



SUPPLEMENT
TO THE
NEW ZEALAND GAZETTE
OF

THURSDAY, 25 JULY 1974

Published by Authority

WELLINGTON: MONDAY, 29 JULY 1974

Price Freeze Regulations No. 6 (1973) (Regulation 2)

NOTICE OF APPROVAL BY THE PRICE TRIBUNAL OF CHARGE-OUT RATES FOR SPECIFIED SERVICES

The Tribunal notes the advices of the Assistant Secretary, Department of Trade and Industry, as set out in his letter dated 18 July 1974 and which reports as follows:

1. The Price Freeze Regulations (No. 6) 1973 controlling specified service charge-out rates remain in force and the Department is in the process of finalising its investigations into these charge-out rates, with the objective of reporting to the Tribunal on possible methods of fixing charge-out rates for each of the trades concerned. It is envisaged that a public hearing might be considered by the Tribunal to handle the matter since no doubt the trades concerned will wish to make submissions with their individual interests in mind.

2. However, in the meantime the Department considers it is necessary and equitable to allow relief to those traders subject to the price freeze to recover the 1 July Wage Adjustment Order. Service traders whose charges have been frozen since 14 November 1973 have had to absorb all overhead cost increases and the 2.7 percent wage order granted in February 1974 together with the unrecovered balance of the 8.5 percent Wage Adjustment Order given in August 1973. Further wage absorption by these traders is inequitable considering all other traders are able to recover at least part of the 9 percent General Wage Adjustment.

3. Administratively it is not possible to process applications for relief in connection with the General Wage Adjustment from individual traders. The Department therefore recommends that the Price Tribunal exercise its discretionary power to give a general approval of new charge-out or recovery rates to enable the traders subject to the freeze to recover the admissible remuneration granted pursuant to the Wage Adjustment Regulations 1974. This power may be exercised without a specific application being made, under regulation 2 of the Price Freeze Regulations 1973 (No. 6).

4. The Department recommends that service traders subject to the price freeze be allowed to recover 10 percent of any increase in remuneration payable on 30 June 1974. This would enable traders to recover the 9 percent Wage Adjustment Order together with an allowance of 1 percent for the increased cost of annual and statutory holiday pay which will result from this Order. The Department also recommends that a monetary ceiling limit of 30 cents per

hour be included in any approval as it appears few wage rates will exceed \$3.00 per hour. This will result in no charge-out rate increasing by more than 30 cents per hour.

5. The Tribunal resolves that—

As from 29 July 1974—

(a) In the case of any supplier of any service subject to the Price Freeze Regulations (No. 6) 1973 whose charge-out rate is determined on an hourly rate basis, the approved charge-out rate shall be no more than—

Such hourly charge-out rate as he was lawfully charging as at the 14th day of November 1973 increased by an amount representing 10 percent of his weighted average hourly wage rate being calculated by:

(i) Determining the total remuneration (but not including overtime remuneration) lawfully being paid to all workers directly engaged in supplying the service in the week ending the 29th day of June 1974; and

(ii) Dividing the remuneration as determined in subparagraph (i) of this paragraph by the total amount of hours worked at ordinary time by the same workers in the week ending the 29th day of June 1974.

Provided that in no case shall the increase in the hourly charge-out rate of the supplier exceed 30 cents per hour.

(b) In the case of any supplier of any service subject to the Price Freeze Regulations (No. 6) 1973, whose charge-out rate is determined other than on an hourly rate basis, the approved charge-out rate shall be no more than—

Such charge rate as he was lawfully charging as at the 14th day of November 1973 increased by no more than an amount representing the same increase in hourly wage rate recoverable in respect of remuneration paid at ordinary time to all workers directly engaged in supplying the service as at the 30th day of June 1974, under paragraph (a) hereof.

Dated at Wellington this 25th day of July 1974.

The Seal of the Tribunal was affixed hereto in the presence of—

[L.S.]

K. R. CONGREVE, President.
A. G. BEADLE, Member.
F. F. SIMMONS, Member.

(T. and I.)