

Buyer Beware

Product Certification Fact Sheet

How do you know if a product complies with a mandatory Standard?

In our highly regulated, safety conscious society, the ordinary consumer could be forgiven for believing that the doctrine of 'caveat emptor' or 'buyer beware' had fallen by the wayside along with lead paint, bitumen playgrounds and 'optional' seat belts.

They would be wrong.

Certainly, products that are deemed hazardous must meet mandatory minimum requirements set by the government. These may relate to a product's safety or they may prescribe information that must be included with its sale, such as listing of ingredients for cosmetics or care instructions for garments.

The challenge for the ordinary consumer is how do you know if a product complies with a mandatory Standard?

Compliance with certain Standards can be mandatory either through commonwealth or state laws or regulations. Mandatory Standards, such as those relating to consumer safety products, are referenced in the Trade Practices Act, 1974. As the relevant regulator, the Australian Competition and Consumer Commission (ACCC), is charged with enforcing requirements of the Act.

The ACCC enforces Standards mandated by the Act by 'surveying the market, responding to complaints and acting promptly against offending manufacturers or distributors, and by working with various industries to 'foster a culture of compliance'.

Critically, however – and this is what may surprise many consumers – the ACCC neither inspects nor approves goods for sale.

Rather, through warranties, "self declarations" or express or implied representations, a manufacturer may claim that its product meets mandatory requirements, without demonstrating any evidence or otherwise substantiating the claims.

Often, it is only once a product fails to perform as expected that the manufacturer may become subject to investigation to determine the validity of these claims.



Under the Act, distributors and retailers also need to ensure that the products they sell or distribute also comply with the relevant legal requirements – or be exposed to product liability claims.

"Unfortunately, we often encounter a 'wait and see' approach that says once a product fails, then that's when it will be addressed, either through product recalls, bans, litigation or whatever other means," explains Max Bradbury, from SAI Global's Product Certification Division.

"However, for a consumer who is injured, or for a manufacturer, importer or distributor who becomes exposed to recalls, bans, fines or other penalties or court orders, it's all a bit too late," he said.

"This is obviously not satisfactory. The real issue for manufacturers, importers and retailers is a proactive approach through effective risk management practices that focus on prevention of failure rather than hoping all goes well."

This is where product certification, or third party assessment, comes in.

This involves an independent, qualified third party assessing a manufacturer's capability to constantly manufacture a product to a recognised standard, such as an Australian Standard.

The product certification process involves both assessing the manufacturer's production systems and facilities and selecting representative samples of finished product for testing by independent suitably accredited testing facilities.

Once certified, the manufacturer may be able to display the assessing body's certification trade mark on the products produced, offering objective verification of its compliance.

To retain its "certified" status, the certification process requires regular auditing of the manufacturer's facilities and ongoing batch testing of products to ensure that the systems continue to be effective.



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These regular audits and assessments are crucial.

“Some manufacturers or importers make the mistake of believing that one-off or ‘type’ testing, in which a couple of sample products are tested, offers the same assurance as full product certification,” said SAI Global’s Max Bradbury.

“However there are significant flaws with this approach that leave the parties concerned wide open. For example, one simple change to the manufacturing process, replacement with one material or component for another can literally make the difference between compliance and non-compliance – and that could mean life and death.

Further, there is no guarantee that the product tested in a one-off situation is a truly representative sample. Only ongoing testing of the product coupled with scrutiny of the manufacturing process can offer meaningful assurance of compliance.”

Bill Aukett is the President of the Australian Institute of Purchasing and Materials Management (AIPMM), the body that represents around 2000 members involved in purchasing and procurement across all industries nationally.

For AIPMM members, being assured of the compliance to myriad Standards of the billions of dollars worth of plant, equipment and services they specify and purchase each year is crucial.

“Our members work to the relevant and appropriate industry, International and Australian Standards,” he said.

“In many cases, those Standards may be referenced at every stage of the procurement process, from design and tender right through to the contract documents. Independent verification that those Standards are met is a judicious course of action. The risk is otherwise higher than you would want to take on, especially where you are not in control of the processes concerned.”

Certainly for the ordinary consumer the same principles apply.



“This is a widely misunderstood area, where consumers believe they are buying a product that is safe just because the manufacturer says so,” Max Bradbury said. “I don’t think any one of them would consider this sufficient once they knew the facts – certainly not when it is the safety of their family at stake.”

To help you with your purchasing choices in this area, look for the Five Ticks StandardsMark – a reliable indication that the product and its relevant production processes have been independently tested and certified as complying with rigorous benchmarks. SAI Global has been in the product certification business for decades. The famous Five Ticks Product Certification StandardsMark is a sign of compliance that all industry stakeholders know and respect.



For more information about mandatory consumer product safety and information Standards please visit the ACCC website:

www.accc.gov.au/content/index.phtml/itemId/268595

To purchase copies of the Standards please visit:

www.saiglobal.com or email product@sai-global.com for technical advice from one of our product certification specialists.

