

Senate Economics Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 31 May to 2 June 2005

Question: Bud 10

Topic: ACCC – Product Safety

Hansard Page: Written

Senator Lundy asked:

1. How has the ACCC the product safety function that was transferred from Treasury in December last year been absorbed?
2. Has there been new staff employed/transferred?
3. How many staff currently work in the area of product safety?
4. Has the function of the product safety group changed?
5. What are the key objectives of the product safety group within the ACCC?
6. Would the agency be equipped to take on a national approach to product safety?
7. How does the ACCC identify unsafe products?
8. If one state determines a ban, would the ACCC make it National?
9. Product safety has been reviewed on a number of occasions since 2000. What is the level of the ACCC's involvement in the latest Productivity Commission review on product safety - what does the ACCC hope to get out of this review?

Answer:

1. The ACCC has created a new section, the Product Safety Policy Section which has become a section within the Compliance Strategies Branch.
2. All but one of the existing staff transferred from Treasury to the ACCC. Recruitment action is underway to fill the vacant position that was transferred to the ACCC.
3. There are normally six staff in the Product Safety Policy Section. One of these positions is currently vacant, but recruitment action to fill this position is

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 31 May to 2 June 2005

well advanced. There are a further five positions in the Product Safety Compliance Section. These two sections constitute the product safety area within the ACCC.

4. The function of the product safety group has not changed. Its role is still to advise the Minister responsible for Consumer Affairs, currently the Parliamentary Secretary to the Treasurer, on the use of his powers under the product safety provisions of the Trade Practices Act (Pt V Div1A), to administer the product safety provisions of the Act. Its role also extends to ensuring compliance with product safety standards and bans.
5. The key objectives are the preparation of new Trade Practices Act safety and information standards on a needs basis, maintenance and upgrading and enforcement of existing mandatory standards, product recall registration, publication and monitoring/assessment, product safety investigations, the provision of product safety information to consumers and advice to the Parliamentary Secretary to the Treasurer re the use of his powers under the Trade Practices Act.
6. The ACCC does take a national approach to product safety and aims to provide national leadership. It collaborates with State and Territory fair trading agencies to secure national policy and compliance outcomes.
7. The ACCC uses many processes to identify unsafe products, including injury data collected by hospital emergency departments to help assess the hazard risk associated with consumer products. (For example injury data collected by the Victorian Injury Surveillance System (VISS) and analysed by Monash University Accident Research Centre (MUARC)).

The National Coroners Information System is accessed online to identify where consumer products are implicated in accidental deaths that are investigated by Coroners. The system provides a high level of detail which is analysed to help identify associated consumer products and establish any causal link.

Consumer reports and product safety investigations conducted by State and Territory fair trading agencies are used to identify hazardous products. The information is particularly valuable as agencies often receive reports directly from consumers, which enables accurate identification of the product and the type of failure or hazard. The ACCC also arranges product investigation and testing, and conducts market surveys.

Overseas consumer organisations are a valuable source of information on identified hazardous products. The ACCC receives email product alert bulletins from the United States Consumer Product Safety Commission (CPSC), US Food and Drug Administration, US Consumer World and the

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 31 May to 2 June 2005

European Union Health and Consumer Directorate General.

The requirement under the Trade Practices Act that suppliers must notify the Minister of all safety related recalls also generates valuable information on product hazards. Notified recalls are published on the Product Recalls Australia website (www.recalls.gov.au).

8. If one state issues a ban, the ACCC will investigate, in consultation with members of the Consumer Product Advisory Committee, to determine whether national regulatory action is necessary and appropriate.
9. The latest Productivity Commission review on product safety was instigated by the Ministerial Council on Consumer Affairs (MCCA), and the ACCC is a key participant in that review. The aim of the review is to improve Australia's consumer product regulatory system to help ensure that it is proactive, rather than reactive, in dealing with emerging product safety problems. While the ACCC has expressed views on the various proposals for reform outlined in the MCCA Discussion Paper, the ACCC is not directly seeking any particular outcomes.