

## New Zealand.



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1931, No. 1.

AN ACT to make Provision for the Adjustment of Public Expenditure, and to empower the Court of Arbitration on Account of Economic and Financial Conditions affecting Trade and Industry in New Zealand to amend Awards, Industrial Agreements, and Apprenticeship Orders in relation to Rates of Wages. Title. [11th April, 1931.]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Finance Act, 1931. Short Title.

#### PART I.

##### PUBLIC EXPENDITURE ADJUSTMENT.

2. (1) Save as provided by the next succeeding subsection, the term "salary" means, for the purposes of this Part of this Act, the salary, wages, allowances, fees, commission, and every other emolument, whether in one sum or several sums, received by any person to whom

this Part of this Act applies; and where any such person, whether permanently or temporarily employed, is provided in respect of his office or position with board or lodging, or with the use of a house or quarters, or is paid an allowance in lieu of being so provided with board or lodging or with the use of a house or quarters, the value of such benefits, determined in the case of a contributor to the Public Service Superannuation Fund or the Teachers' Superannuation Fund in accordance with the provisions of section one hundred and fifteen of the Public Service Superannuation Act, 1927, and determined in the case of any other person in such manner as the Minister of Finance directs, shall be deemed to be salary for the purpose of ascertaining the total rate of salary to be reduced pursuant to the provisions of this Part of this Act.

(2) The term "salary" does not include—

- (a) Travelling-expenses, or any fee, commission, or other emolument which the Minister of Finance declares not to be salary; or
- (b) Any superannuation or other retiring-allowance.

3. (1) Save as provided in the next succeeding section, this Part of this Act shall apply to—

- (a) All Ministers of the Crown:
- (b) The Speaker and Chairman of Committees of the Legislative Council, and the Speaker and Chairman of Committees of the House of Representatives:
- (c) Members of the General Assembly:
- (d) The Clerk and Clerk-Assistant of the Legislative Council, and the Clerk and Clerk-Assistant of the House of Representatives:
- (e) The High Commissioner for New Zealand:
- (f) The Controller and Auditor-General:
- (g) The Public Service Commissioner and the Assistant Commissioners, or any Acting Assistant Commissioner:
- (h) All persons employed in the Public Service within the meaning of Part I of the Public Service Superannuation Act, 1927 (whether permanently so employed or not):
- (i) All persons employed in the Education Service within the meaning of Part IV of the Public Service Superannuation Act, 1927 (whether permanently so employed or not):
- (j) The General Manager and all employees of the Government Railways Department:
- (k) Any other person in receipt of remuneration from public moneys within the meaning of the Public Revenues Act, 1926, or who is or may be remunerated from grants made from public moneys, to whom this Act may be applied by the Minister of Finance by notice in the *Gazette*, not being a person exempted from the operation of this Act by the next succeeding section.

(2) If the Minister of Finance is satisfied that the terms of any agreement or arrangement hereafter entered into between the General Manager of Railways, on behalf of the Minister of Railways, and any society or association of employees of the Second Division of the Government Railways Department would effect a reduction of expenditure in respect of the salaries or wages of those employees not less than the

reduction that would be effected therein by this Act, he may, by order in writing, exclude the members of such society or association from the operation of this Act. Any such order may at any time be revoked or cancelled, and thereupon the members of the society or association shall again become subject to this Act, save that in any such case, in computing the reduction to be made at any time from the rate of remuneration of any such member, all reductions effected pursuant to the terms of any agreement or arrangement as aforesaid shall be taken into account.

4. Nothing in this Act shall apply to—

(a) The Governor-General:

(b) Any person employed by the Government or by any other authority for a specific limited term of office pursuant to a contract made out of New Zealand.

Exemptions.

5. The rates of salaries and honoraria payable to Ministers of the Crown and to members of Parliament (including the Speakers and the Chairmen of Committees) shall as from the first day of April, nineteen hundred and thirty-one, be reduced by an amount equal to ten per centum of the rates fixed by the Civil List Act, 1920, as reduced by section four of the Public Expenditure Adjustment Act, 1921-22.

Reduction of salaries of Ministers of Crown and members of Parliament.

6. (1) The rates of salary of all other persons to whom this Act applies shall as from the first day of April, nineteen hundred and thirty-one, be reduced by an amount equal to ten per centum of the rates (whether annual, monthly, weekly, daily, hourly, or otherwise howsoever) at which such persons are paid on the thirty-first day of March, nineteen hundred and thirty-one.

Reduction of salaries of other persons to whom this Act applies.

(2) Where in any case rates of payment for overtime are fixed by reference to the rates of payment for time other than overtime, the last-mentioned rates shall, as from the first day of April, nineteen hundred and thirty-one, be deemed to be the rates as reduced in accordance with this Act.

(3) Where any part of the salary of any person consists of board or lodging, or the use of a house or quarters, the total amount by which his salary is reduced as aforesaid shall be deducted from moneys payable to him in respect of such salary.

7. (1) Where pursuant to any Act or other authority grants are made from the Consolidated Fund or other public moneys to any Education Board, or to the governing body of any secondary school or of any University college or other institution, and such grants are available for the payment of salaries by such Education Board or governing body, then, notwithstanding anything to the contrary in any Act or other authority, the amount of such grants shall be reduced by an amount equal to ten per centum thereof, and where any such grant is only partly available for payment of salaries directly or indirectly, the Minister of Finance shall determine the portion of such grant that shall be deemed to be available for payment of salaries, and the amount of such portion shall be reduced by an amount equal to ten per centum thereof.

Reduced grants to Education Boards and to governing bodies of University colleges, and to local authorities, &c.

(2) Any grants or subsidies payable out of the Consolidated Fund or other public moneys to any local authority pursuant to section seventy-two of the Municipal Corporations Act, 1920, or to Hospital Boards under the Hospitals and Charitable Institutions Act, 1926, or

to Fire Boards under the Fire Brigades Act, 1926, or to the Rotorua Borough Council pursuant to section six of the Rotorua Borough Act, 1922, shall, as from the first day of April, nineteen hundred and thirty-one, be reduced by ten per centum thereof.

Saving of rights of contributors to superannuation funds.

8. (1) Every person whose rate of salary is reduced by this Part of this Act and who is a contributor to the Public Service Superannuation Fund, or the Teachers' Superannuation Fund, or the Government Railways Superannuation Fund, may, by notice in writing to the Secretary of the Board charged with the administration of that superannuation fund, given on or before the thirtieth day of September, nineteen hundred and thirty-one, elect to continue to contribute to the fund as if his salary had not been so reduced; and every person so electing and contributing shall be entitled on retirement to a retiring-allowance (if any) of the same amount as that to which he would have been entitled if his salary had not been reduced by this Act:

Provided that in the case of any such person who at the thirty-first day of March, nineteen hundred and thirty-one, is, pursuant to an election made by him pursuant to subsection one of section eleven of the Public Expenditure Adjustment Act, 1921-22, contributing to any such fund on the basis of a higher rate of salary than that actually being received by him on that date, such person may elect, pursuant to this section, to continue to contribute to such fund on the basis of such higher rate, and on retirement his retiring-allowance (if any) shall be calculated accordingly.

(2) Where a contributor does not make an election pursuant to this section, the amount of contributions deducted (whether before or after the passing of this Act) from his salary in respect of the difference between the rate of his salary as reduced by this Act and any higher rate of salary to which he may have been theretofore entitled, or on the basis of which he had theretofore been contributing to any of the aforesaid superannuation funds, shall be held by the Superannation Board, and shall be credited to the contributor in satisfaction to the extent thereof of contributions thereafter becoming payable.

Saving of rights of Stipendiary Magistrates to retiring-allowances.

9. Every Stipendiary Magistrate to whom Part III of the Public Service Superannuation Act, 1927, applies, and whose salary is reduced by this Part of this Act, may by notice in writing to the Minister of Finance, given on or before the thirtieth day of September, nineteen hundred and thirty-one, elect to continue to have deductions made from his salary pursuant to subsection three of section sixty-three of such first-mentioned Act as if such salary had not been so reduced; and every Stipendiary Magistrate so electing shall be entitled on retirement to a retiring-allowance (if any) of the same amount as that to which he would have been entitled if his salary had not been reduced by this Part of this Act.

Saving of rights of certain other persons with respect to compensation for loss of office or retiring-allowances.

10. Every person (not being a person to whom either of the two last preceding sections relates) whose rate of remuneration is reduced by this Part of this Act and who is entitled on retirement to compensation for loss of office or to a retiring-allowance computed with reference to the rate of his remuneration shall, on retirement after the passing of this Act, be entitled to the same compensation or to the same rate of retiring-allowance as if this Act had not been passed.

*Not applicable*

11. (1) The provisions of this Act as to rates of honoraria or salary shall apply notwithstanding anything in any Act or in any regulations or scale of salaries to the contrary; and the rates of honoraria and salaries as fixed pursuant to this Act shall continue in force until lawfully altered.

Statutory scales, &c., of salaries to be subject to this Act.

(2) Where pursuant to any Act or regulations, or scale of salaries or wages, any person is entitled to an increment to his salary or wages, the rate of every such increment shall, until the same is lawfully altered, be reduced by an amount equal to ten per centum thereof.

(3) All rates of salaries and wages which by any Act or by any scheme of classification are appropriate to any position or office shall be deemed to be reduced by the amount of any reduction effected by this Act in the rate of remuneration of any person holding such position or office, or, in the case of positions and offices vacant on the first day of April, nineteen hundred and thirty-one, that would have been effected if any person had been holding such position or office on that date.

12. (1) The Governor-General may from time to time make all such regulations as may be deemed necessary for the purpose of carrying this Act into effect. In particular, but without limiting the authority conferred by this section, any such regulations may provide for the adjustment of anomalies or for the relief of cases of hardship, or may fix the actual amount by which any rates of salaries shall be reduced in accordance with this Act where a reduction to the extent of the said ten per centum would result in any fraction of a penny being payable according to such rates as so reduced.

Regulations.

(2) Such regulations shall be sufficient authority for the payment of any moneys certified in manner prescribed by those regulations to be payable in accordance therewith.

13. (1) The Governor-General may from time to time, by Order in Council, apply this Part of this Act to all persons employed in the Cook Islands Public Service and to all persons employed in the Samoan Public Service, whether permanently so employed or not, or to such persons or classes of persons so employed as are specified in such order, or to all persons so employed other than persons or classes of persons specified in such order.

Application of this Part of this Act to Cook Islands and Samoan Public Services.

(2) Every such Order in Council shall have effect according to its tenor from a date specified therein, being not earlier than the first day of April, nineteen hundred and thirty-one, and may from time to time be amended or may be revoked.

14. (1) This section shall apply to every person, being a contributor to the Public Service Superannuation Fund, or the Government Railways Superannuation Fund, or the Teachers' Superannuation Fund, who at any time after the passing of this Act, not later than the thirtieth day of September, nineteen hundred and thirty-one, is compulsorily retired through no fault of his own from the Government Service, or the Government Railways Department, or the Education Service, as the case may be, and who, at the date of such retirement, would, if not more than five years were added to his age or length of service, be entitled as of right or with the consent or approval of the Minister in charge of the Department in which he is employed, or of the Government Railways Superannuation Board, as the case may be, to

Special provision with respect to retiring-allowances out of superannuation funds to certain persons compulsorily retired

give notice for the purposes of section twenty-six of the Public Service Superannuation Act, 1927, or section one hundred and two of the Government Railways Act, 1926, of his intention to retire voluntarily, or, as the case may be, be entitled as of right or with the approval of the Minister of Education to receive a retiring-allowance pursuant to section seventy-five of the Public Service Superannuation Act, 1927, on his voluntary retirement from the Education Service.

(2) Every person to whom this section applies shall, on his being compulsorily retired as aforesaid, be entitled to receive from the appropriate superannuation fund an annual retiring-allowance which shall not in any case be of an amount greater than the maximum amount which the Government Actuary certifies can be granted by way of such retiring-allowance without imposing on the superannuation fund any additional liability by reason of such retiring-allowance being granted before the earliest date on which the contributor would have been entitled, as of right, to receive a retiring-allowance on his voluntary retirement.

## PART II.

### AMENDMENT OF AWARDS, INDUSTRIAL AGREEMENTS, AND APPRENTICESHIP ORDERS IN RELATION TO WAGES.

15. In this Part of this Act, unless the context otherwise requires,—
- “Apprenticeship order” means an order made by the Court under section five of the Apprentices Act, 1923 :
  - “Court” means the Court of Arbitration :
  - “Industrial agreement” includes both an industrial agreement within the meaning of the principal Act and an agreement filed with a Clerk of Awards pursuant to section eight of the Labour Disputes Investigation Act, 1913 :
  - “Principal Act” means the Industrial Conciliation and Arbitration Act, 1925 :
  - “Rates of remuneration” includes time and piece wages and overtime and any other special payments.

16. (1) At any time and from time to time at intervals of not less than six months while this Part of this Act remains in force the Court shall have power, subject to the conditions hereinafter in this Part of this Act expressed, to amend, in such manner as it thinks fit, the provisions of awards or industrial agreements in so far as such provisions determine the rates of remuneration of workers.

(2) In exercising the powers conferred upon it by this section the Court shall take into account the economic and financial conditions affecting trade and industry in New Zealand, and all other considerations which it deems relevant, and may, by general order, make such reduction or increase in the rates of remuneration payable under the provisions of any award or industrial agreement as it thinks just and equitable :

Provided that before making any general order under this section the Court shall afford such opportunity as it thinks proper to representatives appointed by the parties bound by awards and industrial agreements to be heard by the Court with respect to the amount by which any rates of remuneration should be decreased or increased, save that

Interpretation.

Arbitration Court may by general order amend awards or industrial agreements with respect to rates of wages.

the failure of any parties to appoint any such representative shall not affect the validity of any general order made by the Court under this section.

17. Every general order made under the last preceding section shall be filed by the Clerk of Awards in every industrial district, and shall be deemed to have been incorporated in every award and industrial agreement in force in such industrial district as from the date of the order, or as from such later date as may be specified in the order in that behalf, and shall have effect according to its tenor.

Filing and effect of general order.

18. (1) The Court may, by the same or a subsequent order, of its own motion or on the application of any party to an award or industrial agreement, make such provision as it considers just and equitable for any class or section of workers if it is satisfied that by reason of the special provisions of any awards or industrial agreements affecting such workers, or of economic and financial conditions affecting any trade or industry, or any other relevant considerations, such class or section of workers should be excluded from the operation of any such general order.

Court may make special provision with respect to any class or section of workers excluded from operation of general order.

(2) No application under the last preceding subsection shall be made by any industrial union or industrial association within the meaning of the principal Act, or a society of workers within the meaning of the Labour Disputes Investigation Act, 1913, until a proposal to make such application has been approved by the members of the union or each of the unions comprised in the association or the members of the society of workers, as the case may be, in the same manner as if the application were an application to which section one hundred and eight of the principal Act applies.

(3) Every application under subsection one of this section shall state the special grounds on which the application is based, and shall be filed with the Clerk of Awards in each of the industrial districts to which the award or industrial agreement relates.

(4) Where a date has been fixed by the Court for the hearing of such application the Clerk shall forthwith give notice to the parties concerned.

19. The powers conferred on the Court with respect to awards and industrial agreements by the foregoing provisions of this Part of this Act may from time to time be exercised by the Court in respect of rates of remuneration fixed by it by apprenticeship orders.

Amendment of apprenticeship orders under Apprentices Act, 1923.

Provided that nothing in any general order reducing or increasing rates of remuneration payable under apprenticeship orders shall apply to any contract of apprenticeship in force at the taking-effect of such general order.

20. (1) This Part of this Act shall come into operation on the first day of April, nineteen hundred and thirty-one, and shall continue in force until the thirty-first day of December, nineteen hundred and thirty-two, and no longer.

Commencement and duration of this Part.

(2) The repeal or expiry of this Part of this Act shall not affect the operation of any award or industrial agreement or apprenticeship order amended pursuant thereto, and every such award or industrial agreement or apprenticeship order as so amended shall continue to operate as if this section had remained in force.