

INFANT & NURSERY PRODUCTS ASSOCIATION OF AUSTRALIA INC



Caring for Australia's Babies

A Response to the Productivity Commission Review of the Australian Consumer Product Safety System - Draft Report

Submitted by:

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1. Introduction

The Infant & Nursery Products Association of Australia Inc (INPAA) welcomes the opportunity to respond to the draft report prepared by the Productivity Commission.

INPAA believes that the report is a significant review of the Consumer Product Safety System and congratulates the Commission on facilitating genuine debate on the product safety framework. Whilst acknowledging that the Commission has identified opportunities to improve the effectiveness of the system, INPAA believes that the Commission does not go far enough in recommending changes to the system.

2. INPAA'S Response

2.1 INPAA agrees that the current system is not fundamentally broken but is convinced there are significant flaws that can be addressed. It appears that there is a consensus amongst key stakeholders that a harmonisation of jurisdiction would be a preferred option. INPAA supports this concept but is concerned that real change will be retarded by bureaucratic bickering over which authority has what responsibility. This has a distinct chance of getting in the way of the significant areas that can be addressed. In essence whilst the lack of harmonisation of jurisdiction is frustrating, efforts and resources should be placed at addressing areas that can make a difference to achieving real outcomes.

For example, a higher priority in INPAA's opinion is the need to achieve better data collection systems that can establish a reliable base for determining action. This can be achieved with comparative ease providing the Government can allocate the required resources. It is important that this activity is a national responsibility and would in part contribute to a de facto harmonisation due to the availability of accurate data upon which decisions could then be formulated. The ACCC is probably well placed to have a coordinating role in this activity.

- 2.2 INPAA reiterates our position stated on previous occasions, that we support a General Safety Provision. It is INPAA's contention that this is an approach that would significantly strengthen the product safety system and that it can be implemented throughout Australia. The Association does however, acknowledge that a GSP would require significant support structures to ensure that business can effectively determine what is a safe product. The existing structure and limited number of standards, in respect to nursery products, does not engender an effective culture of safety and merely supports a lowest common denominator approach. The lack of standards does not encourage business to operate with high levels of safety and gives the recalcitrant supplier an incentive not to invest in safety. INPAA believes that the current framework allows low barriers to entry and permits some companies to minimise their commitment to an investment in safety.
- 2.3 Whilst most reliable companies already seek to supply to world's best practice in respect to safety, due to their integrity and normal business requirements, the opportunity exists for some suppliers to avoid their responsibility. The majority of companies have nothing to fear from a GSP and they are not the businesses currently putting consumers at risk. A GSP would provide an incentive for businesses that are doing the "right" thing to continue their commitment to safety with the establishment of a system that would get provide operational certainty. INPAA fundamentally believes that it is easier to demonstrate a product is safe under a GSP than the current system.
- 2.4 Foreseeable misuse is a concept discussed widely in the draft report. INPAA strongly supports the need to include foreseeable misuse as a concept that must be defined and implemented into the product safety framework.

- 2.5 INPAA believes that financial support should be provided to industries wishing to embrace change and improve product safety. Currently, few if any resources are made available to assist with the development of effective standards to improve product safety. A strong commitment to effective standards is an essential ingredient for genuine reform.
- 2.6 INPAA maintains that the product safety framework must apply to the supply of secondhand goods. Any dilution of this requirement will increase the risk of consumers being injured.
- 2.7 The general thrust of the Commission's conclusions regarding the removal of unsafe goods is supported.

3. Conclusion

INPAA supports the general direction of the Commission's preliminary findings but reiterates our position that the establishment of a General Safety Provision is a preferred option.

INPAA also wishes to be involved in future consultation regarding the Commission's findings.

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