Version
as at 10 July 2026

Wool Industry Restructuring Act 2003

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Date of assent	7 July 2003
Commencement	see section 2

Wool Industry Restructuring Act 2003: repealed, on 10 July 2026, by section 392 of the Regulatory Systems (Primary Industries) Amendment Act 2026 (2026 No 41).

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Note

The Parliamentary Counsel Office has made editorial and format changes to this version using the powers under subpart 2 of Part 3 of the Legislation Act 2019.

Note 4 at the end of this version provides a list of the amendments included in it.

This Act is administered by the Ministry for Primary Industries.

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1 Title

This Act is the Wool Industry Restructuring Act 2003.

Part 1
Commencement and interpretation

2 Commencement

(1) Sections 40 to 54 come into force on the restructuring day.

(2) The rest of this Act comes into force on the day after the date on which this Act receives the Royal assent.

3 Interpretation

In this Act, unless the context otherwise requires,—

assets of the Board—

(a) means property of the Board of all kinds, both real and personal, of whatever nature and wherever situated; and

(b) without limiting paragraph (a), includes—

(i) property over which the Board has a power of disposition or appointment; and

(ii) copyright, patents, registered designs, trade marks, know-how, service marks, trade secrets, or other intellectual or industrial property owned by the Board; and

(iii) applications pending for patents, trade marks, copyright, and other intellectual or industrial property of the Board; and

(iv) choses in action and money owned by, or vested in, the Board; and

(v) the Board's goodwill; and

(vi) rights, interests, and claims in or to property of every kind that are exercisable by, or vested in, or capable of being made by, the Board,—

(A) whether or not arising from, accruing under, created or evidenced by, or the subject of an instrument or other document; and

(B) whether liquidated or unliquidated; and

(C) whether actual, contingent, prospective, or vested

Board means the New Zealand Wool Board established under the Wool Board Act 1997

collection agent—

(a) means a person designated under section 41 to collect levy for the company; and

(b) includes a person designated to collect levy for the Board under section 37(1) of the Wool Board Act 1997 on the date this Act comes into force

company means the Wool Board Disestablishment Company Limited into which the Board converts under section 5

financial year of the company means the period from 1 July in one year to 30 June in the following year

grower means a person engaged, in New Zealand, in the business of farming sheep, whether in conjunction with another business or not

levy means the levy imposed under section 43

levy money means the money paid or payable in respect of levy

levy return means the return required to be made under section 44

liabilities of the Board means liabilities, debts, charges, duties, and obligations of the Board of every description, whether present or future, actual or contingent, and whether payable or to be observed or performed in New Zealand or elsewhere

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

non-merino grower means a grower of sheep other than merino sheep

restructuring day means the date specified in the restructuring plan as the date on which the Board converts into the company

restructuring plan means—

(a) the plan prepared by the Board and approved by the Minister under Part 3; or

(b) the plan arranged by the Minister under Part 3

rights of the Board means all rights, powers, privileges, and immunities of the Board, whether actual, contingent, or prospective

share allocation plans means the plans for the allocation and issue of shares, and other securities, in the company, Wool Equities Limited, and Merino Grower Investments Limited

sheep includes lambs that are 6 months old or older

SheepCo means Sheep Incorporated or a successor body established for meat and wool industry good purposes

specified activities means the activities specified in section 42

wool—

(a) means the wool of sheep, whether greasy, scoured, washed, carbonised, fellmongered, or sliped; and

(b) includes dag wool, wool on the skin (whether tanned or not), processed wool, and manufactured wool (including wool noils and wool waste).

4 Act binds the Crown

This Act binds the Crown.

Part 2
Conversion of Board

Conversion process and effect

5 Board converts to company

(1) On the restructuring day, the Board converts into, and continues as, a company incorporated under the Companies Act 1993.

(2) The name of the company into which the Board converts is Wool Board Disestablishment Company Limited.

6 Steps by Board

Before the restructuring day, the Board must deliver the following information and fee to the Registrar of Companies:

(a) a copy of the constitution of the company certified by a director of the Board:

(b) the address of the registered office and the address for service of the company:

(c) the name and residential address of each director of the company immediately following the conversion:

(d) a document signed by each director in which the director consents to being a director and certifies that the director is not disqualified from being appointed or holding office as a director of the company:

(e) the name and residential address of each shareholder of the company and the number of shares held by each shareholder immediately following conversion:

(f) the fee payable for registration of a company.

7 Certificate of incorporation by Registrar

(1) The Registrar of Companies must issue a certificate of incorporation for the company as soon as practicable after being satisfied that the information required by section 6(a) to (e) is in order and the fee required by section 6(f) is paid.

(2) The certificate of incorporation referred to in subsection (1)—

(a) may be issued on or after the restructuring day; and

(b) is, on issue, conclusive evidence that the Board is a company incorporated under the Companies Act 1993 from the restructuring day.

8 Notice of conversion

As soon as practicable after the restructuring day, the company must give notice that the Board has become a company with limited liability by—

(a) publishing a notice in the *Gazette* and in each of the daily newspapers published in Auckland, Hamilton, Wellington, Christchurch, and Dunedin; and

(b) taking all other steps for that purpose that the company considers are reasonably practicable and necessary.

9 Annual return

Within 20 working days after the restructuring day, the company must deliver to the Registrar of Companies, for registration under the Companies Act 1993, an annual return for the company that, so far as practicable, contains the information specified in Schedule 4 of that Act.

10 Final report of Board

(1) As soon as reasonably practicable but not later than 3 months after the restructuring day, the chairperson must arrange a final report of the Board.

(2) The report must contain audited financial statements and an annual report—

(a) for the financial year ending 30 June 2003; or

(b) if the Board has not converted into the company by 1 July 2003, for the financial year ended 30 June 2003 and for the period from 1 July 2003 to the restructuring day.

(3) The report must comply with sections 26 to 29 of the Wool Board Act 1997 as if those sections still applied.

(4) The chairperson must, on request, send a copy of the report to a person who was a grower immediately before the restructuring day.

(5) The chairperson must give a copy of the report to the Minister.

(6) As soon as reasonably practicable after receiving the report, the Minister must present it to the House of Representatives.

(7) The reasonable costs incurred by the chairperson in complying with this section must be met by the company.

(8) In this section, **chairperson** means the person who held office as the chairperson of the Board immediately before the restructuring day.

11 Effect of conversion

(1) The company is the same person as the body established by section 4 of the Wool Board Act 1997.

(2) The conversion of the Board into a company does not—

(a) create a new entity; or

(b) prejudice or affect the identity of the body corporate constituted by the company or its continuity as a legal person; or

(c) affect the assets, rights, or liabilities of the company; or

(d) affect proceedings by or against the company.

(3) Proceedings that could have been commenced or continued by or against the Board before its conversion may be commenced or continued by or against the company.

(4) The conversion of the Board into a company does not affect rights, interests, liabilities, or obligations existing immediately before the conversion.

(5) The assets of the Board and the liabilities of the Board existing immediately before its conversion continue as the assets and liabilities of the company without transfer, disposition, assumption, or distribution.

(6) All transactions and acts of the Board before its conversion are treated as transactions and acts of the company and as having been entered into, or

performed by, the company at the time they were entered into, or performed by, the Board.

12 Certain matters not affected by conversion

The things authorised and achieved by this Act and the restructuring plan, in particular the movement of assets of the Board and liabilities of the Board to the company, Wool Equities Limited, or Merino Grower Investments Limited or SheepCo,—

(a) do not place the Crown, the Board, any member of the Board, Wool Equities Limited, or Merino Grower Investments Limited, or any other person in breach of or default under a contract, or in breach of trust or confidence, or as otherwise making any of them guilty of a civil wrong:

(b) must not be regarded as conferring a right on a person to—

(i) terminate or cancel or modify a contract, agreement, or arrangement; or

(ii) enforce or accelerate the performance of an obligation or liability; or

(iii) require the performance of an obligation not otherwise arising for performance:

(c) do not release a guarantor wholly or in part from all or any obligation:

(d) do not invalidate or discharge a contract or security.

Directors of company

13 Appointment of directors

(1) The Board must appoint 3, 4, or 5 directors of the Board, immediately before its conversion, as directors of the company.

(2) The directors of the company appointed under subsection (1) must include—

(a) at least 2 persons who were elected to the Board by growers; and

(b) at least 1 person who was appointed to the Board by the Minister on the recommendation of the Board under section 13(2)(b) of the Wool Board Act 1997.

(3) The total number of directors of the company must not exceed 5.

14 Ministerial appointments

(1) At any time before the Minister receives the final report on the implementation of the restructuring plan under section 57, the Minister—

(a) may appoint a director of the company; and

(b) must appoint a director of the company if the number of directors is smaller than 3.

(2) A person may not be appointed by the Minister under subsection (1)(a) unless the person is recommended for appointment by the directors of the company.

(3) To facilitate appointment by the Minister under subsection (1)(b), the directors of the company must recommend a person for appointment by the Minister before the number of directors is smaller than 3.

(4) However, the Minister must appoint a director of the company under subsection (1)(b) if the directors do not make the required recommendation under subsection (3).

(5) The Minister may reject particular individuals recommended under subsections (2) and (3) and seek other recommendations.

15 Liability of directors and employees of Board

No person who was a director or employee of the Board is personally responsible—

(a) for a liability of the Board prior to the restructuring day; or

(b) for an act done or omitted to be done by the Board or an employee of the Board, prior to the restructuring day, in good faith in performance or intended performance of a function, duty or power of the Board.

16 No compensation for loss of office

No director of the Board is entitled to compensation for loss of office resulting from the conversion of the Board.

Part 3
Restructuring of wool industry

Restructuring plan, constitutions, and share allocation plan

17 Board must prepare restructuring plan

(1) The Board must prepare a restructuring plan and submit it to the Minister within 20 working days after this Act comes into force together with a certificate signed by at least 2 directors of the Board certifying that the plan complies with sections 18 to 28.

(2) Before submitting the restructuring plan to the Minister, the Board must consult Wool Equities Limited, Merino Grower Investments Limited, and SheepCo.

18 Contents

(1) The restructuring plan must—

(a) specify a restructuring day; and

(b) estimate, as at the restructuring day,—

(i) the assets of the Board and the liabilities of the Board; and

(ii) the value of those assets and liabilities; and

(c) provide and specify that a portion of the company's assets be allocated to merino wool growers; and

(d) provide and specify that a portion of the company's assets be allocated to Wool Equities Limited; and

(e) provide and specify that a portion of the company's assets be allocated to SheepCo, if a levy is imposed on wool by an order made under the Commodity Levies Act 1990, before 30 June 2004, and that levy is payable to SheepCo; and

(f) provide for payments to be made by the company to SheepCo to assist it to seek an order imposing a levy on wool under the Commodity Levies Act 1990; and

(g) estimate—

(i) the value of assets to be allocated to SheepCo under paragraph (e), as at the restructuring day; and

(ii) the amount of payments to SheepCo under paragraph (f); and

(h) contain plans for the allocation and issue of shares in the company, Wool Equities Limited, and Merino Grower Investments Limited, including the criteria for eligibility for shares in the latter 2 companies; and

(i) contain constitutions for Wool Equities Limited, Merino Grower Investments Limited, and the company that comply with the requirements of this Act.

(2) The restructuring plan may specify 2 portions for allocation under subsection (1)(c) and (d), one that assumes that the condition attaching to the allocation of assets to SheepCo referred to in subsection (1)(e) is satisfied, and a second that assumes that that condition is not satisfied.

(3) The restructuring plan must specify that the percentage of the Board's assets, as at the restructuring day, that will be allocated to merino wool growers will be 7.2%, adjusted to account for the following items:

(a) the liabilities of the Board on or after the restructuring day:

(b) amounts held by the Board, on the day before the restructuring day, specifically for groups of growers identified by the Board who produce particular categories of wool:

(c) actual or committed expenditure by the Board, before the restructuring day, in funding and capitalising merino wool growers and other costs incurred specifically on behalf of the merino sector since 30 June 2001:

(d) the merino sector's share of generic costs of restructuring funded from reserves since 30 June 2001:

(e) disproportionate expenditure by the Board on behalf of merino wool growers, between 1 July 1995 and 30 June 2001, of $782,000 (being the amount agreed by Merino Grower Investments Limited and the Board).

19 Constitutions

(1) The constitution for Wool Equities Limited that is contained in the restructuring plan under section 18 must provide that, for 2 years from the date of the first allocation of shares to growers in Wool Equities Limited,—

(a) a shareholder must not sell shares in Wool Equities Limited to a person other than another grower; and

(b) a person who is not a grower must not buy shares or become a shareholder in Wool Equities Limited; and

(c) a shareholder and an associated person must not acquire, hold, or control voting rights for, directly or indirectly, in concert or otherwise, more than 5% of the total number of shares in Wool Equities Limited.

(2) The constitution for Merino Grower Investments Limited that is contained in the restructuring plan under section 18 must provide that, for 2 years from the date of the first allocation of shares to growers in Merino Grower Investments Limited,—

(a) a shareholder must not sell shares in Merino Grower Investments Limited to a person other than another grower; and

(b) a person who is not a grower must not buy shares or become a shareholder in Merino Grower Investments Limited; and

(c) a shareholder and an associated person must not acquire, hold, or control voting rights for, directly or indirectly, in concert or otherwise, more than 5% of the total number of shares in Merino Grower Investments Limited.

(3) A person who breaches subsection (1)(c) or subsection (2)(c) must—

(a) take the steps that are necessary to ensure that the person is no longer in breach of either subsection; and

(b) while the person remains in breach, not exercise or control the exercise of any voting rights that exceed the 5% limit.

(4) An exercise of voting rights by or under the control of a person in breach of subsection (1)(c) or subsection (2)(c) is of no effect, and must be disregarded by the person responsible for counting the votes concerned.

(5) Voting rights held or controlled by an associated person of a person are to be treated as voting rights held or controlled by that person.

(6) A person is an **associated person** of another person if—

(a) they are acting jointly or in concert; or

(b) either person acts, or is accustomed to act, in accordance with the wishes of the other person; or

(c) they are related companies; or

(d) either person is able, directly or indirectly, to exert a substantial degree of influence over the activities of the other; or

(e) they are both, directly or indirectly, under the control of the same person.

20 Share allocation plans

The Board must ensure that the share allocation plans satisfy sections 21 to 27.

21 Eligibility

The 3 share allocation plans are to restrict the allocation and issue of shares to growers who were farming 250 or more sheep on 30 June 2002 and who derived income, or were entitled to derive income, from wool from those sheep.

22 Size of entitlement for non-merino growers

(1) The share allocation plan for non-merino growers must provide that the proportion, and therefore number, of shares in the company to be allocated to a non-merino grower must be the same proportion that the average number of non-merino sheep of that grower (calculated under subsection (2)) bears to the total average number of non-merino sheep of all growers entitled to an allocation of shares for non-merino growers.

(2) The average number of non-merino sheep of a non-merino grower to be used in the calculation required by subsection (1) is to be calculated using the following formula:

$$a \div b$$

where—

a is the greater of the numbers derived from the following:

(a) the aggregate number of non-merino sheep farmed by a non-merino grower—

(i) as at 30 June 2000, 30 June 2001, and 30 June 2002, if the grower farmed non-merino sheep on all 3 of those dates; or

(ii) as at any 2 of the dates specified in subparagraph (i), if the grower farmed non-merino sheep on 2 of those 3 dates; or

(iii) as at one of the dates specified in subparagraph (i), if the grower farmed non-merino sheep on just 1 of those 3 dates; or

(b) the number of non-merino sheep farmed by a non-merino grower on 30 June 2002

b is—

(a) 3, if the grower farmed sheep on all 3 of the dates specified in paragraph (a)(i) of item a; or

(b) 2, if the grower farmed sheep on 2 of those 3 dates; or

(c) 1 , if the grower farmed sheep on just 1 of those 3 dates or if a is calculated according to paragraph (b) of the item relating to a.

23 Size of entitlement for merino wool growers

(1) The share allocation plan for merino wool growers must provide that the proportion, and therefore number, of shares in the company to be allocated to a merino grower must be the same proportion that the average number of merino sheep of that grower (calculated under subsection (2)) bears to the total average number of merino sheep of all growers entitled to an allocation of shares for merino wool growers.

(2) The average number of merino sheep of a merino grower to be used in the calculation required by subsection (1) is to be calculated using the following formula:

$$a \div b$$

where—

a is the greater of the numbers derived from the following:

(a) the aggregate number of merino sheep farmed by a merino grower—

(i) as at 30 June 2000, 30 June 2001, and 30 June 2002, if the grower farmed merino sheep on all 3 of those dates; or

(ii) as at any 2 of the dates specified in subparagraph (i), if the grower farmed merino sheep on 2 of those 3 dates; or

(iii) as at one of the dates specified in subparagraph (i), if the grower farmed merino sheep on just 1 of those 3 dates; or

(b) the number of merino sheep farmed by a merino grower on 30 June 2002

b is—

(a) 3, if the grower farmed sheep on all 3 of the dates specified in paragraph (a)(i) of item a; or

(b) 2, if the grower farmed sheep on 2 of those 3 dates; or

(c) 1, if the grower farmed sheep on just 1 of those 3 dates or if a is calculated according to paragraph (b) of the item relating to a.

24 Method of allocation for non-merino growers

(1) The share allocation plan for non-merino growers will require the company, Wool Equities Limited and eligible non-merino growers to implement the transactions, and achieve the outcomes, specified in this section.

(2) On the restructuring day, the company will issue exchangeable shares, redeemable shares (both non-voting shares) and ordinary shares (voting shares) to eligible non-merino growers in the proportions calculated under section 22.

(3) Wool Equities Limited will be granted an option to purchase the ordinary shares in the company at the time those ordinary shares are issued by the company.

(4) The company will redeem the exchangeable shares for the shares it holds in Wool Equities Limited, with the outcome that eligible non-merino growers will own all the shares in Wool Equities Limited.

(5) Wool Equities Limited will acquire all the ordinary shares in the company by exercising the option referred to in subclause (3), with the outcome that Wool Equities Limited will own all of the voting shares in the company.

(6) The company will redeem the redeemable shares for cash and eligible non-merino growers will have the opportunity to reinvest all or some of the proceeds of redemption in a further issue of shares by Wool Equities Limited.

(7) Subsections (1) to (6) describes the steps for allocation and issue of shares to non-merino growers in broad terms. The share allocation plan for non-merino growers will outline those steps, and their timing, in precise detail.

25 Method of allocation for merino wool growers

(1) The share allocation plan for merino wool growers will require the company, Merino Grower Investments Limited and eligible merino wool growers to implement the transactions, and achieve the outcomes, specified in this section.

(2) Before the restructuring day, the company will convert its loan to Merino Grower Investments Limited into mandatory convertible notes, those mandatory convertible notes converting into shares.

(3) On the restructuring day, the company will issue exchangeable shares and redeemable shares (both non-voting shares) to eligible merino growers in the proportions calculated under section 23.

(4) The company will redeem the exchangeable shares by transferring the mandatory convertible notes it holds in Merino Grower Investments Limited, with the outcome that eligible merino growers will hold the mandatory convertible notes.

(5) The company will redeem the redeemable shares for cash but eligible merino growers will not have the opportunity to reinvest any of that cash.

(6) Subsections (1) to (5) describe the steps for allocation and issue of shares to merino wool growers in broad terms. The share allocation plan for merino wool growers will outline those steps, and their timing, in precise detail.

26 Identification of growers

The Board must take all practicable steps to identify and register growers for the purpose of the share allocation plans.

27 Other contents of share allocation plans

The share allocation plans—

(a) must provide that shares or other instruments allocated to growers are allocated and issued without payment; and

(b) must specify clearly the basis for allocation.

28 Company constitution must include certain matters

(1) The Board must ensure that the company's constitution in the restructuring plan provides as follows, for the period specified in subsection (2):

(a) that it is the statutory and corporate duty and obligation of the company and its directors to allocate expeditiously the assets of the company in accordance with this Act:

(b) that the directors must be appointed in accordance with sections 13 and 14:

(c) that shares in the company held by Wool Equities Limited must not be sold:

(d) that no dividends are payable to Wool Equities Limited.

(2) The period referred to in subsection (1) is the period until the later of the following dates:

(a) the date on which the Minister receives the final report on implementation of the restructuring plan under section 57; and

(b) the date on which the company ceases to be responsible for administering the levy.

29 Minister's consent needed to certain changes

(1) The constitutional provisions for Wool Equities Limited and Merino Grower Investments Limited required by section 18 may not be amended or revoked, without the written consent of the Minister, until after the periods specified in that section.

(2) The provisions for the company constitution required by section 28 may not be amended or revoked, without the written consent of the Minister, until after the period specified in that section.

(3) An amendment or revocation approved by the Minister must be consistent with the requirements in sections 18 and 28.

30 Board functions

(1) The Board has the functions and powers necessary to do the things required by Parts 2 and 3, even though the Board may have done some of those things before this Act became law.

(2) The Board undertook the function required by section 26 of registering growers eligible for allocations under the share allocation plans, as required by section 26.

(3) The fact that the Board undertook that function with reference to the period of 10 January 2003 to 2 May 2003 does not invalidate the exercise of that function.

Ministerial involvement with restructuring plan

31 Approval of restructuring plan

The Minister must, as soon as practicable after receiving a restructuring plan, by notice in writing to the Board,—

(a) approve it; or

(b) decline to approve it.

32 Revision of restructuring plan

If the Minister declines to approve the restructuring plan,—

(a) the Minister must indicate the grounds for declining approval; and

(b) the Minister must direct the Board to prepare and submit a revised plan; and

(c) the Board must submit a revised restructuring plan to the Minister, not later than 10 working days after the date on which approval was declined (or a later date that the Minister may allow), together with a certificate signed by at least 2 directors of the Board certifying that the revised plan complies with sections 18 to 28.

33 Approval of revised restructuring plan

(1) As soon as practicable after receiving a revised restructuring plan, the Minister must—

(a) approve the plan by notice in writing to the Board; or

(b) if the Minister considers that the revised plan requires further amendment to comply with the requirements of this Act,—

(i) make any amendments to the plan that the Minister considers necessary; and

(ii) approve the plan (as amended) by notice in writing to the Board, which notice must be accompanied by a copy of the plan as approved.

(2) Before making amendments to a restructuring plan under this section, the Minister must advise the Board of the Minister's intention to do so and must give the Board a reasonable opportunity to make submissions on the matter.

34 Failure to submit restructuring plan

(1) If the Board has not submitted a restructuring plan to the Minister within the time specified in section 17(1), or has not given the Minister a revised restructuring plan within the time specified by section 32, the Minister must arrange for a restructuring plan to be prepared and the Minister has the power necessary for that purpose.

(2) Sections 18 to 28 and 32 apply to a restructuring plan prepared under subsection (1) as if the restructuring plan were a revised restructuring plan given to the Minister by the Board.

(3) The Minister and the department that is responsible for administering this Act are entitled to be reimbursed by the Board for the costs and expenses that they incur in taking action under subsection (1).

35 Minister to notify restructuring day

(1) As soon as practicable after approving a restructuring plan or a revised restructuring plan, the Minister must notify the restructuring day in the *Gazette*.

(2) A notice under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Legislation Act 2019 requirements for secondary legislation made under this section		
Publication	The maker must notify it in the *Gazette*	LA19 ss 73, 74(1)(a), Sch 1 cl 14
Presentation	It is not required to be presented to the House of Representatives because a transitional exemption applies under Schedule 1 of the Legislation Act 2019	LA19 s 114, Sch 1 cl 32(1)(a)
Disallowance	It may be disallowed by the House of Representatives	LA19 ss 115, 116

This note is not part of the Act.

Section 35(2): inserted, on 28 October 2021, by section 3 of the Secondary Legislation Act 2021 (2021 No 7).

Taxation

36 Tax treatment of issue of shares

(1) The issue by the company, in accordance with the share allocation plan in the restructuring plan, of shares to a person who is a grower—

(a) is not a dutiable gift for the purposes of the Estate and Gift Duties Act 1968; and

(b) is not a dividend for the purposes of the Income Tax Act 2007; and

(c) is not otherwise income of the person for the purposes of the Income Tax Act 2007.

(2) For the purposes of the Income Tax Act 2007, if the company, in accordance with the share allocation plan in the approved restructuring plan, issues shares to a grower of sheep other than merino sheep, the grower is to be regarded as having, at all times prior to the restructuring day,—

(a) held those shares; and

(b) subject to section YC 10 of the Income Tax Act 2007, held any voting interest or market interest attributable to those shares.

(3) For the purposes of the definition of available subscribed capital in section YA 1 of the Income Tax Act 2007, the company—

(a) is to be treated as having received an amount of $47,720,400 in consideration for the issue of shares on the restructuring day; and

(b) the available subscribed capital that arises under paragraph (a) is to be treated as allocated, as available subscribed capital of and between the classes of shares of the company issued on the restructuring day to the growers, in the proportions nominated by the company if the company nominates the proportions by notice in writing to the Commissioner of Inland Revenue within 30 days after the restructuring day; and

(c) if the amount of an allocation of available subscribed capital referred to in paragraph (b) is not valid or an election is not received within the specified time period, the amount is to be treated as available subscribed capital in respect of the classes of shares issued on the restructuring day to growers in the same proportion as the number of shares issued in each class.

(4) For the purposes of the Income Tax Act 2007, if shares in Merino Grower Investments Limited are transferred, under the restructuring plan, by the Merino Distribution Trust to a person who is a grower of merino sheep, the person is to be treated as having, at all times prior to that transfer,—

(a) held those shares; and

(b) subject to section YC 10 of the Income Tax Act 2007, held any voting interest or market interest attributable to those shares.

(5) The proceeds from the sale, exchange, redemption, or other disposition of a share or other equity or similar instrument issued to, or distributed to, or acquired by, a grower as part of the restructuring process is not income for the purposes of the Income Tax Act 2007.

(6) For the purposes of the Income Tax Act 2007, a person nominated to hold shares or rights on behalf of a grower in accordance with the approved restructuring plan, in the period between the restructuring day and the day that shares and cash are distributed by the nominee to a grower, is to be treated as a nominee.

Section 36(1)(b): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 36(1)(c): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 36(1)(c): amended, on 1 April 2005 (effective for 2005–06 tax year and later), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 36(2): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 36(2)(b): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 36(3): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 36(4): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 36(4)(b): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 36(5): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 36(5): amended, on 1 April 2005 (effective for 2005–06 tax year and later), by section YA 2 of the Income Tax Act 2004 (2004 No 35).

Section 36(6): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

37 Net losses

For the purposes of the Income Tax Act 2007, and as agreed between the Board and Merino Grower Investments Limited, 7.2% of the net losses to be carried forward by the Board immediately prior to the restructuring day is to be treated as a net loss incurred by Merino Grower Investments Limited prior to the restructuring day and not an amount incurred by the Board.

Section 37: amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

38 Company treated as statutory producer board

(1) The company is to be treated as a statutory producer board for the purposes of section CV 5 of the Income Tax Act 2007 for the period provided in section 40 in which the company is responsible for administering the levy on wool imposed by section 43.

(2) Section CV 5 of the Income Tax Act 2007 applies to expenditure of levies by the company under section 40.

Section 38(1): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 38(2): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

39 Definitions

(1) In section 28(4) the **Merino Distribution Trust** means the discretionary trust settled by the Board by a trust deed dated 24 October 2001, whose trustees are Hugh Alexander Cameron, Allan Kane, John Ernest Nicol, and Ronald Thomas Small.

(2) In the application of the definition of shareholder decision making rights in section YA 1 of the Income Tax Act 2007, section 14 relating to the appointment of directors in the company in the period before the final report on the

implementation of the restructuring plan is received by the Minister is not to be treated as being carried by shares.

(3) In this subpart, **net loss** has the same meaning as in section YA 1 of the Income Tax Act 2007.

Section 39(2): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Section 39(3): amended, on 1 April 2008 (effective for 2008–09 income year and later), by section ZA 2(1) of the Income Tax Act 2007 (2007 No 97).

Levy

40 Company responsible for levy on wool

(1) The company is responsible for administering the levy on wool imposed under section 43 until the earlier of the following days:

(a) the day before a levy becomes payable on wool on all sheep under a levy order made under the Commodity Levies Act 1990; or

(b) 30 June 2004.

(2) The company must consult SheepCo on spending the levy.

(3) The levy may be spent on—

(a) 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 New Zealand wool into wool products; and

(v) the handling, packaging, and product development of New Zealand wool and wool products; and

(b) encouraging 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 wool products; and

(v) the handling, packaging, and product development of New Zealand wool and wool products; and

(c) activities that persons are committed to provide to or for the Board under contracts in force as at the restructuring day; and

(d) collecting, processing, maintaining, and making available, information for the purposes of assisting production, investment, processing, and product development decisions on matters relevant to the New Zealand sheep and wool industries; and

(e) administering the collection and spending of the levy by the company.

(4) The levy must be on the basis and at the rate prescribed by the Board by the notice published in the *Gazette* on 17 April 2003.

(5) Levy owing to the Board at the date this section comes into force is levy owing to the company.

(6) The levy is taxable as income of the company.

(7) Levy money collected but unspent at the time the company ceases to be responsible for administering the levy must be allocated as redeemable preference shares in Wool Equities Limited and Merino Grower Investments Limited.

41 Company may designate collection agent

(1) The company may designate a person by written notice to collect levy for the company to assist the orderly and efficient payment of the levy.

(2) The company may, by written notice to a collection agent, cancel that collection agent's designation.

(3) A designation takes effect—

(a) on a day (more than a month after the company gives the notice to the person) specified in the notice, if the notice specifies that day:

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

(4) 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 company gives the notice to the person, in any other case.

(5) The company must—

(a) keep a list of collection agents:

(b) take all practicable steps to ensure that every collection agent is regularly given, free of charge, a copy of the list:

(c) on payment of a reasonable fee fixed by the company, give a copy of the list to any other person who asks for it.

42 Specified activities

The following activities are **specified activities** for the purpose of this Act:

(a) activity relating to dags containing wool crushing:

(b) activities relating to wool and wool on the skin, carbonising, carding, combing, fellmongering, felting, knitting, needle-punching, scouring, sliping, sliverknitting, spinning, tanning, tufting, washing, and weaving.

43 Levy on wool

(1) This section imposes a levy on wool produced in New Zealand.

(2) The levy is payable on wool when one of the following things first occurs:

(a) when it is sold to or through a collection agent:

(b) when it is subjected to a specified activity by a collection agent:

(c) upon export from New Zealand.

(3) The levy is payable in accordance with this Act.

(4) In the following circumstances, the company may make a reasonable assessment of the value and weight of wool:

(a) if the transaction that attracts the payment of the levy is not a sale; and

(b) if the basis for the calculation of the levy is or includes one or both of its value or weight.

44 Levy returns

(1) Every collection agent must complete returns of wool on which the levy is payable under section 43 and give those returns to the company.

(2) A levy return must be in a form determined by the company.

(3) A levy return must be completed and given to the company,—

(a) monthly, within 18 days of the end of the month for which it is made; or

(b) for wool sold at auction in New Zealand, within 18 days of the day of the auction.

(4) A levy return for wool sold at auction must include all wool sold at the auction to or through the person making the return.

45 Payment

(1) A levy payable on wool must be paid by a collection agent in the following circumstances:

(a) if the wool is sold through the collection agent:

(b) if the wool is sold to the collection agent (but not through another collection agent):

(c) if the wool is subjected to a specified activity by the collection agent.

(2) A levy payable on wool that is exported must be paid by the exporter. If the exporter is not a collection agent, sections 44, 47, and 49 apply to the exporter as if the exporter were a collection agent.

(3) A person who makes a levy return must pay the levy—

(a) by sending the levy amount with the levy return; or

(b) by sending the amount to the company or paying it into the company's bank account on or before the day on which the levy return is due.

46 Estimate may be disputed

(1) The company may estimate the amount of levy money payable under this Act for a relevant period, and make a written demand for payment of that amount, if—

(a) a levy return is not made by the required time; or

(b) the company is not satisfied that the levy return is complete and correct.

(2) A person who receives a demand under subsection (1) may dispute the estimated amount demanded within 10 days of the demand being made; however, this applies only to the initial demand and not to a substitute demand made under subsection (3)(c)(i).

(3) Within 15 days of receiving a notice of dispute, the company must—

(a) consider the matters raised in it; and

(b) undertake any audit of the operations of the person concerned that the company 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 demand will be substituted for it; or

(iii) confirm the demand.

(4) A person to whom a demand is made under subsection (1) must pay the amount demanded to the company, or pay it into the company's bank account,—

(a) within 18 days of the demand being made or any longer period the company may allow, unless the person has, within those 18 days, disputed the estimate under subsection (2); or

(b) if the initial demand is disputed, within 18 days of the demand being confirmed or substituted, or any longer period the company may allow.

47 Collection agents may recover from owner

(1) A collection agent who pays levy money on wool that the collection agent did not, at the time of payment, own may recover the amount paid, or part of it, from the owner of the wool when the levy became payable.

(2) The collection agent may recover the amount under subsection (1) as a debt or by deducting the amount from money that is held by the agent but that belongs, or is payable to, the owner.

48 Refunds

(1) The company must refund levy money found to have been overpaid or paid in error to the appropriate person unless that person has already received reimbursement of the amount.

(2) However, before paying a refund under subsection (1), the company may—

(a) require the person to be refunded to provide the company with the relevant levy returns and any other information justifying the refund and allowing the company to determine or check the amount of the refund; and

(b) verify the returns and any information provided under paragraph (a) in any way it thinks fit.

49 Records to be kept

(1) Every person who makes a levy return under section 44 or who pays levy money under section 45 must keep accurate records of the payment and full particulars of the transaction to which the payment relates.

(2) Those records must be preserved for not less than 2 years from the date they are made.

50 Levy to constitute debt due to company

(1) Payable levy is a debt due to the company and is recoverable as a debt by the company in any court of competent jurisdiction.

(2) The company 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

(1) An auditor appointed under section 52 may exercise the powers specified in subsection (2) at any reasonable time within business hours in order to ascertain whether the requirements of the levy provisions (sections 40 to 50) of this Act are being met.

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

(a) enter a place of business of a collection agent (that is not a dwelling house) where a document relating to levy money, wool, or wool product is held or is likely to be held; and

(b) inspect a document referred to in paragraph (a); and

(c) take or make copies of, or extracts from, a document inspected, and, for that purpose, the auditor may—

(i) take possession of and remove a document from the place where it is held, for a reasonable period:

(ii) require a person to reproduce, or assist the appointed auditor to reproduce, in usable form, any information recorded or stored on a document electronically or by other means.

52 Appointment of auditor

(1) The Minister may appoint a person referred to in subsection (2) as an auditor to exercise the powers in section 51 if the company so requests.

(2) A person whom the Minister may appoint as an auditor under subsection (1) must be a qualified auditor (within the meaning of section 35 of the Financial Reporting Act 2013).

(3) However, the Minister must not appoint a person as an auditor who is an officer or employee of—

(a) the company; or

(b) a collection agent; or

(c) a person who is or may be liable to pay levy.

(4) The Minister must supply an auditor appointed under this section with a warrant of authorisation that states the powers and duties of the auditor.

(5) An auditor who holds a warrant of authorisation issued under this section must, on the termination of that auditor's appointment, surrender that warrant to the Minister.

(6) A person appointed as an auditor is entitled to remuneration paid by the company.

Section 52(2): replaced, on 1 April 2014, by section 126 of the Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102).

53 Duties of auditor

(1) An auditor who exercises a power under section 51 must, at the time of initial entry and, if requested by the occupier of the place of business, at a subsequent time, produce—

(a) the auditor's warrant of appointment; and

(b) evidence of the auditor's identity.

(2) If an auditor inspects documents under section 51 when an occupier of the place inspected is not present, the auditor must leave prominently in the place a notice stating—

(a) the day and time of entry; and

(b) the purpose of entry; and

(c) the name and business telephone number of the auditor; and

(d) an address at which enquiries can be made.

(3) If the auditor who inspects documents under section 51 takes a document, article, or thing from the place inspected, the auditor must, on completing the

inspection, leave prominently in the place a schedule of all documents, articles, and things taken.

(4) If it is not practicable to prepare the schedule on completing the inspection, or if an occupier of the place inspected consents, the auditor who conducts the inspection must,—

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

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

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

(b) within 7 days of the inspection,—

(i) deliver the schedule to the occupier; or

(ii) leave the schedule prominently in the place; or

(iii) post the schedule by registered mail to the occupier.

(5) The schedule must specify—

(a) the documents, articles, and things taken; and

(b) the place or places where they are being held; and

(c) if more than 1 place is specified, the documents, articles, and things held in each place.

(6) The auditor must report to the Minister and the company on any matters that the auditor considers relevant to the inspection.

54 Offences and self-incrimination

(1) Every person commits an offence, and is liable on conviction to a fine not exceeding $20,000, who—

(a) intentionally makes a false or misleading levy return; or

(b) intentionally fails or refuses to comply with sections 44, 45, 46(4), or 49; or

(c) wilfully prevents, obstructs, or hinders a person exercising or attempting to exercise any of the powers conferred by section 51(1) and (2); or

(d) intentionally fails or refuses to make available to any person exercising any of the powers conferred by section 51 any document relating to levy money, wool, or wool products.

(2) A person is not excused from answering a question or giving any information or document under this Act on the ground that to do so may incriminate or tend to incriminate that person.

(3) A self-incriminating statement or document made or given under this Act is not admissible as evidence in criminal proceedings against that person except on the prosecution for an offence against this Act or against section 108 of the Crimes Act 1961 in relation to that statement or document.

Section 54(1): amended, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Database transfer

55 Transfer of database

The company may transfer the company's database containing the following information to an entity that is seeking a levy on wool or administering a levy on wool under the Commodity Levies Act 1990 for the purpose of conducting a referendum or administering a levy under that Act:

(a) the names and addresses of growers; and

(b) the number of sheep farmed by those growers.

Reporting

56 Annual report on implementation of restructuring plan

(1) The directors of the company must provide annually to the Minister—

(a) a report of its progress in implementing the restructuring plan; and

(b) the annual return of the company under section 214 of the Companies Act 1993 until a final report has been made in accordance with section 57.

(2) As soon as reasonably practicable after receiving the report and annual return, the Minister must present them to the House of Representatives.

(3) The directors of the company must send a copy of the report referred to in subsection 56(1)(a) to a person who was a grower immediately before the restructuring day who requests a copy of that report.

57 Final report on implementation of restructuring plan

(1) As soon as reasonably practicable after the implementation of the restructuring plan is completed and all assets of the company are distributed in accordance with the plan, the directors of the company must arrange for the preparation of a final report on the implementation of the restructuring plan.

(2) The report must contain audited financial statements.

(3) The directors must send a copy of the report,—

(a) on request, to a person who was a grower immediately before the restructuring day; and

(b) to the Minister.

(4) As soon as reasonably practicable after receiving the report the Minister must present it to the House of Representatives.

58 Report on levy

(1) As soon as reasonably practicable after the company has ceased to collect levy, the directors of the company must arrange for the completion of a report on the collection and spending of the levy.

(2) The report must contain audited financial statements.

(3) The directors must send a copy of the report,—

(a) on request, to a person who was a grower during the period that the levy was payable; and

(b) to the Minister.

(4) As soon as reasonably practicable after receiving the report, the Minister must present it to the House of Representatives.

Notices, repeals, revocations, and amendments

59 Notices

(1) The company may give a 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 company.

(3) If a notice is posted to a person by registered letter, it is to be treated as having been given to the person when it would have been delivered in the ordinary course of post; and, in proving delivery, it is sufficient to prove that the letter was properly addressed and posted.

60 Repeals

The following Acts are repealed on the restructuring day:

(a) the Wool Board Act 1997 (1997 No 107):

(b) the Wool Testing Authority Dissolution Act 1988 (1988 No 166).

61 Revocations

The following regulations and orders are revoked on the restructuring day:

(a) the Wool Board Regulations 1998 (SR 1998/135):

(b) the Wool Testing Authority Dissolution Act Commencement Order 1988 (SR 1988/319):

(c) the Wool Testing Authority Dissolution Act Commencement Order 1989 (SR 1989/154).

62 Amendments to other Acts

(1) On the restructuring day, Schedule 1 of the Official Information Act 1982 is amended by omitting the item relating to the New Zealand Wool Board.

(2) On the restructuring day, Schedule 15 of the Income Tax Act 1994 is amended by omitting the item relating to the New Zealand Wool Board.

(3) On the restructuring day, section 37F of the Statistics Act 1975 is amended by omitting the item relating to the New Zealand Wool Board.

Notes

1 General

This is a consolidation of the Wool Industry Restructuring Act 2003 that incorporates the amendments made to the legislation so that it shows the law as at its stated date.

2 Legal status

A consolidation is taken to correctly state, as at its stated date, the law enacted or made by the legislation consolidated and by the amendments. This presumption applies unless the contrary is shown.

Section 78 of the Legislation Act 2019 provides that this consolidation, published as an electronic version, is an official version. A printed version of legislation that is produced directly from this official electronic version is also an official version.

3 Editorial and format changes

The Parliamentary Counsel Office makes editorial and format changes to consolidations using the powers under subpart 2 of Part 3 of the Legislation Act 2019. See also PCO editorial conventions for consolidations.

4 Amendments incorporated in this consolidation

Regulatory Systems (Primary Industries) Amendment Act 2026 (2026 No 41): Part 22

Secondary Legislation Act 2021 (2021 No 7): section 3

Financial Reporting (Amendments to Other Enactments) Act 2013 (2013 No 102): section 126

Criminal Procedure Act 2011 (2011 No 81): section 413

Income Tax Act 2007 (2007 No 97): section ZA 2(1)

Income Tax Act 2004 (2004 No 35): section YA 2

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