



Australian Information Industry Association

Submission on

**Treasury Laws Amendment Bill 2024: Product Safety
Regulation**

25 October 2024

Introduction

The Australian Information Industry Association (AIIA) appreciates the opportunity to provide feedback on the Treasury Laws Amendment Bill 2024: Product Safety Regulation ('Bill'). While we broadly support the intent of the proposed legislation to improve flexibility in product safety and standards regulation, we believe certain areas require further clarification to ensure effective implementation and minimise potential disruptions.

Definition of "International Standards Body"

We note that there is an absence of a clear definition of "international standards body." A well-defined and universally accepted definition is crucial to ensure uniformity in the application of international standards. This will prevent ambiguity and ensure that businesses and regulators alike have a clear understanding of which bodies are recognised for the purposes of compliance.

Grandfathering of Standards for Existing Products

A key concern is the lack of grandfathering provisions for products that are already in the supply chain or still being sold when a standard is updated. Clarification is needed on whether existing products must immediately comply with new standards before they can continue to be sold. This is crucial as products already in the manufacturing or distribution pipeline could otherwise become non-compliant, leading to potential wastage and economic disruption. It can take significant time to re-engineer products to comply with a revised standard, retest and certify the re-engineered product, commence manufacturing and bring it to market, often from overseas suppliers. Therefore, we recommend introducing a transitional period that allows products being manufactured and in the supply chain under previous standards to continue being sold for a reasonable period of time – to be determined in consultation with industry – thus mitigating the impact on businesses and consumers.

Conflict Between Mandatory ACCC Standards and Voluntary Australian Standards

We support the expanded authority of the Minister to nominate alternative compliance methods, enabling businesses to follow either mandatory or voluntary standards, provided they offer an acceptable level of safety. This would reduce compliance costs for businesses while offering consumers greater product variety and potentially more competitive pricing. However, we recommend providing further clarification around the interaction between the mandatory ACCC standards and voluntary Australian or international standards. To avoid regulatory uncertainty, a clear hierarchy or criteria for determining which standards apply should be determined, especially in cases where the ACCC and other bodies may disagree on key safety provisions.

Additionally, we recommend a formal consultation process before the Minister makes a decision on which other standards will apply, particularly in situations where there is disagreement between stakeholders. This would ensure that all relevant parties have the opportunity to provide input and help mitigate potential conflicts. Any decision made by the Minister regarding the applicable standards should be formally published. This will promote transparency and ensure that businesses and regulators are fully informed about the applicable standards.

Conclusion

We believe that the proposed amendments offer a valuable opportunity to modernise Australia's product safety framework. By addressing a few critical areas with additional clarity and transparency,



the Bill can better serve its purpose of safeguarding consumers while reducing compliance burdens on businesses. We appreciate the government's efforts in engaging stakeholders through this consultation.

Should you require further information, please contact Ms Siew Lee Seow, General Manager, Policy and Media, at siewlee@aiia.com.au or 0435 620 406, or Mr David Makaryan, Advisor, Policy and Media, at david@aiia.com.au.

Thank you for considering our submission.

Yours sincerely
Simon Bush
CEO, AIIA

About the AIIA

The AIIA is Australia's peak representative body and advocacy group for those in the digital ecosystem. Since 1978, the AIIA has pursued activities to stimulate and grow the digital ecosystem, to create a favourable business environment for our members and to contribute to Australia's economic prosperity. We are a not-for-profit organisation to benefit members, which represents around 90% of the over one million employed in the technology sector in Australia. We are unique in that we represent the diversity of the technology ecosystem from small and medium businesses, start-ups, universities, and digital incubators through to large Australian companies, multinational software and hardware companies, data centres, telecommunications companies and technology consulting companies