



COVERSHEET

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| Minister | Hon Dr David Clark | Portfolio | Commerce and Consumer Affairs |
| Title of Cabinet paper | Fair Trading Amendment Bill: Supplementary Order Paper | Date to be published | 23 June 2021 |

List of documents that have been proactively released

| Date | Title | Author |
|---------------|---|--|
| 11 March 2021 | Fair Trading Amendment Bill: Supplementary Order Paper | <i>Office of the Minister of Commerce and Consumer Affairs</i> |
| 11 March 2021 | LEG-21-MIN-0020 Cabinet Legislation Committee: Minute of Decision: Fair Trading Amendment Bill: Supplementary Order Paper | <i>Cabinet Office</i> |

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld to maintain the confidentiality of advice to Government.



Cabinet Legislation Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Fair Trading Amendment Bill: Supplementary Order Paper

Portfolio **Commerce and Consumer Affairs**

On 11 March 2021, the Cabinet Legislation Committee:

- 1 **noted** that the Fair Trading Amendment Bill amends the Fair Trading Act 1986 to introduce new protections against unfair commercial practices, including a prohibition on unconscionable conduct and protections against unfair contract terms in small trade contracts (where the contracts are worth under \$250,000 per annum);
- 2 **noted** that the Minister of Commerce and Consumer Affairs Confidential advice to Government
[Redacted]
- 3 **noted** that on 12 August 2020, the Economic Development, Science and Innovation Committee discharged the Fair Trading Amendment Bill without a report, and returned the Bill to the House for second reading as introduced;
- 4 **noted** that the Minister of Commerce and Consumer Affairs intends to make the following changes to the Bill at the Committee of the whole House stage:
 - 4.1. simplifying the definition of ‘small trade contract’ by removing the concept of ‘related parties’, with the effect that contracts between related parties such as a parent and subsidiary company will not count towards the \$250,000 annual value threshold to come under the unfair contract terms protections;
 - 4.2. allowing the application of the unfair contract terms provisions to business insurance contracts to be delayed until changes arising from the Government’s review of insurance contract law are developed and passed; and
 - 4.3. technical clarifications to improve drafting;
- 5 **authorised** the release of the Supplementary Order Paper to the Fair Trading Amendment Bill [PCO 21917-1/6.0] which gives effect to the amendments in paragraph 4;
- 6 **authorised** the Minister of Commerce and Consumer Affairs to make minor or technical changes to the Supplementary Order Paper prior to lodgement;

7 **agreed** that the Supplementary Order Paper be released by 16 March 2021.

Gerrard Carter
Committee Secretary

Present:

Hon Chris Hipkins (Chair)
Hon Andrew Little
Hon Poto Williams
Hon Kris Faafoi
Hon Michael Wood (Deputy Chair)
Hon Dr David Clark
Keiran McNulty, MP (Senior Government Whip)

Officials present from:

Office of the Prime Minister
Officials Committee for LEG