

## Demonstrate knowledge of consumer and contract legislation applicable in trades

**Level** 4

**Credits** 5

**Purpose** People credited with this unit standard are able to demonstrate knowledge of the Fair Trading Act 1986 (FTA) as applied to the provision of goods and trade services; the Consumer Guarantees Act 1993 (CGA) applicable to the provision of goods and trade services; Demonstrate knowledge of pricing law; Demonstrate knowledge of contract formation; Demonstrate knowledge of contract discharge, and; Demonstrate knowledge of the Construction Contracts Act 2002.

**Subfield** Plumbing, Gasfitting and Drainlaying

**Domain** Core Plumbing, Gasfitting, and Drainlaying

**Status** Proposed

**Status date** dd MMMM yyyy

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**Entry information** Open

**Accreditation** Evaluation of documentation and visit by NZQA and industry.

**Standard setting body (SSB)** Plumbing, Gasfitting and Drainlaying ITO

**Accreditation and Moderation Action Plan (AMAP) reference** 0008

This AMAP can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

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### Special notes

- 1 Definitions
  - *Trades*; environments where trade products and services are provided, particularly but not limited to plumbing, gasfitting, drainlaying, roofing and sustainable plumbing.
  - *Goods*; products and equipment supplied.
- 2 Applicable legislation: Construction Contract Act 2002; Consumer Guarantees Act 1993; Contractual remedies Act 1979; Fair Trading Act 1986; Sale of Goods Act 1908 and supersessions to any of the above legislation.

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## Elements and performance criteria

### Element 1

Demonstrate knowledge of the Fair Trading Act 1986 (FTA) as applied to the provision of goods and trade services.

#### Performance criteria

- 1.1 Misleading or deceptive conduct is identified and described in accordance with the FTA.
- 1.2 False representations are identified and described in accordance with the FTA.
- 1.3 Unfair trading practices are identified and described in accordance with the FTA.
- 1.4 Penalties ordered for breaches in the FTA are identified for trade services examples.

### Element 2

Demonstrate knowledge of the Consumer Guarantees Act 1993 (CGA) applicable to the provision of goods and trade services.

#### Performance criteria

- 2.1 Examples of the application of the CGA are identified and described for the provision of goods in a trade services environment.
- 2.2 Examples of the application of the CGA are identified and described for the provision of trade services.
- 2.3 Examples of the application of the CGA are identified and described in terms of consequential loss.
- 2.4 The limitations of application of the CGA are identified in comparison to the Sale of Goods Act.  
  
Range includes but not limited to commercial and non commercial services.
- 2.5 Automatically occurring guarantees set out in the CGA are described that are applicable to the provision of goods and trade services.
- 2.6 Remedies for breaches set out in the CGA are described for product and trade services examples.

### Element 3

Demonstrate knowledge of pricing law.

**Performance criteria**

- 3.1 Quotes and estimates are described and examples given in a trade service context in accordance with contract law.
- 3.2 G.S.T requirements are described when pricing in accordance with contract law.  
Range consumer, commercial.
- 3.3 Procedures to follow are described when work is required in excess of a quoted amount.

**Element 4**

Demonstrate knowledge of contract formation.

**Performance criteria**

- 4.1 The three steps involved in making a contract are described for a provision of trade goods and services scenario.  
Range offer, acceptance, consideration.
- 4.2 The four conditions required for a contract to be legally enforceable are described.  
Range intentions, agreement, legality of contract, legal capacity of parties.
- 4.3 Different forms of contracts are described for trade services scenarios.  
Range verbal, written, hourly rate, fixed price, hire purchase, lease.
- 4.4 Meaning of contract terms are explained in accordance with contract law.  
Range express, implied, conditions, exclusions.

**Element 5**

Demonstrate knowledge of contract discharge for trade service environments.

**Performance criteria**

- 5.1 A contract scenario that is discharged due to performance is described.
- 5.2 A contract scenario that is discharged due to breach of performance is described in accordance with the Contractual Remedies Act 1979.
- 5.3 A contract that is discharged by agreement is described.  
Range includes accord and satisfaction and valuable consideration.

## Element 6

Demonstrate knowledge of the Construction Contract Act 2002 (CCA).

### Performance criteria

- 6.1 The purpose of the CCA is described.
- 6.2 The work covered by the CCA is identified.
- 6.3 Payment requirements are described in accordance with sec 15-24 of the CCA.  
Range progress payments, due dates, schedules, non-payment.
- 6.4 Disputes procedures set out in the CCA are described.

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### Please note

Providers must be accredited by NZQA, or an inter-institutional body with delegated authority for quality assurance, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be accredited by NZQA before they can register credits from assessment against unit standards.

Accredited providers and Industry Training Organisations assessing against unit standards must engage with the moderation system that applies to those standards.

Accreditation requirements and an outline of the moderation system that applies to this standard are outlined in the Accreditation and Moderation Action Plan (AMAP). The AMAP also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

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### Comments on this unit standard

Please contact the Plumbing, Gasfitting and Drainlaying ITO [info@ito.co.nz](mailto:info@ito.co.nz) if you wish to suggest changes to the content of this unit standard.