

Tuesday, February 7, 2006

CONSUMER PROTECTION OPTIONS FROM REPORT

Minister for Consumer Affairs, Karlene Maywald, today welcomed the release of the Productivity Commission's research report into the Australian Consumer Product Safety System.

In South Australia the Office of Consumer and Business Affairs (OCBA) is responsible for product safety compliance and consumer protection.

"The Productivity Commission has produced a careful and well researched report into the state of the Australian Consumer Product Safety System," she said.

"The report highlights that the present system does provide a good level of protection to consumers, and also recommends three options to improve efficiencies."

"It is estimated the cost of injuries and deaths caused by unsafe products runs into the hundreds of millions of dollars each year.

"Statistics from relevant injury recording bodies indicate there has been a decline in numbers of injuries and deaths, corresponding with an increase in consumer protection legislation."

The three options suggested are:

1. **Establishing a single regulator for Product Safety**, suggesting the Australian Competition and Consumer Commission be responsible. States and Territories would be required to relinquish their Product Safety powers to the Commonwealth. At present, unlike the state based agencies, the Commonwealth has no powers over individuals or small businesses.
2. **Formulating a hybrid system**, which can alleviate the limitation of the first suggested option. A single regulator would exist but giving each State or Territory the ability to introduce a temporary ban on goods or services for up to 120 days. A two third majority of States and Territories would need to support the making of a permanent banning order before the single regulator would proceed with banning a dangerous product.
3. **The retention of the present product safety system with changes** to improve consistency of regulations and outcomes. This option would use template legislation which could be adopted by all agencies to achieve uniformity. Alternatively, in this model, relevant government agencies could agree on a core set of uniform provisions.

"There is a great deal of merit in the options offered in this report and I intend to consider each option carefully," Minister Maywald said. "All Australian Governments must now work out the best way of ensuring the improvements it recommends can be made."

The Standing Committee of Officials of Consumer Affairs will review the report in detail before recommendations are forwarded to the Ministerial Council on Consumer Affairs for further action.