



IKEA Australia submission to the National Competition Policy Analysis study 2025

Productivity Commission

6 June 2025

IKEA Australia ("IKEA") welcomes the opportunity to provide a submission to the National Competition Policy Analysis study.

As the largest home furnishing retailer in the world, IKEA is renowned for offering a wide range of well-designed, functional home furnishing products at affordable prices so that as many people as possible can access them.

Since opening its first store at St Leonards in Sydney 50 years ago, IKEA has become an integral part of Australian homes – bringing Swedish design and clever, affordable solutions to create a better everyday life at home.

As a values-based business, we also believe we have a responsibility to play an active role in society advocating for, and promoting, positive change based on our values, which include caring for people and planet.

We are committed to transitioning towards a circular business that takes a lead in the transition towards a circular economy. We are also hard at work to reduce our operational waste, striving to recycle 100% of waste generated in our own operations by 2030.

Due to a lack of harmonisation in regulatory frameworks across state and federal jurisdictions and with international product standards, our business has faced mounting complexities and compliance costs outlined in this submission – ultimately challenging our ability to deliver on our commitment to provide the lowest possible prices for customers and our sustainability agenda.

We strongly support the focus on harmonisation reform proposed by the Productivity Commission, thank you for the opportunity to provide a submission to this important topic.

As a member of the Australian Retailers Association, we also support their submission to the Productivity Commission as part of this open consultation.

State/federal legislative and regulatory inconsistencies

This section includes the areas of business impact when there are differences in jurisdictional requirements, which are time consuming and costly to implement.

Waste and recycling: Single-use plastics

For any linear businesses taking steps towards circularity, operational waste and soft plastics, particularly in retail, present a significant challenge to divert from landfill. As a business operating nationally with retail operations across NSW, ACT, QLD, VIC, WA and SA, it is becoming increasingly more challenging and costly to implement plastic bans on a state-by-state basis with varied scope of plastics in each regulation and associated timelines. Given the infrastructure to manage these waste streams also varies considerably, there's also limited potential environmental impact of the actions demanded by business. We strongly urge the alignment and consistency in policy and regulation on all packaging from a national standpoint. This will make it easier, more cost effective and less resource intensive for businesses to be compliant. By alleviating unnecessary administrative burden for companies, resources can be better spent on the significant task of improving the sustainability of operations.

Batteries

With the recent passing of the Product Lifecycle Responsibility Bill in New South Wales, mandating product stewardship for batteries, where the rest of Australia remains voluntary. NSW is said to have specifically designed the Act so that it can readily be adopted by other jurisdictions, paving the way for a nationwide, government-backed approach to battery recycling. As a business we support this approach by states if it will enable national harmonisation.

Consumer products

Knives: age restrictions

There is currently inconsistency across Australian states and territories regarding legislation on the sale of knives to minors. For example, NSW, WA, VIC, and QLD prohibit sales of knives to individuals under 18, whilst SA and ACT currently set the minimum age at 16 (though SA legislation is expected to change). Additionally, ACT and QLD mandate specific signage requirements at the point of sale, and QLD requires staff to complete mandatory training before selling knives. See Attachment A.

for an example of the different regulatory requirements.

For a national business, differing state laws require coordinated efforts to ensure compliance across all regions. This includes staff training programs aligned with local regulations, correct signage at each site, updates to point-of-sale systems, and internal compliance checks.

Electronic products: Testing and compliance requirements

The Electrical Equipment Safety System (EESS) is a regulatory framework that governs the supply chain of in-scope electrical equipment (e.g. lighting, appliances, smart products etc). It sets out requirements for product registration, certification/testing and the use of the Regulatory Compliance Mark (RCM). Jurisdictions covered by EESS: Queensland, Victoria, Western Australia and Tasmania.

New South Wales is not a participating jurisdiction in the EESS. NSW manages electrical safety under its own legislation, regulated by NSW Fair Trading. NSW operates independently from EESS and enforces its own compliance requirements. This means that we need to secure product registration, certification/testing to consider both the EESS requirements and the NSW requirements.

Harmonisation with international product standards

At IKEA, safety is at the heart of what we do. Over 80 years of learning from life at home and developing products have taught us what works and what does not. For every product we create, we consider the safety of our customers throughout the entire process – from the materials used to the daily use of the product.

Our product range is developed using a rigorous risk assessment and testing programme, and we recognise and acknowledge the need for effective mandatory safety information standards formulated with a strong evidence base and scientific backing. We support the development of any country-specific standards that go beyond international standards when based on scientific evidence, data, and legitimately increases the material safety of the product or reduces risk for consumers.

But as a global business operating in Australia we face increasing supply challenges and rising costs due to a lack of harmonisation with international standards, which impacts our ability to deliver the most affordable home furnishing products to our customers in Australia – the cornerstone of our business idea ‘to provide well-designed, functional home furnishing products at affordable prices so that as many people as possible can access them.’

Country-specific designs, labelling, and packaging restrict production volumes and inflate supply costs.

These discrepancies add compliance burdens, disrupting the entire supply chain (including manufacturers, suppliers, and retailers). Full alignment with international standards would simplify processes and enhance consistency for the supply of safe, high-quality products at fair prices for customers.

Inconsistent standards also create logistical strains. Country-specific requirements demand separate supply flows, leading to increased costs and extended delivery times. Australia's long supply chains mean products take even longer to reach consumers, compounding these issues, and can result in a lack of product availability.

Deviation from international standards leads to product waste. Products that have already been produced and dispatched globally by our suppliers, and/or are already in distribution centres and stores may not meet local compliance mandates and be ineligible for sale after the legislation start date. This forces businesses to produce waste it otherwise wouldn't, absorb extra costs for management/disposal, driving inefficiencies and financial strain.

Case study: Toppling Furniture mandatory standard

A clear example is [Australia's Toppling Furniture mandatory standard](https://www.productsafety.gov.au/business/search-mandatory-standards/toppling-furniture-mandatory-standard), -<https://www.productsafety.gov.au/business/search-mandatory-standards/toppling-furniture-mandatory-standard> which imposes stricter rules than international counterparts. It applies to all furniture over 500mm in height and mandates additional warning labels, point-of-sale signage, and enhanced safety information in instruction manuals. By comparison, the US standard (ASTM F2057-23) covers only clothing storage units and focuses primarily on stability testing, with fewer retailer and manufacturer obligations. The changes required allow products to:

- Have permanent and visible warning labels attached.
- Information about the risk of toppling furniture must be included in any instruction manuals provided with the furniture.
- Warnings must be displayed both in-store and online at the point of sale.

Over 500 distinct products in the IKEA Australia range have been impacted by this standard. These products come through complex supply chains involving over 50 suppliers spread out globally, over half of them based in Europe. This has included additional supply chain costs, along with significant logistics, resource and cost impacts locally including the unboxing and labelling of thousands of products already onshore. While 12 months implementation of the standard was provided to Australian businesses (which is already very difficult for retailers with international supply chains) product-specific labelling guidance was provided by the ACCC just six months before the incoming legislation date. This advice was needed by businesses to ensure compliance and little to no action could be taken before it was received.

Case study: Infant sleep product mandatory standards

In January 2026 there are [new mandatory standards](https://www.productsafety.gov.au/business/search-mandatory-standards/infant-sleep-products-mandatory-standards) - <https://www.productsafety.gov.au/business/search-mandatory-standards/infant-sleep-products-mandatory-standards> incoming for infant sleep products required by the Australian Government. The new standards now include any product an infant may fall asleep in, as well as household or portable cots. New requirements include product design, construction, performance, and testing requirements for all infant sleep products, including retailers that were previously in compliance with mandatory standards for household or portable cots.

While Australia generally accepts international cot standards (e.g. EN 716, ASTM F1169, ISO 7175), there are still some local differences. For example, Australia will require smaller maximum gaps (minimum 5mm vs 7mm elsewhere), stricter mattress fit requirements, and more detailed labelling.

While these differences are relatively minor, any deviation from international standards creates a requirement for separate product stock flows in the supply chain which can impact prices and availability for customers. In the case of these standards, new products must be developed in a short timeframe to achieve compliance. We are working as hard as we possible to mitigate these impacts for our customers in product affordability and availability in this range.

In conclusion, we strongly support more consultation and consideration of international standards in the review and development of any Australian product standards, with the potential to create the conditions for increased competition and productivity for businesses operating in Australia.

About IKEA

Our business

IKEA is a franchise business, with many companies working together under one IKEA brand, all working towards the shared IKEA vision – to create a better everyday life for the many people. This vision guides every decision we make.

The IKEA business idea is to offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

Customers around the world have embraced IKEA since it was founded in Sweden in 1943. Now the world's largest home furnishing retailer, Ingka Group, the largest IKEA retailer, operates 400 IKEA stores in 31 countries and employs more than 162,000 co-workers. IKEA Australia, a company incorporated in Australia with registered office in New South Wales, is one of the IKEA franchisees and a part of the Ingka Group.

IKEA Australia operates:

- Ten stores
- Three Plan and order points
- Six external pick-up points for online orders
- One Service office
- One Distribution centre

We are focused on increasing the affordability and accessibility of IKEA for the many Australians, enabling our customers to shop however, whenever and wherever they choose through a seamless physical, digital, and remote shopping experience.

IKEA Australia currently employs around 3,800 co-workers.

Sustainability Strategy

At IKEA, we want to have a positive impact on people, society and the planet. For us, it's about balancing economic growth and positive social impact with environmental protection and regeneration. We always think long term – to be able to meet the needs of people today without compromising the needs of future generations. Doing this requires rethinking and inspiring changes in lifestyles and consumption, and to adopt new ways of working. We are committed to leading the way forward together with our co-workers, customers and partners and to using our size to make a positive difference. This is both a responsibility and a business opportunity. The more people we reach, the bigger the impact we can have together, and the more people we can enable to live a better everyday life.

Our global sustainability strategy can be accessed <https://www.ikea.com/global/en/our-business/sustainability/>



Sale of Knives Legislation

Updated: 19 December 2024



Sale and supply of knives | National Comparison Table



State	Act & Amendment	Restrict sale to minor	Age of minor defined	Signage requirements	Restricted advertising	Staff acknowledgment	Secure storage
NSW	Summary Offences Act 1988	✓	<16* *16-17 yrs must have lawful excuse	✗	✗	✗	✗
WA	Weapons Act 1999	✓ Includes supply	<18	✗	✗	✗	✗
SA	Summary Offences Act 1953	✓	<16	✗	✓	✗	✗
VIC	Control of Weapons Act 1990	✓	<18	✗	✗	✗	Dagger, double ended blade and throwing knife is a prohibited weapon
ACT	Crimes Act 1900	✓ Includes supply	<16	✓ Section 384	✗	✗	✗
QLD	Summary Offences Act 2005	✓	<18	✓	✓	✓	✓

NT / TAS No specific legislation applies in these states.

current as of 19 December 2024

National Sale of Knife Laws

State	
NSW	NSW Summary Offences Act 1988 UPDATED DEC 2024 Subdivision 1 Knives and offensive implements 11F Sale of knives to children
WA	Western Australia Weapons Act 1999 UPDATED SEP 2024 Police Legislation Amendment Act 2024 7. Controlled Weapons 8A. Selling and supplying controlled weapons to children ('Edged weapons' added to controlled weapons prescribed in Weapons Regulations 1999 (Act s. 3) (Sch. 2), Schedule 2 – Controlled weapons)
SA	South Australia Summary Offences Act 1953 Part 3A—Weapons etc 21D—Unlawful selling or marketing of knives
VIC	Victoria Control of Weapons Act 1990 S. 3(1)def. of controlled weapon inserted by No. 47/2000 s. 5(1). Section 6 – Control of Controlled Weapons Control of Weapons Regulations 2011
ACT	ACT Crimes Act 1900 Part 17 – Offences punishable summarily and summary procedure generally Section 383 – Sale of knife to person under 16 Section 384 – Retail supplier of knives to display sign
QLD	Summary Offences Act 2005 UPDATED SEP 2024 Summary Offences (Prevention of Knife Crime) and Other Legislation Amendment Act 2024 Part 3 Amendment of Summary Offences Act 2005 - Section 23 Gel blasters - Weapons Act 1990, section 67
NT / TAS	No specific legislation applies in these states.

National Sale of Knife Laws

State	Legal Requirements – Key Points
NSW	<p>NSW Summary Offences Act 1988 UPDATED 2024</p> <ol style="list-style-type: none"> 1. A person who sells a knife to a child under the age of 16 years is guilty of an offence. 2. It is a <u>defence</u> (proof of which lies on the person) to a prosecution for an offence under this section that the person selling the knife believed on reasonable grounds that the child was of or above the age of 16 years.
WA	<p>Western Australia Weapons Act 1999 UPDATED 2024</p> <ol style="list-style-type: none"> 1. In this section – child means a person under 18 years of age. 2. A person who sells an edged weapon to a child commits an offence. 3. A person who supplies an edged weapon to a child commits an offence. 4. It is a defence to a charge of an offence ... to prove the accused believed on reasonable grounds that, at the time the edged weapon was supplied, the child had a lawful excuse to carry or possess the weapon.
SA	<p>South Australia Summary Offences Act 1953</p> <ol style="list-style-type: none"> 1. It is an offence to sell a knife to a minor under 16. 2. It is a defence to prosecution for an offence to prove that: <ol style="list-style-type: none"> a) the seller requested the minor to produce evidence of age of a kind prescribed by regulation; and b) the minor made a false statement or produced false evidence in response to that request; and c) in consequence, the seller reasonably assumed that the minor was of or above the age of 16 years 3. A person who markets a knife in a way that– (a) indicates, or suggests, that the knife is suitable for combat; or (b) is otherwise likely to stimulate or encourage violent behaviour involving the use of the knife as a weapon, is guilty of an offence.
VIC	<p>Victoria Control of Weapons Act 1990 and Control of Weapons Regulations 2011</p> <ol style="list-style-type: none"> 1. It is an offence to sell knives to children under 18.
ACT	<p>ACT Crimes Act 1900</p> <ol style="list-style-type: none"> 1. It is a crime to sell a knife (except a plastic knife) to a person under 16. 2. A person who sells knives must display the following sign: 'It is an offence to sell a knife to a person under the age of 16. Proof of age may be required.'. <ol style="list-style-type: none"> i. the sign must be no smaller than 210mm x 145mm (A5) ii. Letters within sign must be at least 8mm in height.
QLD	<p>Summary Offences (Prevention of Knife Crime) and Other Legislation Amendment Act 2024 – within Summary Offences Act 2005 UPDATED 2024</p> <ol style="list-style-type: none"> 1. It is an offence to sell a knife or controlled item to anyone under the age of 18. 2. Obligations on people and businesses to not sell to anyone under 18, display signage, instruct and warn staff, monitor promotional activity and securely store particular controlled items. 3. Gel blasters are that are restricted items under the Weapons Act 1990, section 67 that is a replica of a firearm under that Act; are also controlled items.
NT / TAS	No specific legislation applies in these states.