

*Submission*

By the

National Association of Retail Grocers and  
Supermarkets of New Zealand

to the

**Commerce Committee**

on the

**Consumer Law Reform Bill**

**March 2012**



PO Box 1925  
Wellington  
Ph: 04 471 1338  
Fax: 04 496 6550

## 1. INTRODUCTION

- 1.1 This submission is made on behalf of the National Association of Retail Grocers and Supermarkets of New Zealand (NARGON), an organisation representing approximately 35% of New Zealand's food retailing industry.
- 1.2 NARGON has around 400 retail members who are owner-operators of retail food warehouses, supermarkets and grocery and convenience stores. In the main NARGON's retail members are aligned to a banner advertising group of stores such as Pak'N Save, New World, Four Square and Shoprite.

## 2. RECOMMENDATIONS

### 2.1 Declaring Goods Unsafe/Product Recall

We are supportive of the proposal to require a supplier undertaking a voluntary recall to notify the regulator of a recall two working days after recalling the goods themselves. However we have serious reservations about the proposal that the Minister may require a recall if it appears that a reasonably foreseeable use (or misuse) will, or may cause injury to any person.

If the intended use of an item would not cause any health or safety risk it would be an overkill to recall a product based on its misuse.

In some cases where misuse of a product would be deemed as criminal activity, the intention of this Bill would therefore be forming law around criminal activity.

**NARGON recommends that no recall should be allowed on products based on their misuse.**

### 2.2 Product Safety Officers

The Bill provides for the appointment of product safety officers and gives them powers to enter premises, inspect suspected unsafe goods and also to issue "suspension of supply" notices in respect of goods implicated in injury or death or that are suspected to be unsafe.

**NARGON support's this proposal.**

### **2.3 Product Safety Statements**

The Bill provides for the Ministerial issuing, after consultation, of product safety statements relating to specific goods which also provide guidance on the safety of specific goods to consumers, retailers and manufacturers.

**NARGON supports this, but would like to stress that the statements need to be clear and easily understood and for industry consultation to be maintained.**

### **2.4 Unconscionable Conduct and Unfair Contract Terms**

BusinessNZ has submitted a comprehensive submission on this part of the proposed bill and NARGON fully endorses their submissions. NARGON recommends that

- a) The Bill does not introduce prohibition on unconscionable conduct**
- b) The prohibition on unfair contract terms should not be introduced into the Bill.**