



THE ECONOMIC STABILISATION (COST-OF-LIVING INCREASE) REGULATIONS 1980

DAVID BEATTIE, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 24th day of November 1980

Present:

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL

PURSUANT to the Economic Stabilisation Act 1948, His Excellency the Governor-General, acting by and with the advice and consent of the Executive Council, hereby makes the following regulations.

ANALYSIS

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REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Economic Stabilisation (Cost-of-Living Increase) Regulations 1980.

(2) These regulations shall come into force on the 14th day after the date of their notification in the *Gazette*.

2. Interpretation—In these regulations, unless the context otherwise requires,—

“Apprenticeship order” means an order made by the Arbitration Court under section 13 of the Apprentices Act 1948:

“Award” means an award made under the Industrial Relations Act 1973 or any corresponding former Act; and includes—

(a) An award made under section 32 (3) of the Agricultural Workers Act 1977 and an agreement deemed to be an award by section 34 (2) of that Act; and

(b) An award of the Aircrew Industrial Tribunal:

“Collective agreement” means a collective agreement within the meaning of the Industrial Relations Act 1973; and includes an agreement filed with the Registrar of the Court under section 141 of that Act:

“Cost-of-living increase” means the general increase in rates of remuneration determined by awards and collective agreements that is effected by the general order:

“Court” means the Arbitration Court established under the Industrial Relations Act 1973:

“General order” means the general order made by the Court under regulation 4 of these regulations:

“Remuneration” means salary or wages and all other payments of any kind whatsoever prescribed in awards and collective agreements.

3. Constitution, jurisdiction, and procedure of Court—(1) For the purposes of these regulations, the Court, when constituted, subject to subclause (2) of this regulation, in accordance with section 52 (2) of the Industrial Relations Act 1973, shall have jurisdiction to hold hearings, make a general order under regulation 4 of these regulations, and do all other things provided for in these regulations.

(2) The presiding member of the Court at all hearings and other proceedings held by the Court for the purposes of these regulations shall, subject to section 38 of the Industrial Relations Act 1973, be the Chief Judge of the Court.

(3) For the purposes of any hearing or other proceedings under these regulations, the Chief Judge of the Court may of his own motion—

(a) Summon before the Court any expert witness to give evidence of a statistical nature, and compel production before the Court of any books and documents of a statistical nature; and

(b) With the consent of the parties being heard, or if there is no objection from any such party, summon before the Court any witness and compel the production of any books and documents.

(4) The Chief Judge of the Court or the Registrar of the Court may issue summonses requiring the attendance of witnesses before the Court, or the production of documents, and may do any other act preliminary or incidental to the hearing of any matter by the Court under these regulations.

(5) Subject to the provisions of these regulations, the provisions of the Industrial Relations Act 1973 as to the jurisdiction and procedure of the Court shall apply, so far as they are applicable and with the necessary modifications, in relation to any hearing by the Court under these regulations in like manner as they apply to other proceedings before the Court.

(6) On the application of either the New Zealand Federation of Labour or the New Zealand Employers' Federation Incorporated, the Court shall invite representatives from each such organisation, and may invite such other representatives or persons as it thinks fit, to consult with it at an appointed time and place, before the commencement of the hearing, in respect of matters of procedure related to the hearing.

(7) The Court may appoint a solicitor or counsel or person having special expertise in matters relevant to the Court's jurisdiction under this Act to assist the Court with regard to any hearing or other proceedings under these regulations.

(8) Any person appointed under subclause (7) of this regulation shall be paid out of money appropriated for the purpose by Parliament.

4. Cost-of-living increase—Subject to the provisions of these regulations, the Court may on one occasion in the year 1981, on the application of the New Zealand Federation of Labour or of the New Zealand Employers' Federation Incorporated, by general order amend the provisions of all awards and collective agreements for the time being in force so far as those provisions determine the rates of remuneration of workers, to the intent that those rates shall be increased.

5. Matters to be taken into account—(1) In deciding whether to make a general order under regulation 4 of these regulations, the Court shall consider whether an increase in the rates of remuneration should be made in order to maintain and improve living standards, so far as it is within the capacity of the economy to sustain such an increase.

(2) The Court shall also consider—

- (a) The promotion of employment and economic growth; and
- (b) The maintenance of stability in the balance of payments; and
- (c) The promotion of industrial harmony; and
- (d) Movements in the incomes of wage and salary earners relative to those of other sections of the community; and
- (e) Movements in the Consumers' Price Index and other price movements including the terms of trade; and
- (f) Movements in rates of remuneration; and
- (g) Changes in the rates of personal income tax; and
- (h) Any other relevant changes in fiscal policy; and
- (i) Such other matters as the Court considers relevant.

(3) In taking into account the matters mentioned in subclauses (1) and (2) of this regulation, the Court shall not be restricted to events occurring since the Remuneration (General Increase) Regulations 1980* came into force.

6. Opportunity to be heard—Before making a general order under regulation 4 of these regulations the Court shall afford such opportunity to be heard as it thinks proper to representatives appointed by the New Zealand Federation of Labour, the New Zealand Employers' Federation Incorporated, the Combined State Unions, and the Minister of Finance respectively:

Provided that the failure of any parties to appoint any such representative shall not affect the validity of any general order under regulation 4 of these regulations, and the validity of any such order shall not be questioned on the ground that sufficient or adequate opportunity to be heard by the Court has not been afforded to any person affected.

7. Effect of cost-of-living increase—The general order made under regulation 4 of these regulations (which order shall have effect according to its tenor) shall be filed with the Registrar of the Court and, subject to the provisions of regulations 9 to 12 of these regulations, shall be deemed to have been incorporated, on and from the date of the general order, or on and from such later date as may be specified in the general order in that behalf, in every award and collective agreement in force—

- (a) In any industrial district; or
- (b) Under the Agricultural Workers Act 1977; or
- (c) Under the Aircrew Industrial Tribunal Act 1971.

8. Application of Wage Adjustment Regulations 1974—(1) The term “instrument” as defined in regulation 2 of the Wage Adjustment Regulations 1974 does not include—

- (a) The general order; or
- (b) Any other order or decision of the Arbitration Court under these regulations.

(2) Notwithstanding anything in regulation 6 (1) of the Wage Adjustment Regulations 1974, but without limiting any provision of the Waterfront Industry Act 1976, the State Services Conditions of Employment Act 1977, or the Higher Salaries Commission Act 1977, where any rate of remuneration lawfully exceeds the minimum rate prescribed by an award or a collective agreement or is lawfully payable under an instrument that is not an award or a collective agreement, that rate may be increased to the extent and in the manner prescribed by the general order as if that rate were a rate fixed by an award or a collective agreement.

9. Cases where cost-of-living increase inapplicable—Nothing in the general order shall have effect to increase—

- (a) Any rate of commission or other like payment which is, whether directly or indirectly, a percentage or proportion of sales or takings; or
- (b) The rate of any incentive or bonus payment which is expressed, whether directly or indirectly, as a percentage or proportion of any rate of remuneration; or
- (c) Any rates of remuneration of workers which are determined by an award or a collective agreement and which are required by a provision of that award or collective agreement to be adjusted in relation to any movements in any rates of remuneration of employees in the State services.

10. Exclusion of cost-of-living increase by agreement—(1) The parties to any collective agreement, or the assessors in conciliation proceedings, may by agreement include in the collective agreement, or have included in the award, a provision to the effect that the cost-of-living increase shall not apply to it.

(2) A provision to the effect that the cost-of-living increase shall not apply to it may be included in any award made under section 32 (3) of the Agricultural Workers Act 1977 or in any agreement deemed to be an award by section 34 (2) of that Act if—

(a) The parties to that award or agreement so agree; or

(b) A conciliation council constituted under section 30 of that Act so determines by unanimous decision of its members.

(3) A provision to the effect that the cost-of-living increase shall not apply to it may be included in any award of the Aircrew Industrial Tribunal.

(4) The general order shall not apply to any collective agreement or award that contains a provision to the effect that the cost-of-living increase or any general order under the General Wage Orders Act 1977 or any general increase under the Remuneration Act 1979 shall not apply to it.

11. Scope of cost-of-living increase—(1) In making the general order the Court may exclude from the scope of the order such portion of the remuneration in each week of the workers affected by the order as exceeds an amount determined by the Court, which amount may be varied as the Court thinks fit in the case of junior workers.

(2) Where any such exclusion is made, the increase provided for by the order shall apply to the unexcluded portion of the remuneration of each worker.

12. Duration of cost-of-living increase—Where the general order applies to any award or collective agreement that order shall continue to have effect in relation to that award or agreement until a provision that provides for that order to cease to have effect in relation to that award or agreement becomes operative under an award or collective agreement made on or after the date of the making of the general order.

13. Apprentices—(1) The powers conferred on the Court by regulations 4 and 11 of these regulations may, on application in that behalf, be exercised by the Court in respect of any apprenticeship order that is in force when the powers are exercised in respect of any award or collective agreement, unless the amendment made to the award or collective agreement automatically applies to the apprenticeship order by reason of the fact that the rates of remuneration of apprentices are fixed by the apprenticeship order as proportions of the rates of remuneration from time to time fixed for journeymen.

(2) Any amendment made by the Court under this section to any apprenticeship order shall, on and from the date on which it takes effect, be deemed to apply according to its tenor to all contracts of apprenticeship in force on that date and entered into subject either to the provisions of that apprenticeship order or to the provisions of an apprenticeship order that has before that date been superseded directly or indirectly by that apprenticeship order; and where the amendment takes effect before the date on which it is made it shall, on and from the date of the commencement of the apprenticeship, be deemed to apply according to its tenor to every contract of apprenticeship so entered into between the time at which the amendment takes effect and the date on which it is made.

(3) Where an amendment has been made by the Court under this section to any apprenticeship order the Court may of its own motion, after affording the Apprenticeship Committees concerned (if any) an opportunity of being heard or of making written submissions, make a corresponding amendment to such other apprenticeship orders as the Court thinks fit, whether in respect of the same industry or any other industry.

14. Varying application of awards and collective agreements—

(1) This regulation applies to every provision in an award or collective agreement which provides that the award or collective agreement or any part thereof shall or shall not apply to any class of workers defined by reference to a specified monetary amount.

(2) Where the general order increases any rates of remuneration determined by an award or collective agreement that contains any provision to which this section applies, the general order shall be deemed to apply to every monetary amount specified in that provision.

P. G. MILLEN,
Clerk of the Executive Council.

EXPLANATORY NOTE

This note is not part of the regulations, but is intended to indicate their general effect.

These regulations empower the Arbitration Court to make, in the year 1981, a general order effecting a cost-of-living increase.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 25 November 1980.

These regulations are administered in the Department of Labour.