

**Senate Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**Treasury Portfolio**  
Additional Estimates  
2016 - 2017

**Division/Agency:** Australian Competition and Consumer Commission  
**Question No:** 119  
**Topic:** Button Batteries  
**Reference:** Written  
**Senator:** Ketter, Chris

**Question:**

Referring to the answer to a question on notice from 2016 Supplementary Estimates (ref SQ16-001087). Given Product Safety Australia's National Strategy for improving the safety of button batteries, has the agency assessed

1. If there is a trend in improved safety of button battery products;
2. If so, whether the trend is sufficient and addresses all product classes;
3. If not, whether regulatory intervention is needed?
4. Do you have any real-world examples of product manufacturers and retailers improving practices around the packaging and sale of button batteries and products that contain them?
5. Please can you specifically describe the nature and extent of the following elements of the National Strategy for button batteries:
  - a. Market surveillance
  - b. Business education
  - c. Product recalls on safety grounds for button batteries and products that contain them?
6. What is the timeframe for the National Strategy and has the ACCC taken a view about extending the timeframe so as to allow for assessment of the Strategy's effectiveness against hospital admissions data?

**Answers:**

1-3. The National Strategy was launched on 19 September 2016. Review of the market will occur 12 months into the strategy to identify and determine:

- any trend in improved safety of button battery products
- whether the trend is positive and sufficient, addresses all product classes; and
- whether regulatory intervention is needed.

4. Examples of product manufacturers and retailers improving practices around the packaging and sale of button batteries and associated products include:

- retrofitting fastenings on a range of products to meet the Industry Code guidelines and adding new warning stickers on products to alert consumers to the presence of button batteries
- addition of child resistant packaging and warnings on battery packs
- inclusion of 'keep out of reach of children' warnings
- modifying tea-light candles to meet the Industry Code guidelines

- changing musical greeting cards by providing a stainless steel welded housing for the battery and in some card designs the battery and other electronics are embedded in foam
- requesting manufacturers to redesign/retool products and replace coin cell batteries with AA and AAA batteries or solar cells
- requesting manufacturers to redesign/retool products sealed battery compartments
- redesigning packaging to provide additional warnings about the danger of button batteries powering the products.

Suppliers are also notifying increasing numbers of product recalls citing button battery hazards:

<b>Year(s)</b>	<b>Recalls published</b>
2017 (to date)	2
2016	10
2015	8
1998-2014	6

5. a. The strategy includes two stages of national market surveillance—an initial stage to benchmark performance and a follow-up 12 months later to assess any improvement trend. Market surveillance was conducted by the ACCC in November 2016 and by the State and Territory Fair Trading Agencies between September 2016 and January 2017. We are currently collating the results.

5. b. Business education is primarily in the form of the voluntary Industry Code. The ACCC will publish additional guidance for small business after evaluation of the initial market surveillance. Evaluation will assist to identify target market segments and suitable media, including languages.

5. c. The strategy proposes that suppliers will be informed of the hazards of button battery products assessed as part of the market surveillance and assisted with any voluntary recalls they may propose. Escalation of any regulator responses would be on a case by case basis, subject to risk.

6. The strategy is intended for delivery over a two year period to provide sufficient data to inform any case for regulation. ACL regulators intend to consider the prospect of extension (or shortening) of the strategy after the second stage of market surveillance. While ACL regulators and Industry are confident of achieving the objectives, the ACCC would not rule out extending the strategy if such an extension would result in higher compliance with the safety measures in the market, and therefore reduce hospital admissions of children caused by button and coin sized battery ingestion.