



1 February 2019

Document Number: Sub19-0001

## Cabinet Legislation Committee paper for five separate commodity levy orders from the vegetables and fruit sector

### Purpose:

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

- a. Commodity Levies (Vegetables and Fruit) Order 2019;
- b. Commodity Levies (Process Vegetables) Order 2019;
- c. Commodity Levies (Fresh Vegetables) Order 2019;
- d. Commodity Levies (Fresh Tomatoes) Order 2019;
- e. Commodity Levies (Onions) Order 2019.

| Minister                | Action Required:  | Minister's Deadline   |
|-------------------------|---|---|
| Minister of Agriculture | <b>Agree</b> to submit the attached paper to Cabinet Office for consideration by the Cabinet Legislation Committee. | By 10am 13 February 2019, for consideration by the Cabinet Legislation Committee on 19 February 2019. |

### Contact for telephone discussion (if required)

|                     | Name       | Position                                     | Work       | Mobile     |
|---------------------|------------|--|------------|------------|
| Responsible Manager | [REDACTED] | Acting Manager, Forestry & Plant Policy Team | [REDACTED] | [REDACTED] |
| Principal Author    | [REDACTED] | Policy Analyst, Forestry & Plant Policy Team | [REDACTED] |            |

## Key messages

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1. On 7 November 2018, you agreed to proceed with the preparation of the following levy orders, based on the Ministry for Primary Industries' (MPI) assessment that these applications meet the requirements of the Commodity Levies Act 1990 [B18-0808 refers]:
  - a. Commodity Levies (Vegetables and Fruit) Order 2019;
  - b. Commodity Levies (Process Vegetables) Order 2019;
  - c. Commodity Levies (Fresh Vegetables) Order 2019;
  - d. Commodity Levies (Fresh Tomatoes) Order 2019; and
  - e. Commodity Levies (Onions) Order 2019.
2. The Commodity Levies (Vegetables and Fruit) Order 2013 currently imposes a mandatory levy on all vegetables and fruit commercially grown in New Zealand, as well as additional levies on process vegetables, fresh vegetables and tomatoes. The order will expire on 12 May 2019. The proposed levy orders, excluding onions, will serve to separate these additional levies into their own individual orders.
3. The Commodity Levies (Onions) Order 2013 currently imposes a mandatory levy on all onions commercially grown in New Zealand. The order will expire on 12 May 2019. The proposed levy order on onions will replace the current order.
4. Horticulture New Zealand (HortNZ) has requested that commodity levy orders on vegetables and fruit, process vegetables, fresh vegetables and fresh tomatoes commence on 1 April 2019, to align with HortNZ's financial year. Onions New Zealand has asked for the levy order on onions to commence on 13 May 2019.
5. In order to meet the proposed deadline of 1 April 2019, MPI recommends that you submit the attached paper to Cabinet Office by 13 February 2019, for consideration by the Cabinet Legislation Committee on 19 February 2019.
6. The Parliamentary Counsel Office (PCO) has drafted the proposed levy orders and has certified them as being ready for submission to Cabinet. PCO will submit the order directly to Cabinet Office.

**Recommendations**

7. The Ministry for Primary Industries recommends that you:

- a) **Note** that Horticulture New Zealand Incorporated has applied for a new levy order on vegetables and fruit under the Commodity Levies Act 1990, to replace the Commodity Levies (Vegetables and Fruit) Order 2013 from 1 April 2019;

**Noted**

- b) **Note** that Onions New Zealand Incorporated has applied for a new levy order on onions under the Commodity Levies Act, to replace the Commodity Levies (Onions) Order 2013 from 13 May 2019;

**Noted**

- c) **Note** that the following industry organisations have applied for new levy orders under the Commodity Levies Act, to come into effect from 1 April 2019:

| Commodity          | Applicant organisation              |
|--------------------|-------------------------------------|
| Process vegetables | Process Vegetables New Zealand      |
| Fresh vegetables   | Vegetables New Zealand Incorporated |
| Fresh tomatoes     | Tomatoes New Zealand Incorporated   |

**Noted**

- d) **Note** that on 7 November 2018, you agreed to proceed with the preparation of the above levy orders, based on MPI’s assessment that the applications meet the requirements of the Commodity Levies Act 1990; and

**Noted**

- e) **Agree** to submit the attached paper to Cabinet Office for consideration by the Cabinet Legislation Committee on 19 February 2019.

**Agreed / Not Agreed**

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

Hon Damien O’Connor  
Minister of Agriculture

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