

VOTING INFORMATION

Voting

The attached voting paper is for commercial onion growers to record their vote on whether they agree, or disagree, with the imposition of a compulsory levy on onions grown in New Zealand for commercial purposes. Onions New Zealand's (ONZ) existing order imposing levies on onions will expire on 12 May 2019 and the levy order proposed in this ballot paper will replace the current Onions New Zealand levy order.

A result in favour of the imposition of the commodity levy will occur if both the following are met:

1. the "YES" votes equal more than half of all votes cast; and
2. the tonnage of onions sold or part thereof during the 12 months to 30 June 2018 declared by growers voting "YES" equals more than half of the total of tonnes sold of all the growers who voted.

A voting paper returned to the returning officer that is incomplete, or is not completed correctly, will be treated as a **NO** vote against the commodity levy. However, any voting paper that is returned by a person who is not an onion grower will not be counted and any voting paper returned after the close of voting will not be counted.

Who is entitled to vote?

All commercial onion growers are entitled to vote. Commercial onion growers are those persons or businesses that produced onions for commercial purposes over 12 months to 30 June 2018.

E-vote: Vote online on www.electionz.com/hortCLA by clicking on the voting link on the homepage then logging in by using the PIN and password provided on the attached Voting Paper (note the password is case sensitive).

Post: For those growers who do not have an email account, completed voting papers should be posted back in the enclosed freepost envelope to reach the Returning Officer before the close of voting.

Deadline for voting

The completed ballot paper must be received by the Returning Officer no later than **12 noon on Monday, 13 August 2018**.

Any voting papers received after this time will not be counted.

Who will be counting the votes?

The completed voting paper should be sent to the Referendum Returning Officer Warwick Lamp of electionz.com Ltd whose contact details are: FREEPHONE (within New Zealand) 0800 666 033 or iro@electionz.com. The Returning Officer may undertake an independent audit of all ballot papers or a random selection of ballot papers.

Where the results will be published?

The results of the referendum will be published in the "NZ Grower" and the Onions New Zealand email newsletter as soon as practical after they are known.

Information from the ballot paper

The information contained on voting papers returned to the Returning Officer will be used by the Returning Officer to determine the level of support from onion growers for the proposed commodity levy. The information from the referendum will be supplied to Onions New Zealand for statistical and research purposes (but not in a manner which relates to an identifiable person or entity).

The voting papers will be destroyed by the returning officer immediately upon the levy order being confirmed by Act of Parliament, or upon this referendum failing to obtain the support of voters. Until that time they will be held in confidential storage by the Returning Officer.

Where to get further information?

For more information about Onions New Zealand Ph: 0508 ONIONS (664 667) or visit our website: www.onionsnz.com

DETAILS OF COMMODITY LEVY ON ONIONS

a) Who will the levy be paid to?

Onions New Zealand Inc
PO Box 10232, The Terrace, WELLINGTON 6143
Ph: 0508 ONIONS (664 667)
E-mail: James.Kuperus@onionsnz.com Website: www.onionsnz.com

b) Commodity that is to be levied

Onions. Onions means the bulb of the onion plant *Allium cepa* (excluding the bulb of the shallot plant *Allium cepa var aggregatum*) grown in New Zealand for the domestic fresh market, processing, or export.

c) Who will be responsible for paying the levy?

All commercial onions growers (including those producing for export, the domestic fresh market, gate sales, farmers markets and processing).

Any commercial onion growers who objects on conscientious or religious grounds to paying a levy in the manner provided for by the levy order, will be able to pay the levy to the Chief Executive of the Ministry administering the proposed levy. In such cases the Chief Executive will pay the levy to Onions New Zealand.

d) How will the levy be calculated?

The levy will be calculated on a per tonne basis or part thereof for domestic sales, processing and for exports. .

Exporter means a person whose business is or includes the export of onions

e) Who is to be exempt from paying the levy?

No commercial onion grower will be exempt from paying the levy.

f) How the levy is to be paid?

Growers will pay the levy via levy collectors (collection agents). Collection agents must, at the first point of sale, pay the levy and any GST payable on it if the collection agent—

- (a) buys onions from a grower for resale, processing, or export; or
- (b) sells, processes, or exports onions on behalf of a grower.

A collection agent may recover the levy (and any GST payable on it) from a grower—

- (a) by deducting the amount of the levy (and any GST payable on it) from the payment made to the grower; or
- (b) by recovering the amount of the levy (and any GST paid in respect of it) as a debt due from the grower.

A collection agent must disclose to a grower the amount of levy money deducted under this order.

In the case of sales direct to the public or grower-own exports or grower-own processing, growers will pay the levy directly to Onions New Zealand.

g) The period (s) in respect of which the levy funds are to be paid

Levy collection agents

The due date for payment of the levy by a levy collection agent is the date on which the levy collection agent deducts the levy from the grower. The latest date for payment of the levy by the levy collection agent is the 20th day of the month following the deduction of levy from the grower.

Direct sales by growers

If onions are sold directly to the public by growers, or commercially processed by growers, or exported by growers, the due date for payment of the levy is 30 November, for sales during the preceding 12 months. The latest date for payment is 20 December in the same calendar year.

h) Penalty for late payment

If any levy money (or any goods and services tax payable on that money) has not been paid on or before the latest date as described above, Onions New Zealand must add a penalty of 5% to the amount owing at the end of the first month that the debt remains outstanding, and a further 2% to the amount owing including any previous penalties at the end of each additional months the amount remains outstanding.

i) Levy collection fee

Levy collection agents will be entitled to retain a collection fee of up to 4% (plus GST) of the amount collected.

j) Will there be different levy rates?

All onions will be levied at one single rate.

k) How much will the levy be?

The maximum rate of levy will be \$4.00 per metric tonne; and in the case of a part metric tonne, \$4 pro-rated in proportion to the part metric tonne.

The initial rate will be set at \$2.50 / tonne by the Onions New Zealand Board before the start of the levy year. The rates are GST exclusive.

l) How will the actual levy rate be set?

The rates for any levy year will be set by a vote at Onions New Zealand's Annual General Meeting (AGM) except in the first year when the rate will be set by Onions New Zealand's Board. Where no rate is set the rate of levy in the previous year will be applicable. All levy payers may attend the AGM and speak to the levy rate resolutions but only members of Onions New Zealand may vote on the resolutions in accordance with Onions New Zealand's Constitution.

The levy year refers to the 12 months ending on 30 June.

m) How the levy rates are to be notified?

Where the levy rates differ from that applicable in the previous year they will be notified in "NZ Grower" magazine, in the Onions New Zealand email newsletter and Onions New Zealand will email those growers and levy collectors whose email addresses are known.

n) What returns will need to be made?

Every grower, levy collection agent, processor and exporter of onions must, as soon as is reasonably practicable, but not later than 30 days after receiving Onions New Zealand's written request, give Onions New Zealand written notice of any information Onions New Zealand needs to enable it to calculate any amount of levy payable. This information will include:

- The volume of onions sold, exported or processed by them broken down between local, processed and export sales in respect of which they have paid, or are to pay, the levy; and
- Their full contact details and, if payment made through a levy collection agent, the full contact details of every grower they collect levy on behalf of including their or the growers full name and full contact details.

o) Record keeping requirements

Growers who pay levies directly to Onions New Zealand will be required to retain records of the levy payments made and the sales that those levies were deducted from for at least two years from the date of payment of the levy to Onions New Zealand. Growers whose levies are paid by levy collection agents will be required to retain records of levy payments made, the sales that those levies were deducted from, and the name and address of the levy collection agent, for at least two years from the date of payment of the levy.

Levy collection agents will be required to retain records of the levy payments made, the sales that those levies were deducted from, and the details (including the grower's name, trading name and postal address) of growers they have collected levies from in the past two years.

Onions New Zealand may make a written request for the above information from growers or levy collection agents for the purpose of enabling or assisting the determination of any amount of levy payable. The information must be provided to Onions New Zealand in writing as soon as reasonably practicable after the request is received. Onions New Zealand will retain records of levy payments received for at least two years after the date of payment of the levy.

p) What will happen to the information that is collected?

Onions New Zealand may not disclose information unless required by law, or for the following purposes:

- For the purposes of collecting levy money from each levy payer or levy collection agent;
- For producing records or accounts under section 17(1) of the Commodity Levies Act 1990 (which relates to the rights of the Minister to have accounts audited);
- For producing any statement under section 25 of the Commodity Levies Act 1990 (which relates to annual reports and statements);
- Necessary in the giving of evidence in any legal proceedings taken under or in relation to this order, or under the Commodity Levies Act 1990 in relation to this order;
- For statistical or research purposes but in such a form that does not identify any individual levy payers or levy collection agents;
- For communicating with and supporting levy paying growers.

For all other purposes neither Onions New Zealand, nor any of its officers, nor employees, will disclose any information which it obtains as a result of collection or administration of levies without first obtaining the consent of the person or organisation providing the information, and the person or organisation to whom the information relates.

q) How Onions New Zealand will spend the levy?

It is proposed that the levies will be used for the following purposes relating to onions or onion growers:

- Grower Representation
- Market Access & Intelligence
- Research and Development;
- Communication
- Domestic Promotion
- Biosecurity Activities
- Day-to-day administration of Onions New Zealand including central grower registration, systems development and website development and maintenance.

Onions New Zealand will consult directly with growers on how the levy is spent and as appropriate, including through grower meetings and the Annual General Meeting. The levy will not be spent on any trading or commercial activity.



You may vote in **ONE** of two ways:

Internet Vote

Vote on: **www.electionz.com/hortNZCLA**
Log in using the following PIN and Password
(note: the password is case sensitive):

PIN: 123456 Password: abcdef

Postal Vote

Complete the voting paper below, detach it from the information sheet along the perforation and post it back in the enclosed freepost envelope to reach the Returning Officer before voting closes at 12 noon on Monday, 13 August 2018.

NOTE: You must fully complete ALL SECTIONS for your vote to count. Returned voting papers not completed or completed incorrectly will be counted as a NO vote.

For assistance phone the ELECTION HELPLINE: 0800 666 033

VOLUME VOTE

Tonnage of onions you have grown and sold over the previous 12 months.

Please tick one circle to indicate the tonnage of onions sold 12 months preceding 30 June 2018 (as defined in the information sheet).

- 1 – 2,000 2,001 – 4,000 4,001 – 6,000
- 6,001 – 8,000 8,001 – 10,000
- 10,001 + please put to the nearest 1,000 tonnes:

DECLARATION

Name of trading entity:

I hereby declare that: - I am authorised to exercise this vote for the above trading entity.
- The above trading entity is a "onion grower" as defined in the enclosed documents.
- The information supplied is true and correct to the best of my knowledge.

Name:

Signature: Date:

GROWER VOTE

Do you support the proposed Onions New Zealand levy
(as defined in the information sheet)

YES **NO**

VOTING CLOSSES AT 12 NOON ON MONDAY, 13 AUGUST 2018

Privacy Act 1993: The information in this voting paper is being collected to satisfy the requirements of Part I of the Commodity Levies Act 1990. The supply of the information is voluntary, but without it your vote cannot be used towards seeking an approval of a levy order. The information will be destroyed by the Returning Officer immediately upon the levy order being confirmed by Act of Parliament, or upon this referendum failing to obtain the support of voters. Until that time this voting paper will be held in confidential storage by the Returning Officer.



Please detach this document along the perforated line indicated and insert the completed voting paper into the freepost envelope provided.