

## **IKEA input to the stakeholder consultation on mandatory standards regulation under the Australian Consumer Law**

**IKEA of Sweden AB welcomes the Australian government's proposal to amend the Australian Consumer Law (ACL) in order to minimise compliance costs and support innovation, while maintaining and strengthening the protection of Australian consumers. We support the proposal to allow the Commonwealth Minister to declare trusted overseas standards mandatory and permit the use of the latest version of the standards declared.**

The following response is provided by IKEA of Sweden AB, part of Inter IKEA Group. IKEA of Sweden AB is assigned to design and develop the IKEA Product Range. We are responsible for the safe design of IKEA products on all IKEA markets, including Australia, and we aim to have one of the most rigorous approaches to product testing for home furnishings in the world. From its raw materials to its design and its durability.

We welcome the proposed amendments to the Australian Consumer Law (ACL) and recommend a combination of the options 2; allowing the Commonwealth Minister to declare trusted overseas standards mandatory and option 3; permitting the latest version of the declared standards to be used.

### **Option 2: Amend the ACL to allow the Commonwealth Minister to more easily declare trusted overseas standards**

Making it easier to recognise trusted voluntary overseas standards, where they offer at least an equivalent level of safety as Australian standards, would reduce compliance costs for businesses and facilitate trade. It would allow Australian producers to produce according to international standards, both for domestic and international customer, strengthening their competitiveness on the export market. Imports will also be facilitated by harmonising requirements, this is likely to have a net positive impact on consumers through increased product choice and decreased product cost.

In addition, by recognizing overseas standards, Australia has the possibility to complete and strengthen their requirement landscape with relatively low effort, drawing from what is already there rather than duplicating efforts. Since Australia participate in the development of ISO and IEC standards, securing that their viewpoint is known and taken into consideration, global standards are particularly suitable for reference in Australian law.

To maintain legal security, it is important that all standards recognised are reviewed by the Australian Competition and Consumer Commission (ACCC) before being declared by the Commonwealth Minister.

### **Option 3: Amend the ACL to more easily allow businesses to comply with the latest versions of Australian and overseas standards**

Permitting the use of the latest version of a standard will increase international regulatory harmonisation, thereby facilitating trade. It also has the potential to increase consumer protection. However, it is of utmost importance that a safeguard is included in any ACL amendment to ensure that substantial updates to standards are reviewed by ACCC before being accepted as proof of compliance to Australian law. Making sure that the revised standard fulfills the criteria of being at least as safe or safer than previous versions of the standard.



Standards are continuously developed and refined to encompass new innovations and reflect current industry practices. When a standard is referred in legislation by dated reference, subsequent changes are not automatically incorporated. Worst case this could lead to a situation where companies are prohibited by law from providing Australian consumers with state-of-the-art safety solutions. Allowing the use of updated versions of standards referred would solve this problem.

We thank you for the opportunity to provide input to this consultation and stand at your disposal for any questions you may have.

Please refer to:  
Stina Wallström  
Public Affairs Manager  
IKEA Range and Supply