

Summary in support of the Petition of Grace Haden and others “***That the House legislate to set up an Independent Commission against Corruption tasked with the prevention, education, detection and prosecution of corruption in New Zealand***”

1. My name is Grace Haden, I am a former Police Sergeant, having served in the New Zealand police for 15 years and having worked in the criminal investigations branch, enquiry office, Prosecutions and attained all internal police qualifications to the rank of Commissioned officer.
2. Since 2003 I have been a licenced Private Investigator specialising in verification services to prevent fraud and corruption.
3. In 2006 I unexpectedly became a whist blower on serious public corruption, it has devastated my life and that of my family and cost me well over \$400,000, and in true whistle-blower fashion I have been annihilated.
4. I have been hauled through the court and vilified yet the evidence I have is overwhelming, but I cannot get anyone to look at it.
5. **State capture**, I found that a man wrote legislation for his own business plan, to amalgamate dog and stock control with the functions of the RNZSPCA.
  - a. He advised on the bill at select committee level and saw it become law
  - b. **Fraud** He then made an application using a false identity for law enforcement powers under the act (animal welfare act ) making a number of false statements in the application and misleading the minister as to the structure and nature of the fake organisation
  - c. He was able to write caucus papers in support of his application
  - d. And saw the application find success despite opposition from treasury and the fact that no one had checked if this organisation actually existed.
6. **Public office for private pecuniary gain** He became a council dog control manager rebranded the facilities and used them to operate the fictional AWINZ.
7. The Council premises were used without official knowledge and consent and prosecutions were taken which resulted in cash payments back to the manager who then deposited the money into an account only he operated. The infrastructure vehicles and staff were all owned by council
8. The civil jurisdiction of the court was used to re write history, this was done through **legal deception through persons who had no standing and perjury**
9. I have exhausted all avenues police SFO, ministers , and government departments, everyone except the courts has refused to deal with it, the courts have prevented me from putting the evidence before them and despite repeatedly telling the court of the injustice and miscarriage of justice they wish to silence me.
10. I have seen that I am not the only one and injustice and corruption is very much on the rise but here is no one who will independently investigate such matters
11. New Zealand does not have the ability to deal with corruption and no one should have to experience what I have endured. If it was important to deal with police officers not being sworn in then it also has to be serious that we had a fictional law enforcement authority for some 10 years. My evidence follows ....

Evidence in support of the Petition of Grace Haden and others ***“That the House legislate to set up an Independent Commission against Corruption tasked with the prevention, education, detection and prosecution of corruption in New Zealand”***

1. My name is Grace Haden, I am a former Police Sergeant, having served in the New Zealand police for 15 years and having worked in the criminal investigations branch, enquiry office, Prosecutions and attained all internal police qualifications to the rank of Commissioned officer.
2. Since 2003 I have been a licenced Private Investigator specialising in verification services to prevent fraud and corruption.
3. I commenced this petition when I became aware of not only the growing incidence of Corruption in New Zealand but also experiencing first-hand how corruption is concealed, not addressed by government and that no one investigates corruption.
4. In my evidence I will cover incidents in my own experience as well as those of my clients and those reported in the press. I believe that Corruption is like a cancer, it grows when it is ignored and with the growing incidence of corruption we have to act so as to prevent it from destroying our society.
5. There are many types of corruption and the biggest issue is that it can take so many shapes, I prefer to look at it as something which is not in line with fairness, good practice, justice and the generally held expectations. Corruption is a deviation from a process which safeguards the public interests and expectations.
6. A good equation for Corruption is

**Corruption = Monopoly + Discretion – Accountability.**

By providing accountability through the medium of an Independent commission against corruption this equation will be destroyed.

7. Human nature is such that if there is a consequence to any action which outweighs the advantages then expected standards are respected. However if there are no accountability systems and the risk of being held accountable is low or non-existent then there is a huge incentive to act outside the rules regulation and accepted standards.
8. What I am seeking with this petition is to introduce an accountability factor into New Zealand. Not an ambulance at the bottom of the cliff, we already have too many but a safety rail at the top and a net half way down.
  - a. I believe that a commission against corruption is desperately needed so that hopefully others will not have to endure what I have had to go through.
9. My experience shows that currently New Zealand does not have any mechanism to deal with the early detection prevention and resolution of corruption. Currently only corruption which is big and has done damage will trigger reaction from the so called public watch dogs.

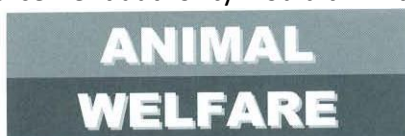
10. The incident which I was involved in had massive public consequences but because I effectively blew the whistle before millions of dollars were lost, it was not seen as an issue. It was however very serious as an individual effectively obtained coercive law enforcement powers for himself through fraud.
  - a. Last year issues of the police swearing in was seen as urgent and serious. A law enforcement authority which did not exist and got its powers through fraud and deception however appears to be condoned because it did not reach the \$ threshold and the perpetrator through perjury and no evidence at all managed to get a court decision which prevented independent investigations.

### **My own experience which brought me into the world of corruption**

The Animal welfare Institute of New Zealand AWINZ Public office private pecuniary gain.

*This matter has never been independently investigated, however there is not an avenue which I have not tried. At every level I have had the door slammed in my face.*

11. For 10 years ( 2001-2010 ) the Animal welfare institute of New Zealand (AWINZ) was a private law enforcement authority with coercive powers of search and seizure. Under section 121 of the animal welfare act 1999.
12. AWINZ operated from the premises of *THE CONCOURSE*, a facility owned at the time by Waitakere City Council
13. Anyone looking at the premises and looking at the logo for the law enforcement authority would think that



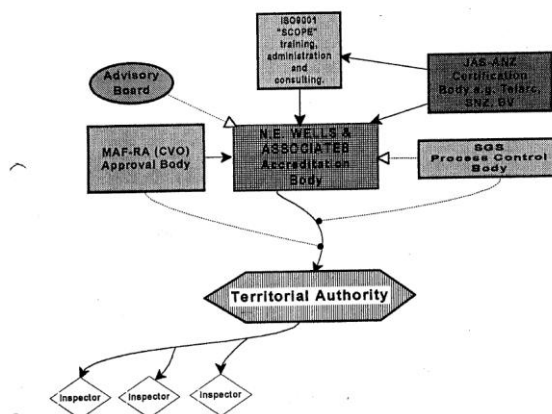
the Institute of New Zealand and the council premises were one and the same.



14. The vehicles and the signage at the gate were similarly branded **page 1**
15. The staff who worked there were employed by the Waitakere City Council and were required by the council Manager to “volunteer” their council paid time to AWINZ and prioritize work for AWINZ over their council duty. They used council vehicles and resources to carry out these tasks.
16. It was this requirement and the rebranding which caused council dog control officer to approach me in 2006 with a very simple question, who or what is AWINZ?
17. I did the work pro bono, not realising that this simple question was going to devastate my life and that of my family.
18. The Animal Welfare Institute of New Zealand did not appear on any register of body corporates, neither the council nor MAF had a trust deed, but despite this both

believed it to be a trust but no one knew who the trustees were other than the only person associated with AWINZ was the council manager at the facility.

19. I was introduced to a man who had had his cat unlawfully euthanized by AWINZ and together we formed a trust and registered it in the name of the animal welfare institute of New Zealand as a charitable trust.
  - a. Our motivation for doing this was to prove that no other organisation by this name existed as no two registered entities can exist with the same name. Our successful registration on 27 April 2006 conclusively proved that no other legal entity by that name existed.
20. Legal action was taken against us, by three persons posing as trustees of AWINZ and falsely claiming to be the law enforcement authority. This action was intent to force us to give up the name so that a trust could be formed and the deception concealed.
  - a. These three persons had only formed a causal relationship commencing after our trust had been lawfully registered.
  - b. Their combined names were not associated with the law enforcement authority, only the Council manager was named on MAF records as a trustee for the applicant AWINZ.
21. **The council manager**
  - a. Was the only person visibly associated with the law enforcement authority AWINZ and since 2005 he had been the head of Dog and stock control of the council facilities at *THE CONCOURSE*.
  - b. He had previously been the head of the RNZSPCA, and later obtained a law degree in animal law.
  - c. He was involved in a number of Government animal welfare advisory groups through which he obtained vital insight into potential law changes.
  - d. Since 1994 he had been lobbying the Waitakere city council to establish an animal welfare centre as a business unit of council and also take on animal control functions (a central government responsibility).
  - e. In 1996 using a trading name to give himself a corporate look, he wrote to council and set out his fee structure for this service.
    - i. He provided a flow diagram which showed his intentions were that he, through his trading name, would be an accreditation body.



- ii. This is evidence that at all times he anticipated this venture to be his private business venture as later AWINZ became this accreditation body with no one else associated with it.
- f. April 1999 Committee report on the Animal welfare bill shows that He wrote the No 1 bill for the new legislation and was employed as “ independent advisor” to the select committee
  - i. Enquiries revealed that he was responsible for inserting the provisions into the bill relating to “compliance bodies”( accreditation bodies ) this was to facilitate the plan he had formulated many years earlier.
- g. When the bill received ascent, he made an applicant to the then Minister for the Animal Welfare Institute of New Zealand on 22 November 1999 **Page 2**, to become an approved organisation under the act.
  - i. The criteria for an application are set out in section 122 of the act.
  - ii. This application was false because
    1. The Animal Welfare Institute of New Zealand was a pseudonym for person or persons unknown – it was actually a trading name he had given himself a name sounding far more authentic than the name he had originally proposed ( as in the diagram above.
    2. AWINZ was not the applicant as no legal entity called AWINZ existed and trading names. Applicants can only be real or legal persons.
    3. No trust existed and therefore there were no trustees, and no trust board.
    4. AWINZ did not have a registered office as it was not registered under any enactment.
    5. It was claimed that AWINZ was a charitable trust and had been formed by way of trust deed, this was found to be untrue, an unsigned deed was provided and the production of a signed deed was avoided.
    6. A trust deed provided in 2006 was dated 1.3.2000 but it was later found that these people signed the deed when an accomplice drove to each of their residences to get the signatures.
      - a. These trustees had never formally met as a trust.
      - b. They did not hold any assets.
      - c. Had not made any decisions nor passed any resolutions.
      - d. They had not in any formal/legal manner applied for, or consented to being involved in the law enforcement functions of an approved organisation under the act.
    7. The trust, due to its lack of existence could not be registered under the charitable trust act.
      - a. Registration under the Charitable trust act has the effect of taking the responsibility from each named trustee of a valid trust and transferring that responsibility to the trust itself.

- b. An unincorporated trust cannot sue or be sued except in the names of the trustees who comprise it, where as a trust which becomes a body corporate through statutory compliance can be sued in its own name.
  - c. In the case of the AWINZ application AWINZ was not even an unincorporated trust as no trustees legally existed.
- 8. The "institute" could not have any purpose as it did not legally exist, the only intention which existed was that of the man who wrote the legislation and advised on it and made the application.
- 9. The application was written in such a manner that the criteria appeared to be fulfilled but in doing so further false statements were made including those in section 10.3 **Page 9** with regards to funding and taking over the council facilities and 10.5 **Page 10** regarding the incorporation of the Institute.
- 10. The document is unsigned but purports to be "for the board of trustees "a board which did not exist, thereby providing a further deception that there was more than one person behind this application.
- iii. In terms of crimes act offences this application and the associated documents in my professional opinion provide prima facie evidence for investigations under the following sections
  - 1. 105A Corrupt use of official information- 7 years
  - 2. 228 Dishonestly taking or using document- 7 years
  - 3. 240 Obtaining by deception or causing loss by deception- 7 years
  - 4. 256 Forgery-10 years
- 22. Throughout the application process the minister is misled as to the structure and existence of AWINZ, e.g. on 25 march 2000 the letter stated
 

*"a signed copy of the Deed of Trust will follow. The original is being submitted to the Ministry of Commerce for registration as a charitable trust in accordance with clause 20 (a) of the Deed"* **Page 13**

  - a. Had this statement been true, then AWINZ would have had legal existence in its own right, there would be a legal trail of incorporation and accountability.
  - b. No trust deed has ever been produced which has a section 20 (a) and it appears that this statement is nothing more than a diversion for the minister to prevent a deed from being produced.
  - c. The finances on **Page 20** are also fictional as it can be proved that even in 2005 AWINZ did not have a bank account. These figures are fictional to get the application past the minister and to provide the deception that AWINZ existed.
  - d. The application relied heavily on the support of both Waitakere and North Shore City Councils, the reality was that neither council had any official involvement, all letters in support of the councils were furnished by the associate ( the manager of the council dog and stock control prior to late

2005)who wrote on council letter heads to give consent to the use of council resources. **Page21 & 23,**

- e. Party politics appeared to sway the application and the person fronting the application was even able to provide commentary for caucus **Page 25**
  - f. He was also able to draft other documents including the MOU **Page 33**
  - g. Despite protest from treasury **Page 34** the application went through with the minister granting approval based on the mistaken belief that AWINZ was an incorporated society **Page35**
  - h. The incorporated is corrected but no one ever checks if the organisation exists legally or in any manner or form.
23. Two agreements are eventually signed a MOU with MAF **Page 36** and with council **Page 49**, the MAF document is signed as a trustee, the council document on “behalf of AWINZ “
- a. AWINZ is not defined in either document and neither document would be enforceable as AWINZ is undefined and unidentifiable. It has to be remembered that this is an agreement to take on statutory law enforcement powers.
  - b. The council document is signed by the 2005 council manager with the former manager ( the accomplice )
24. In 2005, the author of the legislation and the applicant for AWINZ takes over the council position and becomes both parties to the MOU with council **Page 49**, he does not raise the conflict of interest with the council and council lawyers were not involved in the MOU agreement.
25. In 2005 the council manager sets about rebranding the premises and in 2006, the council staff are to prioritise animal welfare over dog and stock control, their concerns are raised with me and I raise questions with regards to the legal existence of the law enforcement authority with the then minister.
- a. The minister responds that there are no issues with regards to accountability to the public, a statutory requirement under the act.
  - b. A major flaw is that the minister responds as a result of what his advisors tell him and it has transpired that these very advisors, high ranking MAF officers sought to conceal this potentially career limiting action due to their own involvement in not conducting due diligence at the application stage.
26. AWINZ operated from council premises, the dog and stock control officers were trained to become animal welfare officers under an earlier trial.
- a. They were now required to prioritise animal welfare over their council obligations.
  - b. They drove vehicles which looked as though they belonged to AWINZ and enforced animal welfare legislation
  - c. If an animal welfare offence was detected they would
    - i. Refer it to the council manager who would
    - ii. Refer it to the head of AWINZ who in turn would pass it to
    - iii. The AWINZ barrister for prosecution.

- iv. The barrister would provide diversion and
- v. Bank the money into the bank account that only he had access to, an account in the name of AWINZ an account which had no trust deed associated with it.
- d. All these persons were the one and the same person wearing different hats.
- 27. From early March 2006, I made enquiries with MAF, the minister and Waitakere council, no one has a trust deed and no one knows who or what AWINZ is, they think it may be a trust.
- 28. On 27 April 2006 we incorporate our trust and thereby prove that AWINZ as not a legal entity in any manner or form.
- 29. Many years later I was to find out that a meeting of AWINZ was called on 10 May 2006, the evidence I obtained through the law society , provided by the manager/barrister himself again shows that this meeting was to create the perception of a trust to facilitate a cover up .
  - a. A former Mayor is appointed as trustee at a time when there is no deed and under a section which has never appeared in the deed which is eventually produced.
- 30. A trust deed materialises, but now we have two, both different and by its own terms this trust deed dated 1.3.2000 expired 1.3.2003 when no trustees were reappointed. One copy is provided to me and a different copy is provided to MAF (which I later obtained by way of OIA)
- 31. MAF is now aware that AWINZ had no legal existence and this places pressure on the council manager to incorporate an entity, first of all there are significant legal issues which MAF has not considered and secondly the manager can't do this because the name is registered to the trust which I am a trustee of.
- 32. Resolution by way of legal intimidation is embarked on and a legal secretary phones me late on a Friday night and makes threats against my professional licence.
  - a. Her Husband a resource management lawyer takes over and files proceedings through his law firm.
  - b. Three persons without legal standing, and any legally acceptable proof pass themselves off as trustees in the Animal Welfare Institute of New Zealand and take action against myself, my company and the legally registered charitable trust Animal welfare institute of New Zealand for passing off and breach of fair trade and defamation against myself and my company for having said that the law enforcement authority did not exist and was a sham.
    - i. The plaintiffs are two barristers and a JP
  - c. At what was supposed to be a judicial settlement conference I was told by the judge to give them \$2,000 and an apology and to give up the incorporated name. She added that if I did not my life would be miserable.
  - d. No evidence had been heard and as a former police prosecutor I could not believe what I was hearing.
  - e. They wrote the apology and this was such that it would totally discredit me and make me out to be a liar.

- f. I refused I knew they didn't have the evidence, but I did not realise that in the civil jurisdiction evidence is not required ( legally it is, but in practice it is not )
33. Through legal manipulation and strategy \$12,200 costs were awarded against myself, the incorporated charitable trust AWINZ and my Company (which was not even involved.) This all happened without any Evidence being produced and no affidavits in support having been provided by the plaintiffs, and done by the very same judge as the one who ordered the \$2,000 to be paid
    - a. I then signed my own death warrant by making a complaint to the judicial conducts commissioner. The complaint course was not upheld.
  34. They withdrew the claims against incorporated charitable trust but they continued with defamation claims against me because I had said that the law enforcement authority was a sham trust, which of course it was.
  35. My defence of truth and honest opinion was stuck out because as a married woman without any independent funds I could not raise \$12,200 in the two weeks required and due to that I lost my right to justice.
    - a. The incorporated charitable trust also lost its ability to defend the matter years later because not only did they have the burden of this debt but also had to find \$5,000 security for costs and were required to get a lawyer, which they could not afford , effectively denying it any right to justice.
  36. The matter went straight to quantum, skipped formal proof and the statutory defences of truth and honest opinion were not considered other than the judge claiming that I could not possibly have had a defence.
    - a. The uncorroborated evidence of the council manager was accepted even to the point to where he concocted an Oral trust which he claimed was behind the application for approved status.( I have since obtained evidence to prove this to be false)
  37. The fine was \$57,500 and \$41.000 cost. No criminal ever gets a fine and penalty like that and they have an assurance of having evidence heard and have a statutory right to a fair and proper hearing. ( in the civil jurisdiction this is not a right )
    - a. In late 2006 five months after court actin commenced, another AWINZ trust was formed and became a charity and used charitable funds to pay for the court proceedings. It is of note that the plaintiffs plus the original council manager, the accomplice were the trustees.
    - b. The charity commission was proved to have very little or no concept of what an entity is and how continuity can be achieved.
      - i. I have discovered that there appears to be little or no understanding of the trust concept and I have found the word trust is often synonymous with deception in New Zealand
      - ii. In general Government departments and enforcement agencies are out of their depth when it comes to trusts.
      - iii. It appears to be general practice ( except at banks ) that trust exits is some one claims that there is one
      - iv. As a result trusts are the greatest vehicle for fraud .

38. I used the manager's oral evidence as a basis for further Official information act requests and late 2008 and early 2009 I was given access to both the archives of MAF and Waitakere council to a limited degree.
  - a. I collated the information and found that information which had been withheld by MAF was occasionally revealed on the documents which I had obtained from Waitakere city Council, as I suspected the "withheld" bits were vital as shown in this example ( highlighting mine )
  - b. On the 12 June documents the omitted passage reads **page 51**

*Crown Law has advised MAF that the Local Government Act does not allow a territorial authority to fund an animal welfare organisation or employ animal welfare inspectors. A territorial authority may employ staff only to perform its functions as set out in that Act and may only spend money on matters expressly or impliedly authorised by statute.*

*Crown Law considers that if Parliament had intended a territorial authority to have an animal welfare role then the power could be expected to be found in the Local Government Act or other legislation. I believe that the opinion given by Crown Council is detailed and persuasive and raises an important matter of public policy. **I would need to consider whether I should approve a proposal given that I am advised that to do so would be contrary to the law.***
  - c. The caucus document **Page 25** which was withheld in its entirety but I obtained the copy from council
39. The recovered redacted portions indicate that MAF was being less than transparent with their OIA releases and I discovered later that the persons who were releasing the information to me were the same persons as were involved with AWINZ in the application process. Many of these person had a close and historic association with the council manager (**cronyism**)
40. An impartial investigation which collates all documents in their full form would have been in the public interest, instead enforcement agencies chose to look only at the Joyce judgement which is extremely defamatory of me and was based on the uncorroborated evidence of the one person who was wishing to conceal the truth.
  - a. It is a well-established fact that harassment and defamation proceedings are used to discredit and deter whistle-blowers.
  - b. I know why. Because it works.
41. I collated information and prepared a file for perjury for the police, the main deception to the court was that the trustees of the 2000 deed were one and the same as the law enforcement authority, this had led the judge to say that the trust had been formally constituted by the time the approval was gazetted.
  - a. While that appears true ,there is a serious disconnect in that the trustees of the 200 trust were not the applicants nor were they involved in the application process
  - b. Mere existence in the same time frame does not make the trustees of that trust the applicants for law enforcement powers.
  - c. In all there were some 5 groups all using the name AWINZ but none legally connected to the other, their only connection as though perception/deception.

42. It took 2 ½ years for the Ombudsmen to release a crucial document from MAF, this document had been withheld at the request of the newly formed group calling themselves AWINZ. It was an audit conducted by MAF and together with information which I had received from the law society proved the lack of standing of the applicants in the legal process.
  - a. This document was crucial in proving the fraud behind the entire matter but for what it was worth no one looked at it because the court judgment which was obtained through perjury and denying me a defence had effectively re written history.
  - b. The police told me to go to the SFO Page 55 the SFO said it was not a serious or complex crime and to go back to the police **Page 56** the police have since filed it as they claim it has been dealt with by the courts – the fact that the courts did not make their decision based on real evidence is apparently beside the point.
43. In Many aspects those at the helm of MAF at the time did much to ensure that they appeared to be doing the right thing while at the same time concealing their part in allowing a fictional organisation to become a law enforcement authority.
44. In 2006 I undertook another job, one for a lawyer who had not been paid, **Page 58** as it turned out the facilities were a transitional facility for MAF, I found that one company was posing as another, so I rang and reported this .
  - a. MAF very diligently conducted an investigation into me and I was warned for passing myself off as a MAF officer when I had done no such thing.
  - b. I had called at the companied address because the director Sanjay Patel used that as his residential address on the company register.
45. I found myself up before the court on harassment claims when all I had done was try to find Sanjay Patel and Bahubhai Patel. It was to transpire that they were a director and liquidator who had been created by the company's actual but undisclosed owner and his proxy director.
  - a. The National enforcement unit of the ministry of economic development (NEU an excellent and capable unit which has since been disbanded) conducted an investigation and charged owner and the proxy director with 22 counts of fraud for creating the fictional director and Liquidator.
  - b. The proxy director entered a plea to one fraud charge and the others were dropped by way of plea bargaining, the main offender absconded to Honolulu.
  - c. Years later I heard that he had offered the NEU \$80,000 to drop the charges, they refused. A short time later I found that he was back in the country I did an OIA and found that he had paid his way out of the charges. **Page 62**
  - d. He had used the court to beat me up to get me out of the way because he knew I was not to find out that The Patel's were fictional.
    - i. It cost me some \$50,000 to defend the claims they brought against me.
    - ii. I repeatedly ended up in front of the same judges as the ones in the AWINZ matter.

- iii. I was aware that both the lawyers for both matters knew about the other proceedings and it appeared to me that the lawyers in both cases were working together, swamping me with court action. ( a very common dirty legal tactic )
- 46. These were wheels within wheels and it was all part of the vilification of me, something the court continued, and something which could not have occurred in a justice system where truth and evidence are essential ingredients.
  - a. It has to be noted that the best way to defame a person is through false evidence. Once accepted into a court document it is published for all to see and becomes fact.
  - b. However speaking the truth about someone and publishing the truth is considered defamation, I showed the court two documents both written by the council manager, they contradicted each other, I asked how they could both be true -The judge responded there she goes again defaming him. That cost me an extra \$7,500.
- 47. Over the years I exhausted all avenues, the ombudsmen, the auditor general , Police, SFO , ministers, press , basically I was treated like a fruit loop, after all my reputation is in tatters due to the court process and then they tried to take me out by financially destroying me.
  - a. I had a number of bankruptcy actions against me
  - b. At one stage my company was put into liquidation when a process server who now cannot be found, swore a false affidavit and failed to serve the documents on me.
  - c. I was to find that the same company had done the same to a northland mother in court action intended to take one of her children from her, he has been arrested and charged and is due for sentence in December. He already has some 30 previous convictions for dishonesty.
    - i. I have to wonder how often this happens , how many people have court action which they do not know about.
- 48. I have learnt that in New Zealand court action is used to conceal crime and in taking the court action, as in any war, anything goes, it is win at all costs and by lighting lots of fires around your opponent you have far more chance of having one ignite.
  - a. The standard of proof in the civil jurisdiction is far less it is on a probability basis as opposed to beyond reasonable doubt.
  - b. The bill of Rights only provides protection to those Charged with an offence.
  - c. Anyone can bring civil proceedings and there appears to be no real consequence for false claims, Criminals can afford to take that risk , if they are successful criminals they should be able to bankroll court action while a whistle-blower cannot afford to defend it.
- 49. Under the pressure of legal action by AWINZ, the creator of the fictional directors and investigation by MAF, my 23 year marriage failed.

- a. To say that I was overwhelmed is an understatement .At times I was dangerously close to being suicidal, it was the sense of injustice and the determination to fight this which pulled me through.
  - b. I often wonder how many people do commit suicide in the light of this massive attack on you and your character because you happen to have stumbled on the inconvenient truth.
50. But that was not to be all. I met a" human rights "lawyer who offered to help, I worked from his offices while he took care of my matrimonial matters and appeals.
51. I had paid him in excess of \$80,000 and in exchange had what transpires to be incompetent representation (based on independent court findings on his ability at the time).
- a. He allowed documents which I had signed to be altered after I had signed them, it transpires that the law society condones this action.
  - b. I continued to get more and more demands for the money for the appeals until one day I asked for invoices with invoice numbers on them and proper time sheets.
  - c. When they emerged I found that I had been double billed. I did what I was entitled to do I reported him to the law society.
  - d. He immediately took me to court for harassment and used the very documents and information which I had given him to defend.
  - e. After three years the law society came back and said that he had overcharged me by \$28,000, two weeks later they struck him off on another matter for being incompetent.
  - f. He refused to pay me and through legal manipulation using the courts I incurred into a \$3190 debt to him which he is now using to bankrupt me while at the same time suing me for defamation for \$500,000 and harassment for \$25,000.
  - g. These are legal proceedings are no's 4, 5, & 6 which my former lawyer has now taken against me since I complained to the law society 4 years ago.
    - i. I have learned that being struck off is no hindrance as he has employed a new graduate who is working for a basic wage and getting lots of practice suing his former client.
    - ii. She is working for a fictional law firm and works from his premises in Auckland under the close supervision of his business partner in Otago 1500 kilometres away.
    - iii. Again we have the use of an undefined trading name, she works for Stewart and associates equity law which again is a fictional name but the law society allows lawyers registration under such a name.
  - h. When I raise the issue with regards to representation ,the courts tell me to raise it with the law society, the law society tell me to take it up with the judge , again identity fraud by a law firm is accepted as a norm.

- i. The basis for his harassment and defamation claims is the fact that in 2013 I published an article regarding Falcona systems **page 67** which was reported in the news media to be involved in \$150 million money laundering.
  - i. My article was actually about how unsafe our New Zealand company structure is and how overseas persons take advantage of this for international crime
  - ii. I showed through company records how this occurred and showed through a chain of company records who this company was ultimately owned by, it transpired to be the lawyer's wife.
  - iii. I also illustrated how high profile foreign proxy directors associated with international crime are directors for New Zealand companies.
  - iv. I showed that this lawyer's wife ultimately owned 1500 companies of this type of structure.
  - v. By publishing the story the lawyer claims that I am harassing him, it took him over a year to come to this conclusion but then he can because our unsafe court system is an excellent way of beating people up, you can force them to incur massive costs while concealing your own activities.
- 52. The above experience highlights how dangerous it is to question corruption in New Zealand, question what is going on or show signs that you are a threat and the court is used to take you out.
  - a. In his submission to the court the lawyer stated that he feared me because I am a former police officer and now a private investigator. That is apparently sufficient to be sued.
- 53. While I believe that our laws are adequate, I am convinced that the system around it is structurally unsound. There is no accountability to the truth in our courts, lawyers are not accountable to the rule of law and judges have no enforceable code of conduct.
  - a. The court has the ability to deal with injustice but this seldom occurs.
  - b. I have my own suspicions of the independence of our judiciary, I have seen enough judge's change between the day in court and the decision that I cannot discount interference.
  - c. In a recent appearance on behalf of the registered charitable trust AWINZ, I explained to the judge that the Joyce decision is constantly looked back to but that the fraud on the court actually occurred at the interlocutory stages prior to that judgement, where the plaintiffs falsely claimed to have standing as a trust and as the law enforcement authority.
    - i. I explained to the court that this is like inspecting a well built and beautifully furnished house and totally ignoring that it is sitting on rotten piles.

- ii. The leave to appeal was to be considered but the decision was suitably structured so that the legally incorporate charitable trust had no ability to pursue its cause for justice.
- 54. A common thread has emerged not only with my matters but those of my clients, and gives rise to a further form of corruption, the abuse of the court system.
  - a. There appears to be a disproportionate number of wealthy persons pursuing the not so wealthy.
  - b. Court proceedings can be used as a tax write off even against a company not associated with litigation
  - c. Lawyers suing others can actually create their own income.
  - d. Lawyers get paid regardless of their efforts – all pay no responsibility or accountability
  - e. While Murder is still illegal you can kill a company through liquidation and bankrupt a person so that they have no ability to fight back
  - f. The court is used to discredit persons.
  - g. The family court is totally out of control but that is for another day .
- 55. Lawyers are \$250 per hour upwards, the average person cannot afford a lawyer, however with real estate having escalated any home owner is now a great target for legal action.

#### **Corruption climate in New Zealand Today – a false perception**

- 56. New Zealand is perceived to be the least corrupt Country in the world. This perception is promoted By Transparency International New Zealand (TINZ), a branch of Transparency International.
- 57. The incentive is to bring people to New Zealand so that we can have population growth which encourages new infrastructure and hence a stronger share market.
- 58. TINZ released its National integrity report in 2014, in this report it examined the various governance structures and while most can see the issues with the pillars the integrity came out as being pretty much sound This was because the major flaw with this report was that it was not impartial
  - a. The report was primarily funded by the very government sectors which the report was about.

Office of the Auditor General	\$30.000
The Treasury	\$30.000
Ministry of Justice	\$30.000
Statistics New Zealand	\$15.000
States Services Commission	\$10.000
Ministry of Social Development	\$10.000
Other	\$55.000

- b. The very members of TINZ are those very same government departments and the auditors who are entrusted to ensure that public accountability exists.
- 59. The research of Transparency International New Zealand for the corruption perception index are based on undisclosed questions to an undisclosed target audience.
- 60. Perception is often miss quoted as reality, but the reality is that corruption is growing and turning a blind eye to it and ignoring it hoping it is going to go away is like pretending you don't have cancer.
- 61. I attended the G20 Anticorruption conference in Brisbane in June 2014 where Susan Snively director of TINZ spoke on her integrity report.
  - a. In her presentation she revealed that the assumption which was applied in producing the integrity report was that since we are the least corrupt country our systems must be working for how else New Zealand could get such a high score.
  - b. Therefore anti-corruption systems were assumed to be in place and working and therefore this did not require any further consideration for implementation of anticorruption measures
- 62. As a verification specialist I am painfully aware of the lack of due diligence conducted by our government departments, this is often off set by their willingness to conceal their lack of due diligence and bury their mistakes by withholding pertinent information .
- 63. I was particularly heartened by the revelations of a former Crown solicitor who was recently reported in the news, exposing the fact that he was told by senior Customs executives to refuse Official Information Act and Privacy Act requests.
  - a. This supports what I discovered in the application for documents under OIA from MAF
- 64. Official information requests are frequently withheld as highlighted to by reporter David Fisher and summarised in three questions he asked [http://www.nzherald.co.nz/opinion/news/article.cfm?c\\_id=466&objectid=11347187](http://www.nzherald.co.nz/opinion/news/article.cfm?c_id=466&objectid=11347187)
  - Does the way the public service handles your requests achieve the following:*
    - a) Does it enable more effective participation by the public in the making and administration of laws and policies? **A. Sometimes***
    - b) Promote the accountability of Ministers of the Crown and officials? **A. No***
    - c) Enhance respect for the law and promote the good government of New Zealand? **A. No***
- 65. It is particularly evident that in New Zealand we do not have any agency which monitors or holds to account our government departments and the conduct authorities, for judges, police and Lawyers.
  - a. Where does one go to complain about the auditor general or the ombudsmen?

- i. It was recently discovered that the auditor general held shares in sky City, with my knowledge of corruption this appears to me to be a gross conflict and impacts on her impartiality.
  - b. The fact that the auditor general is the paying for transparency International to do an integrity report is proof that we need an independent commission against corruption.
  - c. The integrity reports should be conducted by an independent authority whose duty is to ensure that no corruption exists, rather than through an organisation which is funded by and comprised of members of the very organisation which are being monitored.
- 66. The ombudsmen's office is under resourced and overburdened, it can take years for a response to be received, this is material when a matter is before the court and the judge does not accept that the production of a document can take so long.
  - a. If I had had proper access to the official information the court matter could never have progressed on the lies.
  - b. If MAF and the minister had been responsible and said yes you are right we have been deceived we will prosecute, then I might still be married today.
  - c. If the council had said, lets investigate lets speak to the employees and see what is actually going on, then I would not have endured 8 years of stress
- 67. New Zealand has not yet ratified the UN convention against corruption, it is amongst the last to do so.
  - a. We are pretending to be corruption free and actively turning a blind eye to incidents of corruption both here and through the use of new Zealand companies, aboard .
  - b. Whistle-blowers who mention corruption find themselves in court as I have done many times each time the scenario is the same , the corrupt take you to court to silence you because our primitive court system and the lack of accountability of our lawyers to the rule of law allows the system to be abused by those who have much to conceal.

### **The reality of Corruption**

- 68. For the first time the reality of the depth of corruption In New Zealand became evident at the time of the elections. We have ministers dropping like flies but not after they have stayed in office for far longer than they should have.
- 69. In 2013 It was reported that Mr Key had items in his top drawer with regards to misbehaving MPs, he told reports *"I've always done the same thing - written it down and put it in my top drawer,"* he told reporters. *"Maybe I'll write a book one day, it'll be fascinating."*
  - a. While it may be fascinating and also provides information which can be pulled out at a time for tit for tat trade off when one of the government's own MP's is caught out of line , the proper action would be for this

information to be disclosed to an independent body who can impartially investigate and assess the conduct of the member concerned.

- b. MP's need to be held accountable to the same laws as ordinary citizens and if anything their standard of conduct and ethics should be well above the expected norm. Their discipline should not rely on a tit for tat school yard type "I will tell the PM on you" type scenario, there should be a real consequence of investigation capable of being commenced at any time and of their own initiative by an independent authority
  - c. Incidents such as Judith Collins side trip to promote her Husband's company in China need to be looked upon with the same severity as any act of using public office for personal gain.
70. It took a Private prosecution to dislodge John Banks from office and even then there was a swift amendment to the crimes act to take section 3 out, the section which gave a definition of convicted. This appeared to be a deliberate move to keep him in parliament. <http://www.transparency.net.nz/2014/06/07/guilty-or-convicted-the-john-banks-dilemma/>
- a. Despite many OIA requests I have never found the legal basis on which the definition was taken out and we must be the only country where the words convict and guilty are not synonymous.
71. Various investigations which I have conducted over the years suggest to me that the super city is all about large contracts and the share market.
- a. I have identified there are two organisations whose origins, lobbying and involvement in the creation super city should be independently investigated. They are indicative of a form of corruption known as State capture
  - b. The city is not about its residents, it about big business using the resident to fund capital projects which they dictate to council and which have direct bearing on the share market.
72. The Mayor of Auckland is shown as receiving  $\frac{3}{4}$  Million form the New Auckland council trust over the past two elections, the New Auckland council trust is another fictional organisation, it is not identifiable, and not one of the alleged trustees has been named and through this invisibility has attempted to circumvent the law.
- a. A complaint has been made to the Police but in nearly a year this has not been resolved. In the meantime a Mayor who may well have been illegally funded into his office retains his position. These matters should be dealt with urgently for the sake of all parties involved.
73. There appears to be much occurring with China at the present time The president of the national party has invested in China and it may or may not be a coincidence that a raft of ministers find their way to the very companies with which investment have been made.
- a. The use of our ministers as marketing tools is a matter for public concern

74. We also appear to have favouritism in obtaining suppression orders from the court, I personally know of a number of persons who are all closely associated with the government who have had suppression orders in circumstances where those without those privileged connection have not be afforded the same. Those who I am aware of all appear to have close connections with the government or those associated with high ranking party officers.
- a. I look at my own instance, I have not even committed a crime yet every decision about me is publicly available, I am vilified at the hands of the court yet criminals have name suppression and criminals generally have their convictions concealed by privacy laws.
75. Our overseas Investment office recently provided a report on Milk New Zealand Holding Limited which was the applicant for the Crafar Farms, the full report is available from <http://www.linz.govt.nz/sites/default/files/docs/overseas-investment/oio-recommendation-crafar-farms-20120127.pdf>
- a. The due diligence which was done was on this Hong Kong registered company and the OIO concluded that "The Applicant will register as an overseas company under the New Zealand Companies Act 1993 prior to acquiring the Investment."
  - b. Instead we found that another company was registered in New Zealand using the identical name as the Hong Kong Company. The shareholder however was a fictional company allegedly registered to an accountancy firm in Albert Street.
  - c. When we raised the issue this was promptly changed to a British virgin Island company of the same name and after pointing out the lack of transparency of companies registered in the British Virgin Island there has now been another change and the company and therefore the associated farms now belong to a brand new company first registered on the Hong Kong stock exchange 07-JUL-2014
  - d. It makes one wonder why we bother doing due diligence when the circumstances of the farm purchase initially was rejected for purchase by another group because of concerns with regards to money laundering. These persons have now reportedly been found guilty of laundering HK\$230 million.
  - e. As a fraud investigator the connections and circumstances set alarm bells ringing and this is a matter which should be properly investigated, New Zealand through its slack company registration and compliance may have facilitated a massive international money laundering scam. How do we know where the money for the Carfar farms came from when there was a BVI company introduced into the equation at the time of money transfer?
76. While we have facilities for making complaints against judges, lawyers and police, I as an Investigator have noted a disturbing pattern emerging.
- a. Make a complaint against a judge and it will not be upheld and you will never see justice.

- b. Make a complaint against a lawyer and it will be written off almost immediately, their accountability to the rule of law and any other person's accountability are two different things.
    - i. It is as if a law degree makes a person honest.
    - ii. Their accountability to the law should be greater than the average person, instead they are seldom held accountable for being untruthful.
    - iii. Police will not take criminal charges against lawyers
    - iv. Courts will not enforce the law on lawyers, they tell you to take it up with the law society, who in turn do not rely on evidence and allows the lawyer to give a plausible unverified excuse.
  - c. Those brave enough to make a complaint about a police officer find themselves arrested or charged sooner or later.
  - d. People soon get the message and soon they stop making complaints. We respond by saying "look everyone is performing better" when in reality the opposite is true.
77. Perjury is rarely prosecuted. When there is no incentive to speak the truth, you will not get the truth.
78. There is wide spread identity fraud with companies and trusts . Trading names are unregistered and do not identify who the legal entity behind it is yet contracts are issued to trading names and donations are received from trading names e.g. the New Auckland council trust , without any evidence as to any legal existence. It was precisely such an incident which has cost me more than any one should have to lose for blowing the whistle. A fictitious law enforcement authority- AWINZ.
79. Invisibility is provided in our communities by the prolific use of confidentiality agreements, suppression orders and action through the harassment act and defamation act.
80. Whistle-blowers are annihilated, I know I am one. Questioning corruption in New Zealand has cost me well over \$400,000, my family and my marriage , those who know me can vouch for my character and my trustworthiness. The picture which has been painted of me in the public arena however is very different. I have been totally discredited and my character totally assassinated through a court judgement which was based on the uncorroborated evidence of the man who stood to lose is the truth came out.

#### **Ambulance at the bottom of the cliff.**

81. Currently no possibility exists to report potential corruption, you cannot take your suspicions anywhere both the police and SFO want proof before they act.
- a. When you do provide proof and evidence they tell you that it has not met the threshold. Whatever that is. – In my day it was an offence or it was not and that decision was made after an investigation.

- b. It would appear that now we sit back and wait for it to happen, there is no scope for early intervention .
  - c. I was told by the ombudsmen that due to my actions AWINZ closed down, I guess with the loss of my marriage and some \$400,000 and 8 years of my life I should see that as my reward ?
    - i. I should never have had to pay that price, it should have been taken on by a government agency right from the very first day that I raised the issue.
82. When I was in the police I found that the minor offences were investigated and the serious matters were investigated. Things in the middle were written off.
- a. Since I left the police much has changed including the culture of policing and the way it is funded.
  - b. There are very few resources for fraud and factors as losses due to a fraud become a considerations.
  - c. Because I had not personally been affected by the false application of AWINZ the police initially refused to deal with it. They later refused to deal with it because it had been before the court.
83. I challenge any one to defend what has happened as being right, the ability to write legislation for your own business plan, advise on it then obtain law enforcement powers for private pecuniary gains has to be a matter of public concern. .. so why has it been concealed ?

#### **The role of our Justice system.**

- 84. While enforcement agencies cannot be motivated our civil court is actively being used by criminals to pervert the course of justice, this avenue needs to be closed.
- 85. A judgement effectively rewrites history and as my AWINZ scenario illustrates legitimises the illegitimate. It is against the fundamental principles of justice for the court to be used to pervert the course of justice.
- 86. I see the role of lawyers as our main issue with corruption in New Zealand .If lawyers were under the strict disciplinary provisions set out in legislation they may think twice about misleading the court or representing clients without standing or evidence.
  - a. Legal bullying has become an art form and as such I believe is a form of corruption of the most serious kind, the corruption of justice.
- 87. The court is very indulgent of lawyers, as officers of the court they are believed on their word , as they should be but there also has to be real and very serious consequences for lawyers deceiving the court
  - a. Evidence has to be produced and the evidence act needs to be strictly enforced
- 88. Section 4 of the lawyers and conveyancers act 2006 states  
*4 Fundamental obligations of lawyers*

*Every lawyer who provides regulated services must, in the course of his or her practice, comply with the following fundamental obligations:*

***(a) the obligation to uphold the rule of law and to facilitate the administration of justice in New Zealand:***

***(b) the obligation to be independent in providing regulated services to his or her clients:***

***(c) the obligation to act in accordance with all fiduciary duties and duties of care owed by lawyers to their clients:***

***(d) the obligation to protect, subject to his or her overriding duties as an officer of the High Court and to his or her duties under any enactment, the interests of his or her clients.***

89. Lawyers need to be held accountable to the rule of law, especially section 4 (a) above. Too many lawyers put their clients first. A client quite clearly comes in third place
  - a. The lawyer's obligation to the law.
  - b. The lawyers obligation to himself in his requirement to be independent
  - c. The lawyer's obligation to the client.
90. We also need an independent regulatory body for lawyers, an association of lawyers is not impartial, and independence is the key to accountability.
91. The bill of rights does not afford any protection to those who are not charged with an offence, there is no assurance of a fair trial by an impartial judge
92. Real consequences need to exist for those who use the court to conceal crime and corruption.
93. Judges need to be educated into the use of court for ulterior action and be given the power to report matters to the independent commission against corruption for independent investigation.
94. While whistle-blowers or potential whistle-blowers are dealt to by the courts, they are denied the essential evidence by way of Official information act requests because at the same time there is a government department assisting in the cover up so that those who were responsible for the slip up are not held accountable.
  - a. Her needs to be a real consequence for those involved in withholding information. But again that is where lawyers are introduced and if those lawyers acted in according to the principles of justice there would not be an issue
95. The upshot is that the corruption is concealed and the perception is maintained but with each and every concealment our society becomes more corrupt.

#### **An Independent commission against corruption**

96. New Zealand needs an independent commission against corruption to ensure that all parts of our Governance and legal systems function as intended.

97. When those system works the rest will follow, we have to set the example from the top.
98. When I was a Police officer I did my commissioned officers exams, in the criminology paper the question which stood out most was the question - why do people become criminals.
  - a. I think I have that one sorted it is because the consequence of crime is minimal and the rewards are great
  - b. The converse is also true a whist blower is subjected to harsher penalties than a criminal , they also don't have the right to a fair hearing
  - c. The current formula sets the scene for corruption to grow and for more people to keep their mouths shut , this is not the way it should be.
99. A properly resources independent commission against corruption , which can investigate any one any time and ensure accountability for those who should be accountable is essential to prevent us from slipping down the corruption slope, it is easier to put it in place now than when corruption is so prolific that the commission itself would be corrupt.

Thank you



Grace Haden

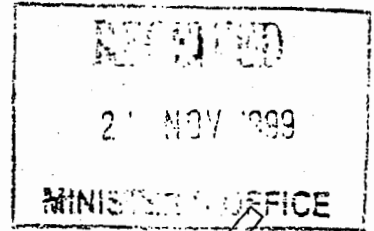


Evidence in support of petition



**Animal Welfare Institute of New Zealand**

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♦ Phone: +64 9 811 8020 ♦ Fax: +64 9 811 8010  
♦ Email: awinz@amcom.co.nz



22 November 1999

Hon John Luxton  
Minister of Food, Fibre, Biosecurity and Border Control  
Parliament House  
WELLINGTON

Dear Minister

**Application to be an approved organisation**

Following our notice of intent of 22 August to the Group Director, MAF Biosecurity, and the enactment of the Animal Welfare Act 1999 on 7 October, the Animal Welfare Institute of New Zealand now wishes to formalise its application to be declared an approved organisation under the provisions of section 121 of the Act.

Attached is documentation that addresses the criteria set out in section 122 and MAF's guidelines of 8 October 1999.

As discussed and agreed with you earlier this year, it is our objective to achieve a seamless transition for those officers of Waitakere City Animal Welfare Services who are currently warranted to be appointed as from 1 January 2000 or as soon thereafter as is practicable.

Should there be any matters that require clarification please contact me.

Sincerely

Neil Wells  
Trustee

cc Group Director  
MAF Biosecurity

# ANIMAL WELFARE INSTITUTE OF NEW ZEALAND

*Application to the Minister of Food, Fibre, Biosecurity and Border  
Control to be an approved organisation*

*Animal Welfare Act 1999 section 121*

## 1. Introduction

Name of Applicant: Animal Welfare Institute of New Zealand.  
Registered Office: 1156 Huia Road, Huia, Auckland  
Postal address: P O Box 60-208, Titirangi, Auckland  
Area: It is intended that the Institute will operate nationally.  
Relevant Information: Contained herein but specifically in paragraph 10.  
Application made by: Neil Wells, Trustee  
Appendices: Appendix I — Procedures for Appointment of Inspectors  
Appendix II — Draft Memorandum of Understanding (MAF)  
Appendix III — Draft Memorandum of Understanding (linked  
organisations)  
Appendix IV — Draft Performance Contract  
Appendix V — Charitable Trust Deed  
Appendix VI — Policies

## 2. Function of the Institute

A charitable trust has been formed by Deed of Trust as the "Animal Welfare Institute of New Zealand" (AWINZ). It is being registered under Part II of the Charitable Trusts Act 1957. The founding trustees are:

- Nuala Grove
- Sarah Giltrap
- Graeme Coutts
- Neil Wells

The Deed of Trust is set out in Appendix V.

The principal purpose of the Institute is to promote the welfare of animals.

The Institute aims, inter alia, to provide a national body to which individual Inspectors will be properly answerable.

Initially, prospective Inspectors will be drawn from Animal Welfare Services (AWS) of Waitakere City Council. AWS is also contracted to provide animal care and control for North Shore City.

AWINZ will seek opportunities to link with employees of other organisations.

### 3. Waitakere City Pilot Programme

In 1995 a pilot programme between MAF Regulatory Authority and AWS resulted in 10 officers being trained to standards equal to or exceeding the training standards of the RNZSPCA, as approved by the Chief Veterinary Officer of MAF.

After the training course 2 officers left the employ of AWS and one did not seek a warrant due to ill health. The other 7 officers were warranted. It is testimony to the stable environment that exists in AWS that every Inspector trained and warranted 3 years ago is still employed.

In the following 3 years AWS has been audited 3 times by the MAF Compliance Group. Each audit was reported favourably.

Because the policy development leading up to the proposed Animal Welfare Bill was evolving and required further consultation with stakeholders, MAF Regulatory Authority extended the Waitakere City pilot programme and Inspectors' appointments and, following agreement by the Minister for Food, Fibre, Biosecurity and Border Control, this will continue until the repeal of the Animals Protection Act 1960 (i.e. 1 January 2000).

### 4. Waitakere City's Strategic Plan

Animal Welfare Services is a business unit that operates within the infrastructure of Waitakere City.

In 1996 Waitakere City Council commenced consideration of strategic options for its various business units including Animal Welfare Services.

Animal Welfare Services considered a number of strategic options—

- No change
- Change to a local authority trading enterprise (LATE)
- Formation of a not-for-profit body to act as the interface between community and service delivery.

It was the third option that gained favour – the formation of a charitable trust.

Over the past 3 years the City Business Advisory Unit and Animal Welfare Services have been developing the concept of forming a charitable trust. This process commenced before the policy of "approved organisations" was included in the Animal Welfare Bill (No.2).

## 5. Management systems

AWINZ will be responsible to MAF Biosecurity Authority for—

- the integrity of the system,
- the performance of employer groups (linked organisations), and
- the performance of each individual Inspector.

This will be achieved in a number of ways.

At the commencement of the pilot programme in 1995 AWS activated a quality assurance system. The system is robust and it is against this quality system that the MAF Compliance Group has carried out its audits. With appropriate amendments this system will be taken up by AWINZ.

The integrity of the system will be maintained by—

- a memorandum of understanding between AWINZ and MAF Biosecurity Authority;
- a performance contract between AWINZ and each Inspector; and
- a memorandum of understanding between the Inspector's employer (the linked organisation) and AWINZ.

As well as a Board of Trustees responsible for the overall functioning of the Institute, the Board will form advisory committees for specialist functions such as—

- training and operational standards
- fundraising
- financial policy
- animal welfare policies
- strategic planning.

AWINZ will consult with its strategic partners (including MAF) on any appointment to an advisory committee.

A quarterly liaison meeting will be held with the MAF Biosecurity Authority.

## 6. Quality Systems and Audit

### 6.1 Quality Systems

AWINZ will establish a quality system, which will include objective evidence of compliance with the programme that can be audited. It is intended that eventually the quality systems will be certified to ISO 9002 or similar quality system.

### 6.2 Internal Audits

AWINZ will carry out an internal audit of the performance of Inspectors and compliance with the terms of the contract between AWINZ and MAF Biosecurity Authority each 6 months during the programme. This audit will include an audit of the linked organisations' compliance with the memorandum of understanding.

Where a linked organisation has more than 1 operational base or branch an audit will include each operational base or branch.

This internal audit may be contracted to a suitably qualified consultant.

### **6.3 Extrinsic Audits**

MAF Compliance Group will conduct an extrinsic audit of AWINZ annually or at such other intervals as are agreed between MAF Biosecurity Authority and AWINZ. As part of this audit MAF Biosecurity Authority may carry out random audits of linked organisations.

A MAF audit may include an audit of the linked organisation's compliance with the memorandum of understanding. Where a linked organisation has more than 1 operational base or branch a MAF audit may include each operational base or branch.

## **7. Linked organisations**

In the short term AWS will continue to operate as a business unit of Waitakere City Council. As such AWS will be an organisation linked to AWINZ. Its Inspectors will interface with AWINZ. However, arrangements will be such that each Inspector will be properly answerable to AWINZ through individual performance contracts for the performance of functions arising from his or her appointment under the Animal Welfare Act.

Medium term strategy is that the business unit of AWS will be vested in AWINZ. All the assets of the AWS (the animal refuge, plant and equipment) will be transferred or leased to the AWINZ. This transfer cannot take place until it has been through the Annual Plan process. However, the general formation and development of the Institute is not dependent on the outcome of the Annual Plan process.

In November 1998 AWS took over animal care and control for North Shore City. A single integrated compliance unit provides the services for both Waitakere City and North Shore City. Waitakere City is able to assign its contract to AWINZ if that is beneficial to the stakeholders. Animal welfare and control will then operate as a business unit of the AWS.

Any territorial authority prepared to accept the terms and conditions of a linked organisation will be able to connect to AWINZ as a linked organisation and any officers who become Inspectors will do so under the systems and procedures of AWINZ.

Longer term the Institute will compete for territorial authority animal control contracts anywhere in New Zealand. As a basic axiom the Trustees of AWINZ believe that animal welfare and animal control are inextricably linked. AWINZ will not tender for any animal control contract of a territorial authority if it is exclusively animal control and precludes the promotion of animal welfare.

## **8. Other links**

It is not intended that animal welfare compliance services operated by or for AWINZ will be delivered exclusively through officers employed by territorial authorities.

Over the past few years other groups have indicated an interest in animal welfare compliance activities. For instance, the New Zealand Veterinary Association has confirmed that some individual veterinarians would be interested in becoming Inspectors.

At one time the NZVA had proposed that every veterinarian should be an Inspector by virtue of the veterinarian's registration. However, now that veterinarians will have the power to destroy sick and injured animals under the Animal Welfare Act 1999, that proposal is no longer being pursued. Nevertheless, the NZVA is still supportive in the idea that particular veterinarians, perhaps those no longer or not currently in practice, may wish to become Inspectors.

Preliminary discussions with officers of the NZVA have explored the possibility of those veterinarians becoming Inspectors under the auspices of AWINZ. It would be feasible to operate a system whereby individual veterinarians will be answerable directly to AWINZ and the quality systems and procedures would be varied accordingly.

Other occupational groups that could also be considered for inclusion might include—

- Regional park rangers
- Volunteer and career firemen
- Ambulance officers
- Police officers with a particular interest in animal welfare wishing to operate off-duty
- Animal welfare organisations (but not animal rights organisations) not wishing to become approved organisations in their own right.

While this list is not exhaustive, it shows a range of occupations that can have significant day-to-day animal contact in the community and be its "ears and eyes". Operating under AWINZ systems and procedures these individuals could be a cost-effective means of delivering animal welfare compliance services.

However, no new grouping type would be added without prior consultation and agreement with MAF Biosecurity Authority.

## 9. Legislative requirements

The Animal Welfare Act 1999 provides as follows—

121. **Approved organisations**—(1) The Minister may from time to time, on the application of any organisation, declare that organisation, by notice in the Gazette, to be an approved organisation for the purposes of this Act.
- (2) The application must include—
- (a) The full name of the applicant; and
  - (b) The address of its registered office; and
  - (c) The area in which the applicant will, if declared to be an approved organisation, operate as an approved organisation; and
  - (d) Information that will enable the Minister to assess whether the organisation meets the criteria set out in Section 105A.

122. **Criteria**—(1) The Minister must, before declaring an organisation to be an approved organisation for the purposes of this Act, be satisfied, by the production to the Minister of suitable evidence, that—

- (a) The principal purpose of the organisation is to promote the welfare of animals; and
  - (b) The accountability arrangements, financial arrangements, and management of the organisation are such that, having regard to the interests of the public, the organisation is suitable to be declared to be an approved organisation; and
  - (c) The functions and powers of the organisation are not such that the organisation could face a conflict of interest if it were to have both those functions and powers and the functions and powers of an approved organisation; and
  - (d) The employment contracts or arrangements between the organisation and the organisation's Inspectors and auxiliary officers are such that, having regard to the interests of the public, the organisation is suitable to be declared to be an approved organisation; and
  - (e) The persons who may be recommended for appointment as Inspectors or auxiliary officers—
    - (i) Will have the relevant technical expertise and experience to be able to exercise competently the powers, duties, and functions conferred on Inspectors and auxiliary officers under this Act; and
    - (ii) Subject to section 108, will be properly answerable to the organisation.
- (2) The Minister may, in making a declaration under section 121, impose, as conditions of the Minister's approval, conditions relating to the establishment by the organisation of performance standards and technical standards for Inspectors and auxiliary officers.

## 10. The Institute's compliance with section 122

The Institute proposes to meet these criteria in the following manner—

### 10.1 *Principal purpose*

The objects and purposes of the Institute is to promote the welfare of animals (Deed of Trust clause 4—Appendix V).

In addition to its stated purpose set out in the Deed, the way in which this purpose will be translated into practical policies is set out in Appendix V.

### 10.2 *Accountability arrangements*

A Board of Trustees will control the Institute.

The Deed provides for the appointment of further trustees up to a maximum of 7. Before appointing additional Trustees the Board will consult with its strategic partners and have regard to the needs of the Trust, the Trust's activities and the skills required by the Board, and the extent to which the appointee will enhance the balance of those skills.

The Deed provides that the Trust Board will prepare a report on the administration, performance and affairs of the Institute in respect of each 6-month period. The report will contain the matters specified from time to time and will be prepared within 6 weeks of the conclusion of each 6-month period to which the report relates.

Further, the Trust Board will prepare an annual report on the administration, performance and affairs of the Institute within 3 months after the conclusion of each financial year. The report will include the annual business plan and operating budget.

These reports will be available to the Group Director, MAF Biosecurity Authority, and may be utilised by the MAF Compliance Group for audit purposes.

A memorandum of understanding will cover the responsibility of AWINZ to MAF Biosecurity Authority (see Appendix II).

### **10.3 Financial arrangements**

The Institute Board will keep true and fair accounts of all money received or expended. The accounts will be audited by an accountant appointed for that purpose.

The Waitakere City Council has provided establishment funding for the Institute. Future funding for the Institute will be derived from

- Charitable donations
- Fundraising activities
- Grants from philanthropic trusts and funding bodies
- Accruals from business activities related to animal welfare
- Fees for providing quality assurance services
- Corporate sponsorships
- Bequests
- Council grants
- Community fund grants

AWINZ will maintain its long term financial robustness and reliable sources of funding by AWS continuing to be funded as a business unit of Waitakere City Council. AWINZ will also ensure that any future linked organisation has long term financial robustness.

### **10.4 Management**

A small administration unit headed up by a Chief Executive Officer will manage the Institute. The CEO will be accountable to the Institute Board. The administrative unit will be headed up by Neil Wells who has 28 years experience in animal welfare organisations.

Initially, there will be 2 teams, one based in Waitakere City and the other on the North Shore.

The overall manager of AWS is Tom Didovich who is currently warranted and who has been involved in management of animal welfare and control for over 10 years.

The team leader in Waitakere is Darryl McLeod who is currently warranted.

The team leader on the North Shore is Jane Charles, who is qualified for appointment as an Inspector.

Each area has a team of 6 officers including the team leader.

### **10.5 Conflict of interest**

The Institute accepts that as a major statutory role of an approved organisation will involve compliance activities of animal welfare legislation and the employment of Inspectors, it would be entirely inappropriate for the Institute to adopt policies on animal welfare issues that are aligned with animal rights strategies and the use of confrontational tactics commonly employed by animal rights organisations.

Further, the Institute considers that it would be inappropriate for a person appointed as an Inspector to be actively involved with any animal rights organisation.

Because the Institute will be registered under the Charitable Trusts Act 1957 and not the Incorporated Societies Act 1908 it will have no ordinary members. Thus the Board of Trustees will always be in control.

The purposes of the Institute are as follows (none of which relate to animal rights)—

- (a) To prevent ill treatment to and the relief of suffering of animals;
- (b) To provide animal welfare services;
- (c) To encourage and develop by humane education individual responsibility for the welfare of animals, and the promotion of humane attitudes in society to animals and people;
- (d) To establish a quality assurance body for the enhancement of quality assured standards in animal welfare compliance activities, animal care and animal utilisation;
- (e) To support and encourage the study of animal welfare issues;
- (f) To co-operate with Government agencies in the reform of laws for the welfare of animals, and the promotion of humane attitudes in society to animals and people;
- (g) To advance the aims of the Trust by seeking the support and advice of all available moral, educational, legislative and scientific institutions, and strategic partners;
- (h) To maintain effective liaison and to seek co-operation with organisations in New Zealand and elsewhere in the world having similar objectives.

Draft policies are set out in Appendix VI.

### **10.6 Employment contracts**

In the model being proposed by the Institute each Inspector will be contracted to the AWINZ through a performance contract (see Appendix IV). In addition there will be a Memorandum of Understanding with the linked organisation (the Inspector's employer) (see Appendix III).

### **10.7 Technical expertise and experience**

The minimum training standard will be the National Certificate in Compliance and Regulatory Control (Animal Welfare), a qualification developed by the Public Sector Training Organisation, registered with the NZQA, and approved by the Group Director, MAF Biosecurity Authority.

An applicant will be required to gain the following unit standards to qualify for an initial appointment—

- 14234—Demonstrate knowledge of animal welfare legislation as it applies to appointed Inspectors
- 4223—Describe the powers of a compliance officer.

A UNITEC short course was completed in November 1998 for 13 students from AWS.

Seven are the original officers who were warranted in 1995 and whose warrants will expire on 31 December 1999. A further 6 were additional officers employed now that AWS is responsible for North Shore City.

Those 13 officers have completed approximately one-third of the National Certificate unit standards.

All officers will be required to work progressively towards completion of the National Certificate no later than 3 years from the time a warrant is first issued.

UNITEC is providing a further short course to enable those 13 officers to complete the National Certificate by the end of 1999—subject to individual assessments. Because the 1998 training was based on the Animals Protection Act 1960 the short course included re-training and assessment on unit standard 14234 based on the Animal Welfare Act 1999.

#### **10.8 Duties of approved organisation—section 141**

The Waitakere City Animal Refuge in The Concourse, Lincoln, will be deemed to be a place that will accept custody of animals in terms of sections 141 and 142 of the Animal Welfare Act 1999.

As this facility is also deemed to be a pound under the Dog Control Act 1996 new procedures will be drawn up to distinguish the area that is a pound and the area that is a place that will accept custody of animals in terms of section 141 and 142.

### **11. Animal welfare procedures**

AWS operates under a quality system and procedures that have been used as the basis for MAE Compliance audits over the past 4 years. Those procedures will continue to be used with appropriate references to the Animal Welfare Act 1999 instead of the Animals Protection Act 1960.

### **12. Animal welfare policies**

A draft of the animal welfare policies of AWINZ are set out in Appendix VI.

### **13. Operational research**

One of the objects of the Institute is—

*To support and encourage operational research into animal welfare, protection, control and conservation issues;*

This will not be scientific research per se but rather operational research to test systems, attitudes, and ways in which animal welfare issues can be enhanced. This would include liaison with existing institutions such as the Animal Behaviour and Welfare Research Centre and the Meat Industry Research Centre of AgResearch, the Chair in Animal Welfare Science and the Animal Welfare Science and Bioethics Centre at Massey University, and the Veterinary Education Centre at UNITEC.

#### 14. Transitional arrangements

The Minister for Food, Fibre, Biosecurity and Border Control has agreed that inspectors currently warranted under the Animals Protection Act 1960 will continue to hold office until the commencement of the Animal Welfare Act 1999—i.e. 1 January 2000.

By approving AWINZ as an approved organisation from the day the Act commences it will enable a seamless transition from the Waitakere Pilot Programme to the Animal Welfare Institute of New Zealand.

For the Board of Trustees of  
the Animal Welfare Institute of New Zealand

Date: 21 November 1999



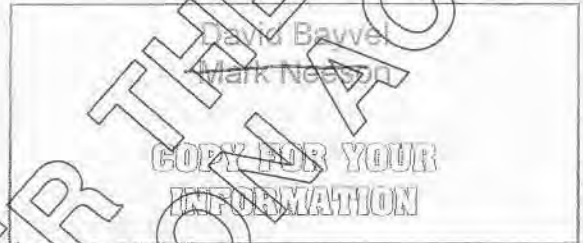
32

## Animal Welfare Institute of New Zealand

♦ P O Box 60-208, Titirangi, Waitakere City ♦ New Zealand  
♦ Phone: +64 9 811 8020 ♦ Fax: +64 9 811 8010  
♦ Email: awinz@amcom.co.nz

25 March 2000

Hon Jim Sutton  
Minister of Agriculture  
Parliament House  
WELLINGTON



Dear Minister

### Animal Welfare Institute of New Zealand

I refer to your letter of 24 December 1999.

We have met with MAF both in December and in February and new issues have been raised that have needed time to gather information.

This letter addresses the issues raised in your letter of 24 December and in a letter from MAF Policy of 28 January 2000, and other issues since raised by MAF Policy.

Further, a legal opinion has been obtained from Kensington Swan as suggested.

### Principal purpose and providing animal welfare services

While the principal purpose of AWINZ is "to promote the welfare of animals" this is a multi-facet function. AWINZ has not been established for the exclusive purpose of becoming an approved organisation although this is one of its early objectives.

In the Deed of Trust the term "provide animal welfare services" includes—

- Providing the services required of an approved organisation
- Engaging inspectors other than from territorial authorities
- Training and providing natural persons for accreditation as reviewers under section 109 of the Act
- Preparing animal welfare educational material for use by inspectors and others in school programmes and for community liaison
- Establishing an animal welfare monitoring unit for animals used in film, television and other entertainment industries
- Providing services to animal user groups for the drafting of Codes of Welfare
- Contracting to animal user groups for the provision of quality assurance services and monitoring of Codes of Welfare

1. David O'Neil — Policy / Legal Res  
2. 30/12/1999  
3. 15/2/2000

- Promoting animal welfare aspects of conservation issues such as whaling
- Promoting public awareness of the link between animal abuse and child abuse.

### Distinction between powers

There will be situations where an officer who has powers under different legislation will face a conflict of powers.

Section 122 (1) (c) of the Animal Welfare Act 1999 provides that the functions and powers of the organisation must not conflict with the powers and functions of an approved organisation. It is not intended that AWINZ pursues any function unless it has a purpose of promoting animal welfare. The Act does not give the organisation any powers but duties are imposed by section 141. The Act only gives powers to individuals who are appointed inspectors. In the event of a conflict arising as to the powers, duties and functions of an inspector the Animal Welfare Act 1999 prevails. As soon as an inspector identifies a possible conflict between two pieces of legislation the resolution is clear—the inspector must proceed under the Animal Welfare Act 1999 or be in breach of section 126 (2).

Training emphasises how an inspector resolves this conflict. One of the unit standards of the National Certificate specifically deals with this conflict.

**Unit Standard 4223**—Describe the powers of a compliance officer.

*element 3*

*Identify situations in which compliance officer's powers change.*

*Range: power to act ceases, increases or transfers to a different agency, or changes to different legislation.*

### Employment arrangements

This area needs to be re-stated to clarify the employment arrangements between AWINZ and its inspectors.

Inspectors who operate within a territorial authority will do so under the terms of an individual memorandum of understanding between AWINZ and the inspector. This will provide that the inspector will—

- Carry out the powers, duties and functions of an Inspector in accordance with the Act
- Be available to act in a voluntary capacity outside hours of employment as and when required by AWINZ in an emergency
- Complete all training in accordance with the performance standards and technical standards in section 124 (1) (e) (ii) and as imposed by the Minister in accordance with section 124 (2) of the Act
- Act under the direction of the Director-General of Agriculture and Forestry in the exercise and performance of the powers, duties, and functions conferred or imposed under the Animal Welfare Act 1999

- (e) Adhere to the procedures set out in the AWINZ quality system.

Under a memorandum of understanding with AWINZ the employer will —

- (a) Provide the necessary funding to enable each inspector appointed to comply with the programme
- (b) Provide funds to meet hook-on fees with AWINZ
- (c) Provide support services and necessary equipment for inspectors
- (d) Adhere to a quality system provided by AWINZ for the administration of the programme
- (e) Permit the inspectors to carry out their powers, duties and functions in relation to each complaint or matter that arises from his or her performance as an inspector
- (f) Provide day to day supervision of inspectors
- (g) Facilitate auditing of the quality system by AWINZ and provide access to documentation as requested by AWINZ quality auditors
- (h) Advise AWINZ by facsimile or e-mail when an investigation is likely to result in a prosecution under the Animal Welfare Act 1999 and where necessary permit the investigating inspector to act under the direction of AWINZ
- (i) Advise AWINZ of each occasion a search warrant is obtained and executed
- (j) Advise AWINZ of any decision not to prosecute where the investigation reveals that an offence has been committed but the circumstances warrant that no further action be taken or that a warning be given
- (k) Refer to AWINZ any serious complaint made against an inspector and advise AWINZ of any trivial complaint made against an inspector and the manner in which it was dealt with.

Both Waitakere City and North Shore City have agreed that should an officer need to be called out after-hours to deal with a complaint that turns out to be animal welfare related, the officer will be paid a call out fee. Despite this, each officer has willingly agreed to operate outside normal hours on a voluntary basis should a major emergency arise.

The linked organisation will meet all employment-related costs. AWINZ will not directly employ an inspector on wages.

The quality assurance system that has been operating for the past 4 years and audited by the MAF Compliance Group on 3 occasions will form the basis of the AWINZ quality assurance system with appropriate amendments.

Those amendments will be negotiated and agreed with MAF Biosecurity Authority.

In the case of inspectors not operating in a territorial authority, adaptations of the memorandum of understanding will be negotiated and agreed with MAF Biosecurity Authority before being implemented.

Section 122 (1) (c) does not mean that an inspector must be employed under a contract of service. It can also include an arrangement for services in other than an employer/employee relationship.

Inspectors will not be employed directly by AWINZ but will remain employed by their principal employer. When an inspector is performing a function under the Animal Welfare Act 1999 he or she will be doing so under an arrangement detailed in a memorandum of understanding between the inspector and AWINZ and a further memorandum of understanding between the employer and AWINZ. The inspector will not be paid by AWINZ for performing that function.

### **Geographical coverage**

AWINZ accepts that appointments of inspectors should be limited to the districts of Waitakere and North Shore Cities. At present there are 14 officers who are qualified for appointment. As their duties may be interchangeable between the two cities it is proposed that all 14 appointments should be for the districts of both Waitakere and North Shore Cities.

### **Financial arrangements**

AWINZ will not be directly employing its inspectors. The financial arrangement with the employer of each inspector will be that the employer will meet the costs of the employee while performing animal welfare functions during the normal course of employment. Hence the budget of AWINZ does not need to provide for inspectors' wages.

Inspectors will also be expected to volunteer their services outside normal employment if necessary. This is not likely to arise other than in a major emergency situation.

AWINZ will not require a large budget. To ensure that AWINZ can adequately provide for the services it will provide under the proposed Memorandum of Understanding with MAF, a fee will be charged to each linked organisation based on—

- an annual hook-on fee of \$1250 plus GST per linked organisation
- an annual fee of \$350 plus GST for each inspector appointed
- a fee of \$95 an hour plus GST for each biannual audit of the linked organisation
- continuing education on a cost basis.

A budget is attached as Appendix II. This has previously been submitted to MAF Policy.

Comments of the specific items are:

## Income

**Fees** will be raised specifically from fees paid by the linked organisation. Each linked organisation will pay an annual hook-on fee of \$1250. In addition it will pay a fee of \$350 for each inspector. These fees will cover the costs of administering the system.

**Grants and donations.** There is no certainty of fundraising until AWINZ is approved.

**Community funding** will come from community funds administered by territorial authorities. AWINZ has recently been given a grant from the Waitakere Community Welfare Fund to assist in adapting Waitakere City's procedure manuals to a system.

**Key donors** will come from a personal letter appeal to known supporters.

**Public donations** will come from unsolicited donations for satisfactory services or simply from general giving. This funds runs at about \$5000 a year and is at present held in trust by Waitakere City.

**Sponsorships.** Discussions have been held with major sponsors but cannot be firmed up until there is certainty.

## Expenditure

**Consultants.** AWINZ does not intend to employ administrative staff. The budget for consultants is to provide for specific tasks that are carried out on behalf of AWINZ, including quality audits of linked organisations.

**Administration** is for telephone, printing and stationery, travel etc.

**Fundraising** will focus on funding for the promotion of animal welfare. This cannot start until AWINZ is fully functional. The budget is to cover specific fundraising costs such as printing, postage and processing.

## Accountability arrangements

Where an inspector is also a dog control officer the inspector will be accountable to AWINZ for his or her actions when acting under the powers, duties and functions imposed by the Animal Welfare Act 1999.

If the officer is functioning in an area where animal welfare is not an issue AWINZ will have no responsibility for the officer's actions.

Reports on any complaint that requires the exercise of any powers, duties or functions of the Act will be submitted to AWINZ through the inspector's supervisor.

AWINZ will be responsible to MAF Biosecurity Authority for the exercise of those powers, duties and functions.

The employer will be accountable to AWINZ by permitting the employee to exercise the powers, duties and functions of an inspector through a memorandum of

understanding and will be responsible for providing support but will have no role in the way the powers, duties and functions are carried out.

In the event of a failure to perform under the Animal Welfare Act 1999 the inspector will be accountable to AWINZ, not to the employer. If a breach by an inspector is also a breach of his or her contract of employment that will be a matter strictly between employer and employee.

Where an issue of neglect of duty or misconduct arises AWINZ will be responsible to account to MAF for the inquiry, not the employer. However, the employer's co-operation will be necessary in any inquiry.

The linked organisation will be accountable to AWINZ for providing funding, support, and equipment for the inspector, permitting the inspectors to operate, and facilitating compliance audits.

### **Technical competence and qualifications**

The training standard currently determined by the Group Director, MAF Biosecurity Authority is the National Certificate in Compliance and Regulatory Control (Animal Welfare).

All officers of both Waitakere and North Shore have completed the National Certificate and will graduate in April.

Continuing education was a requirement in the pilot programme and this will continue by each inspector undertaking a 4-hour workshop each 6 months that will include—

- legal problems
- legislation updates
- review of procedures
- case studies.

### **Duties of Approved Organisations**

AWINZ will comply with section 141 by designating an area of the animal welfare refuge at The Concourse, Lincoln, as an animal shelter that will provide for animals that come into the custody of AWINZ.

### **Trust documentation**

A signed copy of the Deed of Trust will follow. The original is being submitted to the Ministry of Commerce for registration as a charitable trust in accordance with clause 20 (a) of the Deed.

## Rating

Kensington Swan have provided an independent legal opinion that shows that the proposed arrangements are not *ultra vires*. This is Attachment 3 to the letter from Waitakere City dated 21 March 2000.

## Further assurances

At the request of MAF Policy Waitakere City has re-written their original letter to you and that is attached dated 21 March 2000.

You will recall that we hoped that there could be a seamless transition from the Waitakere City programme to a system under an approved organisation. This was not possible but you expressed a wish that your officials would provide you with a final recommendation on our application as soon as possible in the New Year.

Having provided all the additional information requested over the past 3 months we trust you are now in a position to provide the approval sought in our original application of November 1999.

If this is not the case we would like the opportunity to meet with you along with senior managers from Waitakere City to clarify any outstanding issues and to ensure the application is not subject to further delays and iterative requests for additional information.

Considerable resources have been expended to date. This application has the potential to make an important contribution to animal welfare in New Zealand but there are limits to the resources at our disposal.

We believe the application now complies with the policy envisaged by the Primary Production Select Committee when it was considering the Bill.

We look forward to hearing further.

Yours sincerely

Neil Wells  
Trustee

cc MAF Policy  
MAF Biosecurity Authority

## Appendix I

ANIMAL WELFARE INSTITUTE OF NEW ZEALAND  
Budget for Year 2000

## Income

## Fees

Linked organisations	2 @1250.00	2,500.00	
Inspectors	14 @350.00	4,900.00	
Audits	4 @760.00	3,040.00	10,440.00

## Grants and donations

Community	1,500.00	
Key donors	10,000.00	
Public donations	5,000.00	
Public appeals	12,000.00	
Sponsorships	15,000.00	43,500.00

Total income 53,940.00

## Expenditure

Consultants and contractors	36,000.00	
Administration	5,000.00	
Fundraising	4,000.00	45,000.00

Total expenditure

excess

\$ 8,940.00

GST exclusive

Refer: Tom Didovich  
Animal Welfare Services  
(Ph: 836-7777) City Enterprises

Waitakere City Council  
Civic Centre  
6 Waipareira Ave  
Waitakere City

Private Bag 93109  
Henderson  
Waitakere City

Telephone  
09 836 8000  
Facsimile  
09 836 8001

DX CX 10250 Auckland Mail Centre  
Email: [info@waitakere.govt.nz](mailto:info@waitakere.govt.nz)

26 January 2000

The Honourable Jim Sutton  
Minister of Agriculture  
Parliament Buildings  
WELLINGTON

RECEIVED  
27 JAN 2000  
10:00 AM

Dear Sir,

Animal Welfare Act Inspector Warrants

In 1995 a pilot programme between MAF Regulatory Authority and Waitakere City Council resulted in a number of officers being trained to standards approved by the Chief Veterinary Officer of MAF. The pilot programme was extended following agreement with the Minister for Food, Fibre, Biosecurity and Border Control that this continue until the repeal of the Animals Protection Act 1960 (1 January 2000). The programme has been audited 3 times by MAF Compliance Group. Each audit was reported favourably.

In 1996 Waitakere City Council considered strategic options for its various business units including Animal Welfare Services. Over the past 3 years the City Business Advisory Unit and Animal Welfare Services have been developing the concept of forming a charitable trust. This process commenced before the policy of "approved organisations" was included in the Animal Welfare Bill (No.2) and lead to the establishment of the Animal Welfare Institute of New Zealand. No decision has been made as to whether Waitakere City will contract its animal welfare and control services to Animal Welfare Institute of New Zealand. That is merely a possibility. Council is aware that the Animal Welfare Institute of New Zealand has applied to be an approved organisation. Council supports that application.

In the event of AWINZ being an approved organisation Council will agree to-

- (a) Provide the necessary funding to enable each inspector appointed to comply with the programme;
- (b) Provide funds to meet hook-on fees with AWINZ.
- (c) Provide support services and necessary equipment for Inspectors;
- (d) Adhere to a quality system provided by AWINZ for the administration of the programme;
- (e) Permit the Inspectors to carry out their powers, duties and functions in relation to each complaint or matter that arises from his or her performance as an Inspector;
- (f) Provide day to day supervision of inspectors;
- (g) Facilitate auditing of the quality system by AWINZ and provide access to documentation as requested by AWINZ quality auditors;

- (h) Advise AWINZ by facsimile or e-mail when an investigation is likely to result in a prosecution under the Animal Welfare Act 1999 and where necessary permit the investigating inspector to act under the direction of AWINZ;
- (i) Advise AWINZ of each occasion a search warrant is obtained and executed;
- (j) Advise AWINZ of any decision not to prosecute where the investigation reveals that an offence has been committed but the circumstances warrant that no further action be taken or that a warning be given;
- (k) Refer to AWINZ any serious complaint made against an Inspector and advise AWINZ of any trivial complaint made against an Inspector and the manner in which it was dealt with;
- (l) Execute a formal memorandum of understanding with AWINZ containing the heads of agreement in this letter.

Council accepts that each Inspector will act under the direction of the Director-General of Agriculture and Forestry in the exercise of the powers, duties and functions imposed by the Animal Welfare Act 1999 and acknowledges that in the event of any conflict of interest arising between the powers, duties and functions conferred or imposed on an inspector as an employee and the powers, duties and functions conferred or imposed on the inspector by the Animal Welfare Act 1999, the powers, duties and functions imposed under the Act will prevail.

Yours faithfully



Tom Didovich  
Animal Welfare Services Manager

26 January 2000

The Honourable Jim Sutton  
Minister of Agriculture  
Parliament Buildings  
WELLINGTON

Dear Sir,

Animal Welfare Act Inspector Warrants

The North Shore City currently contracts out its dog and stock control work to Animal Welfare Services of Waitakere City Council which operates under the name of "North Shore Animal Care and Control" when operating in the North Shore area. Included in the contract is the potential for Waitakere to enforce the Animal Welfare Act 1999 through the Animal Welfare Institute of New Zealand (AWINZ) which is currently seeking status as an approved organisation under the new Animal Welfare Act 1999. In order to facilitate the warranting of inspectors for North Shore I forward the following information.

In the event of AWINZ being an approved organisation "North Shore Animal Care and Control" will agree to-

- (a) Provide the necessary funding to enable each inspector appointed to comply with the programme;
- (b) Provide funds to meet hook-on fees with AWINZ.
- (c) Provide support services and necessary equipment for Inspectors;
- (d) Adhere to a quality system provided by AWINZ for the administration of the programme;
- (e) Permit the Inspectors to carry out their powers, duties and functions in relation to each complaint or matter that arises from his or her performance as an Inspector;
- (f) Provide day to day supervision of inspectors;
- (g) Facilitate auditing of the quality system by AWINZ and provide access to documentation as requested by AWINZ quality auditors;
- (h) Advise AWINZ by facsimile or e-mail when an investigation is likely to result in a prosecution under the Animal Welfare Act 1999 and where necessary permit the investigating inspector to act under the direction of AWINZ;
- (i) Advise AWINZ of each occasion a search warrant is obtained and executed;
- (j) Advise AWINZ of any decision not to prosecute where the investigation reveals that an offence has been committed but the circumstances warrant that no further action be taken or that a warning be given;
- (k) Refer to AWINZ any serious complaint made against an Inspector and advise AWINZ of any trivial complaint made against an Inspector and the manner in which it was dealt with;



North Shore Animal Care and Control (Contractor to North Shore City Council)  
P.O. Box 8, Albany Village, North Shore City  
Telephone (09) 486-6090 Facsimile (09) 836-7776

(l) Execute a formal memorandum of understanding with AWINZ containing the heads of agreement in this letter.

North Shore Animal Care and Control accepts that each Inspector will act under the direction of the Director-General of Agriculture and Forestry in the exercise of the powers, duties and functions imposed by the Animal Welfare Act 1999 and acknowledges that in the event of any conflict of interest arising between the powers, duties and functions conferred or imposed on an inspector as an employee and the powers, duties and functions conferred or imposed on the inspector by the Animal Welfare Act 1999, the powers, duties and functions imposed under the Act will prevail.

Yours faithfully



Tom Didovich  
Business Unit Manager  
North Shore Animal Care and Control

### Commentary from Neil Wells

NB. Deletions are shown with a strike-through. New wording is shown in italics and underlined. Comments are in a box.

**DRAFT 30 June 2000**

**JULY 2000**

**OFFICE OF HON JIM SUTTON**

## **MEMORANDUM TO CAUCUS**

### **ROLE OF LOCAL GOVERNMENT IN FUNDING ANIMAL WELFARE SERVICES**

#### **Purpose**

Caucus is invited to consider whether territorial authorities (TAs) should have the power to ~~deliver and/or~~ fund animal welfare services, including enforcement.

*The issue to go to caucus is the principle behind the AWINZ proposal, i.e. TA funding for an approved organisation. There is no proposal that TAs should themselves be "approved organisations".*

#### **Background**

The Animal Welfare Act 1999 (the Act) provides for "approved organisation" to recommend the appointment of non-state sector persons as animal welfare inspectors. Inspectors have considerable powers of enforcement under the Act, including search and seizure and destruction of animals. It is important that an organisation from outside of the Government which is supporting these persons has appropriate accountability, financial and management arrangements.

Currently, the RNZSPCA (SPCA) is the only approved organisation. It undertakes almost 90% of the enforcement work under the Act. Any organisation whose principal purpose is the promotion of the welfare of animals can apply to me for approval as an "approved organisation" but specific criteria must be met (sections 121 and 122 of the Act).

#### **Application**

I have received an application from the Animal Welfare Institute of New Zealand (AWINZ), a charitable trust, to become an approved organisation. AWINZ ~~The trust~~ would enter into an arrangement with a TA whereby the dog control staff of the TA would become animal welfare inspectors and undertake both animal welfare and dog control services. The dog control staff would continue to be employed by the TA. The TA would fund the trust to undertake supervision and quality control work of the TA staff and allow staff to undertake animal welfare compliance work in the normal course of their employment.

I am advised by Crown Law Office that this arrangement is *ultra vires* the Local Government Act 1974 (LGA). According to Crown Law animal welfare is not a statutory function of TAs and, accordingly, they not have the power to spend ratepayer funds on this work. The dog control responsibilities of a TA are found in the Dog Control Act 1996.

*This is not conclusive yet. Further input from Kensington Swan, including sections of the LGA and a line of cases not considered by Crown Law, may re-open the "ultra vires" question.*

### **Previous consideration of this issue**

#### *Waitakere City Council pilot programme*

In 1995 MAF and the Waitakere City initiated a pilot programme to assess the effectiveness and acceptability of local government dog control officers undertaking animal welfare enforcement. MAF's primary motivating factor was the progressive decline in government funding for animal welfare and a desire by MAF to evaluate the possibility of using complementary resources which would not require funding. In addition, the pilot would assess whether:

- a quality service could be provided;
- efficiencies and better animal welfare outcomes might be achieved if dog control officers could deal immediately with any welfare concerns encountered in their work rather than having to call in a MAF or SPCA inspector; and
- the SPCA would experience a decline in funding contributions and assistance as the community became aware that the service was being funded by rates.

The programme was also developed with other concerns in mind such as the existing heavy reliance on the SPCA, enabling other appropriate persons to become involved in animal welfare enforcement (e.g. veterinarians) and who wished to remain independent of the SPCA.

The programme continued for 5 years up until the Animals Protection Act 1960 was repealed on 1 January 2000. AWINZ submitted its application to be an approved organisation before the Animal Welfare Act 1999 commenced and had discussed drafts of its proposal with MAF in the 2 year period leading up to the enactment of the Animal Welfare Act.

The programme was audited regularly by MAF and considered to be successful. It showed that dog control officers could deliver a quality service that relates to all animals (not just dogs) and meet pre-agreed performance criteria. There was no discernible effect on voluntary contributions to the SPCA. A major factor in the trial's success was that the Waitakere City Council already had facilities which could be readily utilised for animal welfare activities. The person seeking approval for the trust to become an approved organisation was involved in establishing the pilot programme.

Seven officers of WCC have graduated with the National Certificate in Compliance and Regulatory Control (Animal Welfare), the new standard required under the Animal Welfare Act 1999 that meets the requirement for technical competence.

#### *Consultation paper*

Concurrent with the trial, and as part of the policy development process for the new animal welfare legislation, MAF issued a discussion paper in December 1997, covering the nature of the provisions that would be needed in the Bill to provide for TA involvement and invited comment. The paper was developed in consultation with the Department of Internal Affairs

whose preference, at that stage, was for the function to be located in the specialist piece of legislation (the Animal Welfare Act) rather than in the Local Government Act.

The key elements of the proposal were:

- TA involvement be discretionary and self funded through rates
- the functions would not be devolved to local government in the same way as dog control. The Government would remain ultimately accountable for enforcement and would retain responsibility for setting standards and monitoring performance;
- a TA would be required to consult with the community through the annual planning process to seek a mandate to become involved, but otherwise the council's accountability would be to the government.
- Councils would appoint staff as inspectors under the Act but the Minister's concurrence would be required.

The development of the policy was extensive including assessing appropriate mechanisms for ensuring accountability of TAs to both the Minister and ratepayers. Advice from the Department of Internal Affairs was that, should this policy be pursued, legislation would be needed to remove any doubt that TAs had the power to fund or deliver animal welfare activity.

#### *Response*

Around 35 submissions were received on the discussion paper, the majority from TAs. A follow-up telephone survey was conducted in August 1998 of all TAs. Only Waitakere, which had been involved in the initial trial, said that it would definitely want to be involved in such a proposal. Several TAs indicated that they were not opposed to the scheme, provided it was not a mandatory function.

Concerns raised included:

- *That it blurred the boundaries between central and local government* (this was the key concern);
- *That it was not a core function of local government.* The proposal was seen as contrary to messages that local government should be closely examining options for increased efficiencies and divesting non-core functions;
- *financial implications*, especially as the activity would be funded through rates. The concern was that this might be "the thin end of the wedge" in that the function might, in time, be completely devolved without any accompanying funding;
- *lack of appropriate facilities to house a wide range of animals other than dogs.* Waitakere City already had facilities which were utilised in the trial programme while others were concerned about the need for capital investment;
- *lack of expertise:* TA inspectors may not have the required expertise to make informed judgements about animal welfare in farm situations (TAs have a historical responsibility for the control of stock under the Impounding Act).
- *Potential negative impact on the viability of some SPCAs.* Although the trial did not show an impact on the Auckland SPCA, a significant concern is the involvement that a large number of TAs might have on the SPCA nationally. Support for animal welfare

through rates would become much more visible with the risk that people would not want to contribute through both rates and donations.; and

This is not the view of the National Council of the RNZSPCA nor of the Auckland SPCA. So where did this come from.

- ~~the public consultation process was onerous~~ would be required prior to considering undertaking animal welfare activities. The process would necessarily involve both ratepayers (the Council) and the Minister (as the standards setter).

This preceding section is historical and not relevant to the current application. If it is to be included then questions would need to be asked about the manner in which the survey was framed, the timing of the survey and the amount of time allowed for responses. It was conducted over December/January at a time when no Council committees were sitting. The short time did not allow many animal control managers to comment and most of the responses came from administrative staff who were unable to make a commitment to a new venture without input from Council committees. A review of that process would not stand up to critical analysis. Thus this whole section is an historical irrelevancy.

#### Decision by the previous government

In light of the lack of interest by TAs in becoming involved, and concerns noted above, The former government decided that TAs should not become involved in the delivery or funding of animal welfare services. Its preference was for central government to address the problem of funding shortfalls in MAF funding. This has been subsequently resolved. The Primary Production Select Committee also rejected a submission for tighter links between animal welfare legislation and the Dog Control Act.

MAF cannot provide full compliance coverage for the Animal Welfare Act 1999 without considerable involvement from the voluntary sector. MAF is currently dependent on just one organisation, the RNZSPCA, for compliance activity. If for any reason the RNZSPCA is no longer able or willing to have inspectors, MAF estimates that it would need an appropriation of \$5,000,000 to provide a full Government animal welfare compliance service.  
The principle behind the concept of approved organisations other than the SPCA was that it is in the Government's interests to have a diversity of approved organisations, all operating on a level playing field.

The Primary Production Select Committee did not consider that it was appropriate that TAs themselves should be approved organisations but was aware of the proposed application from AWINZ. MAF was in possession of a pro forma application from AWINZ when the 2 Animal Welfare Bills were under consideration by the Primary Production Select Committee. The Select Committee did not accept a recommendation from MAF that inspectors must be directly employed by the approved organisation but instead favoured the wording that inspectors must be properly answerable. MAF officials assured the Select Committee that the AWINZ proposal would not be prejudiced by the proposed criteria for approved organisations.

The Act implements that decision through providing that an organisation may apply to be an "approved organisation" only if its *principal purpose* is to promote the welfare of animals. The effect is that although TAs could not be approved organisation and could itself themselves deliver animal welfare services. Following the Crown Law opinion it is now

unclear whether the legislation allows a TA to could fund an approved organisation, whether financially or in kind.

The AWINZ proposal meets all of the criteria of the Act. The only outstanding issue is the question of TA funding for animal welfare.

**Matters to be taken into account in a review of the existing policy.**

***Possible mechanisms for allocating the function to TAs***

In order to authorise the spending of rates in Waitakere City Council an amendment to legislation is may be needed to specify animal welfare as a function of TAs.

This could be achieved in the following ways:

**(i) — *Devolution***

~~Many functions have been progressively devolved from central to local government. The process has tended to be based on the principle that functions and their associated funding should be moved closest to the community of interest.~~

~~The recent review of the animal welfare legislation retained responsibility and accountability for animal welfare enforcement at the central government level. This was because expectations for standards of animal welfare do not tend to vary across the country. The community of interest is a national one with standards set nationally.~~

~~This would require a major legislative exercise including local government, animal welfare and associated legislation.~~

<i>Devolution is not proposed so why raise it.</i>
--

**(ii) Legislation to empower TAs to deliver or fund animal welfare activity**

Such a proposal would:

- ~~allow the discretionary involvement of TAs (and ratepayer funding) by providing TAs with a statutory animal welfare function;~~
- ~~meet the requirements of the LGA with respect to community consultation (this would cover the initial decision as to whether a council became involved, and periodic reviews of that decision); and~~
- ~~provide that Government retained accountability for setting and monitoring standards of performance.~~

~~This would create the unusual, dual accountability arrangement as proposed in the MAF 1997 discussion document, the response to which was covered earlier in this paper.~~

~~Should Caucus decide to support TAs having an animal welfare function, given the possible major review of the Local Government Act, it might be desirable to clarify the issue in a new~~

local government reform bill. The allocation of the function could also be considered in the context of discussions about the possible "power of general competence" for local authorities.

### *Issues for Caucus consideration*

In previous consultation by MAF on this issue, TAs demonstrated little enthusiasm to become involved in animal welfare work. The exception is Waitakere City which is in a unique situation as it has developed effective working arrangements through the MAF pilot programme.

### **Options which could be pursued:**

- i — ~~allow TAs to become approved organisations under the Animal Welfare Act;~~

*This is not at issue currently under consideration so why raise it*

- ii *permit TAs to fund an approved organisation whether financially and/or "in kind," such as allowing TA staff and resources to be used to deliver animal welfare services; and*

- iii — ~~not permitting TAs to be involved in either funding or delivering animal welfare activities.~~

*This is contrary to what the two Ministers are wanting to achieve so why raise it.*

If it was decided to enable TAs to fund or deliver animal welfare services, there are some additional issues to consider:

- the need for legislation to empower what, in the long term, may amount to involvement by only a handful of TAs (this may not be an issue if TAs are given the power of general competence);

*Can you explain "the power of general competence".*

- ~~the effects of wider TA involvement on SPCA revenue generation and volunteer support. Increased visibility of TA involvement could lead to ratepayers opting to pay only once (through rates) for the service rather than supporting the SPCA through donations.~~

*This is not the view of the National Council of the RNZSPCA nor of the Auckland SPCA. There is no opposition from the RNZSPCA to the AWINZ proposal. So where did this statement come from.*

- ~~the proposal may meet significant opposition particularly from the farming sector. They believe that animal welfare is not a core function of local government and would lead to an increase in rates. They were concerned that it may set an unwelcome signal for further services to be devolved from central government without accompanying funding.~~

*Federated Farmers view related to an older proposal that TAs be directly involved in animal welfare. The Primary Production Select Committee considered the Fed's submission and still supported the concept of approved organisations with the knowledge of the AWINZ proposal. So this is not in issue here.*

- ~~a strategic review of animal welfare service delivery in 1998 concluded that it would be appropriate for this work to continue to be undertaken by MAF and the voluntary sector.~~

It noted that although there may be a case for involving TAs, especially when a voluntary agency has long been entrusted with the use of coercive powers, it is not conclusive.

Whose opinion is it that this is not conclusive—how relevant is the 1998 review in 2000.

- The fact that significant policy and operational issues, including the concerns outlined in para ?? above, lead to the conclusion that TA involvement was not appropriate.

This statement cannot be supported. Three successive Ministers supported the principle of the WCC programme right to the end of the Animals Protection Act 1960 and the last Minister supported the concept of a seamless transition from the pilot programme to the Animal Welfare Act despite MAF Policy's opposition..

#### Advantages

1. The AWINZ proposal would provide an umbrella organisation that would provide for a diversity of inspectors and their respective organisations.
2. MAF will not be dependent on one organisation in the voluntary sector and the Government will be less vulnerable should the SPCA not continue to deliver a compliance service.
3. The alternative to having no voluntary sector involvement would cost Government about \$5,000,000
4. The cost to Government of the AWINZ proposal would be negligible.
5. MAF would exercise control over the standards and competency of inspectors and the approved organisation through compliance audits.
6. The Minister has the power to revoke an approved organisation if there is a serious failure to meet the criteria of the Act.
7. The public interest would be served by having trained inspectors working at the community level and thus detecting and mitigating animal welfare problems at a lower level than even the SPCA can.
8. By providing a broadly based animal welfare and control service ratepayers in Waitakere City have expressed satisfaction that issues are handled more expeditiously and satisfactorily. Waitakere City Councillors have expressed their complete satisfaction in the pilot programme and this has been reflected in two local body elections (1995 and 1998 ) in which, for the first time, dog nuisances and animal welfare problems were not an election issue.
9. The pilot programme clearing demonstrated the synergy of an approved organisation working with the SPCA.

#### Disadvantages

1. There may be a public perception that the boundaries between dog registration and animal welfare will be blurred. This has not proven to be the case in the 5 year pilot programme.
2. There may be a perception that AWINZ is in competition with the SPCA. The pilot programme has shown that the 2 services are complementary. The Auckland SPCA had initial misgivings about the Waitakere City pilot programme but now supports it without qualification.
3. The public may be concerned that there will be proliferation of animal welfare organisations. However, MAF will have the responsibility for ensuring that approved organisations are in the public interest.

4. There may be a concern that rates may be affected by TA involvement in animal welfare compliance. The experience of Waitakere City is that it has not involved any actual expense other than an increased level of training. The TA contribution has largely been in time spent by staff rather than by expenditure of funds.
5. MAF will have additional responsibilities in compliance audits of a wider range of approved organisations. That was anticipated when the Select Committee accepted MAF's recommended policy to widen the numbers and types of approved organisation.

## Recommendation

I recommend that Caucus ~~either:~~

- i ~~— agrees that TAs should have the power to become approved organisations under the Animal Welfare Act; or~~
- ii ~~— agrees that TAs be allowed to fund an approved organisation, whether financially and/or "in kind," such as allowing TA staff and resources to be used to deliver animal welfare services; or~~
- iii ~~— agrees that, if it is found to be necessary, a suitable amendment be included in the next round of amendments to the Local Government Act~~
- iii ~~— agrees that TAs should not be involved in either funding or delivering animal welfare activities; or~~
- iv ~~— agrees that the question whether TAs should have the power to apply to become approved organisations under the Animal Welfare Act or be allowed to fund an approved organisation issue be addressed in the review of the Local Government Act.~~

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>i.</li> <li>iii.</li> <li>iv</li> </ol> | <p>AWINZ is not proposing that TAs become approved organisations.</p> <p>That is not a proposition that is related to the AWINZ proposal.</p> <p>The question of whether or not TAs have the power to fund an approved organisation has not been established. MAF Policy is presuming that an amendment to the LGA would be necessary. That is contrary to the advice given to the Select Committee. Was MAF Policy's advice to the Select Committee last year erroneous, as implied by Pete Hodgson?</p> |
|--|---|

**From:** David Bayvel  
**To:** Neeson, Mark  
**Date:** 12/12/2000 07:49:01  
**Subject:** Re: AWINZ

Linda T: no comments.  
(Neil W: ~~ear~~ not aware -  
caught by surprise.  
recog they need to be  
consistent).

Mark,

Drafts look fine.

Confirm Kathryn will continue to liaise with yourself, Neil and Legal re standards and MoU.

>>> Mark Neeson 11/12/2000 14:26:03 >>>

Appreciate your comments on the attached briefing and draft letter. I am assuming there are no difficulties with the FIN/Cabinet paper (In have yet to sight the minute)

Comments by 10.00am Tuesday on both documents would be appreciated.

David: BA would need to contact Neil to discuss the various MOU. Although Neil has drafted the documents himself they will need to be closely scrutinised by you and Legal to ensure that the Crown's interest's are protected.

Thanks

mark

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT (64)

From: Mary-Ellen Fogarty <Mary-Ellen.Fogarty@treasury.govt.nz>  
To: 'Mark Neeson' <neesonm@maf.govt.nz>  
Date: 27/11/2000 13:22:00  
Subject: RE: Proposed FIN paper on animal welfare

Hi Mark,

GD/58/0/3

Our overall advice is that you do not send this paper to Cabinet. If you chose to, we will recommend that the paper be deferred in order for the Minister of Agriculture to work through the costs, benefits, legal and policy implications/risks of establishing a third animal welfare "umbrella organisation" and refer back to the Committee by 30 March 2001.

The following sets out our reasons for not endorsing the paper as it currently stands.

The paper has not clearly argued what the benefits and costs (economic, social, fiscal) of approving AWINZ are and why these benefits outweigh the costs.

We understand that the Local Government review is looking at making the Local Government Act less prescriptive which may allow them to get involved in a wider range of activities. However, this will only be possible if they have a mandate from the community and the proper accountability regimes in place. We therefore recommend waiting until such time as the review of the Act is complete.

We are unsure why the Minister is seeking Cabinet's approval for it is in his powers to do this without their endorsement. If it just for the purposes of letting them know in case there is political fall-out then this should be stated up-front.

Para 21: We think you may have missed something out as the last sentence just reads "compliance cost statement."

Para 22: We recommend that you state the fact that the application will be approved initially in principle, pending completion of establishing performance and technical standards, earlier in the paper. You may wish to expand on the reasons why you have included the International League for the Protection of Horses in para 22.

Regards  
Mary-Ellen

# The Department of Internal Affairs

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Notice 307

Number:

Year: 2001

Publication 18 January 2001

Date:

Page 116

Number:

Title: Approval of Animal Welfare Institute of NZ (Inc)

Notice Declaration of Approval of Animal Welfare Institute of New Zealand (Inc) as an Approved

Text: Organisation Under the Animal Welfare Act 1999

Notice No. 1181

I hereby give notice that, pursuant to section 121 (1) of the Animal Welfare Act 1999, the Animal Welfare Institute of New Zealand (Inc) is declared, on the date of publication of this notice in the New Zealand Gazette, to be an approved organisation under the Animal Welfare Act 1999.

Pursuant to section 122 (2) of the Animal Welfare Act 1999, I impose a condition that the Animal Welfare Institute of New Zealand (Inc) establish performance standards and technical standards for its inspectors and auxiliary officers (if any) and that these standards require my approval.

The standards are to be submitted to me for approval by the 30th day of March 2001.

Dated at Wellington this 19th day of December 2000.

JIM SUTTON, Minister of Agriculture.

**Memorandum of Understanding**

Between

**The Animal Welfare Institute of New Zealand**

And the

**Ministry of Agriculture and Forestry**

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT

**FINAL**

**4 December 2003**

## Introduction

This Memorandum of Understanding between the Animal Welfare Institute of New Zealand (AWINZ) and the Ministry of Agriculture and Forestry (MAF) defines the requirements to be met by AWINZ in the area of selection and appointment and other matters relating to both Inspectors appointed by the Minister and Auxiliary Officers appointed by the Director-General under the Animal Welfare Act 1999 on the recommendation of AWINZ, and the enforcement of the provisions of the Animal Welfare Act 1999.

This Memorandum of Understanding has been prepared on the assumption that appropriate agreements have been put in place between AWINZ and its Linked Organisations and between Linked Organisations and individual Inspectors outlining the requirements to be mutually met to enable Inspectors to meet their obligations under this Memorandum of Understanding, the AWINZ Performance and Technical Standards, and the requirements of the Animal Welfare Act 1999.

## Definitions

“Auxiliary Officer” means a person who is appointed as an Auxiliary Officer under the Animal Welfare Act 1999.

“Approved Organisation” means an organisation declared, under section 121 of the Animal Welfare Act 1999, to be an approved organisation for the purposes of the Act.

“AWINZ” means the Animal Welfare Institute of New Zealand.

“AWINZ Inspector” means a person appointed as an Inspector under the Animal Welfare Act 1999 on the recommendation of AWINZ.

“AWINZ Performance and Technical Standards” means the Performance and Technical Standards for Inspectors and Auxiliary Officers of the Animal Welfare Institute of New Zealand approved by the Minister of Agriculture on 1 April 2001.

“Director Animal Welfare, Biosecurity Authority” means the Director of the Animal Welfare Group, Biosecurity Authority.

“Director-General” means the chief executive of the Ministry of Agriculture & Forestry.

“Group Director, Biosecurity Authority” means the Group Director, Biosecurity Authority of the Ministry of Agriculture & Forestry.

“Inspector” means a person who is appointed as an Inspector under the Animal Welfare Act 1999.

“Linked Organisation” means an organisation that is linked to AWINZ pursuant to a memorandum of understanding.

“Minister” means the Minister of Agriculture.

“MAF” means Ministry of Agriculture & Forestry and incorporates both MAF Biosecurity Authority and the MAF Special Investigation Group.

“MAF Biosecurity Authority” means the management group of MAF responsible for facilitating the setting of standards by AWINZ for AWINZ Inspectors and Auxiliary Officers carrying out animal welfare enforcement, and monitoring compliance with these standards. The MAF Biosecurity Authority is also responsible for the appointment of Inspectors and Auxiliary Officers under the Animal Welfare Act 1999.

“MAF Special Investigation Group” means the management unit within the MAF Biosecurity Authority responsible for responding to, and investigating, complaints under the Animal Welfare Act 1999.

“Primary Investigation Agency” means the agency that received the initial complaint.

### **Role and responsibilities of the Minister, Director-General, and AWINZ**

1. The Animal Welfare Act 1999 and its Regulations are administered by the Ministry of Agriculture & Forestry.
2. The Director-General, who is the person accountable for the administration of the Act, has delegated the powers of appointment of Inspectors to the Group Director, Biosecurity Authority who has sub-delegated this power to the Director Animal Welfare, Biosecurity Authority.
3. The Minister or his or her delegate may, on the recommendation of an approved organisation (which includes AWINZ), appoint persons to be Inspectors under the Animal Welfare Act 1999 for the purposes of enforcing the provisions of the Act. The Minister or his or her delegate may remove an Inspector from office.
4. The Director-General or his or her delegate may, on the recommendation of an approved organisation (which includes AWINZ), appoint persons to be Auxiliary Officers under the Animal Welfare Act 1999 and may remove Auxiliary Officers from office.
5. The Director-General is accountable to the Minister of Agriculture for the effective delivery of animal welfare enforcement services.
6. AWINZ has established performance and technical standards for AWINZ Inspectors and Auxiliary Officers which were approved by the Minister of Agriculture on 1 April 2001. AWINZ is responsible for ensuring that AWINZ Inspectors and Auxiliary Officers comply with AWINZ Performance and Technical Standards.
7. AWINZ is responsible for ensuring that a Memorandum of Understanding exists between a Linked Organisation and itself and that the terms and conditions of that agreement are both being met and are consistent with this Memorandum of Understanding and the Performance and Technical standards for AWINZ Inspectors and Auxiliary Officers.

8. AWINZ will ensure that the Memorandum of Understanding between a Linked Organisation and itself requires the Linked Organisation to have in place an agreement with the individual Inspector that will enable the Inspector to perform their responsibilities as required under the Animal Welfare Act 1999.
9. AWINZ agrees to consult with MAF prior to appointing an additional trustee or replacement trustee.
10. AWINZ agrees to consult and seek the agreement of MAF before making agreements with any new type of Linked Organisation.

#### **Agreement between AWINZ and its Inspectors and Auxiliary Officers**

11. AWINZ shall, with respect to each person who is to be appointed an Inspector or Auxiliary Officer on the recommendation of AWINZ, enter into a binding contract with that person prior to that person's appointment. Notwithstanding that this Memorandum of Understanding may not be legally binding on AWINZ or MAF, that contract shall be to the following effect:
  - (a) That person shall comply with all obligations pertaining to AWINZ Inspectors and Auxiliary Officers in this Memorandum of Understanding (including any modifications);
  - (b) That person acknowledges that AWINZ fully intends to fulfil the requirements of this Memorandum of Understanding (including any modifications);
  - (c) That person authorises AWINZ, MAF, and all other relevant persons to collect, use, and disclose personal information about that person in accordance with the provisions of this Memorandum of Understanding (including any modifications); and
  - (d) That person shall take all such steps as AWINZ reasonably considers necessary in order for AWINZ to fulfil these requirements.

#### **Training Programme**

12. No person shall be appointed as an Inspector or an Auxiliary Officer until training has been undertaken in accordance with an Inspector or Auxiliary Officer Training Programme that is approved by the Group Director, Biosecurity Authority. Currently, that programme is the National Certificate in Compliance and Regulatory Control (Animal Welfare). A short-term appointment may be made where the person has completed specified unit standards of the National Certificate, namely unit standards 14234 and 4223.
13. AWINZ shall provide to MAF Biosecurity evidence that training has been completed to an acceptable standard prior to appointment as an Inspector or Auxiliary Officer.

## Approval of AWINZ Procedures For Inspectors

14. AWINZ shall, in consultation with its Linked Organisations, develop, and implement, AWINZ Procedures for Inspectors, which include:

- (a) A Quality Manual which contains:

Written procedures for:

- (i) selection and recommendation of suitable people for appointment as Inspectors or Auxiliary Officers;
- (ii) training of Inspectors and Auxiliary Officers;
- (iii) recording investigations into complaints against Inspectors or Auxiliary Officers;
- (iv) recording investigations into animal welfare complaints, and
- (v) retention of investigation records for a period of five years (with the exception of retention under section 142)

Statements relating to management roles and responsibilities:

- (i) AWINZ structure;
- (ii) Levels of accountability;
- (iii) Policy statements, e.g. euthanasia, prosecution; and

- (b) Internal monitoring (review) of adherence to the AWINZ Procedures For Inspectors.

15. AWINZ Procedures For Inspectors shall be approved by the AWINZ Board of Trustees. Modifications to the AWINZ Procedures For Inspectors shall be approved by AWINZ Board of Trustees prior to implementation.
16. AWINZ Procedures For Inspectors shall be approved by the Group Director, Biosecurity Authority. Modifications to the AWINZ Procedures For Inspectors shall also be approved by the Group Director, Biosecurity Authority prior to implementation.

## Reporting

17. AWINZ shall furnish MAF Biosecurity with annual statistics pertaining to:

- (a) number of complaints received (nationally) by species
- (b) number of prosecutions (nationally) including the number of successful prosecutions.

18. The reporting period shall be 1 January – 31 December of each year.
19. Statistics must be supplied to MAF Biosecurity (Animal Welfare Group) by 1 April of the following year.

20. AWINZ will inform MAF SPIG of any search warrants obtained and any prosecutions taken so as to enable MAF SPIG to maintain a current national database.
21. Should AWINZ wish to make an enquiry of the national database of prosecutions and search warrants, the enquiry must be made in writing and must be in relation to a current investigation. MAF SPIG will only release information from this database to an approved organisation where such a release is lawful in terms of the Privacy Act 1993.
22. AWINZ will provide MAF Biosecurity Authority with an annual report on the year's administration and performance of AWINZ by the 31<sup>st</sup> of March of the following year on the administration, performance and affairs of AWINZ.

#### **AWINZ/MAF Liaison (National & Local)**

23. Formal discussion between AWINZ, a representative of each Linked Organisation and MAF shall be held on policy issues, as and when required, at no less than two meetings a year.
24. Liaison between Linked Organisations and local MAF Special Investigation Group officers shall take place, as and when required, with no less than two meetings a year.
25. Unresolved issues shall be passed without delay to a more senior level of each respective organisation.

#### **Procedures for Referral of Complaints against Inspectors and Auxiliary Officers**

26. This section applies to complaints against AWINZ Inspectors and Auxiliary Officers.
27. All complaints against Inspectors and Auxiliary Officers shall, in the first instance, be forwarded to the AWINZ Board of Trustees and be dealt with according to the procedures for investigating complaints against Inspectors and Auxiliary Officers as published in the AWINZ Procedures For Inspectors.
28. AWINZ Board of Trustees, on receipt of written advice of a serious complaint against an Inspector or Auxiliary Officer in regard to his or her conduct in the exercise, or purported exercise, of powers under the Animal Welfare Act 1999, shall advise MAF Biosecurity Authority of the complaint and any current action being taken to investigate and resolve the complaint.
29. AWINZ shall consult with MAF Biosecurity Authority on the investigation and the resolution of the serious complaint.
30. Where requested by MAF Biosecurity Authority, AWINZ shall pass on all details concerning any complaint and the investigation to MAF Biosecurity Authority.
31. Where MAF Biosecurity Authority wishes to follow up a complaint itself in addition to AWINZ investigation:

- (a) It will do so only after consulting with the AWINZ Board of Trustees (AWINZ will also consult with the Linked Organisation involved).
  - (b) It will report its findings to the AWINZ Board of Trustees within five working days of completing its investigation. (The AWINZ Board of Trustees will convey the findings to the Linked Organisation within five working days of receiving them).
32. MAF Biosecurity Authority confirms that it will be governed by the provisions of the Privacy Act 1993 in respect of all information supplied to, or gathered by, MAF Biosecurity Authority.

### **Surrender and Retrieval of Instruments of Appointment**

33. An AWINZ Inspector or Auxiliary Officer shall surrender his or her instruments of appointment and certificate of appointment to MAF Biosecurity Authority through AWINZ where:
- (a) The Inspector is removed from office by the Minister or his or her delegate under the Animal Welfare Act 1999 or the Auxiliary Officer is removed from office by the Director-General or his or her delegate under the Animal Welfare Act 1999;
  - (b) The Inspector or Auxiliary Officer ends his or her contract with AWINZ;
  - (c) The Inspector or Auxiliary Officer leaves the service of the Linked Organisation specified on the letter of appointment;
  - (d) The Inspector or Auxiliary Officer resigns from the office of Inspector or Auxiliary Officer respectively; and
  - (e) The Inspector or Auxiliary Officer's term of appointment otherwise expires.
34. AWINZ shall be responsible for recovering the instruments of appointment and forwarding it to MAF Biosecurity Authority on behalf of the former Inspector or Auxiliary Officer within six weeks of any of the events outlined in paragraph 33. If the Inspector or Auxiliary Officer fails to surrender his or her instruments of appointment within six weeks, MAF Biosecurity Authority is to be advised.
35. If the Inspector or Auxiliary Officer refuses to surrender his or her instruments of appointment, AWINZ shall advise MAF Biosecurity Authority immediately.

### **Supersession Policy**

36. In the event that both the MAF Special Investigation Group and AWINZ have been advised separately of the same animal welfare complaint, the procedure as outlined in AWINZ Performance and Technical Standards for Inspectors and Auxiliary Officers and the MAF Special Investigation Group Performance and Technical Standards for Inspectors respectively will be followed.
37. If both agencies wish to pursue the same complaint, the matter is to be advised as soon as possible to the AWINZ Board of Trustees, in the case of AWINZ, and to the

National Manager, MAF Special Investigation Group, in the case of the MAF Special Investigation Group, for resolution by the Director Animal Welfare, MAF Biosecurity Authority in consultation with an AWINZ Trustee, the relevant Linked Organisation and local MAF staff.

38. Where a complaint is transferred from one agency to another, the agency accepting the transfer shall assume full responsibility for the investigation, including costs, thereafter. The transferring agency shall accept the decision made on any action taken in an investigation subsequent to the transfer.
39. The agency accepting the transfer of a complaint shall provide written feedback to the transferring agency on the outcome and/or progress of a complaint. The transfer of the job shall be made in writing by the transferring agency.

#### **Assistance Policy**

40. In the event that MAF Inspector(s) assistance is requested by an AWINZ Inspector(s) in an investigation or vice versa, any procedures relating to assistance in the AWINZ Performance and Technical Standards for Inspectors and Auxiliary Officers and the MAF Special Investigation Group Performance and Technical Standards for Inspectors, respectively, must be followed.
41. The Primary Investigation Agency shall retain full responsibility for any investigation in which it has requested assistance.
42. Both AWINZ and MAF Special Investigation Group staff must respect any decision(s) made by the Primary Investigation Agency in any investigation which requires assistance.

#### **Media Policy**

43. AWINZ shall ensure that Inspectors refrain from making any public comment on any specific animal welfare investigations that may jeopardise any legal proceedings, pending or current.
44. The animal welfare enforcement agencies agree to provide information copies of press releases, which are of relevance to the other animal welfare enforcement agency, at the time of distribution of the press release. It is envisaged that the animal welfare enforcement agencies may wish to express differing views from time to time and this provision is not intended to compromise either animal welfare enforcement agency's responsibilities.

#### **Selection Procedures for Inspectors and Auxiliary Officers**

45. Initial selection of Inspectors and Auxiliary Officers shall be undertaken by Linked Organisations in accordance with the procedures outlined in the AWINZ Procedures For Inspectors.

46. AWINZ shall be responsible for ensuring that written authorisation has been obtained from an applicant for the collection, use and disclosure by MAF Biosecurity Authority, AWINZ, the New Zealand Police or other persons of personal information about the applicant for the purposes of paragraphs 45 to 51 and 66.
47. AWINZ shall make every effort to ensure that only suitable persons are recommended to MAF Biosecurity Authority for appointment. Selection and recommendation shall be carried out in accordance with the AWINZ Procedures For Inspectors.
48. AWINZ shall supply to the MAF Biosecurity Authority the following information in relation to an application for appointment:
- (a) Inspector's/Auxiliary Officer's application form;
  - (b) An assessment of the applicant's ability to perform the role of an Inspector/Auxiliary Officer;
  - (c) Details of reference checks;
  - (d) Details of training completed and performance; and
  - (e) A passport size colour photograph of the applicant.
  - (f) A signed identity card to MAF's specification.
49. The policy of AWINZ is that candidates for appointment as Inspectors or Auxiliary Officers must be free of serious convictions.
50. MAF Biosecurity Authority reserves the right to interview any applicant who is recommended to become an Inspector or Auxiliary Officer. MAF Biosecurity Authority will bear the interview costs.
51. MAF Biosecurity Authority reserves the right to request additional information from the applicant or any other person regarding the applicant as may be required to approve an application.
52. MAF Biosecurity Authority shall process applications for appointment within five working days of receipt subject to the above information being in order.

#### **Appointments**

53. Subject to the terms of paragraph 33 and the suitability of the applicant, the general policy of MAF is that an initial appointment shall be issued to an Inspector or Auxiliary Officer for 12 months.
54. No person in the service of AWINZ or its Linked Organisations shall exercise, or purport to exercise, the powers of an Inspector or Auxiliary Officer without a current instrument of appointment.
55. A person who knowingly exercises the powers of an Inspector or Auxiliary Officer with an expired instrument of appointment shall be subject to a review by MAF Biosecurity Authority. This may affect the suitability of that person for re-appointment. This paragraph does not detract from section 160 of the Act.

## Renewal of Appointments

56. AWINZ is responsible for ensuring that all AWINZ Inspectors and Auxiliary Officers hold a current appointment and carries evidence of appointment at all times in the course of performing enforcement activities under the Animal Welfare Act 1999.
57. An application for the renewal of an appointment must be accompanied by an assessment of the Inspector's or Auxiliary Officer's performance in the field by the respective Linked Organisation. All applications must be processed in accordance with the procedures outlined in the AWINZ Procedures for Inspectors.
58. Applicants for a renewal must sign a declaration on the application form stating that they have not been convicted of any serious offence during their previous period of appointment or stating details of any such convictions.
59. Applications for renewal of appointments are to be submitted to AWINZ 8 weeks prior to the expiry of the appointment. Late applications should be advised promptly to MAF Biosecurity Authority via AWINZ.
60. It is the general policy of MAF that a renewed appointment shall be issued to an Inspector or Auxiliary Officer for three years subject to the terms of paragraph 33 and a satisfactory assessment of the Inspector's or Auxiliary Officer's performance which has been carried out by the respective Linked Organisation, and the Inspector's or Auxiliary Officer's compliance with the provisions of this Memorandum of Understanding.
61. MAF Biosecurity Authority reserves the right to request additional information from the applicant, or any other person regarding the applicant, as may be required to approve an application for the renewal of the appointment.
62. MAF Biosecurity Authority reserves the right to interview any applicant who seeks a renewal of an appointment. MAF Biosecurity Authority will bear the interview costs.

## Review Process

63. The following review process is available to an applicant/Inspector/Auxiliary Officer in the event of one of the following circumstances occurring:
  - (a) AWINZ declines to forward an application for appointment to MAF for approval.
  - (b) AWINZ declines to recommend to MAF the renewal of an Inspector or Auxiliary Officers appointment.
  - (c) AWINZ recommends to MAF the revocation of an Inspector's or Auxiliary Officer's appointment.
64. If, within 20 working days after written notification of the above event and of the applicant/Inspector/Auxiliary Officer's right of review, being posted to the applicant/Inspector/Auxiliary Officer, a request for review is received in writing by the AWINZ Board of Trustees from the applicant/Inspector/Auxiliary Officer, then:

- (i) A review hearing will take place at the next AWINZ Board of Trustees meeting.
- (ii) The review will be considered by the Board of Trustees.
- (iii) A majority decision of the Board of Trustees is required to overturn the event in question.
- (iv) The applicant (and/or their representative) can attend for part of the review hearing to speak to their case, and to answer any questions the Board of Trustees may have.  
The applicant (and/or their representative) must pay their own expenses in relation to their attendance.
- (v) The decision of the Board of Trustees will be mailed to the applicant no later than 10 working days after the date of the review hearing.

#### **Procedures for Animal Welfare Complaint Investigation**

- 65. The procedures outlined in AWINZ Performance and Technical Standards for Inspectors and Auxiliary Officers must be followed in all animal welfare complaints investigated by AWINZ, and its Linked Organisations.
- 66. AWINZ shall provide to the MAF Biosecurity Authority any details of any animal welfare complaint investigation carried out by AWINZ or its Approved Organisations on written request.
- 67. Such a request by the MAF Biosecurity Authority must stipulate the reason(s) this information is required.
- 68. MAF Biosecurity Authority shall report to AWINZ on the outcomes of any actions it takes arising from such a request being fulfilled. Notification of the outcomes to a branch or member society shall be the responsibility of AWINZ.
- 69. MAF Biosecurity Authority will advise AWINZ of any lawful directions given to an Inspector specifically or Inspectors generally.

#### **Prosecution Policy**

- 70. AWINZ and its Linked Organisations, and their Inspectors shall adhere to the prosecution procedures outlined in the AWINZ Procedures For Inspectors and the AWINZ Performance and Technical Standards for Inspectors and Auxiliary Officers.

#### **Areas of Jurisdiction**

- 71. Inspectors or Auxiliary Officers must not operate outside the district under the jurisdiction of the Linked Organisation under which that Inspector or Auxiliary Officer is employed or belongs, unless there is an emergency, and then only if the Inspector's or Auxiliary Officer's appointment is not restricted to a particular district under section 124(3)(b) of the Act.

72. (a) On leaving a branch or member society an Inspector or Auxiliary Officer will forward his or her instruments of appointment to AWINZ.
- (b) AWINZ will forward the instruments of appointment to MAF Biosecurity Authority.
- (c) When an application is received from another Linked Organisation requesting appointment of that person as an Inspector or Auxiliary Officer, AWINZ will immediately forward a recommendation to MAF Biosecurity Authority for the issue of a replacement instruments of appointment unless there is good cause not to do so.
- (d) The general policy in such instances will be for the appointments to be issued for period of 12 months.
- (e) The instruments of appointment will be forwarded to the applicant through AWINZ.
73. Subject to paragraph 7, where an Inspector or Auxiliary Officer has operated in a district outside of their area of approval, the Inspector or Auxiliary Officer must notify the Linked Organisation of that area and the appropriate local authority in that area as soon as practicable.

#### **Impartiality of Inspectors**

74. Inspectors should be careful not to publicly participate in any activities that could be seen to jeopardise their impartiality when carrying out their inspectorate duties.

#### **Annual Auditing of AWINZ Enforcement Activities**

75. MAF Biosecurity Authority (Compliance Group) shall conduct an annual audit of selected Linked Organisations and/or AWINZ National Office relating to:
- (a) selection and recommendation of Inspectors and Auxiliary Officers for his or her appointment;
- (b) compliance with the Animal Welfare Act 1999;
- (c) documentation relating to animal welfare complaint investigations;
- (d) training of Inspectors and Auxiliary Officers.
76. MAF Biosecurity Authority shall give reasonable notice of its intention to audit selected Linked Organisations and AWINZ.
77. MAF Biosecurity Authority shall provide the opportunity for AWINZ and the Linked Organisations, to respond to the initial audit findings.
78. MAF Biosecurity Authority and AWINZ shall agree on the contents of the final audit report and AWINZ shall be responsible for ensuring that any issues in the agreed audit report are addressed.
79. MAF Biosecurity Authority shall supply to AWINZ written audit reports for each audit within two months of the audit being carried out. AWINZ will pass copies of audit reports to those Linked Organisations involved.

80. AWINZ shall provide MAF Biosecurity Authority with a progress report on compliance with the audit findings within four months of the final audit report being supplied.
81. All costs and expenses of auditors engaged by MAF will be the responsibility of MAF Biosecurity Authority.

#### Duration of Agreement

82. The provisions of this Memorandum of Understanding shall not be altered in any way without the written agreement of both parties.
83. This Memorandum of Understanding shall remain in force until terminated by either party by giving three months notice in writing to the other party or until replaced by a new Memorandum of Understanding under clause 84.
84. This Memorandum of Understanding shall be reviewed annually by both parties, or earlier at the request of either party.

Dated this 4<sup>th</sup> day of December 2003

At Auckland

Signed by Barry O'Neil, Group Director,  
Biosecurity Authority, pursuant to authority  
delegated by the Director-General of Agriculture  
and Forestry

Signed by Neil Wells, Trustee of the  
Animal Welfare Institute of New Zealand

COPY

## MEMORANDUM OF UNDERSTANDING

### **BETWEEN**

The Animal Welfare Institute of New Zealand, ("AWINZ")

### **AND**

Animal Welfare Services of Waitakere City ("the linked organisation").

**WHEREAS** the Minister of Agriculture has declared AWINZ to be an approved organisation in accordance with section 121 of the Animal Welfare Act 1999 ("the Act") and AWINZ has agreed to implement and administer a programme ("the programme") in compliance with the criteria set out in section 122 of the Act.

**AND WHEREAS** the linked organisation desires that certain employees be appointed Inspectors under the Animal Welfare Act 1999.

1. The parties agree to implement the Performance and Technical Standards approved by the Minister on 1 April 2001 and the Memorandum of Understanding between the Ministry of Agriculture and Forestry and the Animal Welfare Institute of New Zealand signed on 4 December 2003.
2. The linked organisation agrees to—
  - (a) Provide the necessary funding to enable each employee so appointed to comply with the programme;
  - (b) Provide support services for Inspectors;
  - (c) Supply Inspectors with all necessary equipment;
  - (d) Install, maintain and adhere to a quality system provided by AWINZ for the administration of the programme;
  - (e) Allow time for the Inspector to carry out his or her functions in relation to each complaint or matter that arises from his or her performance as an Inspector;
  - (f) Carry out regular internal audits of its quality system;
  - (g) Facilitate auditing of the quality system by AWINZ and provide access to documentation as requested by AWINZ quality auditors;
  - (h) Advise AWINZ by facsimile or e-mail when an investigation is likely to result in a prosecution under the Animal Welfare Act 1999, and initiate such prosecution only when authorised to do so by AWINZ;
  - (i) Advise AWINZ of any decision not to prosecute where the investigation reveals that an offence has been committed but the circumstances warrant that no further action be taken or that a warning be given;
  - (j) Keep records secure in accordance with the Privacy Act 1993;
  - (k) Not disclose any information about the Inspector other than to those who are entitled to the information in accordance with the provisions of the Privacy Act 1993 or for any other lawful purpose;

- (l) Refer to AWINZ any serious complaint made against an Inspector and advise AWINZ of any trivial complaint made against an Inspector and the manner in which it was dealt with.
3. AWINZ agrees to:
- (a) Establish a written quality system which includes objective evidence of compliance with the programme;
  - (b) Process applications for appointment of Inspectors on behalf of the employer without undue delay;
  - (c) Ensure that training of Inspectors is carried out in accordance with the performance standards and technical standards with section 122 (2) of the Act;
  - (d) Maintain training records for each Inspector;
  - (e) Provide legal services to support Inspectors;
  - (f) Prosecute those cases referred for prosecution;
  - (g) Carry out regular internal audits of its quality system;
  - (h) Facilitate auditing of the quality system by MAF and provide access to any documentation requested by MAF quality auditors;
  - (i) Keep records secure in accordance with the Privacy Act 1993;
  - (j) Not disclose any information about the Inspector other than to those who are entitled to the information in accordance with the provisions of the Privacy Act 1993 or for any other lawful purpose.

This agreement is dated this 20th day of January 2004

SIGNED by Thomas Didovich  
on behalf of the linked organisation



SIGNED by Neil Edward Wells  
on behalf of the Animal Welfare Institute of  
New Zealand





**Office of Hon Jim Sutton**

Minister of Agriculture  
Minister for Trade Negotiations  
Minister for Rural Affairs  
MP for Aoraki

Mr Neil Wells  
Trustee  
Animal Welfare Institute of New Zealand  
PO Box 60-208  
Titirangi  
WAITAKERE CITY

Dear Mr Wells

On 22 November 1999 you wrote to my predecessor enclosing an application on behalf of the Animal Welfare Institute of New Zealand (AWINZ) for declaration as an approved organisation under section 121 of the Animal Welfare Act 1999 (the Act). On 24 December 1999 I responded seeking additional information and you replied on 25 March 2000. I understand that you met with officials from the Ministry of Agriculture and Forestry (MAF) on two occasions and have exchanged correspondence with them.

More recently you wrote to me seeking an early decision on AWINZ's application. I understand that you are anxious to retain the momentum and expertise built up by the Waitakere City Council during the existence of the animal welfare pilot programme it carried out for MAF.

I appreciate the large amount of time you spent on the application and in developing the AWINZ concept. There are benefits to animal welfare in having an organisation such as AWINZ acting as an umbrella organisation.

MAF has advised me that, in its opinion, AWINZ's application meets all but one of the requirements in the Animal Welfare Act 1999. I am advised, however, that I must be satisfied that the application meets all the requirements in sections 121 and 122 of the Act.

In your letter of 25 March 2000, you enclosed a copy of a legal opinion provided to the Waitakere City Council, that argued that territorial authorities have the power to fund animal welfare activities. MAF was concerned that the opinion did not sufficiently canvass the

requirements of the Local Government Act 1974. Consequently, MAF believed it necessary to obtain advice from the Crown Law Office.

I invite you to consider and make a submission on the report I received from MAF, and to clarify any points that you believe have not been understood or taken into account before I make my decision on AWINZ's application. A copy of the MAF report, the opinion from the Crown Law Office and a briefing I received from MAF are enclosed.

After considering the documents you might wish to consider submitting an amended application which clearly shows that territorial authorities would be neither funding animal welfare work nor employing animal welfare inspectors.

If you would like to discuss this letter with me, please contact my office to arrange a mutually convenient time. I have copied this letter together with a copy of the MAF report and the Crown Law Office opinion to the Hon Pete Hodgson as he was interested in your proposal.

Yours sincerely

Hon Jim Sutton  
Minister of Agriculture

Encls: 3



**Office of Hon Jim Sutton**  
Minister of Agriculture  
Minister for Trade Negotiations  
Minister for Rural Affairs  
MP for Aoraki

12 June 2000

Mr Neil Wells  
Trustee  
Animal Welfare Institute of New Zealand  
PO Box 60-208  
Titirangi  
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2

requirements of the Local Government Act 1974. Consequently, MAF believed it necessary to obtain advice from the Crown Law Office.

Crown Law has advised MAF that the Local Government Act does not allow a territorial authority to fund an animal welfare organisation or employ animal welfare inspectors. A territorial authority may employ staff only to perform its functions as set out in that Act and may only spend money on matters expressly or impliedly authorised by statute. Crown Law considers that if Parliament had intended a territorial authority to have an animal welfare role then the power could be expected to be found in the Local Government Act or other legislation.

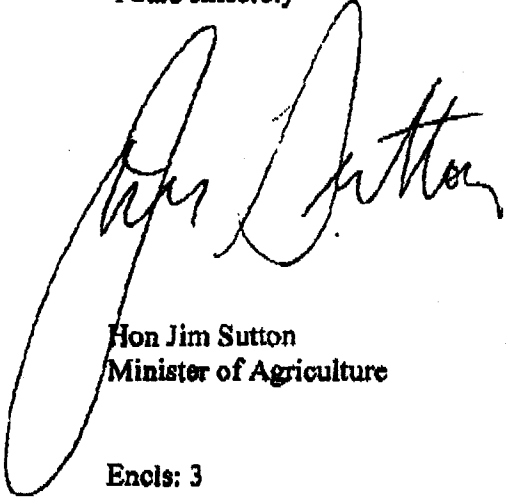
I believe that the opinion given by Crown Counsel is detailed and persuasive and raises an important matter of public policy. I would need to consider whether I should approve a proposal given that I am advised that to do so would be contrary to the law.

I invite you to consider and make a submission on the report I received from MAF, and to clarify any points that you believe have not been understood or taken into account before I make my decision on AWINZ's application. A copy of the MAF report, the opinion from the Crown Law Office and a briefing I received from MAF are enclosed.

After considering the documents you might wish to consider submitting an amended application which clearly shows that territorial authorities would be neither funding animal welfare work nor employing animal welfare inspectors.

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Yours sincerely



Hon Jim Sutton  
Minister of Agriculture

Encls: 3

3 May 2013

Director of Investigations  
Serious Fraud Office  
PO Box 7124  
Wellesley Street  
**AUCKLAND 1010**

**COMPLAINT OF CORRUPTION AGAINST FORMER WAITAKERE COUNCIL STAFF**

Recently I had a meeting with Mr Grace Haden of VeriSure re a complaint that she wished to make to the Police alleging corruption at high levels of both the former Waitakere City Council and Government.

During her investigations into the Animal Welfare Institute of New Zealand (AWINZ) she has established what she believes to be significant corruption by a Mr Neil Wells and others. Ms Haden has amassed a significant amount of material in support of her allegations against Mr Wells and the AWINZ.

Ms Haden advised me that she has previously discussed this issue with your office and that an investigation was declined. The complaint is not one that the Waitematā Police District can investigate due to other significant serious cases currently under investigation.

When I met with Ms Haden I told her that the Police could not take on this investigation. I was asked if I would write to your office seeking your assistance in reviewing your previous decision.

As I understand the corruption alleged has implications at both Local and National Government level and seems to fit more easily into Serious Fraud Office than Police, although the amounts involved probably don't meet the Serious Fraud Office threshold.

If willing to consider this matter I know that Ms Haden would be happy to discuss the information she has with one of your investigators. She can be contacted by email at <mailto:grace@verisure.co.nz> or on mobile telephone 027 286 8239.

Thank you for your consideration.

**Bruce Scott**  
**Detective Inspector**  
**Manager - Criminal Investigations**  
**WAITEMATÄ**

## SERIOUS FRAUD OFFICE

*Te Tari Hara Taware*

[www.sfo.govt.nz](http://www.sfo.govt.nz)

13 May 2013

Ms G Haden  
PO Box 17463  
Greenlane  
Auckland 1546

Dear Ms Haden

**RE: C3379 – Complaint to the Serious Fraud Office**

I refer to your email of 12 May 2013, in which you have made reference to complaints that you have made to the Serious Fraud Office (SFO) since November 2007 regarding the Animal Welfare Institute of New Zealand (AWINZ).

I refer you to the following responses from SFO to you addressing your complaints:

2 August 2010 – Rhys Metcalfe, General Manager, Fraud Detection & Intelligence  
8 September 2010 – Rhys Metcalfe, General Manager, Fraud Detection & Intelligence  
21 December 2011 – Adam Feeley, Chief Executive

You were provided with the opportunity to meet with SFO staff on 11 August 2010; and, during a separate evaluation of your complaint on 5 December 2011 you also discussed the matter with an SFO investigator.

The SFO has spent considerable time evaluating various allegations that you have made regarding AWINZ and Neil Wells. We are of the view that the matters that you have raised do not support an allegation of serious or complex financial crime, or corruption, and do not meet the SFO's criteria for investigation.

We are aware of the concern that you have expressed regarding this matter, however, this does not change the fact that we must objectively evaluate a complaint relative to a demanding criminal standard. We are satisfied that threshold has not been met.

I note that the SFO has referred your complaint to the Clerk of Select Committees at Parliament, New Zealand Law Society and New Zealand Police. As you are aware, Detective Inspector Bruce Scott wrote to the SFO after a recent meeting with you; we understand he was asked to write to the SFO seeking our assistance in reviewing our decision. For your information, we have written to Detective Inspector Bruce Scott and advised him of the SFO's position regarding your complaint.

I am concerned that a significant amount of the SFO's resource has been used to evaluate individual repeated complaints from you regarding AWINZ. We cannot continue canvassing your complaint when we are satisfied that the evidence available does not corroborate an allegation of corruption. I must respectfully request that, in the absence of information that has not previously been submitted to the SFO, you do not contact the SFO again in relation to this matter. We consider this matter closed.

Yours sincerely



Graham Gill  
General Manager  
Evaluation and Intelligence



## Office of Hon Nathan Guy

**MP for Otaki**

Minister for Primary Industries

Minister for Racing

Min13-0898

1 APR 2014

Grace Haden  
grace@verisure.co.nz

Dear Grace Haden

I refer to your email of 15 February 2014 concerning the Ministry for Primary Industries (MPI) and the Animal Welfare Institute of New Zealand (AWINZ). I understand you have raised a number of concerns about AWINZ over the years, not only to MPI staff but also to previous Ministers.

I acknowledge receipt of the 2009 audit report which accompanied your email and have noted your comments. However, I will not be initiating a ministerial enquiry.

As AWINZ's accreditation as an approved organisation under the Animal Welfare Act was revoked in 2010, I consider this matter to be closed and can see no value in corresponding further on this issue with you.

Yours sincerely

Hon Nathan Guy  
**Minister for Primary Industries**

## Navigation

# Boss invents accountant to escape \$60k debt

By [Jared Savage](#)

4:00 AM Saturday May 29, 2010

[Business](#) › [Crime](#) › [Fraud](#) › [Legal Services](#) • ... [Ministry of Economic Development](#)



An Auckland company director created a fictitious accountant to liquidate his business to avoid paying \$60,000 owed to its lawyer.

Terry Hay has fled the country but his business partner, Lynne Pryor, 45, has pleaded guilty to one charge of carrying on business fraudulently after an investigation by the national enforcement unit of the Ministry of Economic Development.

The hoax dates back to May 2006 when Fresh Prepared - the company Pryor was the sole shareholder of - won a civil court case but ended up owing a legal bill of \$63,661 to barristers Clayton Luke and Richard Harrison.

After not being paid for several months, solicitor Mr Hickson filed a notice to the High Court at Auckland to put the company into liquidation.

To stop the court action, Fresh Prepared director Terry Hay removed Pryor as a shareholder on the Companies Office register and replaced her with "Sanjay Patel".

Before the liquidation hearing could occur, "Babubhai Patel" and Mr Hay filed for voluntary liquidation with the Companies Office. The letter was signed by a liquidator called "B. Patel" of Patel and Patel, appointed by a special meeting of shareholders in January 2007.

Unable to track down this mysterious liquidator "Babubhai Patel" to stake his claim for the debt, Mr Hickson hired a private investigator, who was also unable to locate him.

The barrister then filed civil



action against Fresh Prepared  
in the High Court in May 2007,  
claiming the appointment of  
Patel was a sham.

In his ruling, Associate Judge Jeremy Doogue said there was "a serious question as to whether or not Mr B. Patel actually exists and whether the entity 'Patel and Patel' to which he belongs is a fictitious organisation".

Two months later, an affidavit filed to the High Court in the name of "Babubhai Patel" affirmed he was the liquidator for Fresh Prepared - this affidavit was later found by ministry investigators on the computer of Mr Hay.

Pryor and Hay continued operating Fresh Prepared under the name Salad Foods so a complaint was then lodged with the Serious Fraud Office. The file was forwarded to the Ministry of Economic Development, where investigator Phil Day picked up the case.

Now the head of the ministry's national enforcement unit, Mr Day visited the Pukekohe address listed for Babubhai Patel but no one there had heard of him.

He then checked Companies Office records, which showed Pryor had resigned as director in November 2006, replaced that same day by Sanjay Patel of Onehunga. No one at that address had heard of him.

Babubhai Patel filed a final liquidator report in November 2007 - purportedly from Shanghai, China - saying creditors would receive none of the \$100,000 owed to them. The China address is listed on Google as a shopping mall and Patel and Patel is listed at an address in Mumbai, India.

The ministry seized hundreds of documents and several computer hard drives from Pryor and Hay. Charges were laid against Pryor and an arrest warrant issued for Hay. He fled overseas and is believed to be in Hawaii.

Pryor faces a maximum sentence of five years in prison or a maximum fine of \$200,000.

#### HOW IT WORKED

- \* A company owed a lawyer more than \$60,000 for a legal bill.
- \* It arranged for its own liquidation through a mystery liquidator called "Babubhai Patel".
- \* Investigators could find no trace of "Babubhai Patel" and suspected there was no such person.
- \* The last letter from "Babubhai Patel" saying the company had no funds left was supposedly sent from a shopping mall in China.

- [NZ Herald](#)

Read more by [Jared Savage](#) ✉



**View more**

**From around the web**

# Charges over alleged fake liquidator

By [Jared Savage](#)  
5:00 AM Sunday Jul 13, 2008

Australasia

Crime

Fraud

...

Ministry of Economic Development

New Zealand

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An international "man of mystery" is at the centre of criminal charges laid against a company director accused of creating fictitious characters to avoid a \$100,000 debt.

Lynne Pryor has been charged with 22 counts of attempting to defraud creditors and the Companies Office, by using false documents to create a false director and liquidator.

An arrest warrant has been issued for another company director, Terry Hay, believed to be hiding in Hawaii.

Pryor appeared in the Auckland District Court last week to face charges including appointing a fictitious person as a new director; putting the company into liquidation by appointing a false liquidator, changing the company name to Salad Foods Ltd and continuing to trade.

A private investigator hired by creditors of Fresh Prepared discovered the alleged deception. The creditors of the fresh fruit business wanted to find Babubhai Patel of Patel and Patel, who was appointed the liquidator by a special meeting of shareholders in January last year, but the private investigator could find no trace of him.

Barrister Douglas Hickson filed civil action against Fresh Prepared in the High Court at Auckland in May last year, claiming the appointment of Patel was a sham. In his ruling, Associate Judge Jeremy Doogue said there was "a serious question as to whether or not Mr B Patel actually exists and whether the entity 'Patel and Patel' to which he belongs is a fictitious organisation".

The Herald on Sunday understands a complaint was then lodged with the Serious Fraud Office, which sent it to the Ministry of Economic





Development's national enforcement unit. After a six-month inquiry ministry investigator Peter Day laid the 22 Companies Act and Crimes Act charges last week.

The first liquidator report from Patel in January last year said unsecured creditors were owed \$105,000. As it was unlikely that assets would be distributed to creditors, he decided not to call a meeting of creditors.

Day visited the Pukekohe address listed for Babubhai Patel in May last year - but no one there had heard of him. He then checked Companies Office records, which showed Lynne Pryor had resigned as director in November 2006, replaced that same day by Sanjay Patel of Onehunga. No one at that address had heard of him.

Babubhai Patel filed a final liquidator report in November last year - purportedly from Shanghai, China - saying creditors would receive none of the \$100,000 owed to them. The China address is listed on Google as a shopping mall and Patel and Patel is listed at an address in Mumbai, India.

The Ministry executed search warrants last December and seized hundreds of documents and several computer hard drives from Pryor, the former director and sole shareholder of Fresh Prepared. Charges were laid against Pryor last week, alleging she fabricated documents to create Sanjay Patel as a fake director and Babubhai Patel as the fake liquidator.

The Ministry also alleges that she continued to trade under the name Salad Foods. Attempts to contact Pryor were unsuccessful.

- [Herald on Sunday](#)

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24 April 2013

Grace Haden

By email: [fyi-request-801-83dddf12@requests.fyi.org.nz](mailto:fyi-request-801-83dddf12@requests.fyi.org.nz)

Dear Ms Haden,

**Official Information Act Request – Withdrawal of charges against Terry Hay**

---

I refer to your email addressed to the Ministry of Economic Development dated 28 March 2013 requesting information pursuant to the Official Information Act 1982 ("the OIA") regarding the decision to withdraw criminal charges brought by the Ministry against Mr Terry Hay. I note that as of 1 July 2012 the Ministry of Economic Development became part of the Ministry of Business, Innovation & Employment ("the Ministry").

You have specifically requested:

*"...all information*

- 1. which relates to the decision to drop these charges and show how the decision to drop these charges was determined.*
- 2. all communications from Mr Hay's lawyers to the MED making an offer of settlement several years ago and any further correspondence from Mr Hays lawyers or persons representing him with regards to the charges.*
- 3. All documents which consider action against Terry Hay under the FCPA (the foreign corrupt practices act US legislation) to make him accountable for his actions against NZ company law."*

As you have previously been advised, the decision to withdraw charges against Mr Hay was made on the advice of the Crown Solicitor in Auckland. I attach a copy of the 'Joint memorandum in respect of withdrawing charges' that was filed with the Auckland District Court in January of this year. You will note that the factors considered relevant to the decision to withdraw the charges are listed in the joint memorandum.

All other information held by the Ministry relating to the decision to withdraw the charges against Mr Hay, including any correspondence from Mr Hay's lawyers, is withheld on the following grounds:

- information that consists of personal information about Mr Hay is withheld on the grounds that the withholding is necessary to protect Mr Hay's privacy (s 9(2) OIA);
- information relating to Mr Hay's financial or commercial affairs is withheld on the grounds that the making available of the information would be likely unreasonably to prejudice the Mr Hay's commercial position (s 9(2)(a) OIA);
- information that was provided to the Ministry under an obligation of confidence is withheld on the grounds that the withholding is necessary to protect such information as the making available of the information would be likely to prejudice the supply of similar

information from defendants in criminal prosecutions, and it is in the public interest that such information should continue to be supplied (s 9(2)(ba)(i) OIA);

- information that consists of communications by or between the Ministry and the Crown Solicitor regarding the decision to withdraw the charges is withheld on the grounds that the withholding is necessary to maintain legal professional privilege in relation to the information (s 9(2)(h) OIA).

I am satisfied, in terms of s 9(1) of the OIA that, in the circumstances of this case, the withholding of this information is not outweighed by other considerations which render it desirable, in the public interest to make the information available.

You have the right by way of complaint under s 28(3) of the OIA to an Ombudsman, to seek an investigation and review of my refusal to release the information referred to above.

I advise that the Ministry holds no information relating to the consideration of action against Mr Hay under the Foreign Corrupt Practices Act of 1977 (US).

You have also requested that the matter is investigated to ensure that there was "no bribery involved in the dropping of the charges." The circumstances of this case have been reviewed and I am satisfied that:

- the factors that were relevant to the decision are limited to those listed in the joint memorandum to the Court;
- the decision was not influenced by any offer of payment to the Ministry by or on behalf of Mr Hay; and
- that no such payment was made.

Yours faithfully



**Mandy McDonald**

General Manager, Business Integrity Services  
Ministry of Business, Innovation & Employment

**In the District Court  
Held at Auckland**

**Between**            **Ministry of Business, Innovation and Employment**  
                         **Informant**

**And**                **Terry HAY**  
                         **Defendant**

---

**Joint memorandum in respect of  
withdrawing charges**

---

**S J Eisdell Moore SC**  
Crown Solicitor - Auckland

**MEREDITH | CONNELL**  
BARRISTERS AND SOLICITORS  
B H Dickey  
PO Box 2213, Auckland 1140, DX 24063  
Ph: 09 336 7500, Fax: 09 336 7629  
brian.dickey@meredithconnell.co.nz

MEMORANDUM TO WITHDRAW CHARGES (2)

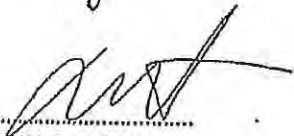
## Joint memorandum in respect of withdrawing charges

### MAY IT PLEASE THE COURT:

1. The informant seeks leave to withdraw all charges against the defendant, namely:
  - a) 7 x Making a false statement pursuant to s377 Companies Act 1993 (Companies Act);
  - b) 9 x Making a false statement pursuant to s256(2) Crimes Act 1961 (Crimes Act);
  - c) 5 x Fabricating evidence with intent to mislead court proceedings pursuant to s 113 Crimes Act; and
  - d) Carrying on business fraudulently pursuant to s380 Companies Act.
2. The Crown Solicitor has reviewed the case and does not consider there is merit in proceeding with this prosecution in the current circumstances.
3. The following factors were considered relevant:
  - a) The victims who suffered losses as a result of the defendant's offending have been compensated in full.
  - b) The charges were laid in May 2008, the informant would find it difficult to present a case given the time passed since charging, if the defendant was committed and this matter proceeded to trial.
  - c) Medical evidence confirms that the defendant suffered depression at the time of offending and has had on-going psychological problems in the interim.
  - d) The defendant has on-going serious health issues and has suffered for the duration.
  - e) The charges were laid against the defendant and a co-offender (who pleaded guilty to one charge) and has been dealt with for her role in the offending. The co-offender has been consulted through her lawyer and raises no objection to the withdrawal of the charges against the defendant.
  - f) The defendant consents to the withdrawal of the charges.
4. The informant also seeks for the warrant to arrest the defendant be withdrawn.

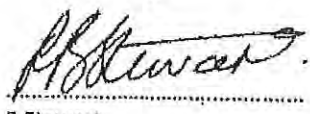
Date: 21 January 2013

Signature:

  
B H Dickey / K L Bannister  
Counsel for the informant

Date: 21 January 2013

Signature:

  
B Stewart  
Counsel for the defendant

To: The Registrar, District Court, Auckland

# NZ shell company linked to alleged \$150m fraud

MICHAEL FIELD



Last updated 08:21 24/05/2012



HIGH PRICE?: The West Juno rig appears to have cost a pretty penny.

Another New Zealand shell company has been linked to an alleged fraud worth more than US\$150m - this time involving Ukrainian state-owned companies.

The company, Falcona Systems Ltd of Albany, Auckland, was struck off the New Zealand Company Register last October but only after it was used to gain \$150m in kickbacks for Ukrainian and Latvian officials, according to East European media reports.

The latest allegations involving New Zealand shell companies comes five days after Fairfax Media was told by the Latvia Finance Ministry that New Zealand had been struck off a European Union banking and corporate "white list" over our weak money laundering and terrorism financing controls.

Latvian authorities said they moved after revelations Tormex Ltd, of Queen Street, Auckland, allegedly washed US\$680m through a Riga bank account - no explanation of where the money came from or went. However, a multi-national investigation points to the Russian Mafia.

Two years ago another New Zealand shell company, SP Trading Ltd of the same Queen Street address, was found to have chartered a Georgian registered plane to fly embargo-busting arms from North Korea to an unknown Middle Eastern state. They were intercepted in Bangkok.

The shell company creators behind SP and Tormex are not involved in the latest allegations.

New Zealand companies can be created online for just \$153.33 and while Commerce Minister Craig Foss has said action is being taken to tighten registrations, nothing has happened. Foss is in Japan and could not be reached for comment.

Ukrainian newspaper Dzerkalo Tyzhnia, reported in an [English language version by Ukrainian Journal](#), said the country's state-owned ChornomorNaftoGaz oil company shelled out \$400m in April to buy an oil rig from Highway Investment Processing Llp, a UK-registered company.



NO-ONE AT HOME: Falcona Systems'

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registered office at 23/17 Georgia Terrace, Albany, Auckland, is an empty townhouse.

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Falcona Systems has its registered office at 23/17 Georgia Terrace, Albany, Auckland. Fairfax investigations found an unoccupied townhouse.

Its solitary director is Inta Bilder of Latvia. A search of the Company Register shows 942 results for Bilder as director and shareholder.

Falcona Systems main shareholder is Interhold Ltd, of Level 4, 44 Khyber Pass, Grafton, Auckland. It, in turn, is owned by Genhold Ltd, of the same address, with a Panama-resident director. Genhold is in turn 100 per cent-owned by Trust (NZ) Holdings Ltd of the same address. Its sole director and shareholder refused to comment on the company's ownership.

Dzerkalo Tyzhnia newspaper names an Erick Vanagels as being involved with both Highway and Falcona.

It said that the same oil rig, named West Juno and produced by Keppel of Singapore, was sold to an undisclosed UK company for \$248.5m on April 13, and that the only other company that participated at the tender, Falcona Systems Ltd, allegedly offered the same oil rig at \$410m.

Dzerkalo Tyzhnia claimed that as a result of the deal the Ukraine overpaid US\$150m for the rig - and it suspects the money has gone in kickbacks.

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A search for Vanagel's name in the Company Register produces 318 results with both Panama and Latvia addresses.

British based lobby group [openDemocracy](#) said Ukrainian Energy Minister Yuriy Boyko boasted in April that the state agency had purchased a modern drilling rig for \$400m. But it said its real price may have been \$150m less.

The group said its investigations showed that Highway Investment was fictitious.

Diplomatic sources said jailed former Ukrainian Prime Minister Yulia Tymoshenko was demanding European anti-corruption institutions, including the Paris-based Financial Action Task Force, launch an investigation into Boyko and his Latvian, UK and New Zealand links.

Tymoshenko is in jail after being convicted over alleged corruption in gas deals with Russia.

She has staged a high profile hunger strike over torture allegations.


Last week Latvia's Deputy State Secretary on financial policy issues in the Ministry of Finance, Arina Andreicika, said New Zealand and Russia had been struck off the EU white list.

She said the EU had acted on the "evaluation of the report on New Zealand laws and regulations of money laundering and terrorist financing prevention in compliance with international requirements and the level of corruption in the Russian Federation".

Being struck off the white list means that banks and institutions in Latvia and the EU "will not be entitled any more to make simplified research for banks and financial institutions registered in New Zealand and Russia".

It also means European institutions can no longer "accept and acknowledge" customer identification and analysis" performed in New Zealand.

- BusinessDay.co.nz

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# COMPANIES OFFICE



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## Company Extract

### FALCONA SYSTEMS LIMITED

#### 2181677

#### NZBN: 9429032520071

<b>Entity Type:</b>	NZ Limited Company
<b>Incorporated:</b>	23 Oct 2008
<b>Current Status:</b>	Struck Off
<b>Constitution Filed:</b>	Yes

### Company Addresses

#### Registered Office

23 / 17 Georgia Terrace, Albany, Auckland, NZ

#### Address for Service

23 / 17 Georgia Terrace, Albany, Auckland, NZ

### Directors

BILDER, Inta  
Stacijās Laukums 2, Ak 555, Riga Lv-1050, Latvia

### Shareholdings

**Total Number of Shares:** 100

**Extensive Shareholdings:** No

100	2160464
INTERHOLD LIMITED	
Level 4, 44 Khyber Pass Road, Grafton, Auckland, 1150, NZ	

For further details relating to this company, check <http://www.companies.govt.nz/co/2181677>

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# COMPANIES OFFICE



SCAN TO VIEW  
OUR REGISTRATION DETAILS

## Company Extract

### INTERHOLD LIMITED

2160464

NZBN: 9429032621204

<b>Entity Type:</b>	NZ Limited Company
<b>Incorporated:</b>	14 Aug 2008
<b>Current Status:</b>	Registered
<b>Constitution Filed:</b>	Yes
<b>Annual Return Filing Month:</b>	April

### Company Addresses

#### Registered Office

Level 4, 44 Khyber Pass Road, Grafton, Auckland, 1150, NZ

#### Address for Service

Level 4, 44 Khyber Pass Road, Grafton, Auckland, 1150, NZ

### Directors

EFFROSYNI, Manti

11 Stavrou Stylianidi Street, Nicosia, CY-2023, CY

### Shareholdings

**Total Number of Shares:** 100

**Extensive Shareholdings:** No

100 2233945  
GENHOLD LIMITED  
Level 4, 44 Khyber Pass Road, Grafton, Auckland, 1150, NZ

For further details relating to this company, check <http://www.companies.govt.nz/co/2160464>

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# COMPANIES OFFICE



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## Company Extract GENHOLD LIMITED 2233945 NZBN: 9429032286922

<b>Entity Type:</b>	NZ Limited Company
<b>Incorporated:</b>	27 Apr 2009
<b>Current Status:</b>	Registered
<b>Constitution Filed:</b>	Yes
<b>Annual Return Filing Month:</b>	May

### Company Addresses

#### Registered Office

Level 4, 44 Khyber Pass Road, Grafton, Auckland, 1150, NZ

#### Address for Service

Level 4, 44 Khyber Pass Road, Grafton, Auckland, 1150, NZ

### Directors

MONTERO DE GRACIA, Fernando Enrique  
Calle Primera, Panama Viejo, House 496, Panama City, Republic Of Panama

### Shareholdings

**Total Number of Shares:** 100

**Extensive Shareholdings:** No

100 3501912  
TRUST (NZ) HOLDINGS LIMITED  
Level 4, 44 Khyber Pass Road, Grafton, Auckland, 1023, NZ

For further details relating to this company, check <http://www.companies.govt.nz/co/2233945>

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# COMPANIES OFFICE



SCAN TO VIEW  
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## Company Extract

**TRUST (NZ) HOLDINGS LIMITED**

**3501912**

**NZBN: 9429030993846**

<b>Entity Type:</b>	NZ Limited Company
<b>Incorporated:</b>	04 Aug 2011
<b>Current Status:</b>	Registered
<b>Constitution Filed:</b>	No
<b>Annual Return Filing Month:</b>	February

### Company Addresses

#### Registered Office

Level 4, 44 Khyber Pass Road, Grafton, Auckland, 1023, NZ

#### Address for Service

Level 4, 44 Khyber Pass Road, Grafton, Auckland, 1023, NZ

### Directors

SOBOLEVA, Liliya

Flat 8a, 4 Short Street, Auckland Central, Auckland, 1010, NZ

### Shareholdings

**Total Number of Shares:** 100

**Extensive Shareholdings:** No

100	SOBOLEVA, Liliya
	Flat 8a, 4 Short Street, Auckland Central, Auckland, 1010, NZ

For further details relating to this company, check <http://www.companies.govt.nz/co/3501912>

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