



22 MAY 2018

Gregory Soar

fyi-request-7762-275f2fcf@requests.fyi.org.nz

Dear Mr Soar

Thank you for your email dated 4 May 2018 to OIA_Requests@msd.govt.nz requesting clarification about the Ministry of Social Development's (the Ministry) whiteware scheme.

Work and Income has an arrangement with Fisher & Paykel to provide whiteware to Work and Income clients. Fisher & Paykel Appliances Ltd was selected as the preferred supplier of whiteware through a transparent and rigorous procurement process and the arrangement has been in place since February 2014. Fisher & Paykel are the suppliers of the Haier brand.

The value-for-money procurement initiative has been an outstanding success for taxpayers, senior citizens and beneficiaries alike. People are paying on average about \$70 less for whiteware that comes with free delivery and installation, removal of the old appliance and a two year warranty.

You have asked the following questions, which I will answer in turn.

- 1. Under the whiteware scheme where beneficiaries purchase, as example a washing machine, who is the legal seller of the goods?*

Fisher & Paykel are the legal seller. Work and Income is only paying a hardship grant on behalf of the client. The client has to pay the hardship grant back.

- 2. If the seller is WINZ MSD is the sale covered by the Consumers Guarantee Act?*

The Ministry is not the seller. However, Fisher & Paykel sales are covered by Consumers Guarantee.

- 3. If the seller is WINZ MSD what is the procedure when an item has a fault?*

The Ministry is not the seller. Clients can contact Fisher & Paykel direct for repairs if there is a fault.

- 4. What is the average time for delivery of goods to customers from time of purchase approval as these items are taking sometimes a week and private retailers deliver in a reasonable timeframe, example fridge delay may cause problems?*

Delivery times as per the Service Agreement are:

Auckland and Christchurch - within 24 hours
Other main urban areas - within 48 hours
All other urban areas - within 72 hours.

5. *Just last month a Haier Washing machine burned and was not part of the previous recall. What is WINZ MSD doing to advise clients and ensure their safety.*

The Ministry works with Fisher & Paykel to ensure all clients are contacted and the required action is taken to ensure all appliances are safe. Fisher & Paykel abide with the Consumer Product Safety Standards – Recalling a Product.

6. *If WINZ MSD are not the legal seller of the goods who is and how legally please?*

Fisher & Paykel are the legal sellers. Ownership of the appliance resides with the client on delivery.

7. *Does the WINZ MSD whiteware pass on any savings from bulk economies of scale purchasing to the client?*

The Ministry negotiates on behalf of all clients via a Preferred Supplier Contract to obtain the best price. Any significant savings are included in the price.

8. *Does WINZ MSD make any profit from whiteware dealing?*

No.

9. *Is WINZ MSD responsible (if seller or not) for after sales maintenance costs, one example being the return of a faulty good too big for client to return being the responsibility of the seller according to Consumers Guarantee Act?*

No, the Ministry is not responsible for after sales maintenance costs. Clients can contact Fisher & Paykel direct to discuss issues and arrange a repair person if required. However, the Ministry will liaise between the client and Fisher & Paykel if required.

Thank you again for writing. I hope this information clarifies matters for you.

Yours sincerely



Elisabeth Brunt
General Manager
Ministerial and Executive Services