



## COVERSHEET

<b>Minister</b>	Hon Scott Simpson	<b>Portfolio</b>	Commerce and Consumer Affairs
<b>Title of Cabinet paper</b>	Response to the Education and Workforce Committee's report on Fired Up Stilettos' petition <i>Strippers' Rights and Workers' Rights</i>	<b>Date to be published</b>	18 June 2025

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
May 2025	Response to the Education and Workforce Committee's report on Fired Up Stilettos' petition <i>Strippers' Rights and Workers' Rights</i>	Office of the Minister of Commerce and Consumer Affairs
8 May 2025	Government Response to the Education and Workforce Committee Report on the Petition of Fired Up Stilettos LEG-25-MIN-0075 Minute	Cabinet Office

### Information redacted

**YES** (please select)

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 for the reason of Confidential advice to Government.

## **In Confidence**

Office of the Minister of Commerce and Consumer Affairs

Chair, Cabinet Legislation Committee

## **Response to the Education and Workforce Committee's report on Fired Up Stilettos' petition *Strippers' Rights are Workers' Rights***

### **Proposal**

1. This paper seeks Cabinet's approval of the Government response to the report of the Education and Workforce Committee (**the Committee**) on the petition titled *Fired Up Stilettos: Strippers' Rights are Workers' Rights*.

### **Background**

2. Fired Up Stilettos is a group that aims to improve the rights of adult entertainment workers. The group petitioned for nationwide intervention to stop exploitative practices experienced by independent contractors in the adult entertainment industry by entertainment venues.
3. The petition explained that workers in the adult entertainment industry report facing widespread labour exploitation due to a lack of sufficient protections as independent contractors. The petition also claims that workers are subject to unfair contract terms in the bargaining process with venues.
4. The Committee heard the petition in 2024, and received evidence from MBIE, WorkSafe and the Commerce Commission. It published its report in response to the petition on 18 February 2025.

### **The Committee's findings**

5. The Committee identified three main proposals in the petition:
  - 5.1. establish the right of adult entertainment workers to bargain collectively while maintaining independent contractor status
  - 5.2. outlaw all fines and bonds between employers and contractors and
  - 5.3. establish a nationwide mandatory maximum of 20 percent that an employer can take from a contractor's profits.
6. The Committee considered that current legislative and regulatory systems do not provide an accessible and effective means for workers in the industry (as independent contractors) to enforce minimum standards for health and safety and fair contract terms.
7. The Committee recognised that a nationwide sector-specific response may not be practical. The report recommended the Government address the concerns raised by

the petitioner and matters raised in the report, especially when it undertakes reviews of fair trading legislation and the health and safety system.

### **Comment on the Committee findings and recommendations**

8. The Committee's recommendation to the Government ensures that action can be taken to review legislative settings within existing workstreams, and as government priorities allow.

*Work is underway to review competition settings in the Commerce Act, including collective bargaining*

9. Cabinet has agreed to review New Zealand's economy-wide competition settings [ECO-24-MIN-0206 refers]. This includes reviewing whether the Commerce Act should be amended to more easily facilitate beneficial collaboration by businesses and improve accessibility and certainty.
10. This could involve introducing a statutory notification regime for specified classes of arrangements or empowering the Commission to issue class exemptions to authorise certain classes of conduct from prohibitions in the Act. A class exemption would be subject to the terms and conditions set by the Commission and could cover matters such as collaboration on sustainability measures, anti-scam efforts, or collective bargaining for small businesses. The review is also considering whether the Commission should be given more flexibility to waive all or part of the \$36,800 authorisation fee where appropriate.
11. If progressed, these proposed amendments to the Commerce Act could help address some of the issues identified in the committee's report.

*The issues raised by the petitioner about enforcement of the Unfair Contract Terms provisions could be explored in a future review of the Fair Trading Act*

12. Independent contractors are covered by contractual law, and protections from unfair contract terms under the Fair Trading Act. The Fair Trading Act currently covers standard form take-it-or-leave-it contracts up to a value of \$250,000 over 12 months. and includes a list of terms that can be considered unfair in some circumstances. This includes terms that penalise one party (but not another party) for a breach of the contract, which have similarities to the types of contract terms complained about in the petition (arbitrary fines, bonds, percentage commissions and commission extraction).
13. The Commerce Commission is responsible for enforcing the Fair Trading Act. Private enforcement of the unfair contract terms provisions is barred. This means only the Commission can apply to the court to have a term declared unfair. If a court decides the term is unfair, that part of the contract will not be legally binding.

14. Confidential advice to Government

15. Confidential advice to Government

*Decisions that affect Health and Safety are ultimately up to the Minister for Workplace Relations*

16. Contractors have the same coverage under the Health and Safety at Work Act 2015 (Health and Safety Act) as employees – both are ‘workers’ under the Act. The Health and Safety Act is clear that responsibility for ensuring the health and safety of workers and workplaces sits with businesses, with support and input from workers. The Act requires a business do what is ‘reasonably practicable’ to ensure the health and safety of workers is not put at risk by their work, no matter that those workers are contractors.
17. MBIE continues to offer dispute resolution (such as mediation) to people in employment-like situations, including those working as contractors. MBIE’s dispute resolution services are provided on a voluntary basis. If both parties agree, then mediation services can help resolve the situation. However, in a contractor relationship the Employment Relations Authority does not have jurisdiction to direct either party to attend mediation. Therefore, if one party is not willing to engage with MBIE’s services, mediation cannot go ahead.

**Timing of the government response**

18. The government response must be presented to the House by 13 May.

**Consultation**

19. MBIE (Workplace Relations and Safety) has been consulted on the draft response. The Commerce Commission and WorkSafe have been informed.

**Financial implications**

20. There are no financial implications.

**Publicity and Proactive Release**

21. I am not planning any publicity for this Government response.
22. This paper will be published on MBIE’s website, subject to withholdings as appropriate under the Official Information Act 1982.

**Recommendations**

The Minister of Commerce and Consumer Affairs recommends that the Committee:

1. **note** that on 18 February 2025 the Education and Workforce Committee considered a petition from Fired Up Stilettos on rights for adult entertainment workers and made a recommendation to the Government that it addresses the concerns raised by the petitioner and matters raised in the report, especially when it undertakes reviews of fair trading legislation and the health and safety system.

2. **note** that the Government response does not commit to any new policy decisions,
3. **note** that the issue of collective bargaining is being considered in the government's current review of the Commerce Act;
4. **note** that the Minister of Commerce and Consumer Affairs may consider the recommendation of the Committee when determining the scope of a future review of the Fair Trading Act;
5. **note** that decisions that affect health and safety are the responsibility of the Minister for Workplace Relations and Safety;
6. **approve** the government response, attached to this submission, to the Report of the Education and Workforce Committee entitled "Petition of Fired Up Stilettos: Strippers' Rights are Workers' Rights";
7. **invite** the Minister of Commerce and Consumer Affairs to present the government response to the House in accordance with Standing Order 252, by 13 May;
8. **invite** the Minister of Commerce and Consumer Affairs to write to the petitioner enclosing a copy of the government response to the report of the Education and Workforce Committee on the petition, after the response has been presented to the House.

Authorised for lodgement

Hon Scott Simpson

Minister of Commerce and Consumer Affairs