

21 January 2022

Director
Consumer Safety and Sustainability Unit
Market Conduct Division
Treasury
Langton Crescent
PARKES ACT 2600

Dear Director

SUBJECT: TREASURY CONSULTATION REGULATION IMPACT STATEMENT: SUPPORTING BUSINESS THROUGH IMPROVEMENTS TO MANDATORY STANDARDS REGULATION UNDER THE AUSTRALIAN CONSUMER LAW

Thank you for the opportunity to comment on Treasury's Consultation Regulation Impact Statement (CRIS) - *Supporting business through improvements to mandatory standards regulation under the Australian Consumer Law*.

Cement Concrete & Aggregates Australia (CCAA) is the peak industry body for cement manufacturers, concrete suppliers and extractive operators throughout Australia. Collectively known as the heavy construction materials industry, our members are engaged in the quarrying of sand, stone and gravel, the manufacture of cement and the supply of pre-mixed concrete to meet Australia's building and construction needs. These businesses range from large global companies to SMEs and family operated businesses. Heavy construction materials are vital to delivering the infrastructure required to supporting Australia's built economy which underpins the development of our nation's physical infrastructure, generating approximately \$15 Billion in annual revenue and employing 110,000 Australians.

While we note the points raised in the CRIS relating to poorly designed regulation and the risk of the imposition of unnecessary costs on consumers, business and the broader economy, we are deeply concerned with potential implications arising from the adoption of Options 2 and 3 which could lead to the adoption of voluntary standards, driven from outside of Australia, with limited or no input from Australian industry.

CCAA believes that Australia should continue to maintain its well-developed mandatory standard regulatory framework, based on a commitment to public consultation as outlined under the *Australian Government Guide to Regulation*. We are keen to ensure that the objective of standardisation remains robust, promotes economic efficiency and supports consumer safety and we therefore oppose amendments to mandatory standards regulation that could lead to the watering down of effective regulatory practice and industry consultation processes.

While our sector is presently not directly affected by any of the listed mandatory standards that are being examined, we argue that there are better ways for Treasury to achieve their objectives and

increase efficiency with regards to standards processes set out by the Australian Competition and Consumer Commission (ACCC).

Performance-based Standards Framework

An avenue not presented within the CRIS that would lead to increased efficiency through the standards process is the adoption of a performance-based framework that would enable the ACCC to set performance measures for which standards could be used, as a means of demonstrating compliance, rather than relying upon the development of a list of trusted standards that are not designed for the Australian market or economy.

The Australian Consumer Law (ACL) Review highlights the lack of a clear onus on the business to ensure the safety of their product before entering the market under the present ACCC product safety framework and that this is increasingly out of step with Australian regulatory frameworks that support performance-based regulatory approaches which set **minimum necessary requirements** to allow flexibility in compliance.

For many years, CCAA has worked collaboratively with state and territory regulators across Australia to investigate and adopt performance-based standards where a more efficient and effective approach to regulation can be achieved. We believe that Treasury should consider amendments to modernise the framework by making compliance with mandatory standards performance-based through the setting of minimum necessary requirements to ensure product safety with a more flexible and less prescriptive approach to achieving obligations under the ACL. These amendments would allow the manufacturer to choose the most appropriate way for their product to comply with the legislation, which in turn leads to reduced costs for business and assists to support the supply of products into the market.

Thank you once again for the opportunity to comment upon the *Supporting business through improvements to mandatory standards regulation under the Australian Consumer Law – Treasury CRIS*. We hope that Treasury reconsiders proposals to downgrade Australia's well-developed mandatory standards framework system with the adoption of less effective voluntary regulation without the input of Australian industry. Instead, we urge Treasury to consider the adoption of performance-based specifications with minimum necessary safety requirements to enhance flexibility and to deliver more cost-effective regulation and certainty for the supply chain.

Yours sincerely,

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CHIEF EXECUTIVE OFFICER
CEMENT CONCRETE & AGGREGATES AUSTRALIA