

Price Order No. 1658 (Drugs and Druggists' Lines)

PURSUANT to the Control of Prices Act 1947, the Price Tribunal hereby makes the following price order:

1. This order may be cited as Price Order No. 1658, and shall come into force on the 11th day of May 1956.

2. (1) Price Orders Nos. 1099,* 1261†, 1356‡, and 1463§ are hereby revoked.

(2) The revocation of the said orders shall not affect the liability of any person for any offence in relation thereto committed before the coming into force of this order.

3. In this order, unless the context otherwise requires:

"Wholesale purchase price", in relation to any goods, means—

(a) With respect to goods purchased in New Zealand: The price paid or payable by the wholesaler for the goods increased by the amount of any disbursements (exclusive of sales tax) for which the wholesaler may be liable in respect of the delivery of the goods from the vendor to the wholesaler and decreased by any amount agreed upon between the vendor and the wholesaler as being payable or allowable to the wholesaler in respect of the return of the containers in which the goods were delivered and further decreased by the amount of any discount in respect of the sale of the goods that the wholesaler has at any time the right to claim whether or not he avails himself of that right:

(b) With respect to goods imported into New Zealand: The gross invoice cost of the goods increased by 1 per cent thereof (to cover incidental expenses such as the cost of cables, letters of credit, bank interest (other than exchange), demurrage, carrier's waiting-time, wastage, and pillage) and further increased by such charges as have been incurred by the importer with respect to—

- (i) Packing;
- (ii) Lading and transport to ship;
- (iii) Insurance;
- (iv) Overseas freight;
- (v) Overseas buying commission;
- (vi) Exchange;
- (vii) Local landing charges;
- (viii) Duty;

and then decreased by any amount that may be payable or allowable to the importer by way of discount, commission, or otherwise:

(c) With respect to goods compounded or otherwise manufactured by a wholesaler: The amount authorised pursuant to the Control of Prices Act 1947, as the approved selling price of those goods.

"Wholesale selling price", in relation to any goods, means the price for the time being authorised under the Control of Prices Act 1947, to be charged for the goods by the wholesaler to the retailer buying the goods.

"Wholesaler", in relation to any goods, means a person who sells the goods to a retailer, a hospital board, or the proprietor or governing body of a hospital or similar institution, an industrial user, or a professional user.

"Industrial user" means a person in business on his own account who buys goods to which this order applies for use in that business and not for resale in the form in which they were bought and includes a body corporate that buys any such goods for use in any undertaking that it is authorised to carry on and not for resale in the form in which they were bought.

"Professional user" means a registered medical practitioner, dentist, or veterinary surgeon who buys goods to which this order applies for use in his professional capacity.

APPLICATION OF THIS ORDER

4. (1) Subject to the following provisions of this clause this order applies with respect to the goods specified in the First Schedule hereto.

(2) The wholesale prices fixed by this order shall not apply with respect to any goods the prices of which are for the time being fixed by any price order other than this order or by any approval under section 16 of the Control of Prices Act 1947, or to any goods compounded or otherwise manufactured by a wholesaler and in respect of which no price has been approved pursuant to the Control of Prices Act 1947.

(3) Nothing in this order shall apply with respect to sales by a trader who imports goods to which this order applies and sells them to a wholesaler; or to sales made by one wholesaler to another wholesaler.

(4) The retail prices fixed by this order shall not apply with respect to any goods the retail prices of which are for the time being fixed by any price order other than this order or by any approval under section 16 of the Control of Prices Act 1947.

*Gazette, 17 November 1949, Vol. III, page 2683.

†Gazette, 28 June 1951, Vol. II, page 924.

‡Gazette, 20 March 1952, Vol. I, page 416.

§Gazette, 23 April 1953, Vol. I, page 656.

FIXING MAXIMUM WHOLESALE AND RETAIL PRICES OF GOODS TO WHICH THIS ORDER APPLIES

Wholesalers' Prices

5. (1) Subject to the provisions of this order the maximum price that may be charged or received by any wholesaler for any goods to which this order applies that are sold to a retailer, hospital board, or the proprietor or governing body of a hospital or similar institution, industrial user, or professional user, shall not exceed the sum of the following amounts:

- (a) The wholesale purchase price of the goods;
- (b) The appropriate maximum percentage of the wholesale purchase price specified in the second column of the First Schedule hereto;
- (c) The amount of any discount customarily allowed by the wholesaler for payment before a specified date calculated in relation to the total of the items in paragraphs (a) and (b) hereof;
- (d) The amount of the sales tax (if any) paid by the wholesaler in respect of the goods;

Provided that where, prior to the coming into force of this order, a wholesaler sold goods to which this order applies to a hospital board or the proprietor or governing body of a hospital or similar institution and the percentage of profit to the wholesaler in respect of any such sale was less than the appropriate percentage specified in the First Schedule hereto, the said appropriate percentage shall, in respect of any future sale of goods of the same kind and under the same terms and conditions, be deemed to be reduced to the amount of the former percentage of profit to that body or person.

(2) Where the maximum price calculated in accordance with the provisions of this clause is not an exact number of pence the maximum price may be calculated to the next upward penny.

(3) If, in the opinion of the wholesaler, any person or body corporate is not an industrial user or a professional user (as the case may be), in respect of any specific goods proposed to be bought from the wholesaler the wholesaler shall not be bound by the provisions of this clause with respect to sales to industrial users or professional users (as the case may be).

6. Every wholesaler and every retailer who imports any goods to which this order applies and every wholesaler who purchases in New Zealand any goods to which this order applies shall, before selling the goods, forward to the Director of Price Control in such manner as the Director requires a return in respect of the goods in the form in the Second Schedule hereto:

Provided that where a wholesaler or retailer has furnished a return under this clause in respect of any goods he shall not be obliged unless specially requested to do so by the Director to furnish a return in respect of other goods of the same kind unless—

- (a) The wholesale cost of the other goods is less than the wholesale cost of the goods to which the return already made relates; or
- (b) The wholesale cost of the other goods is more than the wholesale cost of the goods in respect of which the return already made relates and the wholesaler or retailer proposes to charge more for such other goods.

Retailers' Prices

7. (1) Subject to the provisions of this order the maximum price that may be charged or received by a retailer for any goods to which this order applies shall be determined as follows:

- (a) For the drugs specified in Group A of the First Schedule hereto or for mixtures or compounds made by the retailer of any such drugs or for goods in Group B of the said Schedule that are compounded by the retailer or sold "by count" the maximum price shall be the price computed in terms of the official schedules and rules as to prescription pricing issued by the Department of Health under the authority of the Social Security Act 1938.
- (b) For any other goods to which this order applies the maximum price shall not exceed the sum of the following amounts:

(i) The wholesale selling price of the goods to the retailer, decreased by the amount of any discount allowed by the wholesaler for payment on or before a specified date (whether or not the retailer takes advantage of his right to deduct any such discount) and further decreased by the amount charged by the wholesaler in respect of the containers in which the goods are packed or such amount as is repayable on the return thereof, as the case may be;

(ii) Any sales tax payable by the retailer in respect of the goods;

(iii) The appropriate maximum percentage of the amounts specified in paragraphs (i) and (ii) hereof set out in the First Schedule hereto;

(iv) The appropriate proportion of transport costs incurred by the retailer in respect of the goods: Provided that transport costs calculated under this paragraph shall not exceed the amount that would have been incurred had the goods been transported by the holder of a goods service licence under the Transport Licensing Act 1931, at authorised rates.

(2) Where the maximum price calculated in accordance with the provisions of this clause is not an exact number of pence or halfpence the maximum price may be calculated to the next upward halfpenny.