

1 April 2025

Committee Secretariat
Economic Development, Science and Innovation Committee
Parliament Buildings
Wellington

SUBMISSION on the Consumer Guarantees (Right to Repair) Amendment Bill

1. Introduction

Thank you for the opportunity to make a submission on the Consumer Guarantees (Right to Repair) Bill (the Bill). This submission is from Consumer NZ, an independent, non-profit organisation dedicated to championing and empowering consumers in Aotearoa. Consumer NZ has a reputation for being fair, impartial and providing comprehensive consumer information and advice.

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We wish to speak to our submission.

2. General comments on the Bill

Consumer NZ strongly supports the introduction of right to repair legislation. New Zealand has one of the highest per capita amounts of electrical waste on the planet. We are also the only country in the Organisation for Economic Co-operation and Development (OECD) that does not have e-waste regulations.

Many other jurisdictions (including the European Union, Australia and parts of the United States) have introduced laws establishing a right to repair. New Zealanders deserve the right to repair and maintain the goods we purchase in Aotearoa too.

Individuals, or their chosen repairers, should be able to quickly, easily and affordably access the information, parts, tools and software required to repair their items, for a reasonable amount of time after purchase.

Without a right to repair, New Zealand risks becoming a dumping ground for poorly designed and low-quality products.

Introducing the right to repair in New Zealand will generate long-term cost savings for consumers.

More durable and repairable products will be better for the environment.

New Zealand will also reap the benefits of having a thriving second-hand market and independent repair industry.

Consumers support the right to repair movement. New Zealanders want to see a shift towards a circular economy, where products are repairable and built to last.

In 2024, we lodged a petition calling on the government to introduce mandatory repairability labelling on household appliances and electronic devices. The petition received 21,234 signatures, showing widespread support for better regulation in the right to repair space.

3. Specific comments on the Bill

We fully support the intent of the Bill but have some concerns about the current drafting. These concerns are set out below.

3.1 Scope of the new section 12

'Goods' are defined in the Consumer Guarantees Act 1993 (CGA) as "personal property of every kind (whether tangible or intangible), other than money and choses in action". Water, animals and computer software are explicitly included in the definition of 'goods' under section 2 of the CGA.

The wording of new section 12 suggests all goods will need to be repairable, including cheap, disposable, intangible and potentially irreparable items. For example, it could cover items such as ballpoint pens,

lightbulbs, crockery, latex gloves, face masks, disposable vapes, apps, software, water, etc.

We think this is unworkable and suggest the scope of the Bill be narrowed. This could be achieved by:

- (a) restricting the application of the Bill to particular categories of goods – similar to the approach taken in the European Union and United Kingdom, or
- (b) restricting the application of the Bill to particular categories of goods that cost more than a specified amount (such as \$50 or \$100). For example, the Bill would apply to electronics and appliances that a consumer bought for \$100 or more. This is like the approach taken in California, where manufacturers of electronics and appliances with a wholesale price over \$50 must make parts, tools and documentation for the repair, diagnosis and maintenance of products available to owners.

We prefer option (b) because it sets clear objective criteria to identify the goods to be included in the regime.

If option (a) were adopted, it's likely some sort of exception would be needed for low-value goods that are uneconomic to repair. However, this would provide a loophole for manufacturers to avoid complying with the regime by claiming a range of items were uneconomic to repair. In contrast, requiring all items (in a particular category) that cost a consumer over a specified amount, such as \$50 or \$100, to be repairable is a clear, objective rule that would be easy for both consumers and manufacturers to understand.

We recommend stewardship obligations be imposed on manufacturers for goods that fall outside the repairability regime to cover the costs of disposal and to incentivise manufacturers to have their products included in the regime.

We think, initially, the Bill should apply to specific categories of products, such as:

- consumer electronics, such as smartphones, smartwatches, computers, tablets, etc
- household appliances, such as food processors, vacuum cleaners, dishwashers, microwaves, washing machines, fridges, dishwashers, etc

- garden power tools, such as line trimmers, lawn mowers, leaf blowers, chainsaws, etc
- bicycles, scooters and other non-motorised vehicles, e-bikes, e-scooters, etc.

We suggest these categories because they include goods that are popular and repairable, contribute to our high rates of e-waste and are sometimes designed with short lifespans.

We recommend the product categories be set out in a schedule to the CGA, which can be easily amended, later, by Order in Council, doing away with the need for a full legislative amendment.

3.2 Other comments on the new section 12

New section 12(1)(a)

The wording “reasonable/reasonably” appears three times in clause 12(1)(a) but does little to create clarity and certainty for manufacturers or consumers. We suggest the Committee gives further thought to this wording.

Depending on which categories of goods are included in the Bill, it may be appropriate to consider specifying how long facilities, parts, tools, information and software must be available after goods are supplied. Currently, the wording only requires facilities and parts to be available for a “reasonable period”.

In the United Kingdom, for example, spare parts for large appliances must be available for 7 to 10 years after the product is introduced to the market.

New section 12(1)(b)

Under new section 12(1)(b), manufacturers are only required to provide information “on request”.

We disagree with this wording. We think manufacturers should have to make information readily available by posting it on their websites and providing links to the information with the product or its packaging. If consumers have to ask for information, under the current wording, manufacturers could easily frustrate the process by taking up to 20 working days to provide that information.

Also, this subclause only allows consumers to make the request. If it is retained in its current form it should be amended to allow anyone to make the request so that independent repairers are able to access the parts, tools, software, etc required to diagnose, maintain and repair goods.

New section 12(4)

We agree manufacturers should have to provide this information without charge, and we support consumers being able to request paper copies of the information, at cost. However, we think the wording of this section could be simplified.

New section 12(5)

We consider the wording of this section to be complex and confusing. We agree manufacturers should be able to charge a fee for providing spare parts, software and other tools when the cost of repairing the goods is no longer covered by the CGA. We consider the fee should be reasonable and should not exceed the cost to the manufacturer of providing these items, plus a small margin. Without such a requirement, manufacturers could easily set exorbitant prices, which could render the regime ineffective.

We also encourage the Committee to consider including a provision that prohibits manufacturers from only offering spare parts as a bundle. That is, we consider spare parts should be available for purchase separately and the CGA should require this.

New section 12(6)

We do not support this clause. We are concerned manufacturers may use this provision to refuse to supply information to consumers and independent repairers because the information is protected by copyright laws. We recommend this clause is deleted.

New section 12(7)

We support the consumer having a right of redress against the manufacturer where goods fail to comply with this guarantee.

However, for clarity, and to ensure the regime is effective, we consider the Bill should include a new provision. The new provision would amend the Fair Trading Act to allow the Commerce Commission to take enforcement action against a manufacturer for failing to comply with the right to repair provisions of the CGA. Given the volume of complaints this could result in,

the Commission would need resourcing to administer the regime, including pro-active monitoring to detect systemic non-compliance.

Without such a provision, the right to repair regime might be ineffective as manufacturers would not face any penalties for failing to comply with its requirements. Instead, consumers would have to pay to take manufacturers to the Disputes Tribunal for failing to comply with their obligations.

3.3 New section 14(4)

We support new section 14(4). Manufacturers should not be able to require consumers to use the manufacturers' authorised repairer or parts.

We also encourage the Committee to consider including a provision that prohibits manufacturers from having contractual terms, hardware or software that impede repairs.

3.4 New section 19A

We support the introduction of the right for consumers to request that suppliers repair goods under section 19(1)(a)(i) rather than replacing them under section 19(1)(b).

However, given our earlier suggestion that the right to repair should only apply to certain categories of goods, we suggest section 19A(2) be amended so that it only requires the supplier to repair goods within a reasonable time if the goods:

- (a) cost more than the specified amount (for example, \$100), and
- (b) are in the specified product categories.

Given the CGA applies to both new and second-hand goods, we also recommend a new provision is added to clarify that the right to repair regime does not apply to second-hand goods.

Without such a provision, it's possible some second-hand traders, such as charity stores, would stop selling second-hand goods, decreasing the number of second-hand goods in circulation and limiting consumers' options.

3.5 New section 25(c)

New section 25(c) does not mention tools or software. We assume this was an accidental omission.

Other comments

We consider a 12- to 18-month transition period to be sufficient for manufacturers to comply with the amendments to the CGA.

For the regime to succeed, we think it is critical that manufacturers be required to inform consumers about their right to repair. This could be done by requiring manufacturers to include information in, or on, the packaging of the goods that come with a right to repair. This reflects the obligation in the European Union. Requiring manufacturers to clearly label the packaging of repairable goods would help consumers make clearly informed decisions and increase awareness of the right to repair.

Finally, manufacturers should have to publish their contact details in, or on, the packaging of goods that are covered by the right to repair and prominently disclose these details on their websites. If consumers can't easily contact manufacturers to request spare parts, tools, etc, then the regime cannot be effective.

4. Arguments against the Bill

We also wish to address some of the concerns raised about the Bill.

4.1 Safety

We understand concerns have been raised that introducing a right to repair regime in New Zealand increases the risks of physical harm to individuals or unauthorised repairers undertaking repairs themselves.

Although we understand there are some risks involved with repairing certain goods, we believe these risks to be overstated. Many repairs, such as mobile phone screen and battery replacements are low risk and do not require much technical expertise. Higher-risk repairs already have rules in place requiring work to be undertaken by licensed operators, such as registered electricians or plumbers.

In some cases, not undertaking required maintenance and repairs could pose a greater risk for consumers than having the repairs or maintenance completed by unauthorised repairers.

Some New Zealanders already repair their own goods, or get them repaired by local repair shops, when they can. We don't expect the passing of this Bill to result in a sudden increase in the number of consumers undertaking risky repairs themselves, without taking the necessary precautions or arming themselves with the required knowledge.

We also agree with the sentiment in the Federal Trade Commission (FTC) report into the right to repair, “The automotive sector demonstrates that consumers and independent repair shops are able to repair cars every day even though cars are a diverse group of complex machines that contain gasoline and battery acid and have hundreds of moving parts. With appropriate parts, repair information, and training, consumers and independent repair shops would similarly be capable of safely repairing other products.”¹

Manufacturers also need to be encouraged to design products that are simpler and safer to repair. For example, some manufacturers glue batteries into place in mobile phones and other devices, knowing these batteries will need to be replaced and the glue will make it difficult to do so.² Others use tamper-resistant screws, instead of standard screws, to make it difficult to get into a device without specialist tools.

Risks could be further mitigated by requiring manufacturers to include warnings in their repair manuals about any dangers associated with the repair of their products.

4.2 Costs

Another argument used to justify not introducing right to repair legislation is that the costs involved in meeting the requirements of the legislation are likely to result in increases in the prices of goods.

We have not seen any evidence to support this argument in jurisdictions that have already implemented right to repair laws.

Ultimately, we think consumers will save money because the cost of repair should be less than the cost the consumer would face if they were to purchase an entirely new product.

We think unrepairable products cost consumers and the planet.

Thank you for the opportunity to provide comment.

ENDS

¹ Nixing the Fix: An FTC report to Congress on repair restrictions, May 2021, page 29. URL: www.ftc.gov/system/files/documents/reports/nixing-fix-ftc-report-congress-repair-restrictions/nixing_the_fix_report_final_5521_630pm-508_002.pdf?os=vbkn42tqho5HIRAdvp&ref=app

² Ibid, page 21.