

Alternative Methods of Addressing Product Safety

Toy Forum – 10th September, 2008

In presenting an alternative approach to product safety, it is important to reflect on the circumstances that lead to the Association taking a risk based self-regulatory, injury prevention pathway that offers an opportunity to achieve significant improvements to product safety.

Following the Productivity Commission review of product safety in 2005, it was obvious that there were major barriers in place to achieve real reform. There was the lack of harmonization within the regulatory environment, a standards paradigm that was failing our industry and probably the toy industry and a general stagnation at the political level that allowed acceptance of the theory that product safety was not a problem within Australia.

This was fundamental in the recognition by our Association that in order to change the dynamics a seismic shift in the application of product safety was needed and as a result a rigorous self regulatory approach was implemented. At the core of this vision, is the notion that the nursery industry does not survive without the sale of safe products. Consumers will not buy products if they think they are putting their infants at risk! If a baby gets injured, or in the worst case, killed, the whole industry suffers. We are at risk as an industry, from suppliers who fail to grasp the consequences of not implementing a safety framework. The lack of barriers to market entry and a system that makes it difficult for suppliers to demonstrate a product is safe, poses a significant risk to consumers and industry. Regulators are often forced into reactive behaviour rather than strategic product safety initiatives, leading to frustration shared by industry and regulators. Effort is made on putting in place “band-aid” solutions rather than systemic change. The current climate is now perhaps right for this counter productive activity to cease. This toy forum offers the platform to explore opportunities.

The nursery industry needed a different approach that promoted a benchmark level of safety, whilst at the same time, providing a workable model that encourages innovation and product development that embraces injury prevention as a core concept.

This complementary approach, known as the Product Safety Framework, is a hazards based generic system that highlights hazards by nature rather than establishing a specific product standard. For example, a sharp edge is a sharp edge regardless if it is part of a cot, baby dummy, highchair or a pram. The hazard should be minimized regardless of what the product is.

Embedding this culture throughout the supply chain can also result in productivity improvements, development of effective product specifications and reduced production costs. Understanding the consequences of a product recall may also reduce the likelihood of product recalls.

We now have a most elegant solution to a problem that has caused major concern to product developers, ie. How do we ensure we get a safe product to market if there are no standards to guide us? The industry wants to ensure that suppliers sell a product that is safe and not going to hurt a baby. A concept actively pursued by the toy industry.

The PSF has pioneered self regulation in the nursery industry. It is significantly better than relying on the current system to meet the changing needs of the nursery industry. It allows an immediate response to a lack of standard. It also provides education for industry members who do not have extensive resources or understanding of safety standards. Through the PSF, industry benchmarks for safety are established and the whole supply chain can benefit.

An attribute of the PSF is that it builds on the vertical standards already established and through the modular approach, It is “RESOURCE EFFICIENT”. There is a link between the vertical standards process and hazard identification. It facilitates effective integration of the two approaches. There is clear acknowledgement of the value of existing standards contained in the PSF.

A central component of the PSF is a Hazard Check List which has now evolved into vital management tool that promotes effective produce traceability, an essential ingredient of any effective product safety regime, but something not well understood by a number of inexperienced suppliers.

The PSF has given the nursery industry a spine for the Association’s baby safety program that involves industry development, product accreditation and consumer education. This program is the nursery industry’s investment in its future viability.

In a short time the PSF has proven to be a major asset for experienced large scale suppliers, suppliers that do not have extensive compliance resources and of significant value to new market entrants. An example of such a company was a new market entrant who invented an innovative product that did not have any existing safety standard that could be complied with. This supplier had no experience in product development but was able to use the PSF to design the product in such a way that hazards were minimized. The PSF also became a template on which specifications for overseas manufacture could be produced. The supplier openly admitted that without the PSF, the product would have cost more to produce as well been unsafe, with the potential for a costly recall.

The nursery industry is well placed to receive a big return on its investment in a robust, transparent and repeatable safety culture. Other industries, such as the toy industry, can also utilize the PSF as the modular approach is portable between industries.

The PSF can become a key plank of the harmonized product safety reform agenda. It gives regulators the ability to define minimal safety requirements based on risk rather than emotion and to regulate accordingly. The nursery industry does not fear this outcome as we are well prepared to lead the frontiers of product safety.

Whether such a framework could work, or is indeed suitable, for the toy industry is a point of discussion. However, from my experience dealing with suppliers who engage in both industries, there are large similarities between nursery products and toys which suggest that such a system could be embraced by the toy industry. The toy industry has the capacity to add value to the PSF as the framework is based on cumulative knowledge and the development of the PSF, to date, has only been focused on nursery. Extension to the toy industry may enhance the depth of the framework.

The PSF also provides the impetus for consumer education. Understanding hazard management establishes lifetime habits that can lead to reduced injuries and raised industry standards. For no other reason, the toy industry cannot ignore the direction the nursery industry has embraced.

Too often it is easier for industry to sit back and take a minimalist approach and only undertake the basic compliance activity based around the regulation. Is this sustainable? Is it the responsibility of Government to regulate the community into a "NANNY" state?

In the nursery industry it is simply not acceptable for industry to only comply with basic regulations. An industry supplying products to infants must adopt the highest level of product safety. Our consumers use baby products from almost the minute they are born and as a result industry needs to step up and be responsible by supplying only safe products. It is a role of Government to support this process.

A robust self-regulatory environment is the formula to enhance business growth. A PSF as a core component provides a degree of certainty and engenders a culture that engages key stakeholders. It allows a strategic focus for the use of an ever decreasing amount of resources to promote injury prevention. The framework offers a roadmap to eliminate corner cutting in respect to safety and allows a supplier to provide a product that delivers on consumer needs.

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