

1976/231

THE PRICE FREEZE REGULATIONS 1976

DENIS BLUNDELL, Governor-General

ORDER IN COUNCIL

At the Government House at Wellington this 17th day of August 1976

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.

REGULATIONS

1. Title—These regulations may be cited as the Price Freeze Regulations 1976.

2. Commencement and expiry—(1) These regulations shall come into force on the 18th day of August 1976.

(2) These regulations shall continue in force until the close of the 14th day of May 1977, and shall then expire.

3. 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 the First Schedule to these regulations (other than the Stabilisation of Prices Regulations 1974*), means that person or authority; and

(b) In relation to the prices at which and the margins within which milk to which the Milk Act 1967 applies may be bought and sold, to the rate of allowances to be made in respect of the collection, treatment, storage, distribution, delivery, and sale of such milk, and to the conditions subject to which such milk may be sold, means the person or authority authorised by that Act to fix such prices, margins, allowances, and conditions; and

(c) In relation to the prices of goods and services subject to the Stabilisation of Prices Regulations 1974*, means the Secretary.

*S.R. 1974/175

Amendment No. 1: S.R. 1974/321

Amendment No. 2: S.R. 1975/185

Amendment No. 3: S.R. 1975/252

Amendment No. 4: S.R. 1976/25

(2) Subject to subclause (1) of this regulation, expressions defined in regulation 2 of the Stabilisation of Prices Regulations 1974* have in these regulations the meanings ascribed to them by that regulation.

(3) For the purpose 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 or in the terms of sale of the goods or services, being a variation that is disadvantageous to the purchaser of the goods or services, without a corresponding reduction in price.

(4) For the purpose of these regulations, the publication or exhibition of a price list in respect of any goods or services, or the furnishing of a quotation for any goods or services, or the exposure of any goods with a specification or an indication of the price thereof attached thereto or displayed in the vicinity thereof or in connection therewith, shall be deemed to constitute the making of a charge for those goods or services.

4. Control of prices—(1) Subject to the provisions of these regulations, the maximum prices or charges that may be made on or after the 18th day of August 1976 and on or before the 31st day of December 1976 by any importer, manufacturer, packer, wholesaler, retailer, or other trader or seller for any goods or services other than those specified in the Second Schedule hereto shall be—

- (a) In the case of goods, the normal price at which such goods were last lawfully sold in similar quantities and under similar conditions of sale and purchase on or before the 17th day of August 1976 or such lower price as may be fixed or authorised by the appropriate pricing authority;
- (b) In the case of the performance of services of a kind for which uniform charges are customarily predetermined by the seller (whether or not accompanied by the supply of goods), the charges normally made for similar services last performed on or before the 17th day of August 1976, or such lower charges as may be fixed or authorised by the appropriate pricing authority;
- (c) In the case of the performance of other services (whether or not accompanied by the supply of goods and without limiting the provisions of paragraph (a) of this subclause in relation to any such goods), the sum of the following items:
 - (i) Labour and overhead costs; and
 - (ii) Any other items normally incorporated in price,— each charged at a rate not exceeding the rate normally charged in respect of similar services last performed on or before the 17th day of August 1976, or such lower charges as may be fixed or authorised by the appropriate pricing authority;

Provided that the charges that may be made by any supplier of services to which the Price Freeze Regulations (No. 6) 1973† apply shall not in any case exceed those permitted under those regulations or authorised pursuant to a decision of the Price Tribunal or the Commerce Commission made under those regulations.

*S.R. 1974/175

Amendment No. 1: S.R. 1974/321

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†S.R. 1973/271

(2) This regulation and regulations 5 and 6 hereof shall apply notwithstanding anything to the contrary in any price order, special approval, decision, or any other act of authority fixing, approving, or lawfully determining the prices of any goods or services made, given, or done under any of the enactments specified in the First Schedule hereto; but nothing in this subclause shall prevent any exemption under regulation 7 of these regulations from having effect according to its tenor.

5. Finished imported goods—Notwithstanding anything in regulation 4 of these regulations, the maximum prices that may be charged by any importer, wholesaler, or retailer for any goods imported into New Zealand and which are resold without any change in form shall not exceed the sum of—

(a) The into-store cost of the goods, or in the case of goods sold on indent and not taken into store, the landed cost of the goods; and

(b) Either—

(i) Where the seller was pricing the goods on the basis of a unit monetary margin, the lawful unit monetary margin which the seller was taking on the 17th day of August 1976 on the into-store cost or landed cost, as the case may be, of those goods; or

(ii) Where the seller was pricing the goods on the basis of a percentage margin, a monetary amount not exceeding the amount represented by the percentage margin the seller was lawfully taking on the 17th day of August 1976, on the into-store cost or landed cost, as the case may be, of those goods:

Provided that where there is a reduction in the into-store cost or the landed cost, as the case may be, the monetary amount expressed as a percentage margin shall in no case exceed that maximum percentage margin the seller could lawfully take on the 17th day of August 1976, on the into-store cost or landed cost of those goods.

6. Approval given on or before 17 August 1976—(1) Notwithstanding anything in regulation 4 of these regulations, the provisions of this regulation shall apply where, on or before the 17th day of August 1976,—

(a) An increase in the price of any goods sold by any manufacturer or of any services performed by any supplier of services has been approved or authorised by an appropriate pricing authority; or

(b) An increase in the price of any goods sold by any manufacturer or of any services performed by any supplier of services is approved or authorised or is lawful under the Stabilisation of Prices Regulations 1974.

(2) Where any increase to which subclause (1) of this regulation applies has been implemented in whole or in part by a manufacturer of goods at the commencement of these regulations, any purchaser of those goods, being a wholesaler or a retailer, may increase his selling price of the goods, to the extent necessary to recover the increased cost of the goods to him and his lawful margin in terms of the Stabilisation of Prices Regulations 1974.

(3) Where no part of any increase to which subclause (1) of this regulation applies has been implemented at the commencement of these regulations, the manufacturer or supplier of services may implement those increased prices, and any purchaser of those goods, being a wholesaler or retailer, may increase his selling price of the goods, only to the extent necessary to recover the increased cost of the goods to him.

7. Hardship—Where any person establishes to the satisfaction of the appropriate pricing authority that compliance with the provisions of this regulation would result in a serious deterioration in the financial stability and viability of his business, the appropriate pricing authority, in its discretion, may exempt that person from compliance, in whole or in part, with the provisions of these regulations for such period and subject to such conditions as the appropriate pricing authority thinks fit. For the purpose of this regulation and notwithstanding anything in regulation 3 of these regulations, the expression appropriate pricing authority means, in relation to services subject to the Price Freeze Regulations (No. 6) 1973*, the Secretary.

8. 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.

9. Evidence in prosecutions—In any proceedings for an offence against these regulations, the production by or on behalf of the informant of a verified copy of any entry in any accounts or records kept by or on behalf of the defendant, or of any invoice, receipt, statement of account, or other document issued by or on behalf of the defendant, and purporting to disclose the prices charged by the defendant for any goods or services, shall, in the absence of proof to the contrary, be sufficient evidence of the prices charged for those goods or services.

10. Restrictions on effective date of authorised price increases—

(1) Except as provided in this regulation and in regulation 4 hereof, nothing in these regulations shall restrict or affect any power or duty of any appropriate pricing authority or the Commerce Commission under any of the enactments specified in the First Schedule hereto or any proceeding or appeal before the Commerce Commission or any person under those enactments.

(2) No order made or special approval given under the Commerce Act 1975 and no amendment to or revocation of any such order or special approval and no order made under section 101 of that Act, being an order, special approval, amendment, or revocation which increases, or would have the effect of increasing, the prices of any goods or services, shall have effect in relation to those goods or services until a date fixed

by the Secretary or the Commission as the case may be, being a date later than the 31st day of December 1976.

(3) No order or decision made or determination given under any of the enactments specified in the First Schedule hereto (not being the Commerce Act 1975 or the Stabilisation of Prices Regulations 1974) and no amendment to or revocation of any such order, decision, or determination which increases or has the effect of increasing the prices of any goods or services shall have effect in relation to those goods or services until a date fixed by the appropriate pricing authority being a date later than the 31st day of December 1976.

(4) The prices of any goods or services which may, pursuant to any provision of, decision, or act of authority under the Stabilisation of Prices Regulations 1974 be lawfully increased, may not be increased on or before the 31st day of December 1976 except in accordance with these regulations.

(5) Subclauses (2) to (4) of this regulation shall be subject to any exemption granted under regulation 7 of these regulations.

(6) Where the price of any goods or services to which regulation 11 of the Stabilisation of Prices Regulations 1974 applies, could, if these regulations had not been passed, have been lawfully increased on or after the 18th day of August 1976 and on or before the 14th day of May 1977, no increase in the price of those goods or services shall take effect, notwithstanding anything in the Stabilisation of Prices Regulations 1974, before the expiration of 136 days from the day on which that increase could have been lawfully implemented in terms of those regulations.

11. Duties under Customs Acts—Nothing in these regulations shall prevent the admission in any prices of any goods that are resold without any change in form of any increased duties payable under or pursuant to any of the Customs Acts.

12. The Professional Charges (Price Freeze) Regulations 1976 not affected—Nothing in these regulations shall apply with respect to any professional services the charges for which are subject to the Professional Charges (Price Freeze) Regulations 1976*.

*S.R. 1976/120

SCHEDULES

Reg. 3 (1) FIRST SCHEDULE

ENACTMENTS AFFECTED

The Air Services Licensing Act 1951.
 The Commerce Act 1975.
 The International Air Services Licensing Act 1947.
 The Marketing Act 1936.
 The Meat Act 1964.
 The Milk Act 1967.
 The Motor Spirits (Regulation of Prices) Act 1933.
 The Price Freeze Regulations (No. 6) 1973.
 The Stabilisation of Prices Regulations 1974.
 The Transport Act 1962.

SECOND SCHEDULE

Reg. 4 (1)

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. Financial services.
4. Fresh meat, and frozen fresh meat, except poultry.
5. Fish, fresh, frozen, or smoked (not including canned fish or fish, processed, packaged, and frozen, and shellfish, crustaceans, or oysters).
6. Livestock.
7. Goods sold or services performed on the basis of prices submitted by competitive tender.
8. Women's fashion clothing other than standard lines.
9. Goods and services for which the Minister has, by notice published in the *Gazette*, granted an exemption from these regulations for the purpose of preserving essential supplies or services.

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, which are of a temporary nature, freeze the prices of most goods and services.

Issued under the authority of the Regulations Act 1936.

Date of notification in *Gazette*: 18 August 1976.

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