

## **About CFA and this Submission**

The Consumers' Federation of Australia (CFA) was established in 1974 and is the peak body for consumer advocacy organisations in Australia. Currently the CFA has 97 member groups focusing on a variety of areas of interest to consumers.

CFA is unfunded and as such, our capacity to respond to the large number of issues affecting consumers in the marketplace is severely limited. This submission is therefore relatively short. This reflects our resourcing constraints, rather than the importance we place on product safety.

We welcome the release of the discussion paper. It is a well written and argued document that will contribute significantly to informed policy debate.

Our overall view is that significant reform is needed to Australia's product safety regime. The most important change would be the introduction of a General Safety Provision. We also need a single product safety regulator, with sufficient resources to fulfil its task. The ACCC would be best placed to take this role.

## **The Problem**

The major problem with our current system is that too many consumers are being harmed by unsafe products.

The discussion paper notes that the current fragmented jurisdiction for product safety regulation impacts adversely on the efficiency of the marketplace. Whilst this is true, the more important result is that product recalls are too slow or product deficiencies are not identified in the first place. It is the impact on consumers that matters the most.

Whilst business may indeed face costs because of the current mish-mash of regulations, the overriding consumer detriment is the key issue. The overall aim of reform must be to reduce the number of people who are injured or killed, particularly children.

## **What Reforms are Needed?**

### *General Safety Provision*

The current safety regime is a mixture of mandatory and voluntary standards and different laws, administered by a range of regulators. There is universal agreement that this approach is not working.

A General Safety Provision (GSP) rightly puts the onus on business to only release safe products into the marketplace. This seems such an obvious point to us, it is hard to see how it could be debated.

The costs associated with a GSP should be those one would expect business to bear. Responsible businesses should face no additional imposts, since presumably they already meet the tests that a GSP would impose.

### *Definition of an "unsafe" product*

We support the expansion of the definition of "unsafe" to include usage of the product. Plugging this gap would be a significant advance.

*Extension to services and second-hand goods*

Again, we welcome reforms that extend product safety obligations to the provision of services and second-hand goods.

*Mandatory reporting*

Business should also be required to report any incidences of injury resulting from the use of their products to the regulator. One of the current issues is that data on injury rates is patchy, depending on the product and the jurisdiction. Responsible businesses would benefit from collecting this data, as it would clearly drive product improvements.

*Regulator*

The CFA supports the “one regulator, one law” option for reform. The other options are all second-best. The ACCC is the obvious choice for such a regulator.

We have specific experience with so-called “uniform” legislation, where there is clear evidence of failure. The Uniform Consumer Credit Code is virtually a moribund piece of legislation, as the states rarely agree on much-needed reforms. As well, the “uniform” component is increasingly a joke, with some states making unilateral amendments.