MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

Regulatory Impact Statement: Options for addressing the risk posed by corded window coverings

Decision sought	*Assess options for addressing the risk of strangulation to young children posed by corded window coverings.*
Agency responsible	*The Ministry of Business, Innovation and Employment **(MBIE)***
Proposing Ministers	*Commerce and Consumer Affairs*
Date finalised	*10 June 2026*

Description of the Minister's regulatory proposal
To address the serious risk posed by corded window coverings by introducing a product safety requirement. Once the requirement is introduced, suppliers will only be able to sell corded window coverings that meet at least one of the specified international standards.

Summary: Problem definition and options

What is the policy problem?
There have been instances of young children (10 – 36 months old) becoming entangled in window covering cords (ie the cords attached to window blinds) and strangling to death or becoming seriously injured. Unlike in other jurisdictions, New Zealand does not currently require corded window coverings sold in New Zealand to meet any product safety standards. To reduce the risk to children from covering cords, since 2021 MBIE has engaged with stakeholders and had education campaigns. However, current measures are unlikely to prevent further deaths.

What is the policy objective?
The objective is to reduce the risk of harm and death to young children from being caught in covering cords. Options have been assessed based on a) their effectiveness in reducing the risk of death and injuries and b) the imposition of costs to industry and government.

What policy options have been considered, including any alternatives to regulation?
We considered both non-regulatory and regulatory options. We have analysed four options:

a. Option One: Status quo
b. Option Two: Increased education
c. Option Three: Product safety policy statement
d. Option Four: Require compliance with an international product safety standard (preferred)

What external consultation has been undertaken?
To develop options MBIE has:

a. engaged with international regulators
b. consulted suppliers of corded window coverings in the New Zealand market, and
c. conducted public consultation

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?
Yes.

Summary: Introducing a product safety requirement that mandates suppliers to comply with one of several recognised international standards

Costs

Description of costs and where they fall
We assume that the total discounted present costs of this option to the industry will be $31.6 million. We assume enforcement of this option would cost the Commerce Commission (**the Commission**) $1.8 million over 30 years, which would be absorbed by baselines. There is no anticipated additional cost to the New Zealand Customs Service.

Benefits

Description of benefits and where they fall
We estimate mandatory compliance with the proposed standard would result in:

- a 21 per cent reduction in the total death and injuries over 30 years (including 2–3 lives saved)
- $43.8 million of present benefit of these reductions over 30 years.

Balance of benefits and costs

Does the RIS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?
Yes. We estimate the option to have a net present benefit of $10.4 million over 30 years.

Implementation

How will the proposal be implemented, who will implement it, and what are the risks?
Once the requirement is introduced, suppliers will only be able to sell corded window coverings that meet at least one of the specified international standards. There will be a one-year transition period before the requirement comes into effect to give suppliers time to prepare and adjust.
The Minister of Commerce and Consumer Affairs will recommend the Governor-General introduce the requirement through an Order-in-Council under section 29 of the *Fair Trading Act 1986* (the **FTA)**. The Commission is responsible for informing the market of changes to requirements under the FTA, as well as enforcing product safety standards under the FTA. Non-compliant corded window coverings would become prohibited imports, enforced by New Zealand Customs. MBIE will also provide information on its Product Safety website about the new requirement for both businesses and consumers.

Limitations and constraints on analysis

Our analysis is based on a range of assumptions, only some of which are directly supported by evidence.

The effectiveness of mandating a product safety standard is uncertain, and our cost-benefit analysis is sensitive to small changes in estimated effectiveness. We have not analysed all proposed international standards. The analysis focuses on compliance with, and the benefits of, the Australian standard, as this is the international standard most likely to be followed by suppliers in New Zealand. We have extrapolated from the first 11 years of the Australian experience with the standard and taken into account that many New Zealand suppliers already comply with the Australian standard. However, differing circumstances and data variability means that international experience provides a limited guide to what is likely to happen in New Zealand.

While we are confident about the recorded deaths from corded coverings, data on injuries is sparser. Between 2016 to 2025, 36 new claims for injuries involved strangulation on covering cords were lodged with the Accident Compensation Corporation (**ACC)**. The ACC data is based on keyword searching and manual review. It is likely that there have been more injuries than those for which ACC claims were lodged. The data does not capture whether these were all serious injuries or not, but we assume that since they warranted an ACC claim they all required medical attention or hospitalisation. We have therefore estimated the social cost of these injuries based on equivalent figures used in the transport sector for serious injuries due to vehicle accidents. This is further discussed below.

In estimating costs, we do not know how many corded coverings are sold each year, but we have estimated these figures based on the number of private dwellings and made assumptions about the number of corded coverings per dwelling and replacement rates. We also have limited information about the proportion of corded coverings that are already sold with safety devices.

The above estimates and assumptions are detailed in our cost-benefit analysis below, and we have carried out sensitivity analysis on the costs and benefits of the preferred option to test the robustness of the results against different assumptions (**Annex 2**).

I am satisfied that, given the available evidence, this RIS represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature: _____

Glen Hildreth
Consumer Policy Team, MBIE
21 May 2026

Quality Assurance Statement

Reviewing Agency: MBIE	**QA rating:** Meets

Panel Comment: A Quality Assurance Panel from MBIE has reviewed the Regulatory Impact Statement (RIS) prepared by MBIE titled Options for addressing the risk posed by corded window coverings on 8 June 2026. The Panel considers that the information and impact analysis summarised in the RIS meets the Quality Assurance criteria.

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

Children can become entangled in window covering cords and die

1. Many window coverings (mostly shades and blinds) have cords and are known as corded window coverings (**corded coverings**). The cords can be a continuous loop, free hanging cord, bundle of cords, or beaded chain. They are used to raise or lower the covering, or rotate slats to adjust light and airflow.

2. Corded coverings pose a hazard of strangulation to young children (particularly those 10 to 36 months old) who can get their head entangled in the cords. Coverings are often sold with an accompanying safety device which, when installed and used, tidies operating cords away so young children cannot become entangled in them. However, as discussed in the problem definition section below, many corded coverings do not come with safety devices, and many parents remain unaware of their risks.

3. There were four deaths from strangulation on a covering cord over the ten-year period from 2016–2025, giving a recent annual death rate of 0.4.[1] There have been eight deaths in total in New Zealand since 2007 from covering cords. All deaths were of young children aged between 11 months and three years. Five of the eight deaths occurred when a child had been put in a cot within reach of a corded covering.

4. There have also been 36 ACC claims for injuries to children aged four years and younger in relation to strangulation on covering cords between 2016 and 2025; an average of 3.6 injuries per year.

5. In response to a child dying from strangulation on a covering cord in 2018, in her 2021 Coronial report, Coroner Borrowdale noted there are several compulsory product regulations relating to corded coverings internationally, but that New Zealand has no such regulations. Coroner Borrowdale recommended:

    a. prescriptive mandatory regulations requiring design properties which prevent young children from accessing the cords

    b. that education efforts promote safe window covering options and go beyond the recommendations to install safety devices and ensure furniture is not near a corded covering

    c. corded covering suppliers consider introducing easy low-cost schemes for consumers to replace risky corded coverings and to retrofit safety device schemes, and the Ministry of Business, Innovation and Employment (**MBIE**) consider organising and assisting such schemes.

[1] The average annual death rate over the entire 18-year period 2007–2024 was 3.2. The 10-year average is used in this RIS to ensure the currency of the estimate, given changes in technology and society since 2007.

6. In response to further children dying in January 2023 and January 2024, Coroner Hesketh and Coroner McKenzie released coronial reports reiterating Coroner Borrowdale's recommendations and urging MBIE to introduce a mandatory product safety standard, in February 2026 and September 2024 respectively.

Coverings are currently unregulated in New Zealand

7. Unlike in some jurisdictions overseas (including Australia), suppliers in New Zealand are not required to meet any product safety standards. However, some New Zealand suppliers voluntarily provide safety devices.

Government interventions to date have not been enough to prevent further deaths

8. To reduce the risk to children from covering cords, MBIE has:

    a. engaged retailers, other government agencies (including Oranga Tamariki | Ministry for Children and Kāinga Ora | Homes and Communities) and non-governmental organisations to raise awareness

    b. commissioned digital consumer education campaigns by Safekids Aotearoa (an affiliate of the Starship Foundation) in 2023 and 2024 to raise awareness of the risk and encourage retrofitting safety devices and cordless covering options

    c. partnered with The Sleep Store Limited to distribute 2,380 free safety device packs for consumers to retrofit on installed coverings.

9. MBIE continues to:

    a. maintain information for consumers and suppliers about the risks of corded coverings, and mitigation methods, on its Consumer Protection website

    b. make regular posts on its Facebook page about corded covering safety

    c. fund an annual re-run of the Safekids Aotearoa campaign.

10. While these initiatives are likely to continue to raise awareness of the corded covering risk, previous awareness-raising initiatives have not been enough to prevent further injuries or deaths, as evidenced by the deaths and 7 ACC claims for strangulation injuries due to covering cords in 2023 and 2024.

What is the policy problem or opportunity?

Deaths and injuries from corded coverings have significant social costs

11. There have been instances of young children aged 10 to 36 months old dying or being injured from preventable strangulation on covering cords.

12. There is an opportunity to reduce the number of young children dying (currently 0.4 per year) or getting seriously injured (currently 3.6 per year) from becoming entangled in covering cords.

13. These deaths and injuries have substantial social costs, including negative social and mental health impacts on families and communities that have lost a young child. Based on a value of a statistical life (VoSL) of $16.6 million[2], and a deathrate of 0.4, young children dying from strangulation on covering cords can be represented as a social cost of $6.64 million a year. Based on ACC injury claims, non-fatal covering cord injuries have an estimated social cost to New Zealand of $1.99 million a year.[3] Therefore, corded covering deaths and injuries can be represented as a cost of $8.6 million a year.

Corded coverings may not have an accompanying safety device installed

14. There is no legal requirement in New Zealand for corded coverings to have an accompanying safety device installed. Safety devices for coverings are generally cleats around which cords can be wrapped, cord guides which prevent a loop forming, or break-away clips which snap away when excess force is applied.

Cleat	Guides	Break-away clip
	 	

15. Consumers are free to choose whether they install a corded or non-corded covering, or a safety device for a corded covering. Further, while most coverings sold in New Zealand now come with a safety device, this has not always been the case.

16. Accordingly, there are many coverings installed which do not have an accompanying safety device installed. This is likely because people:

    a. are unaware of the risk

    b. know about the risk but are unaware of how to mitigate it

    c. do not have young children at home or visiting them

    d. knowingly take on the risk.

17. We do not know how many installed coverings have an accompanying safety device. For the purposes of this impact analysis we assume half of all households have corded

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[2] New Zealand Treasury, *CBAx Spreadsheet Model*, October 2025

[3] The VoSL of $16.6 million is based on a $12.500 million value in 2021 published in New Zealand Transport Agency (NZTA) research report 698, *Monetised benefits and costs manual* (MBCM) parameter values, adjusted for inflation. That same report lists an equivalent figure for a serious injury – an injury requiring medical attention or admission to hospital – of $650,000. Updating this to a 2025 value using the same price adjustment as the VoSL gives a cost per serious injury of $864,000.

coverings, and half of those (503,100) have corded coverings without an accompanying safety device.

There is a lack of awareness of the risk posed by covering cords to young children, and how to address it

18. A lack of awareness of the dangers posed by covering cords means some caregivers may unknowingly expose children to this risk, for example by positioning cots close to covering cords.

19. MBIE commissioned Perceptive Research (**Perceptive**) to conduct a survey of New Zealand parents and caregivers who regularly had children aged six or under in their household. Perceptive surveyed 1,041 individuals and found 25 per cent of respondents were not aware covering cords present a safety risk to young children, and that only 56 per cent understood the strangulation hazard.

20. The *Safekids Aotearoa* educational campaigns have been relatively successful in raising awareness of the risk, with the 2023 campaign reaching at least 321,728 individual media accounts at a cost of $30,000. However, these campaigns have not reached everyone and have not been enough to prevent further deaths or injuries, as evidenced by the latest death occurring in January 2024.

21. The Perceptive survey found 38 per cent of participants reported they were unable to install safety devices, often assuming the fact that they rented the property (rather than owned) meant they were not allowed to install covering safety devices. However, section 42B of the *Residential Tenancies Act 1986* makes it unlawful for landlords to withhold consent for such minor changes. It is therefore unlikely to be illegal for a renter to install a safety device, and this barrier is more an issue of landlords and renters understanding respective rights under the Residential Tenancies Act.

What objectives are sought in relation to the policy problem?

22. The objective is to reduce the risk of harm and death to young children from becoming caught in covering cords. This objective is applied in the options analysis by assessing the extent to which each option reduces deaths and serious injuries, alongside the costs of achieving those reductions.

What consultation has been undertaken?

23. To develop options MBIE has:

    a. consulted covering suppliers in the New Zealand market

    b. conducted public consultation

    c. engaged with international regulators.

24. Consultation with covering suppliers informed MBIE's analysis of the costs of the businesses and consumer of complying with the proposed standard, including

replacement costs for window coverings. These costs are incorporated into the option analysis.

25. In December 2023, MBIE publicly consulted on various options for improving the safety of corded coverings. Twelve submissions were made, of which seven supported the introduction of safety requirements and five opposed. Informed by these submissions, MBIE developed advice on recommended options, which are analysed in the RIS in terms of net benefit, effectiveness and cost efficiency.

26. MBIE also consulted with international regulators including the Australian Competition and Consumer Commission (ACCC), Health Canada and the United States Consumer Product Safety Commission to gather further information on their experience with regulation. We have also engaged directly with several retailers and manufacturers, including Bunnings, the Warehouse, NZ Window Shades, and Russells Curtains. The consultations raised a number of issues which are included in the options analysis.

27. Consultation with retailers, manufacturers and international regulators identified several key issues relevant to the policy design. These include compliance costs, the extent of existing alignment with Australian requirements, and the effectiveness of approaches that rely on correct installation and ongoing consumer behaviour.

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options to the status quo?

28. We have undertaken a monetised social cost-benefit analysis to assess different options for addressing the risk posed by covering cords to young children. A present value net benefit dollar figure is calculated for each option based on assumptions of each option's:

    a. effectiveness at reducing deaths and serious injuries

    b. costs across industry and government.

29. Effectiveness at reducing deaths and injuries is estimated for a time period of 30 years (2027 to 2057), accounting for the time delay between when the option is implemented and when the associated outcome is expected to materialise. The assumptions used (e.g. value of a statistical life, discount rates) are set out in **Annex 3**.

30. Costs are also estimated for the same 30-year time period and include those expected to be incurred by:

    a. the window covering industry

    b. government

    c. consumers.

What scope will options be considered within?

31. Both regulatory and non-regulatory options have been considered. To develop options MBIE has considered interventions in overseas jurisdictions and the regulatory tools available under the Fair Trading Act.

What options are being considered?

32. We have analysed four options:

Option	Description
One Status quo	MBIE continues to maintain safety information on its website and fund an annual Safekids Aotearoa education campaign.
Two Increased education	MBIE expands education activities.
Three Product Safety Policy Statement	The Minister of Commerce and Consumer Affairs issues safety guidance suppliers can voluntarily abide by.
Four Mandatory Product Safety Standards (Preferred)	Government requires compliance with an international product safety standard.

Option One – Status Quo / Counterfactual

33. Under the status quo, MBIE would continue to:

    a. maintain information on its website for consumers and suppliers of corded window coverings about the associated strangulation risk and options to mitigate that risk

    b. promote this information via regular posts on the Product Safety Facebook page

    c. fund an annual Safekids Aotearoa education campaign.

34. This option targets parents and caregivers of young children. This includes both those who already have coverings installed (with or without a safety device) and those considering new covering options.

35. Education and awareness initiatives in New Zealand and internationally have helped increase awareness of strangulation risks posed by corded window coverings. However, education relies on sustained behaviour change by parents and caregivers. In addition, MBIE heard during its consultation with corded covering suppliers that window coverings are replaced on average every 15 years. Many corded window coverings that pose a risk remain installed, even though awareness of the risks has improved. International insights, including from regulatory reviews in Australia, Canada and the United States,

have found that education campaigns alone, without regulation, have not reduced child strangulation incidents.

36. This option presents no additional cost to suppliers, consumers or government. However, MBIE expects this option alone will not materially reduce injuries or deaths of young children by strangulation on covering cords. Coroner Borrowdale, Consumer NZ, Plunket, Safekids, and overseas regulators recommended against this option. Suppliers of corded window coverings also preferred increased education or government-funded safety devices over the status quo.

37. These existing information and education activities are assumed to continue under all options and complement any additional regulatory intervention.

Net benefit = $0

Option Two – Increased education

38. Under this option, MBIE would increase education efforts in raising awareness of the strangulation risk of covering cords and options for mitigation this risk. This would involve a national television and radio campaign, and providing printed collateral for key partners (e.g, Plunket, baby product retailers, health practitioners) every five years.

39. While international evidence suggests that education campaigns have not reduced strangulation incidents in isolation, this likely reflects the difficulty of achieving sustained behaviour change. We therefore assume a small incremental effect (1 per cent reduction per year) reflecting marginal increases in awareness, rather than a material reduction in risk.

40. This option seeks to improve awareness among consumers of corded coverings (particularly parents and caregivers of young children) of the risk posed by corded coverings. It would encourage mitigation options to both those with installed corded coverings installed, especially those without safety devices and/ or used, and those considering new window covering options.

41. Each year the campaign is run (eg every five years), would require:

    a. A third of an MBIE FTE at $0.059 million including overheads

    b. 200,000 units of printed collateral at $0.015 million

    c. television and radio advertisement production at $0.179 million

    d. television and radio airing costs of $0.578 million.

42. We estimate this option running the campaign six times over 30 years to have a total discounted present cost of $3.049 million. We estimate $0.147 million could be funded

from baselines, with an additional $0.644 million in new government funding needed to run the first campaign.

43. We assume this option would reduce the annual death and serious injury rates by one percent each year after the campaign is run, resulting in total reductions in both of 6.73% over 30 years. This would represent a total discounted present benefit of $4.01 million over 30 years. Offsetting costs, this would be a total net present benefit of $0.641 million.

44. This option would not increase supplier or consumer costs and is supported by covering suppliers we consulted with. However, in their 2021 Coronial report, Coroner Borrowdale explicitly noted that education efforts "are not sufficient to protect young New Zealanders from the risks of corded blinds…" and quoted a United States researcher of window cord fatalities, Dr Gary Smith: "…messaging is not enough". As a result, this option is expected to deliver only modest reductions in deaths and injuries.

Benefits: $4.010m; Costs: $3.37m; Net benefit: $0.641m

Option Three – Product safety policy statement

45. Under this option, the Minister of Commerce and Consumer Affairs would issue a product safety policy statement for corded coverings under section 30A of the FTA. Product safety policy statements provide voluntary guidance for suppliers to improve the safety of specific types of products.

46. There would be no costs associated with implementing or enforcing this option as it is a voluntary measure.

47. There is no evidence suggesting product safety policy statements are effective in improving product safety. In reviewing the policy statements for button batteries and foam-filled furniture, we have found those respective industries have continued largely unchanged without a reduction in injuries and deaths related to those products. This is likely due to the fact that the guidance is voluntary. Accordingly, we assume this option would not reduce deaths and serious injuries.

48. This option was supported by suppliers and two of three consumer submissions. This option was not supported by *Consumer NZ*, *Plunket* and *Safekids*. Further, in her 2021 report, Coroner Borrowdale explicitly noted a product safety policy statement is not an appropriate level of response.

Benefits: $0; Costs: $0; Net benefit: $0

Option Four – Mandatory Product Safety Standard (Preferred)

49. This option would introduce a product safety requirement under section 29 of the FTA for corded window coverings supplied (or offered or advertised for supply) in New Zealand. The FTA enables product safety requirement that regulate a product's:

    a. performance, composition, contents, manufacture, processing, design, construction, finish or packaging;

    b. testing during or after manufacturing or processing; and/or

    c. markings, warnings or accompanying instructions.

50. Many jurisdictions comparable to New Zealand have a mandatory product safety standard for coverings, including Australia, the European Union, the United States and Canada (see **Annex 1**). These standards require suppliers of window coverings to meet requirements relating to safety, labelling, packaging and/or testing.

51. The product safety requirement would mandate that suppliers of corded window coverings in New Zealand comply with at least one overseas product safety standard, with a choice of standards from Australia, Canada, the United States and the European Union. This will allow suppliers to choose the compliance pathway that best suits their products and business. The aim is to reduce deaths and serious injuries while minimising unnecessary compliance costs and market disruption. This would also provide consumers with a wider range of corded window coverings than if compliance with a single international standard were required.

52. Each international standard imposes different obligations on suppliers. The Canadian and United States standards seek to eliminate the risk by requiring window coverings to be cordless or to only have short and inaccessible cords, whereas the Australian standard seeks to mitigate the risk through warning labels and safety devices.

53. In practice we assume that most suppliers will prefer compliance with the Australian standard, as it is lower cost and many covering suppliers operating in New Zealand also operate in Australia. Our cost-benefit analysis therefore reflects implementation of the Australian standard which requires:

    a. installation instructions to include practical suggestions on how to install coverings so a loose cord cannot form a loop 220mm or longer at a height of less than 1600mm from the floor
    b. any components specified in the installation instructions to be supplied with the covering
    c. retail packaging to have a warning label, and the covering cord must have a warning label or swing tag attached.

54. The photos below show an example of a warning label attached to a covering cord, in accordance with Australian standards:



55. Australia has a separate mandatory standard for installation services, which we do not propose to implement in New Zealand. This requires coverings to be installed in accordance with their installation instructions, cleats to be installed at least 1600mm from the floor, and a label to be attached with the installer's name and contact details and warnings. The Australian Competition and Consumer Commission (**ACCC**) has advised it is impractical to enforce the installation requirements. While we do not know the proportion of the market, we assume many New Zealanders install corded coverings themselves rather than using a professional installer. This presents significant doubt about the potential effectiveness of installation requirements in the New Zealand market.

56. Education initiatives described in the status quo option will continue alongside this option. We have not modelled a standalone 'education plus regulation' option, as education is assumed to continue under all options, including the status quo, and therefore forms part of the baseline.

Costs to industry and consumers

57. Businesses would incur increased costs to meet the new standard, which would likely be passed on to consumers.

58. We estimate there are over 1 million corded coverings sold each year. There are around 2.2 million households in New Zealand. Assuming these households have an average of five corded coverings, results in an estimated 11 million corded coverings in New Zealand. Informed by our consultation with corded covering suppliers, we estimate corded coverings are replaced on average every 10 years.

59. Informed by our consultation with corded covering suppliers, we estimate 60 per cent of stock sold in New Zealand already complies with the Australian standard and we estimate the additional cost of meeting the standard is $3.18 per unit. We also estimate a one-off cost to verify the modified units meet the standard of $1,000 per business. We have identified 174 different covering suppliers from the Companies Register, and so assume the total one-off verification cost would be $174,000.

60. Total present costs of this option to industry and consumers are $31.6 million.

Costs to government

61. Additional government funding is not required for this option, as all costs would be absorbed within baselines.

62. The Commerce Commission advises that this standard would require:

    a. 0.5 Senior Advisor FTE in the first year;

    b. 0.6 Senior Investigator FTE in the second year; and

    c. 0.3 Senior Investigator FTE from the third year onwards.

63. Based on current salary rates and overheads, this is estimated to cost $1.8 million over 30 years, which could be absorbed within baselines.

Benefits

64. Australia saw a reduction in deaths from window covering strangulations from 1.36 per year for the 11 years before the introduction of regulations in 2010 to 1 per year in the following 11 years.

65. Based on the Australian experience, and the existing partial compliance of corded coverings in New Zealand, we estimate that our product safety standard would result in annual death and injury rates reducing steadily, with an eventual drop of 28 per cent from year 15 onwards, when all corded coverings are assumed to have been replaced.[4]

66. The total discounted present benefit of these reductions is $43.8 million over 30 years.

67. Suppliers noted the requirement for a warning label or swing tag to be attached to the cord would be unpopular with some consumers due to the aesthetic. The ACCC reports some consumers in Australia pressure their installer to not attach the label or swing tag and some cut it off. However, the requirement for, and presence of, warning labels in and of itself is likely to lead to more consumers being more aware of the risk posed by the cord.

Benefits = $43.8m; Costs = $33.4m; Net benefit = $10.4m

[4] Australia saw a 27% reduction in deaths over the first 11 years. Assuming a linear decline in the death rate as corded coverings are replaced, this implies a reduction of approximately 37% after 15 years. In New Zealand, given that around 58% of corded coverings already include safety devices (largely as a result of the Australian regime), we assume the drop to only be 42% of that historically experienced in Australia.

How do the options compare to the status quo/counterfactual?

	Option One: Status Quo ie maintain information on Product Safety website and an annual *Safekids* education campaign	**Option Two: Increased education**	**Option Three: Product Safety Policy Statement**	**Option Four: Mandatory Product Safety Standard**
Total reduction in death and serious injuries over 30 years	0	6.73% +	0	21% ++
Net present benefit	0	$0.641m +	-$34,650 -	$10.4 m ++
Benefit-to-cost ratio	-	1.19 +	-	1.3 +
Overall assessment	0	+++	-	+++++

Key

++	Much better than status quo
+	Better than status quo
0	Same as status quo
-	Worse than status quo
--	Much worse than status quo

We have also conducted a sensitivity analysis, for which a summary is provided at **Annex 2**.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

68. Based on our monetised cost-benefit analysis, Option Four: Mandatory product safety standard would best address the policy problem, best reduce the risk of harm and death to young children from covering cords and has the highest net benefits ($10.4 million).

69. While it also will result in higher costs to industry, which are likely to be passed on to consumers, the benefit-cost ratio of estimate 1.15 suggests the costs are worthwhile.

70. The net benefit calculation is sensitive to assumptions. Under our central assumptions, the reduction in deaths and injuries after 15 years would need to be at least 25 per cent to result in net benefits. **Annex 2** provides a sensitivity analysis showing that, under unfavourable assumptions, Option Four could produce a significant net cost.

People may choose not to use safety devices, even when installed

71. Even if all coverings had an accompanying safety device installed, not all consumers will know, choose, or remember to use them. Accordingly, we assume safety devices are 80 per cent effective in mitigating the risk the households that install corded window coverings.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

72. Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups	**Comment**.	**Impact** Over 30 years	**Evidence Certainty**
Additional costs of the preferred option compared to taking no action			
Government	Costs incurred by the Commerce Commission in preparing for and enforcing the product safety requirement.	$1.8m	High
Corded window covering suppliers and consumers	Estimated costs of research and tooling, modification, and verification which would be incurred by suppliers and likely passed on to consumers.	$31.6m	Medium
Total monetised costs		$33.4m	Medium
Additional benefits of the preferred option compared to taking no action			
Consumers	Reduced child death rate.	$29.8m	Low
Consumers	Reduced injury rate for children.	$14.0m	Low
Total monetised benefits		$43.8m	Low

Assumptions used for these figures are provided in **Annex 3**.

Section 3: Delivering an option

How will the proposal be implemented?

73. Following Cabinet's agreement, the Minister of Commerce and Consumer Affairs would recommend the Governor General make the requirement through an Order-in-Council under section 29 of the FTA.

74. Once the requirement is introduced there would be a one-year transition period before it comes into effect to give suppliers time to comply.

75. The Commission is responsible for providing guidance and enforcing product safety standards under the FTA. MBIE will also provide information on its Product Safety website about the new requirement for both businesses and consumers. New Zealand Customs will ensure that non-compliant corded window coverings are not imported.

How will the proposal be monitored, evaluated, and reviewed?

76. MBIE maintains a relationship with Coronial Services at the Ministry of Justice to be kept up-to-date with any deaths resulting from a covering cord. MBIE also requests injury information from ACC when needed.

77. As the standard will only affect new corded coverings, it will take time (approximately 15 years) before the full effect of the standard will be realised. Given a relatively low annual death rate of 0.4, a single death from those existing corded coverings could significantly change the death rate making it look as though the requirement is ineffective. However, the true effect of the requirement is unlikely to be statistically demonstrable until after 15 years of being in place.

78. The Commission will monitor compliance with the regulation, assess its effectiveness, provide advice on whether changes are needed, and inform the market of the new requirement. As the Crown monitor for the Commission, as well as through regular product safety meetings with the Commission, MBIE will keep up-to-date on the Commission's insights on:

    a. the market response to the standard

    b. the level of enforcement required

    c. relative priority to other Commission product safety activities

    d. any identified barriers to the requirement contributing to the sought reductions in corded covering deaths and injuries.

Annex 1: Comparison of safety standards for corded window coverings in overseas jurisdictions

Requirements	Standards similar to that in Australia	Canada	European Union	United States
Regulations or standards	Trade Practices (Consumer product Safety Standard – Corded Internal Window coverings) Regulations 2010	Design and information requirements of the Corded Window Covering Regulations (SOR/2019-97)	- EN 16433:2014 (Test method) - EN 16434:2014 (Requirements and test methods for safety devices) - clause 8.2 and 15 of EN13120:2009+A1:2014 (Performance requirements)	ANSI/WCMA A100.1-2022 ANSI/WCMA A100.1-2018

Safety requirements	- Suppliers must include installation instructions which set out how to install the corded window covering, and components (if any), in a way that significantly reduces the likelihood of a child becoming entangled (loop no greater than 220mm at a height of less than 1600mm). Following these instructions will minimise the risk of strangulation compared to longer loop lengths and lower placements.
	- Suppliers must include any components specified in the installation instructions. This ensures that any components required to install the coded window coverings in accordance with the instructions are supplied.
		<u>Installation requirement</u>
		- A cord that is designed to be unreachable by young children must remain unreachable after installation, whether the blind is fully open, fully closed, or anywhere in between, throughout the useful life of the product.
		<u>Performance requirement</u>
		- A reachable cord with one free end must not exceed 22cm in length when it is pulled in any direction by the gradual application of force attaining 35N.
		- A reachable cord with no free end must not exceed 22 cm in length between two consecutive contact points when it is pulled in any direction by the gradual application of force attaining 35N.
		- If a reachable cord is pulled in any direction by the gradual application of force attaining 35N, the perimeter of any loop, whether it is existing, created or enlarged, must not exceed 44 cm.
		- If two reachable cords with one free end each can be connected to one another, end to end, after each has been pulled in any direction by the gradual application of force attaining 35N, the length of the resulting cord must not exceed 22 cm and the perimeter of the loop that is created must not exceed 44 cm.
			<u>Installation requirement</u>
			- Installation must not allow hazardous cords or loops to become accessible.
			<u>Performance requirement</u>
			- Products must remain safe when fully raised, fully lowered, and in intermediate positions.
			- No hazardous loops may be accessible to children.
			- Cord length is strictly limited unless safety systems are used.
			- Accessible inner cords must be restrained or rendered harmless.
			- Acceptable operation approaches include cord-free designs, motorised or crank operation, breakaway systems, fixed tensioning systems and cord accumulation systems.
			- For mechanical reliability, safety features must function under specified loads, not fail, crack or disengage, and continue working over the life of the product.
			<u>Safety device requirement</u>
			- Safety devices must meet defined functional and durability requirements and be supplied connected to the cord and correctly positioned.
			<u>Testing requirements</u>
			- Compliance must be demonstrated using standardised test methods. Testing checks cord accessibility, loop size and behaviour, breakaway activation, strength and durability of safety devices.
				<u>Performance requirement</u>
				- Stock window coverings must be cordless or have inaccessible cords or have very short cords incapable of forming a hazardous loop.
				- For custom window coverings, free-hanging operating cords and tilt cords are eliminated. Multiple cords connected into a single joiner and continuous cord loops and bead chains are prohibited.
				- Where continuous loops are still permitted, they must be equipped with an enhanced tensioned device.
				- If cords are used, the design must ensure cords are inaccessible, or cords are too short to form a loop, or a loop cannot remain slack or free-hanging.
				<u>Installation requirement</u>
				- Installation instructions must clearly explain how safety devices are installed and maintained.
				<u>Safety device requirement</u>
				- Tension devices, shrouds, or retracting mechanisms must:
				  ○ function automatically,
				  ○ prevent formation of hazardous loops,
				  ○ withstand repeated use and defined loads, and
				  ○ remain functional over the product's life.

Requirements	Standards similar to that in Australia	Canada	European Union	United States
Packaging and labelling requirements	- Packaging must include a clear and prominent warning label that clearly explains the risk posed by corded window coverings. This label will serve to heighten consumer awareness of the risk of corded window coverings. - A warning label or swing tag must be attached to the cord, including instructions not to remove the label or swing tag. This will ensure that the risk of corded window coverings remains clear to consumers during installation and use.	- Packaging must include assembly and installation instructions, operating instructions, mandatory safety warnings. - Safety information may be printed on the product itself or a permanently affixed label. - Corded window coverings must display assembly, installation and operating instructions, safety warnings related to cords. - Labelling must be durable; indelibly printed or permanently affixed. - Information cannot be hidden by normal use or installation.	- Products must be supplied with installation instructions, operating instructions and strangulation safety warnings. - Warning notices must be conspicuous and permanently attached to the product or safety device. - Where safety devices are supplied, they must be delivered attached to the relevant cords and an additional warning must be displayed on the safety device itself. - Products must include clear safety warnings related to cords and strangulation, installation and operating instructions. - Warnings must be conspicuous, permanent, and attached to the product or safety device.	- Stock window coverings must display clear strangulation warnings, symbols or pictograms and hazardous statements relating to cords and children. - Permanent warning labels must be attached to the blind. - Warning labels must be durable, legible, and designed to remain visible during normal product life.

Annex 2: Sensitivity analysis

Baseline assumptions:

- 28% reduction in deaths and injuries after 15 years
- 5 corded coverings per dwelling
- 10-year corded covering replacement rate
- 2% discount rate
- $16.6m value of a statistical life (Treasury CBAx midpoint)

Favourable assumptions

	Option Three: Mandatory product safety standard
Benefits	$92.6 million
Costs	$17.7 million
Net present benefit	$74.9 million
Benefit-to-cost ratio	5.15

Difference in assumptions:

- Approximately 37% reduction in deaths and injuries after 15 years (extrapolation from Australia)
- 2.5 corded coverings per dwelling

Unfavourable assumptions

	Option Three: Mandatory product safety standard
Benefits	8.1 m
Costs	12.7 m
Net present benefit	($4.6 m)
Benefit-to-cost ratio	0.64

Difference in assumptions:

- 20% reduction in deaths and injuries after 15 years
- Value of a Statistical Life of $10.8m (Treasury CBAx minimum)
- 8% discount rate (Treasury recommendation for commercial projects)
- 7-year corded covering replacement rate

Annex 3: Central assumptions

Metric	Assumption	Confidence in evidence
Discount rate	2%	Standard government discount rate.
Deadweight cost of taxation	20%	Standard government deadweight cost of taxation assumption
Value of a Statistical Life	$16.6 million	Based on the Treasury CBAx value.
Cost of an injury	$0.789 million	Medium. Based on serious injury in a motor vehicle accident.
Number of corded covering suppliers	174	Medium. Based on searching key words relating to corded coverings on the Companies Register.
Corded coverings per dwelling	5	Low. Based on average safety devices Safekids distributed per whānau | household (4.76).
Covering replacement rate	10 years	Medium. Based on engagement with covering suppliers.
Time to replace all corded coverings	15 years	Medium. Based on engagement with covering suppliers.
Average cost of modification per unit	$3.18	Medium. Based on engagement with suppliers.
Cost of verifying a product meets the Australian standard	$1,000	Medium. Based on engagement with covering suppliers.