retain such percentage of every levy collected by it as may be agreed upon by the Institute and the Council with the approval of the Minister of Finance.

20 (3) The amount of any levy retained under this section shall in no case exceed 5 percent of the amount of levies collected by the Collector of Customs or any Clerk of a Licensing Committee or by the Wine Institute of New Zealand Incorporated, as the case may require.

Miscellaneous Provisions

34. Transitional provisions relating to funding—(1) The provisions of this section shall apply notwithstanding anything in section 20 or section 21 of the Sale of Liquor Act 1962.

35 (2) All money paid at any time before the date of the commencement of this section (in this section referred to as the commencement date) into the Licensing Fund pursuant to section 20 (7) of the Sale of Liquor Act 1962 and still forming part of that Fund at the commencement date shall be paid into the Alcoholic Liquor Account, and shall thereafter comprise part of the Alcoholic Liquor Fund.

(3) The net profits of the Hotel Investment Account for the period commencing with the commencement date and ending with the 31st day of March 1978 shall be paid into the Alcoholic Liquor Account, by such instalments during that period as the Council and the Licensing Control Commission may agree, and shall thereafter comprise part of the Alcoholic Liquor Fund. 5

35. Donations and bequests to Council—Where, pursuant to the terms of any will or other instrument creating a trust, any money is payable to the Council, whether for the general purposes or for any specific purpose of the Council, the trustee may, unless the will or other instrument otherwise provides, pay the money to the Council without being concerned to see to the application thereof; and a receipt given on behalf of the Council and signed by the Chairman and one other member of the Council shall be a sufficient discharge to the trustee. 10 15

36. Exemption from taxation and duty—(1) The Council is hereby declared to be exempt from the payment of land tax and income tax. 20

(2) It is hereby declared that the purposes of the Council are charitable purposes.

37. Annual report and accounts—(1) As soon as practicable after the end of each financial year the Council shall prepare a report of its operations for that year, and a proper statement of the accounts of the Alcoholic Liquor Fund for that year and of its balance sheet at the end of that year. 25

(2) Within 10 days after the completion of the audit of the accounts by the Audit Office, the Council shall submit its report, together with the statements of the accounts and balance sheet of the Alcoholic Liquor Fund, to the Minister. 30

(3) The Minister shall lay a copy of the report and statements before Parliament within 28 days after he has received it if Parliament is then in session, or, if Parliament is not then in session, within 28 days after the commencement of the next ensuing session. 35

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

- 5 (a) Providing for returns to be made by persons importing into or manufacturing in New Zealand any liquor, or any class or kind of liquor, for the purpose of ascertaining the amount of any levy payable under this Act, and providing for the verification of such returns:
- 10 (b) Exempting any person or class of persons from paying any levy that would otherwise be payable under this Act in any case where the cost of assessing or collecting the levy exceeds the amount payable by way of the levy:
- (c) Providing for such other matters as are contemplated by or necessary for giving full effect to the provisions of this Act and for the due administration thereof.
- 15 **39. Repeal**—Section 21 (1) of the Sale of Liquor Act 1962 is hereby amended by repealing paragraphs (a), (b), and (d).