



**National Council of
Women of New Zealand**
Te Kaunihera Wahine o Aotearoa

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Submission to the Economic Development, Science and Innovation Select Committee on the Fair Trading Amendment Bill 213-1

Introduction

- 0.1 The National Council of Women of New Zealand, Te Kaunihera Wahine o Aotearoa (NCWNZ) is an umbrella group representing over 200 organisations affiliated at either national level or to one of our 15 branches. In addition, about 450 people are individual members. Collectively our reach is over 450,000 with many of our membership organisations representing all genders. NCWNZ's vision is a gender equal New Zealand and research shows we will be better off socially and economically if we are gender equal. Through research, discussion and action, NCWNZ in partnership with others, seeks to realise its vision of gender equality because it is a basic human right.
- 0.2 This submission has been prepared by the NCWNZ Consumer Affairs Standing Committee and the Parliamentary Watch Committee after consultation with the membership of NCWNZ.

1. Summary

- 1.1 NCWNZ has had a long-standing interest in consumer protection and the operation of the Fair Trading Act in New Zealand. We strongly support this legislation and its goal to strengthen protections against unfair practices; to extend protections against unfair terms in consumer contracts; to ensure consumers and small business are treated fairly and to protect consumers from sellers and traders who turn up uninvited on people's doorsteps.

2. Clause 9, Directions to leave premises or not enter premises

- 2.1 New Zealand women have long held safety concerns about direct sellers and traders who turn up uninvited onto residential properties and knock on doors trying to sell products or services, and that is why we strongly support provisions in the Bill which would make it illegal for a seller or trader to enter a property if it has a 'do not knock' sticker on a letterbox or other directive that signals they don't want them to turn up, uninvited, on their doorsteps. We are also aware that some traders prey on vulnerable consumers and attempt

to sign them up to contracts they don't want, or can't afford, and this provision will help to protect against this unfair practice

3 Clause 7 Sections 26B to 26E

- 3.1 The members strongly support the provisions in the Bill which extend protections to consumers against unfair terms in consumer contracts—namely contracts which are imbalanced; which give companies unilateral rights to vary a contract, or which cause significant imbalance between the rights of a company and the rights of a consumer.

4 Clause 6, Section 7 Unconscionable conduct

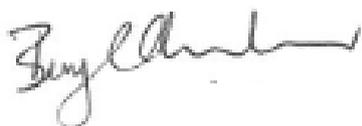
- 4.1 NCWNZ members agree, too, that businesses, and especially small businesses, need stronger protection against 'unconscionable conduct' -- defined in the Bill as serious misconduct that goes beyond what is commercially necessary or appropriate. We support the intention of the legislation to base the definition of 'unconscionable conduct' on that used in the Australian Competition and Consumer Act 2010¹ and also support the criteria set out in this Bill that a court would need to take into account when deciding whether conduct was 'unconscionable.'

5 Clause 6, Section 8 Court may have regard to certain matters

- 5.1 It is noted that research conducted in 2018 found that 45% of small businesses said they had been bullied or pressured by large businesses, or subject to conduct that would be defined as 'unconscionable' under this Bill.
- 5.2 We consider it unfair that many small businesses suffer serious cash-flow issues arising from late payments for work they have done or products they have supplied. It is not uncommon for businesses to have to wait 90 days for payment for services or goods, and this places unnecessary cash flow and other stresses on small businesses.
- 5.3 Other examples members are aware of are supermarkets penalising suppliers because they promote or sell their products to other retailers. We consider these practices to be unfair and unreasonable.

6 Conclusion

- 6.1 For all of these reasons above, the National Council of Women strongly supports the provisions in the Fair Trading Amendment Bill 2020.



Beryl Anderson
Convenor Parliamentary Watch Committee

Sue Kedgley
Convenor Consumer Affairs Standing Committee

¹ Competition and Consumer Act 2010. <https://www.legislation.gov.au/Details/C2019C00149>