

1973/153



THE STABILISATION OF PRICES REGULATIONS 1972,
AMENDMENT NO. 4

—
DENIS BLUNDELL, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 14th day of June 1973

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.

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REGULATIONS

1. Title and commencement—(1) These regulations may be cited as the Stabilisation of Prices Regulations 1972, Amendment No. 4, and shall be read together with and deemed part of the Stabilisation of Prices Regulations 1972* (hereinafter referred to as the principal regulations).

(2) These regulations shall come into force on the 15th day of June 1973.

2. Interpretation—(1) Regulation 2 of the principal regulations is hereby amended by inserting in subclause (1), in their appropriate alphabetical order, the following definitions:

“‘Employers’ union’ means an industrial union or association of employers under the Industrial Conciliation and Arbitration Act 1954, or a branch of any such union:

“‘Instrument’ means—

“(a) Any award or industrial agreement:

“(b) Any agreement under section 8 of the Labour Disputes Investigation Act 1913:

*S.R. 1972/60

Amendment No. 1: S.R. 1973/70

Amendment No. 2: S.R. 1973/74

Amendment No. 3: S.R. 1973/137

“(c) Any collective or ruling rates agreement, whether in writing or not, made between a workers’ union and an employer or an employers’ union or a society or body of employers:

“(d) Any agreement, whether in writing or not, made between a worker and an employer or between a group of workers and an employer or an employers’ union or a society or body of employers:

“(e) Any decision, whether recorded in writing or not, made by an employer fixing the rate of remuneration of an individual worker:

“(f) Any decision made by an arbitrator settling any dispute as to rates of remuneration:

“(g) Any order or determination fixing rates of remuneration made by any tribunal or employing authority constituted under any enactment:

“(h) Any Order in Council fixing rates of remuneration of any workers made under the Agricultural Workers Act 1962:

“Provided that nothing in these regulations shall apply with respect to any instrument to which Part II of the Stabilisation of Remuneration Regulations (No. 2) 1972* applies:

“‘Remuneration’ means the salary or wages payable to any worker; and includes—

“(a) The actual rate of salary or wages:

“(b) Time and piece wages and overtime and bonus and other special payments:

“(c) Allowances, fees, commission, and every other emolument, whether in one sum or several sums, and whether paid in money or not:

“(d) The remuneration of directors of companies, who for the purposes of these regulations shall be deemed to be employed by the companies of which they are directors;— but does not include any reimbursing payment to meet expenditure already incurred, except a payment made pursuant to an instrument made on or after the 15th day of June 1973, or pursuant to an amendment made on or after that date to an instrument made before that date, which provides for the first time for payment in respect of expenses, refunds, or expenditure of the kind specified in the instrument or in that amendment, as the case may be:

“‘Worker’ has the same meaning as in the Industrial Conciliation and Arbitration Act 1954; but does not include a person to whom Part II of the Stabilisation of Remuneration Regulations (No. 2) 1972* applies:

“‘Workers’ union’ means an industrial association or union of workers under the Industrial Conciliation and Arbitration Act 1954, or a branch of any such union, or a society of workers that is subject to the Labour Disputes Investigation Act 1913:

“‘Award’, ‘employer’, and ‘industrial agreement’ have the same meanings as in the Industrial Conciliation and Arbitration Act 1954.”

(2) Regulation 2 of the principal regulations is hereby further amended by adding the following subclause:

“(5) Without limiting the circumstances in which any rate of remuneration shall be treated as having been increased, any rate of remuneration shall for the purposes of these regulations be deemed to have been increased proportionately in the following cases:

“(a) Where there has been any reduction in the hours or other period of work on which that remuneration is based without a corresponding reduction in the rate of remuneration:

“(b) Where there has been any increase in holiday entitlement:

“(c) Where there has been an increase in the rate of contributions made by an employer to a superannuation fund for the benefit of workers employed by him or such contributions are made for the first time by an employer.”

3. Criteria for calculation of price increases—Regulation 8 of the principal regulations is hereby amended by revoking paragraphs (a) and (b) of subclause (8), and substituting the following paragraphs:

“(a) *Remuneration of Workers*—The amount allowed shall be the actual amount paid:

“Provided that where in the period of 12 months commencing on the 15th day of June 1973 or in any subsequent period of 12 months (each such period being in this proviso referred to as a year) there is any increase in—

“(i) The rate of remuneration payable to any workers immediately before the commencement of that year; or

“(ii) In the case of a manufacturer or packer of goods or supplier of services who was not in business immediately before the commencement of that year, the rate of remuneration that was payable to any workers on the date on which he commenced business,—

(not being an increase in the remuneration of a female worker of the minimum amount necessary to comply with the provisions of the Equal Pay Act 1972), and the amount of that increase, together with the total amount of all other increases in the remuneration of those workers already made after the commencement of that year, exceeds by more than 5 percent the rate of remuneration payable to them immediately before the commencement of that year or, as the case may be, on the date on which the manufacturer or packer or supplier commenced business, so much of the amount of that increase as exceeds that amount of 5 percent shall not be allowed:

“Provided also that nothing in the first proviso to this paragraph shall apply with respect to any increase in remuneration in the year commencing on the 15th day of June 1973 pursuant to an instrument made before that date:

“(b) *Remuneration of Working Proprietors*—The amount thereof shall be the amount of that remuneration 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 packing 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:

“(iii) Where there has been a price increase since the later of those dates, the date of that increase,—

increased by not more than the amount of the greatest increase in remuneration paid since the latest of those dates to 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, or such lower amount as the appropriate pricing authority approves:

“Provided that where in any period of 12 months commencing on the 15th day of June 1973 or in any subsequent period of 12 months (each such period being in this proviso referred to as a year) there is any increase in—

“(i) The rate of remuneration payable to those workers immediately before the commencement of that year; or

“(ii) In the case of a manufacturer or packer of goods or supplier of services who was not in business immediately before the commencement of that year, the rate of remuneration that was payable to those workers on the date on which he commenced business,—

(not being an increase in the remuneration of a female worker of the minimum amount necessary to comply with the provisions of the Equal Pay Act 1972), and the amount of that increase, together with the total amount of all other increases in the remuneration of those workers already made after the commencement of that year, exceeds by more than 5 percent the rate of remuneration payable to them immediately before the commencement of that year or, as the case may be, on the date on which the manufacturer or packer or supplier commenced business, so much of the amount of that increase as exceeds that amount of 5 percent shall not be allowed:

“Provided that nothing in the first proviso to this paragraph shall apply with respect to any increase in remuneration in the year commencing on the 15th day of June 1973 pursuant to an instrument made before that date.”.

4. Escalation clauses in contracts—(1) The principal regulations are hereby further amended by inserting, after regulation 8, the following regulation:

“8A. (1) In this regulation the expression ‘escalation clause’ means a provision in a contract for the sale of goods or the supply of services

or both under which an additional amount is to be paid to the seller or supplier in the event of any increase in the rates of remuneration of workers employed by him, or, where the seller or supplier is a working proprietor who does not employ any workers, in the rates of remuneration of workers employed in the same industry.

“(2) Where—

“(a) Any contract signed by all the parties on or after the 15th day of June 1973 contains an escalation clause; and

“(b) In the period of 12 months commencing on that date or in any subsequent period of 12 months (each such period being hereinafter referred to as a year) there is any increase in—

“(i) The rate of remuneration payable immediately before the commencement of that year to the workers referred to in the escalation clause; or

“(ii) In the case of a seller or supplier who was not in business immediately before the commencement of that year, the rate of remuneration payable on the date on which the supplier commenced business to the workers referred to in the escalation clause,—

(not being an increase in the remuneration of a female worker of the minimum amount necessary to comply with the requirements of the Equal Pay Act 1972); and

“(c) The amount of that increase, together with the total amount of all other increases in the remuneration of those workers already made after the commencement of that year, exceeds by more than 5 percent the rate of remuneration payable to them immediately before the commencement of that year or, as the case may be, on the date on which the seller or supplier commenced business,—

then, notwithstanding anything in the contract, the additional amount payable under the escalation clause shall be calculated as if the remuneration of those workers had increased by 5 percent since the commencement of the year, and no party to the contract shall pay or accept any greater amount under the escalation clause:

“Provided that nothing in this subclause shall apply with respect to any increase in remuneration in the year commencing on the 15th day of June 1973 pursuant to an instrument made before that date.”

(2) The principal regulations are hereby further amended—

(a) By inserting in subclause (1) of regulation 5, after the words “regulation 8”, the words “or, as the case may require, regulation 8A”:

(b) By inserting in paragraph (a) of subclause (2) of regulation 7, after the words “regulation 8”, the words “or, as the case may require, regulation 8A”:

(c) By inserting in paragraph (a) of regulation 10, after the words “regulation 8”, the words “or, as the case may require, regulation 8A”.

5. Quantities and retail prices to be shown on packages—Regulation 13A of the principal regulations (as inserted by regulation 10 of the *Stabilisation of Prices Regulations 1972, Amendment No. 2*) is

hereby amended by revoking subclause (1), and substituting the following subclauses:

“(1) The Minister may from time to time, by notice in the *Gazette*, require manufacturers and packers of such goods or class or classes of goods as are specified in the notice to cause the packages containing the goods to bear a label—

“(a) Showing in such form as is specified in the notice the minimum quantity of the goods in the package, expressed in such manner as may be specified in the notice; or

“(b) Containing an emblem in a form prescribed in the notice in which the manufacturer or packer shall, if so required by the notice, show the lawful maximum retail price of the goods; or

“(c) Complying with the provisions of both paragraphs (a) and (b) of this subclause.

“(1A) The Minister may from time to time, by notice in the *Gazette*, require retailers of such goods or class or classes of goods as are specified in the notice to show the lawful maximum retail price of the goods either in the emblem on the label on the package provided pursuant to a notice under subclause (1) of this regulation or in such other manner as is prescribed in the notice.

“(1B) No person shall after the 23rd day of July 1973—

“(a) Place with any other person an order for the supply of any labels for any packages intended to contain such goods or class or classes of goods as the Minister specifies by notice in the *Gazette*, or for the supply of labelled packages intended to contain any such goods; or

“(b) Print or manufacture any such labels or any packages so labelled,—

unless the labels contain an emblem in the form prescribed by that notice.”

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 amend the Stabilisation of Prices Regulations 1972 by restricting the amount of the increases in remuneration that may be passed on in prices, restricting the amount by which escalation clauses in contracts may increase prices because of increases in remuneration, and amending the provisions of the principal regulations relating to the ticketing of goods.

The effect of the regulations is as follows:

(a) Regulation 2 inserts several definitions in regulation 2 of the principal regulations for the purposes of the provisions restricting price increases on account of remuneration increases.

- (b) Regulation 3 replaces the provisions of regulation 8 (8) of the principal regulations setting out the amounts that may be allowed for remuneration in calculating items of costs. The effect of the new provisions is that an employer will be permitted to pass on in prices any increases in remuneration up to a total of 5 percent in any one period of 12 months. This does not apply to increases pursuant to instruments made before 15 June 1973. The new provisions apply to Category B goods and services, but under regulation 10 of the principal regulations pricing authorities are required to adopt the same criteria in fixing prices for Category A goods and services.
- (c) Regulation 4 inserts a new regulation 8A in the principal regulations limiting the amount by which prices may be increased under escalation clauses in contracts signed on or after 15 June 1973 because of remuneration increases, except increases in remuneration pursuant to instruments made before 15 June 1973. The increases in remuneration on which increases in prices may be calculated may not exceed a total of 5 percent in any one period of 12 months.
- (d) Regulation 5 makes several amendments to regulation 13A of the principal regulations requiring manufacturers and packers to label certain goods showing maximum retail prices. The principal changes are—
- (i) Manufacturers and packers are required to show the maximum retail prices on packages containing only such classes of goods as are specified by the Minister.
 - (ii) The Minister may require retailers of such classes of goods as he specifies to show the maximum retail prices either on an emblem on the package containing the goods or in some other manner specified by the Minister.
 - (iii) Labels ordered or made after 23 July 1973 for such goods as the Minister specifies must include an emblem in the form prescribed by the Minister in which the maximum retail price may be shown.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 15 June 1973.

These regulations are administered in the Department of Trade and Industry.