

1972/60



THE STABILISATION OF PRICES REGULATIONS 1972

ARTHUR PORRITT, Governor-General

ORDER IN COUNCIL

At the Government Buildings at Wellington this 27th day of March 1972

Present:

THE RIGHT HON. J. R. MARSHALL PRESIDING 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.

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REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Stabilisation of Prices Regulations 1972.

(2) These regulations shall come into force on the 1st day of April 1972.

2. Interpretation—(1) In these regulations, unless the context otherwise requires,—

“Appropriate pricing authority”—

(a) In relation to any prices that any person or authority has power to fix or approve under any of the enactments specified in or under section 51 of the Control of Prices Act 1947, means that person or authority:

(b) In relation to charges for aerial topdressing to which the Economic Stabilisation (Charges for Aerial Topdressing) Regulations 1971* apply, means the Secretary for Transport:

(c) In relation to all other prices, means the Price Tribunal:

*S.R. 1971/125
Amendment No. 1: S.R. 1972/1

“Base price”, in relation to any goods and to any manufacturer, packer, importer, wholesaler, retailer, or other trader or seller or supplier, means the maximum price which he could lawfully charge for those goods on the 31st day of March 1972 pursuant to the Price Freeze Regulations 1972*, or to any exemption granted thereunder:

Provided that—

- (a) In the case of goods of a kind not available in New Zealand before the commencement of these regulations, the base price shall be the maximum price fixed or approved by the appropriate pricing authority:
- (b) In the case of goods (not being goods to which paragraph (a) of this proviso applies) sold by a manufacturer, packer, importer, wholesaler, retailer, or other trader or seller or supplier who was not in business on the 31st day of March 1972 but who acquires the business of another manufacturer, packer, importer, wholesaler, retailer, or other trader or seller or supplier after that date, the base price shall be the maximum price which the last-mentioned manufacturer, packer, importer, wholesaler, retailer, or other trader or seller or supplier was lawfully entitled to charge at the time of that acquisition of the business for goods of the same kind sold in similar quantities and subject to the same conditions of sale and purchase, or such other price as may be approved by the appropriate pricing authority:
- (c) In the case of goods (not being goods to which paragraph (a) of this proviso applies) sold by a manufacturer or packer (not being a person to whom paragraph (b) of this proviso applies) who was not engaged in the business of manufacturing or packing goods of the same kind on the 31st day of March 1972, the base price shall be the sum of the following items:
 - (i) The into-store cost to him of the materials used in manufacturing or packing the goods:
 - (ii) The labour and overhead costs incurred in manufacturing, packing, and marketing the goods, subject to such adjustment as is required by regulation 8 hereof:
 - (iii) A mark-up on the total of items (i) and (ii) of this paragraph at the average of the rates of mark-up as at the 31st day of March 1972 on all other goods manufactured or packed by him:
- (d) In the case of goods (not being goods to which paragraph (a) of this proviso applies) sold by a manufacturer or packer (not being a person to whom paragraph (b) or paragraph (c) of this proviso applies) who was not in business on the 31st day of March 1972, the base price shall be the sum of the following items:

(i) The into-store cost to him of the materials used in manufacturing or packing the goods:

(ii) The labour and overhead costs incurred in manufacturing, packing, and marketing the goods, subject to such adjustment as is required by regulation 8 hereof:

(iii) A percentage mark-up on the total of items (i) and (ii) of this paragraph, calculated by multiplying by 20 the amount of shareholders' funds or, as the case may require, of the proprietor's or partners' equity capital invested in the business, and then dividing that product by the estimated total cost, calculated on an annual basis, of manufacturing, packing, and marketing all goods expected to be manufactured or packed by him:

(e) In the case of goods (not being goods to which paragraph (a) of this proviso applies) sold by any importer, wholesaler, retailer, or other trader or seller or supplier (not being a person to whom paragraph (b) of this proviso applies) who was not engaged in business on the 31st day of March 1972 or who was not engaged on that date in the business of selling goods of the same kind, the base price shall be—

(i) The price ruling, on the date on which he commences business, in the locality in which he carries on business for sales of goods of the same kind sold in similar quantities and subject to the same conditions of sale and purchase, or such other price as may be approved by the appropriate pricing authority:

(ii) The maximum price fixed or approved by the appropriate pricing authority, in any case where there is no such price ruling on that date in that locality:

“Base price”, in relation to any services of a kind where the charges are normally predetermined by the supplier and in relation to any such supplier, means the maximum price which the supplier could lawfully charge for those services on the 31st day of March 1972 pursuant to the Price Freeze Regulations 1972*, or to any exemption granted thereunder:

Provided that—

(a) In the case of services of a kind not available in New Zealand before the commencement of these regulations, the base price shall be the maximum price fixed or approved by the appropriate pricing authority:

(b) In the case of services (not being services to which paragraph (a) of this proviso applies) provided by a supplier who was not in business on the 31st day of March 1972 but who acquires the business of another

supplier after that date, the base price shall be the maximum price which the last-mentioned supplier was lawfully entitled to charge at the time of that acquisition of the business for services of the same kind supplied subject to the same conditions, or such other price as may be approved by the appropriate pricing authority:

(c) In the case of services (not being services to which paragraph (a) of this proviso applies) provided by a supplier (not being a person to whom paragraph (b) of this proviso applies) who was not engaged in the business of providing services of the same kind on the 31st day of March 1972, the base price shall be the sum of the following items:

(i) The into-store cost to the supplier of the materials used in supplying the services:

(ii) The labour and overhead costs, subject to any adjustment required by regulation 8 hereof, incurred by the supplier in supplying the services:

(iii) A mark-up on the total of items (i) and (ii) of this paragraph at the average of the rates of mark-up as at the 31st day of March 1972 on all other services supplied by him:

(d) In the case of services (not being services to which paragraph (a) of this proviso applies) provided by a supplier (not being a person to whom paragraph (b) or paragraph (c) of this proviso applies) who was not in business on the 31st day of March 1972, the base price shall be the sum of the following items:

(i) The into-store cost to the supplier of the materials used in supplying the services:

(ii) The labour and overhead costs, subject to any adjustment required by regulation 8 hereof, incurred by the supplier in supplying the services:

(iii) A percentage mark-up on the total of items (i) and (ii) of this paragraph, calculated by multiplying by 20 the amount of shareholders' funds or, as the case may require, of the proprietor's or partners' equity capital invested in the business, and then dividing that product by the estimated total cost, calculated on an annual basis, of supplying all services expected to be provided by him:

"Base pricing formula", in relation to services of a kind where the price is not normally predetermined by the supplier and in relation to such a supplier, means the sum of the following items:

(a) In the case of a supplier who was engaged in the business of supplying services of the same kind on the 31st day of March 1972,—

(i) The into-store cost to the supplier of the materials used in providing the services, increased by the mark-up which he was entitled to apply as at the 31st day of March 1972 pursuant to the Price Freeze Regulations 1972*:

(ii) Labour and overhead costs and any other items normally incorporated in price incurred by the supplier in providing the services, at the charge-out or recovery rate that the supplier could lawfully charge as at the 31st day of March 1972 pursuant to the Price Freeze Regulations 1972*,—

or such other mark-up or, as the case may be, charge-out or recovery rate as is approved by the appropriate pricing authority:

(b) In the case of a supplier who was not engaged in the business of supplying services of the same kind on the 31st day of March 1972,—

(i) The into-store cost to the supplier of the materials used in supplying the services, increased by a mark-up at the rate ruling on the 31st day of March 1972 for similar materials supplied with services of the same kind supplied by persons carrying on business in the locality in which the first-mentioned supplier carries on business:

(ii) Labour and overhead costs and any other items of cost incurred by the supplier in providing the services, at a charge-out or recovery rate calculated, in accordance with the provisions of regulation 8 hereof, so as to provide for the recoupment of costs incurred by the supplier,—

or such other mark-up or, as the case may be, charge-out or recovery rate as is approved by the appropriate pricing authority:

“Category A items” means goods or services of any of the kinds specified in the First Schedule to these regulations:

“Category B items” means all goods or services that are not Category A items:

“Sale” includes—

(a) In relation to any goods,—

(i) A disposal of the goods under a contract of hire or under a hire purchase agreement as defined in the Hire Purchase Act 1971; and

(ii) An agreement to sell and the offering or exposing of the goods for sale:

(b) In relation to any services, an agreement or offer to supply the services;—

and “sell”, “purchase”, and “price” and other related expressions have corresponding meanings:

“Services” has the same meaning as the expression “performance of services” in section 2 of the Control of Prices Act 1947; and includes the provision of residential accommodation, whether

with or without meals, in any building or part of a building (not being a self-contained or substantially self-contained flat or apartment or a separate dwellinghouse), including the provision of accommodation in—

(a) Any premises in respect of which a licence under the Sale of Liquor Act 1962 is in force or is deemed to be in force pursuant to the Licensing Trusts Act 1949 or the Masterton Licensing Trust Act 1947 or the Invercargill Licensing Trust Act 1950; or

(b) Any private hotel, motel, guest house, rooming house, residential club, hostel, residential institution, boarding school, hospital, or home for aged persons;—

and also includes the provision of a camp or caravan site in a motor camp; but does not include any services the charges for which may be fixed under the Tenancy Act 1955:

Other expressions defined in section 2 of the Control of Prices Act 1947 have the meanings so defined.

(2) For the purposes of these regulations, goods or services shall be deemed to be of the same kind as any other goods or services if they are in fact of the same nature and quality, or if they are substantially of the same nature and quality.

(3) For the purposes of these regulations, the price of any goods or services shall be deemed to have been increased if there has been any variation in the nature, quality, or quantity of the goods or services (in relation to any other goods or services) or of the terms of sale of the goods or services (in relation to the terms of sale of any other goods or services), being a variation that is disadvantageous to the purchaser of the goods or services, without a corresponding reduction in price.

(4) Rates made by any local authority shall for the purposes of these regulations be deemed not to be charges for services.

3. Exempted goods and services—Nothing in these regulations shall apply with respect to goods or services specified in the Second Schedule to these regulations:

Provided that—

(a) No person (not being a manufacturer or packer or a producer of primary produce) shall include in the price of any goods specified in that Schedule (other than secondhand goods) a mark-up that exceeds his mark-up in respect of goods of the same kind as at the 31st day of March 1972 or, in the case of a person who was not engaged on that date in the business of selling goods of the same kind, that exceeds the mark-up ruling, on the date on which he commences business, in the locality in which he carries on business in respect of sales of goods of the same kind sold in similar quantities and subject to similar conditions of sale and purchase:

(b) No person (not being a manufacturer or packer or a producer of primary produce) who was not in business on the 31st day of March 1972 but who acquires the business of another person after that date shall include in the price of any goods specified in that Schedule (other than secondhand goods) a mark-up that exceeds the mark-up in respect of goods of the same kind included in the price of such goods by the person from whom he acquired the business.

4. Maximum selling prices—(1) No manufacturer, packer, importer, wholesaler, retailer, or other trader or seller or supplier shall sell goods at a price higher than the base price, unless—

- (a) The goods are exempt from the provisions of these regulations; or
- (b) An increase in price is permitted pursuant to regulation 5 or regulation 6 hereof; or
- (c) An increase in price is authorised by the appropriate pricing authority.

(2) No person shall supply services at a price higher than the base price or, as the case may require, at a price higher than a price calculated in accordance with the base pricing formula, unless—

- (a) The services are exempt from the provisions of these regulations; or
- (b) An increase in price is permitted pursuant to regulation 7 hereof; or
- (c) An increase in price is authorised by the appropriate pricing authority.

5. Increase in base price of Category B items by manufacturers and packers—(1) Any manufacturer or packer may sell goods of Category B manufactured or packed by him at such price exceeding the base price as will enable him to recover, subject to any adjustment required by regulation 8 hereof, an amount not exceeding the net amount of cost increases incurred by him in the manufacture, packing, and marketing of the goods on or after the 1st day of October 1971 to the extent that those increases have not been recovered or are not recoverable by any price increases on or after that date.

(2) In calculating any increases in costs or prices for the purposes of subclause (1) of this regulation, the manufacturer or packer may calculate the increases separately for each of his products or on the whole or any part of his range of Category B items, but shall, in either case, have regard to movements in the volume of sales that have taken place in the period in respect of which the increased costs are calculated.

(3) Except with the approval of the appropriate pricing authority and subject to such conditions as that authority thinks fit, no prices shall be increased on an industry or group basis.

6. Increase in base price of Category B items by importers, wholesalers, and retailers—Any importer, wholesaler, retailer, or other trader or seller or supplier (not being a manufacturer or packer or a supplier of services) may sell any goods of Category B at such price exceeding the base price as will enable him to recover an amount not exceeding the into-store cost to him of the goods, together with a mark-up at the rate which he could lawfully add to the amount of the into-store costs to him of goods of the same kind as at the 31st day of March 1972, or, in the case of any importer, wholesaler, retailer, or other trader or seller or supplier who was not engaged in the business of selling goods of the same kind on that date, as at the date on which he commenced to sell such goods, or such other mark-up as is approved by the appropriate pricing authority.

7. Increase in base price of Category B services—(1) Any supplier of services of Category B (being services of a type for which charges are customarily predetermined by the supplier) may increase his charges for such services in accordance with the provisions of regulation 5 hereof as if references in that regulation to prices for goods were references to charges for services.

(2) Any supplier of any other kind of services of Category B may increase his charges for such services, calculated in accordance with the base pricing formula, by—

- (a) Increasing the charge-out or recovery rate incorporated in that formula for labour and overhead costs by such additional amount as will enable him to recover an amount not exceeding the amount of cost increases, calculated in accordance with the provisions of regulation 8 hereof, incurred since the date as at which the charge-out or recovery rate was first fixed or was last altered or the 1st day of October 1971, whichever date is the latest; and
- (b) Increasing the charge-out or recovery rate included in the base pricing formula for any other items of cost customarily recovered in price by an amount not exceeding the amount of any increases in those items calculated in accordance with the provisions of paragraph (a) of this subclause; and
- (c) Increasing the amount of the cost of materials used in supplying the services by an amount not exceeding the amount of any increase in the into-store cost of those materials together with such mark-up on that increase as the supplier could lawfully add to his into-store cost as at the 31st day of March 1972, or, in the case of a supplier who was not engaged in the business of supplying services of the same kind on that date, as at the date on which he commenced to supply such services, or such other mark-up as is approved by the appropriate pricing authority.

(3) Every supplier of services of Category B (not being services of a type for which charges are customarily predetermined by the supplier) shall deliver to the person to whom he supplies the services a statement in writing setting out the amount of his charges and showing separately in itemised form the amount charged for materials supplied, the amount charged for labour specifying the number of hours or part thereof, and any other items for which a charge is made:

Provided that the Price Tribunal may, by notice in the *Gazette*, exempt suppliers of any specified kinds of services from compliance with this subclause.

8. Criteria for calculation of price increases—(1) Subject to the provisions of subclause (8) of this regulation, a manufacturer or packer of goods of Category B and a supplier of services of Category B may calculate increases in costs—

- (a) Separately for each of his products or services; or
- (b) On the whole or any part of his range of products or services:

Provided that a manufacturer or packer or supplier who has adopted either of the methods specified in paragraph (a) or paragraph (b) of this subclause for the purposes of the first price increase on or after the 1st day of April 1972 shall adopt the same method for every subsequent increase,

unless the Price Tribunal approves the adoption of the other method specified.

(2) Where a manufacturer or packer or supplier adopts the method specified in paragraph (b) of subclause (1) of this regulation, he shall make an itemised calculation on an annual basis of his costs of manufacture, packing, and marketing or, as the case may be, of supplying the services—

(a) In the case of the first price increase on or after the 1st day of April 1972—

(i) As at the date of the first proposed price increase; and

(ii) As at the 1st day of October 1971, or, in the case of a manufacturer or packer or supplier who was not engaged on that date in the business of manufacturing or packing goods of the same kind or, as the case may be, of supplying services of the same kind, as at the date on which he commenced to manufacture or pack goods or supply services of the same kind:

(b) In the case of the second or any subsequent price increase on or after the 1st day of April 1972, as at the date of the proposed increase.

(3) Where a manufacturer or packer or supplier adopts the method specified in paragraph (a) of subclause (1) of this regulation, he shall make a calculation of his costs at the times specified in subclause (2) of this regulation, either on a unit of production basis or on an annual basis.

(4) A manufacturer or packer of goods of Category B and a supplier of services of Category B may recover by way of price increases any increases in costs incurred in manufacturing, packing, and marketing such goods or supplying such services, calculated as follows:

(a) In the case of the first price increase on or after the 1st day of April 1972, the net amount by which his costs calculated as at the date of the proposed price increase exceed the amount of his costs calculated as at the 1st day of October 1971, or, in the case of a manufacturer or packer or supplier who was not engaged on that date in the business of manufacturing or packing goods of the same kind or, as the case may be, of supplying services of the same kind, as at the date on which he commenced to manufacture or pack goods or supply services of the same kind, reduced by the amount of any increase in costs incurred on or after the 1st day of October 1971 and incorporated in any price increases after that date:

(b) In the case of the second or any subsequent price increase on or after the 1st day of April 1972, the net amount by which his costs calculated as at the date of the proposed price increase exceed the amount of those costs calculated as at the date of the immediately preceding price increase:

Provided that in calculating the net amount of cost increases for the purposes of paragraph (a) and paragraph (b) of this subclause, the total amount of costs as at the beginning of the period of comparison shall be adjusted proportionately up or down to make provision for any variation in the volume of sales at the beginning and end of the period of comparison, calculated in each case at an annual rate and by comparing the value of sales at constant prices, or by some other method having similar effect.

(5) No calculation of cost increases made by a manufacturer or packer or supplier shall have effect for the purposes of this regulation unless it is capable of reconciliation with his financial records.

(6) Every manufacturer or packer of goods of Category B and every supplier of services of Category B shall keep and preserve a record of his calculations of cost increases made for the purpose of any proposed price increase, showing clearly how increases in prices made by him do not exceed cost increases calculated in accordance with the foregoing provisions of this regulation.

(7) In calculating the amount of any costs, every manufacturer or packer of goods of Category B and every supplier of services of Category B shall include—

(a) Where the calculation is made as at any date before the 1st day of April 1972, all costs of any kind then being recovered in the price of the goods or services:

(b) Where the calculation is made as at any date on or after the 1st day of April 1972, all costs of any kind incurred in the manufacture, packing, and marketing of the goods or, as the case may be, in the supplying of the services, calculated, in the case of items of any of the kinds specified in subclause (8) of this regulation, in accordance with that subclause, and not otherwise.

(8) In calculating as at any date on or after the 1st day of April 1972 the amount of any costs, the following items of costs shall, where and to the extent that they are claimed, be calculated as follows:

(a) *Wages and Salaries*—The amount allowed shall be—

(i) In respect of any period while the Stabilisation of Remuneration Act 1971 continued in force, the actual amount lawfully paid (excluding any amount paid on the grounds of increased productivity), having regard to the provisions of that Act:

(ii) In respect of any period while the Stabilisation of Remuneration Regulations 1972* are in force, the actual amount lawfully paid (excluding any amount paid on the grounds of increased productivity), having regard to the provisions of those regulations:

(b) *Remuneration of Working Proprietors*—The amount thereof shall be the amount included in any calculation of costs as at the latest of the following dates:

(i) The 1st day of October 1971:

(ii) In the case of a manufacturer or packer of goods or supplier of services who was not engaged on that date in the business of manufacturing or supplying goods of the same kind or, as the case may be, supplying services of the same kind, the date on which he commenced to carry on such business, or such lower amount as the appropriate pricing authority approves:

(iii) Where there has been a price increase since the later of those dates, the date of ^{the} increase,—
increased by not more than the amount of the greatest increase in remuneration lawfully paid (having regard to the provisions of the Stabilisation of Remuneration Act 1971 or,

as the case may require, the Stabilisation of Remuneration Regulations 1972*), since the latest of those dates to workers or any class of workers employed in that business, or, where no workers are employed in that business, to workers or any class of workers employed in the same industry:

- (c) *Payroll Tax*—The net amount actually payable after allowing for any deductions made pursuant to the Payroll Tax Act 1970 shall be allowed:
- (d) *Depreciation*—Depreciation shall be allowed in respect of any asset at the rate for ordinary depreciation for the time being allowed by the Commissioner of Inland Revenue pursuant to the first proviso to subsection (1) of section 113 of the Land and Income Tax Act 1954 in respect of assets of that kind used for the same purpose. For the purposes of this paragraph, the manufacturer or packer or supplier may claim in respect of any asset the additional amount of ordinary depreciation that could have been claimed under the said proviso in the financial year in which the calculation is made in respect of that asset if any special or supplementary depreciation under that Act had not previously been written off:
- (e) *Materials (including Packing Materials)*—The cost to the manufacturer or packer or supplier shall be allowed, calculated by the method of costing customarily applied by him, unless the appropriate pricing authority approves some other method of calculation:
- (f) *Repairs, Maintenance, and Renewals*—The actual costs incurred for repairs, maintenance, and renewals (other than renewals of a capital nature) shall be allowed:

Provided that if any such costs are being incurred with respect to repairs, maintenance, or renewals which would usually occur at intervals of more than 1 year, the amount of those costs shall be spread over the whole of each such interval.

9. Price Tribunal may review prices of Category B items—(1) Notwithstanding anything in regulations 5, 6, and 7 of these regulations, the Price Tribunal may at any time of its own motion hold an inquiry into the prices for the time being charged for any goods or services that are Category B items, and may fix such maximum prices for those goods or services as it thinks fit. The powers conferred by this regulation shall include power to fix a price that is lower than the base price or, as the case may be, the price calculated in accordance with the base pricing formula.

(2) The provisions of the Control of Prices Act 1947 shall apply with respect to every such inquiry as if it were an inquiry under that Act.

(3) The provisions of paragraph (b) of regulation 10 hereof shall apply with respect to every such inquiry.

(4) Where the Price Tribunal fixes maximum prices for any goods or services under this regulation, no manufacturer, packer, importer, wholesaler, retailer, or other trader or seller or supplier shall sell any such goods or supply any such services at a price that exceeds the price so fixed.

(5) The Price Tribunal may at any time, of its own motion or on the application of any manufacturer or packer or producer of the goods concerned, investigate the prices for the time being charged for—

- (a) Honey; or
- (b) Milk powder; or
- (c) Any other primary produce of Category B intended for consumption in New Zealand, being produce the prices of which are influenced by the prices received for such produce exported from New Zealand;—

and, notwithstanding anything in regulations 5, 6, and 8 of these regulations, may authorise the prices for such goods to be determined in such manner and subject to such criteria as the Price Tribunal thinks fit. For the purposes of any such investigation, the Price Tribunal may adopt such procedure as it thinks fit.

10. Matters to be considered by pricing authorities (Category A items)—In considering any application for an increase in the prices of any Category A items or in reviewing of its own motion the prices for any Category A items, the appropriate pricing authority—

- (a) Shall have regard to the matters specified in subclause (8) of regulation 8 hereof, in addition to such matters as it is empowered or required to have regard to by any other enactment; and
- (b) May, by reference to financial accounts and any other matters it considers relevant, inquire into the ability of the applicant to absorb in whole or in part any increased costs claimed, and, if it is satisfied that the applicant can absorb the whole or part of any such increase without the financial stability and viability of his business being affected, shall take that fact into account in deciding whether or not to approve any increase and the amount of any increase.

11. Relief to traders and suppliers—(1) Any manufacturer, packer, importer, wholesaler, retailer, or other trader or seller or supplier of goods or services who considers that full compliance with any specified provision of these regulations will prejudicially affect the financial stability and viability of his business may apply to the appropriate pricing authority for exemption, in whole or in part, from the requirements of that provision.

(2) Every such application shall be accompanied by a true copy of the applicant's detailed financial accounts, and the applicant shall supply to the appropriate pricing authority such additional information as that authority requires.

(3) On any such application, the appropriate pricing authority shall inquire into the financial position of the applicant as disclosed by his financial accounts and such other documents as the authority considers

relevant, and may exempt the applicant from compliance, in whole or in part, with that provision for such period and subject to such conditions as the authority thinks fit.

(4) In considering any application for exemption from compliance with any provision of these regulations, the appropriate pricing authority shall have regard to the extent to which the applicant's current profit is less than or is expected to be less than the return that the authority considers appropriate.

(5) Unless the appropriate pricing authority in special circumstances agrees to accept an application from an individual importer, wholesaler, or retailer, the appropriate pricing authority shall not consider an application for an increase in any mark-up of any importer, wholesaler, or retailer, except on an industry basis, made on the ground that importers, wholesalers, or retailers in the industry are suffering financial hardship. Every such application must be supported by the production to the appropriate pricing authority of financial statements accepted by the authority as being representative accounts of a reasonable cross-section of the importers, wholesalers, or retailers engaged in the industry.

12. Accounts and records to be kept—Every manufacturer, packer, importer, wholesaler, retailer, or other trader or seller or supplier of goods or services shall for the purposes of these regulations keep and preserve proper books and accounts and costing records (including any that may be specifically required by the appropriate pricing authority); and, without limiting the generality of the foregoing provisions of this regulation, those books, accounts, and records shall be such as to show—

- (a) The base prices for goods and services and the methods and principles in accordance with which those prices have been calculated;
- (b) Full details of the computation of any price increases purporting to have been made pursuant to any provision of these regulations, including particulars of increased costs and other matters taken into account as a justification for those increases.

13. Returns to be made—(1) Every manufacturer or packer of goods or supplier of services whose total sales of goods, or, as the case may be, whose total charges for services supplied, in his last financial year ending before the 1st day of April 1972 exceeded \$1,000,000, and any other manufacturer or packer of goods or supplier of services or importer, wholesaler, retailer, or other trader or seller or supplier of goods who is required by notice in writing by the appropriate pricing authority, shall—

- (a) Not later than 1 month after the end of each quarter commencing with the quarter ending with the 30th day of June 1972, furnish to the appropriate pricing authority a return showing all changes in prices made by him during that quarter:

Provided that the return in respect of a quarter ending with the 31st day of December shall be furnished to the appropriate pricing authority not later than the last day of February following:

- (b) As soon as practicable after the close of his financial year, furnish to the appropriate pricing authority a true and complete and fully detailed copy of his financial accounts for that year.

14. Prohibited transactions—No person shall—

- (a) Enter into any transaction, or make any contract or arrangement, purporting to do, whether presently or at some future time or upon the happening of any event or contingency, anything that contravenes or will contravene the provisions of these regulations; or
- (b) Enter into any transaction or make any contract or arrangement, whether orally or in writing, or do any thing, for the purpose of or having the effect of, in any way, whether directly or indirectly, defeating, evading, avoiding, or preventing the operation of these regulations in any respect.

15. Offences and penalties—Without limiting the provisions of section 18 of the Economic Stabilisation Act 1948, every person commits an offence who without lawful justification or excuse acts in contravention of or fails to comply with any provision of these regulations, and is liable accordingly on summary conviction to the penalties specified in subsection (3) of the said section 18, namely:

- (a) In the case of an individual, to imprisonment for a term not exceeding 3 months, or to a fine not exceeding \$400 and (if the offence is a continuing one) to a further fine not exceeding \$10 for every day during which the offence continues, or to both such imprisonment and such fines:
- (b) In the case of a company or other corporation, to a fine not exceeding \$1,000 and (if the offence is a continuing one) to a further fine not exceeding \$40 for every day during which the offence continues.

SCHEDULES

FIRST SCHEDULE

Reg. 2 (1)

CATEGORY A ITEMS

1. Goods and Services the Prices of Which are Fixed or Approved by the Price Tribunal under the Control of Prices Act 1947—

Building Materials

- Asbestos cement products.
- Blocks, concrete.
- Bricks.
- Building boards (including wallboards and particle boards).
- Cement.
- Cylinders, household, including hot-water cylinders.
- Field tiles.
- Plywoods.
- Roofing, metal.
- Roofing tiles of all descriptions.
- Timber (New Zealand grown).

FIRST SCHEDULE—*continued*

Timber charges:

- Dressing.
- Drying, air or kiln.
- Measuring and gauging.
- Processing.
- Protective treatment.
- Sawing.
- Selecting.

Chemicals and Chemical Substances

Drugs and related commodities:

- Drugs and any other substances and mixtures of substances specially prepared for use in the treatment, prevention, investigation, or alleviation of any disease, illness, or injury included in any drug tariff or amendment issued pursuant to section 99 of the Social Security Act 1964.

Insecticides and herbicides:

- Herbicides, insecticides, and acaracides specified in such Schedule as may be published in the *Gazette* from time to time by the Minister of Agriculture pursuant to the Department of Agriculture Act 1953 and the Agricultural Chemicals Act 1959; not being any herbicide, insecticide, or acaracide packed in a container holding less than 1 gallon of liquid or less than 4 lb by weight of solid unless the herbicide, insecticide, or acaracide is a restricted poison as so declared by regulation 4 of the Poisons Regulations 1964.*

Druggists' sundries:

- Bottles, glass, and jars and pots, chemists' stock.
- Bottles, jars, and pots used in the packing or dispensing of drugs and for toilet preparations.

Fertilisers and lime:

- Inorganic fertilisers and ingredients, and fertiliser mixtures containing inorganic ingredients, except when sold retail in quantities less than 1 cwt or of less than 10 gallons in the case of liquid fertilisers.
- Lime, except when sold retail in quantities less than 1 cwt.
- Serpentine rock.
- Urea, blood and bone, dried blood and bone dust, except when sold retail in quantities less than 1 cwt.

Petroleum products:

- Petrol.
- Diesel and fuel oil.

Clothing, Footwear, and Soft Goods

- Men's and boys' standard underwear.
- School uniform clothing.
- School uniform footwear.

*S.R. 1964/64

- Amendment No. 1: S.R. 1966/84
- Amendment No. 2: S.R. 1967/250
- Amendment No. 3: S.R. 1969/95
- Amendment No. 4: S.R. 1969/193
- Amendment No. 5: S.R. 1971/55

FIRST SCHEDULE—*continued*

Men's working clothing.
Gumboots.
Men's working boots.

Foodstuffs and Related Commodities

Aerated waters.
Bananas.
Bread (except bread sold as part of a meal and bread sold in Stewart Island).
Biscuits, excluding breakfast cereals in biscuit form.
Butter manufactured in New Zealand, excluding butter when sold in portions not exceeding 1 ounce.
Cigarettes, excluding cigars and cheroots.
Coffee, including instant coffee, coffee beans, coffee and chicory, and coffee and milk.
Confectionery, including chocolate.
Cream, fresh.
Eggs, hen and duck.
Fish, canned.
Flour, including gluten, wheatmeal, and wholemeal, but excluding self-raising flour, soya bean, and rye flour, and also excluding wheatmeal and wholemeal in packs of 5kg or less when sold by retailers and wholesalers other than the New Zealand Wheat Board or its agents.
Fruits, all varieties, dried or evaporated, excluding crystalised or drained fruits and synthetic fruits.
Fruits and fruit pulp, canned or bottled.
Jams and marmalades of all types.
Meat, canned (with or without other ingredients).
Milk, fresh.
Oranges, imported.
Rice, including ground rice.
Soap, soap powders, and detergents.
Soups, canned, and soup powders and cubes.
Stock food of the following kinds:
 Bran and pollard, excluding bran and pollard sold by distributors and retailers:
Sugar, excluding raw sugar, No. 3 brown sugar, castor sugar, icing sugar, loaf sugar, and coffee sugar crystals.
Tea (including instant tea).
Tobacco, including raw tobacco leaf.
Vegetables, dried, canned (with or without other ingredients), or frozen.
Wheat, excluding seed wheat and wheat sold for use as stock food by distributors and retailers.
Yeast in all forms.
Intoxicating liquor:
 All intoxicating liquor sold in public bars of hotels, taverns, or other premises licensed under the Sale of Liquor Act 1962 or deemed to be licensed under that Act pursuant to the Licensing Trusts Act 1949 or the Masterton Licensing Trust Act 1947 or the Invercargill Licensing Trust Act 1950; and

FIRST SCHEDULE—*continued*

All draught beer in flagons, and bottled beer in bottles containing 1 quart sold, for consumption off the premises, in hotels, taverns, or other premises licensed under the Sale of Liquor Act 1962 or deemed to be licensed under that Act pursuant to the Licensing Trusts Act 1949 or the Masterton Licensing Trust Act 1947 or the Invercargill Licensing Trust Act 1950.

Beer, manufacturers' and packers' prices.

Spirits, manufacturers' and packers' prices.

Hardware

Basins in white earthenware (including vitreous ware) designed for fastening to a wall by means of brackets, with straight sides and front: nominal size 22 in. x 16 in.

Baths.

Bolts.

Galvanised iron.

Insulated wire and cables, electrical.

Insulators, other than plastic.

Metals, ferrous and non-ferrous, in ingot, billet, sheet, strip, bar, rod, tube, wire sectional shapes, and in any other primary or intermediary state, or in alloy forms (including aluminium, brass, copper, iron, steel, lead, zinc, tin, and tinplate), but excluding extruded brass rod.

Pipes and pipe fittings, except pipe fittings of brass.

Sanitary earthenware, WC pans in white earthenware (including vitreous ware) pedestal type, 16 in. nominal height, whether fitted with S or P type trap with rimmed seat and with a base nominal size of 12 in. x 9 in. but excluding syphonic pans.

Tubes and tubing, metal (excluding boiler, stay, and well sinker).

Wire, baling, barbed, fencing, and reinforcing, but excluding bare copper and binding.

Wire netting and mesh.

Vehicles and Equipment

Motor vehicles of the following kinds, including chassis and cabs therefor except accessories:

Cars.

Trucks, except "goods service vehicles" as defined in section 2 of the Transport Act 1962, and which have a manufacturer's gross laden weight of 10,000 lb avoirdupois or more.

Vans.

Ranch and station wagons.

Equipment:

Pneumatic tyres and tubes, except retreaded and recapped tyres, and except tyres and tubes for cycles, power cycles, and motor cycles.

Services

Charges, fees, rates, or commissions payable in respect of the following:

Egg distribution and handling.

Electricity supply.

Gas supply.

Wheat broking.

FIRST SCHEDULE—*continued**Miscellaneous*

Bags and sacks, calico, textile, and jute.
 Batteries, storage and dry cell.
 Bottles and jars of glass.
 Cardboard, except photographic mounts and cardboard boxes and cartons.
 Container board.
 Cornsacks (including charges for collecting and cleaning).
 Earthenware insulators.
 Foods, canned or packaged, for pets or working dogs.
 Paints.
 School stationery.
 Wood pulp products, except newsprint.
 Woolpacks.

2. Goods the Prices of Which are Fixed under the Motor Spirits (Regulation of Prices) Act 1933—

Motor spirits as defined in that Act.

3. Services the Charges for Which are Fixed under the Transport Act 1962—

Passenger services, taxicab services, goods services, rental services, and harbour-ferry services the charges for which are fixed pursuant to Part VII of that Act.

4. Services the Charges for Which are Fixed under the Air Services Licensing Act 1951—

Air transport services the fares or charges for which are fixed pursuant to that Act.

5. Services under the Meat Act 1964—

All services the charges for which are fixed under that Act.

6. Goods the Prices of Which are Fixed under the Dairy Board Act 1961—

Dairy produce as defined in section 2 of that Act.

7. Goods the Prices of Which are Fixed under the Milk Act 1967—

Milk as defined in section 2 of that Act.

8. Services to which the Economic Stabilisation (Charges for Aerial Topdressing) Regulations 1971 apply—

Any work or service relating to the aerial application of fertiliser or lime (whether combined with any other substance or not).

Reg. 4

SECOND SCHEDULE

EXEMPTED GOODS AND SERVICES

1. Secondhand goods.

2. Goods which have been sold by auction either to the owner for the time being of the goods or to any person through whom he derives title to the goods, and goods sold by private treaty in circumstances where the prices charged are normally influenced to a substantial extent by the prices realised for similar goods sold by auction.

3. Fresh fish, frozen fresh fish, fresh meat, and frozen fresh meat.

4. Livestock.

5. Goods sold or services performed on the basis of prices submitted by tender.

SECOND SCHEDULE—*continued*

6. Women's fashion clothing other than standard lines.
7. Workers' compensation insurance.
8. Services provided by Hydatids Control Authorities the fees for which are fixed pursuant to section 32 of the Hydatids Act 1968.

P. J. BROOKS,
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, which come into force on 1 April 1972 (immediately following the expiry of the Price Freeze Regulations 1972), continue to freeze prices and charges, subject to the right to increase prices and charges to the limited extent specified in the regulations.

The effect of the principal provisions of the regulations is as follows:

- (a) Goods and services are divided into Category A items and Category B items. Category A goods and services are specified in the First Schedule, and are those goods and services the prices of which are fixed or approved by a pricing authority under some other enactment, such as the Price Tribunal. Category B items are all other goods and services.
- (b) Manufacturers, packers, importers, wholesalers, retailers, and other traders or sellers or suppliers of goods or services may not sell goods or supply services at a price in excess of that lawfully charged as at 31 March 1972 unless the goods or services are exempt from the provisions of the regulations (the exempted goods and services being specified in the Second Schedule), or an increase is permitted by the regulations, or the appropriate pricing authority has authorised an increase.
- (c) A trader in or supplier of Category B goods or services may increase the price that he could lawfully charge as at 31 March 1972 to cover certain increased costs, the criteria for calculating price increases being set out in regulation 8.
- (d) A pricing authority when fixing or approving the price of any goods or services of Category A must adopt the same criteria. It may inquire into the ability of the applicant for approval of a price increase to absorb the whole or part of the increased costs, and if satisfied that he can absorb the whole or part of the increased costs, must take that fact into account in deciding whether or not to authorise an increase and the extent of any increase authorised.
- (e) The Price Tribunal is empowered to hold an inquiry into prices charged for Category B goods or services and fix maximum prices for them.
- (f) Provision is made for the granting of relief to traders and suppliers of goods or services on the ground that full compliance with any provisions of the regulations would prejudicially affect the financial stability and viability of their business.
- (g) Manufacturers and packers of goods and suppliers of services whose turnover for the last financial year ending before the 1 April 1972 exceeded \$1,000,000, and other traders and suppliers if so required by the appropriate pricing authority, are to make quarterly returns to the pricing authority and send a copy of their annual accounts to the pricing authority.

Issued under the authority of the Regulations Act 1936.

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These regulations are administered in the Department of Industries and Commerce.