

## FINANCE BILL

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### EXPLANATORY NOTE

*Clause 1* relates to the Short Title.

*Clause 2* validates agreements made between the Minister of Agriculture and Fisheries and the New Zealand Meat Producers Board. In 1971 the Minister and the Board agreed on an arrangement to maintain the price for lambs, and to provide for the apportionment between the Minister and the Board of any resulting loss or profit. The arrangement resulted in a profit of approximately \$8,000,000. In 1973 the Minister and the Board further agreed to hold the proceeds of the arrangement in a fund in the Public Account for certain purposes and at a rate of interest to be determined by reference to New Zealand Government securities. The purposes for which the fund may be spent are to finance, and to underwrite any losses arising from, any future action of the Board in purchasing meat for the purposes of supporting meat prices, to meet any loss incurred in other marketing operations by the Board, and to finance market research and development work. The clause authorises the use and disposal of the proceeds of the arrangement on the terms agreed on by the Minister and the Board as set out in the clause.

*Clause 3:* The Wool Prices Stabilisation Regulations 1973 (S.R. 1973/71), which came into force on 23 March 1973, make provision for an equalisation scheme in respect of wool purchased for use in the manufacture of carpets and carpet yarns and for a stabilisation scheme in respect of wool purchased for use in the manufacture of other woollen products. Regulations 4 and 5 authorise the payment from the Consolidated Revenue Account of equalisation payments and stabilisation payments to give effect to those schemes.

Equalisation payments and stabilisation payments were made in anticipation of those schemes before the regulations came into force, but there was no power to make the regulations retrospective. This clause validates such payments.

*Clause 4* operates retrospectively to exempt from payroll tax wages paid on or after 1 August 1970 that are attributable to and incurred in the operation of a fruit packing-house that is owned or managed co-operatively by fruitgrowers for the preparation and packing of fresh fruit for market.

*Clause 5* validates the unauthorised payment of certain grants made to registered private schools. Some grants, amounting in total to approximately \$657,000 were paid before 15 October 1965. This was the date on which the Education Act 1964 came into force. Under section 192 of that Act regulations may be made authorising the payment of grants to registered private schools. Regulations were not made until 19 February 1973, however. These were the Private School Grants Regulations 1973 (S.R. 1973/32). Payment of the further sum of \$16,155,000 by way of grants made after 15 October 1965 but before 19 February 1973, which would have been validly paid if the regulations had been then in force, is now validated.

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*Hon. Mr Rowling*

## FINANCE

### ANALYSIS

Title	
1. Short Title	3. Validation of wool prices equalisation and stabilisation payments
2. Validation of agreement between Minister of Agriculture and Fisheries and New Zealand Meat Producers Board	4. Wages relating to co-operative fruit packing-houses exempt from payroll tax
	5. Validation of grants to private schools

### A BILL INTITULED

**An Act to make provision with respect to public finance and other matters**

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

**1. Short Title**—This Act may be cited as the Finance Act 1973.

**2. Validation of agreement between Minister of Agriculture  
10 and Fisheries and New Zealand Meat Producers Board**—  
Whereas on the 14th day of December 1971 the Minister of  
Agriculture and Fisheries (in this section referred to as the  
Minister) and the New Zealand Meat Producers Board (in  
15 this section referred to as the Board) agreed that the Minister  
and the Board would apportion any loss or profit arising from  
the sale of meat derived from lambs purchased by the Board

during the year that ended with the 30th day of September 1972: And whereas it was agreed that the loss or profit would be so apportioned that the Minister would be liable for two-thirds of any loss and be entitled to two-thirds of any profit, and the Board would be liable for the remaining one-third of any loss and be entitled to the remaining one-third of any profit: And whereas it was further agreed that should any profit be obtained, the proportion of the profit to which the Minister would be entitled would be used and disposed of in such manner as the Minister and the Board would further agree: And whereas the sale of the meat yielded a total profit of approximately \$8,000,000: And whereas the Minister and the Board have further agreed on the 27th day of July 1973 to the manner in which all of the profit, including both the portion to which the Minister is entitled and the portion to which the Board is entitled, is to be used and disposed of: And whereas it is desirable to validate the said agreements and to authorise the use and disposal of all of the profit in accordance with the terms as agreed on between the Minister and the Board that are set out in paragraphs (a) to (d) of subsection (1) of this section: Be it therefore enacted as follows:

(1) Notwithstanding anything in the Marketing Act 1936, the Meat Export Control Act 1921-22, or any other Act, the said agreements between the Minister and the Board shall be deemed to have been validly made, and always to have been validly made, and the use and disposal by the Minister and the Board of all of the said profit is hereby authorised in accordance with the following terms as agreed on between the Minister and the Board:

- (a) The profit shall be lodged in a trust account to be known as the Meat Marketing Intervention, Research, and Development Account, within the Public Account:
- (b) The purposes for which the fund may be applied shall be—
  - (i) To underwrite any losses arising from future action under the Meat Export Control Act 1921-22 by the Board to purchase meat for the purposes of maintaining meat prices:
  - (ii) To finance any future expenditure by the Board incurred under the Meat Export Control Act 1921-22 in any future purchase of meat for those purposes:

5 (iii) To underwrite any losses which may be incurred in any other marketing operations undertaken under the Meat Export Control Act 1921-22 by the Board, including any action of the Board as an intermediary in any sale of meat:

(iv) To finance market research and development work, but not promotion, for the purposes of the Board:

10 (c) No money shall be used or disposed of from the fund for any purpose, unless the purpose has first been approved of generally by the Minister for the use and disposal of money from the fund:

15 (d) Interest shall be credited to the Meat Marketing Intervention, Research, and Development Account at a rate to be fixed by the Minister of Finance as being equivalent in his opinion to such rate of interest as might be prescribed for New Zealand Government securities on a term of 12 months, and, when credited, shall become part of the fund.

20 (2) All expenditure from the Meat Marketing Intervention, Research, and Development Account for any purpose specified in paragraph (b) of subsection (1) of this section may be made without further appropriation than this section.

25 **3. Validation of wool prices equalisation and stabilisation payments**—Every payment made out of the Consolidated Revenue Account before the commencement of the Wool Prices Stabilisation Regulations 1973 which would have been  
30 validly made as an equalisation payment under regulation 4 of those regulations or as a stabilisation payment under regulation 5 of those regulations if those regulations had been in force when the payment was made is hereby validated and declared to have been lawfully made.

35 **4. Wages relating to co-operative fruit packing-houses exempt from payroll tax**—Notwithstanding anything in section 20 of the Acts Interpretation Act 1924, or in the Payroll Tax Repeal Act 1973, all wages paid on or after the 1st day of August 1970 by any person to the extent that  
40 the wages are attributable to and incurred in the operation of any fruit packing-house that is owned or managed co-operatively by fruitgrowers for the purposes of preparing and packing fresh fruit for market are deemed to be and to have been exempt from payroll tax.

**5. Validation of grants to private schools**—Whereas section 192 of the Education Act 1964 provides that the Governor-General may from time to time, by Order in Council, make regulations providing for the making of grants, out of money appropriated by Parliament for the purpose, to the governing bodies of registered private schools: And whereas regulations providing for the making of those grants were first made on the 19th day of February 1973 under the title of the Private School Grants Regulations 1973: And whereas from time to time before the 15th day of October 1965 (being the date on which the Education Act 1964 came into force) grants out of money appropriated by Parliament for the purpose were made to the governing bodies of registered private schools: And whereas from time to time during the period commencing with the 15th day of October 1965 and ending with the 19th day of February 1973 (being the date from which the Private School Grants Regulations 1973 took effect), grants out of money appropriated by Parliament for the purpose were made to the governing bodies of registered private schools: Be it therefore enacted as follows:

- (a) All grants made to the governing bodies of registered private schools before the 15th day of October 1965, being in total as near to the sum of \$657,000 as it is possible to determine from accounts and other records, are hereby validated and declared to have been always lawfully made:
- (b) All grants made to the governing bodies of registered private schools within the period commencing with the 15th day of October 1965 and ending with the 19th day of February 1973 being for purposes now provided for by the Private School Grants Regulations 1973 and being in total as near to the sum of \$16,155,000 as it is possible to determine from accounts and other records, shall be deemed to have been validly made, and always to have been validly made, in every way as if the Private School Grants Regulations 1973 had been in force at the time when those grants were made.