

## EXPLANATORY STATEMENT

### *Consumer Goods (Care Labelling) Information Standard 2023*

#### 1. Purpose and Background

The Assistant Treasurer and Minister for Financial Services (the **Minister**) has made the *Consumer Goods (Care Labelling) Information Standard 2023* (the **Information Standard**), pursuant to section 134 of the Australian Consumer Law (**ACL**), which is Schedule 2 of the *Competition and Consumer Act 2010* (Cth) (**CCA**).

The Australian Government introduced the *Consumer Protection Notice No. 25 of 2010 - Consumer Product Information Standard Care Labelling for Clothing and Textile Products* in December 2003 (the **Repealed Information Standard**) to require textile products including clothing, textiles, furnishing and suede skins, leathers and furs be provided with adequate written care instructions.

The purpose of the Information Standard is to provide consumers, drycleaners, and cleaning professionals with information on how to care for clothing and textile products to help maximise their useful life and avoid damage such as shrinkage and running of colours. It enables consumers to be fully informed at the point of purchase of potential maintenance costs, such as ongoing dry-cleaning.

The Information Standard references the current voluntary Australian standard (1998) and the latest comparable international standard while continuing to ensure the correct care treatments are applied to regulated goods and thereby extending their useful life.

#### Operation of the Information Standard

The Information Standard requires relevant products to comply with either of the following standards:

- Australian/New Zealand Standard *AS/NZS 1957:1998 Textiles – Care labelling* (with variations) (the **Australian/New Zealand Standard**)
- International Standard *ISO 3758-2012 Textiles – Care labelling code using symbols* (relevant parts) (the **International Standard**)

A description of the provisions are set out later in this document.

#### Repealed Information Standard

The Information Standard also repeals *Consumer Protection Notice No. 25 of 2010* (Consumer Product Information Standard: Care Labelling for Clothing and Textile Products) (Federal Register of Legislation No. F2010L02290).

Under subsection 33(3) of the *Acts Interpretation Act 1901* (Cth), where an Act confers a power to make, grant or issue any instrument of a legislative or administrative character (including rules, regulations or by-laws), the power shall be construed as including a power exercisable in the like manner and subject to the like conditions (if any) to repeal, rescind, revoke, amend, or vary any such instrument.

## 2. Incorporated Australian and International Standards

Where practicable, product safety legislative instruments only reference extrinsic material that is readily accessible for free by the public. However, as in the current case, many product safety legislative instruments need to incorporate extrinsic technical standards over which certain bodies have copyright which means the standards must be purchased.

The Australian/New Zealand Standard referenced in this instrument is available for purchase at SAI Global's website (<https://www.saiglobal.com>). The International Standard referenced in this instrument is available for purchase at the International Organization for Standardization's website (<https://www.iso.org>).

The Australian Competition and Consumer Commission (**ACCC**) can make a copy of the above standards available for viewing at one of its offices, subject to licensing conditions.

## 3. Consultation

Before the Information Standard was made, the Minister was satisfied that consultation was undertaken to the extent appropriate and reasonably practicable, in accordance with section 17 of the *Legislation Act 2003*.

A consultation paper was published in May 2019 and detailed the following policy options:

- Option 1 – Keep the current information standard (status quo)
- Option 2 – Allow international standards
- Option 3 – Revoke the information standard.

The ACCC received 154 submissions from drycleaners, suppliers, industry representatives, safety advocates and private individuals.

Of the submissions, 140 stakeholders were initially in favour of keeping the current information standard (option 1), with the majority of these (117) being dry cleaners. Following further targeted consultation, stakeholders supported allowing the international standard in addition to the current information standard and agreed that this option is in the best interests of the industry.

Eight stakeholders supported allowing compliance with international standards (option 2) and 5 stakeholders supported revoking the standard (option 3). The remaining stakeholder did not express a preference.

## 4. Disallowance and Sunsetting

By operation of subsections 44(1) and 54(1) of the *Legislation Act 2003*, the instrument is not subject to disallowance or sunsetting because its enabling legislation, the ACL (at Schedule 2 of the CCA), facilitates the operation of an intergovernmental scheme involving the Commonwealth and all the States and Territories (the *Intergovernmental Agreement for the Australian Consumer Law*), and the ACL authorises the making of the instrument for the purposes of that scheme.

Item 16 in the table at section 12 of the *Legislation (Exemptions and Other Matters) Regulation 2015* also provides that the instrument is not subject to the sunsetting provisions of the *Legislation Act 2003*.

## 5. Commencement

The legislative instrument commences on the day after it is registered on the Federal Register of Legislation.

## 6. Transitional arrangements

The instrument provides for two transition periods.

### First transition period

A 6-month transition period will begin on the day this instrument commences.

During the transition period, suppliers must meet the requirements of either:

- *Consumer Protection Notice No. 25 of 2010* (Consumer Product Information Standard: Care Labelling for Clothing and Textile Products), or
- Section 11 of the *Consumer Goods (Care Labelling) Information Standard 2023*.

In addition, suppliers can provide the International Standard care symbols if they choose to do so.

This transition period allows the government and industry to conduct educational activities to inform and educate consumers about the International Standard care symbols.

### Second transition period

A 12-month transition period will begin the day after the first transition period ends. During the transition period, suppliers must meet the requirements of one of the following:

- *Consumer Protection Notice No. 25 of 2010* (Consumer Product Information Standard: Care Labelling for Clothing and Textile Products), or
- Section 11 of the *Consumer Goods (Care Labelling) Information Standard 2023*, or
- Section 12 of the *Consumer Goods (Care Labelling) Information Standard 2023*

After this transition period ends, suppliers must meet the requirements of the *Consumer Goods (Care Labelling) Information Standard 2023*.

## 7. Regulation Impact Assessment

The Office of Impact Analysis (OIA) advised that a Regulation Impact Statement was not required (OIA reference ID 43952).

## **Details of the *Consumer Goods (Care Labelling) Information Standard 2023***

### PART 1 - PRELIMINARY

#### Section 1 – Name

This section sets out that the title of the legislative instrument is the *Consumer Goods (Care Labelling) Information Standard 2023*.

#### Section 2 – Commencement

This section provides that the instrument commences on the day after it is registered on the Federal Register of Legislation.

#### Section 3 – Authority

This section provides that the instrument is made under section 134(1) of the ACL. Section 134 of the ACL allows the Minister to make information standards for goods and/or services.

#### Section 4 - Schedules

This section provides that each instrument specified in a Schedule is repealed as set out in that Schedule, and any other item in a Schedule has effect according to its terms.

#### Section 5 – Definitions

This section provides the definitions of terms used in the instrument.

***Australian/New Zealand Standard*** means the Australian/New Zealand Standard *AS/NZS 1957:1998 Textiles—Care labelling*.

***International Standard*** means the International Standard *ISO 3758:2012 Textiles—Care labelling code using symbols*.

***First transitional period*** means the period of 6 months beginning on the day this instrument commences.

***Second transitional period*** means the period of 12 months beginning on the day after the first transition period ends.

This section includes definitions of industry standards that are incorporated by reference into the instrument. In each definition, the phrase “as in force or existing at the time when this instrument commences” is intended to capture the latest version of that industry standard as at the time the instrument commences. For example, if an industry standard has two amendments as at the time the instrument commences, then the definition in this section is intended to capture the version of that instrument that incorporates those two amendments. This is consistent with section 14 of the *Legislation Act 2003* (Cth).

#### Section 6 – Regulated goods

This section defines the term ‘regulated goods’ to which the Information Standard applies. The specific items listed in the provision are intended to be non-exhaustive examples of the broad range of items intended to be captured. The intention is to assist suppliers and consumers in their understanding of which subset of goods the Information Standard applies to.

Continual innovation in textile design and use of materials, as well as the need to have immediate access to information when cleaning clothes and textiles, supports the need for the Information Standard and its application to the regulated goods.

## Section 7 – Exempt goods

This section provides that certain goods are excluded from the Information Standard. It excludes all second hand goods and a range of goods where it is not considered necessary that care instructions are required to properly maintain them.

## **PART 2 – BASIC REQUIREMENTS**

### Section 8 – Requirements during the first transitional period

During the first transitional period, suppliers must:

- provide care instructions for regulated goods on a permanent label using English words, as permitted by Repealed Information Standard, or
- provide care instructions for regulated goods on a permanent label using English words, as permitted by section 11 of this Information Standard.

During the first transition period, the intent of requiring compliance with either Repealed Information Standard or section 11 of this Information Standard is that suppliers must provide care instructions for regulated goods on a permanent label with English words. This is to provide consumers sufficient time to understand the meaning of international care symbols prior to the second transitional period commencing, where suppliers may choose to provide only international care symbols on regulated goods.

During the first transitional period, in addition to a label with the required English words, suppliers may also provide the international care symbols if they wish.

The first transitional period is the period of 6 months beginning on the day this instrument is registered.

### Section 9 – Requirements during the second transitional period

During the second transitional period, suppliers must:

- provide care instructions for regulated goods on a permanent label using English words, as permitted by the Repealed Information Standard, or
- provide care instructions for regulated goods on a permanent label using English words, as permitted by section 11 of this Information Standard, or
- provide care instructions for regulated goods on a permanent label using the international care symbols, as permitted by section 12 of this Information Standard, or
- provide care instructions for regulated goods on a permanent label using both the English words and the international care symbols, as permitted by Part 3 of this Information Standard.

The second transitional period of 12 months will assist suppliers to understand and adjust to the change in legislation.

The second transitional period is the period of 12 months beginning on the day after the first transitional period ends.

### Section 10 – Requirements after the second transitional period

This section provides that after the second transitional period has ended, suppliers must comply with the requirements of the Information Standard and can no longer comply with the Repealed Information Standard. The requirements are set out in sections 11 and 12 of this Information Standard, either or both of which must be complied with after the second transitional period.

## **PART 3 – DETAILS OF REQUIREMENTS**

### Section 11 – Adapted Australian/New Zealand Standard

This section provides the requirements for care labels for regulated goods are those in the Australian/New Zealand Standard, with certain variations from the Clauses in that Standard. The variations to the Australian/New Zealand Standard are detailed in subsections (2) to (18). The intent is for suppliers to only adopt those parts of the Australian/New Zealand Standard considered necessary to enable adequate and appropriate care labelling for a specified range of goods.

### Section 12 - International Standard

This section provides that the requirements for care labels for regulated goods are those contained in Clause 4 of the International Standard. The intent is to direct suppliers to the correct application of the care symbols in the International Standard, and to enable adequate and appropriate care labelling for a specified range of goods.

The intention of Note 1 in Section 12 of this instrument is to direct suppliers to some examples of additional wording that can accompany international care symbols. The use of other additional words may be necessary when any part of the prescribed regular care procedure, which the consumer or professional cleaner could reasonably be expected to use, would harm the product or others being cleaned with it.

## **SCHEDULE 1 – REPEALS**

### Section 1 – The whole of the instrument

The section provides that whole of *Consumer Product Information Standard Care Labelling for Clothing and Textile Products (Consumer Protection Notice No. 25 of 2010) (Federal Register of Legislation No. F2010L02290)* is repealed.