

**Submission to the
Productivity Commission**

**AUSTRALIA'S GENERAL PRODUCT
SAFETY SYSTEM**

Submitted by the Commonwealth Consumer Affairs Advisory Council

The Commonwealth Consumer Affairs Advisory Council (CCAAC) advises the Parliamentary Secretary to the Treasurer, the Hon. Chris Pearce on matters affecting consumers. Council members come from a range of backgrounds across Australia. CCAAC is chaired by Mr. Colin Neave, the Banking and Financial Services Ombudsman.

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INTRODUCTION

CCAAC's submission to the Ministerial Council of Consumer Affairs noted that Australia's existing product safety system could work more effectively for consumers, industry and regulators. CCAAC supported the introduction of a General Safety Provision (GSP) and nationally consistent regulation and enforcement of product safety laws.

CCAAC also noted the importance of improving research and data gathering in this area.

This submission is divided into two parts.

Part 1 provides anecdotal case study evidence about product safety, given that there appears to be a lack of data about product-related injuries.

Part 2 responds to the Issues Paper. CCAAC has responded to some areas in more detail than others and has not answered every question in the Issues Paper.

PART 1 – CASE STUDIES

In preparing this submission, CCAAC collected anecdotal case study evidence of the views and experience of Australians with product safety. The survey was a simple one. A CCAAC member forwarded an email to a number of friends and colleagues asking the following questions:

1. Do you consciously assess the “safety” of products when you buy them, or do you mostly take it for granted? (If you do assess “safety” – for which products and how?)
2. Case studies – Have you or someone ever suffered a product-related injury? Can you describe what happened?
3. If not answered above, did the injury occur because the product was inherently unsafe or poorly designed, or because it was not used properly?
4. Any other comments?

The email explicitly asked recipients to forward the survey on to others. All of the 62 responses are included in Attachment 1. Given the nature of electronic commerce, it is impossible to say how many people received the email in the end, but it was sent to just over 50 people to begin with – many of them obviously forwarded it on.

The survey of course is not definitive in way, but can provide a snapshot of the views of a group of Australians. The themes that emerged are discussed below. Quotes are taken direct from responses and are shown in italics.

1. A large number of people take product safety for granted. Others however explicitly assess the safety of the goods they buy, particularly when purchasing goods for babies and children or when buying a car. Other examples mentioned where safety is assessed by some consumers included food, pharmaceuticals and household goods, such as heaters.

“Generally take it for granted. Assume that the product has passed the relevant safety checks and tests already.”

“Only for baby toys/clothing. By reading the label to see whether it is suitable for the age group (toys) and to assess material/fire catching danger (clothing).”

“An example of a product I trialed recently was a hedge trimmer where the choice was electric or battery powered. I found that the chance to cut the power lead was real so I opted for a battery powered model.”

2. With some purchases, some consumers were prepared to pay more for what they perceived as safer products.

“Sort of - if you equate safety with quality/durability/strength - if I'm buying cheap I wear the safety risk because I don't expect a very safe product - but I'm buying quality I expect a very safe product eg I don't expect a cheap iron to have a cut off switch but if I pay for a more expensive product I pay for it - this added safety feature was a major reason I bought a top of the range tefel.”

“I think a big problem in Oz is that cheap imports often skimp on safety. Caveat emptor is one excuse but lots of people on low wages probably don't have the luxury of choosing better quality products.”

3. Even though this was a small sample, a surprisingly large number of people reported product-related injuries. These occurred because the product was unsafe and/or had been used incorrectly. Some of the injuries were relatively minor; others serious. Prima facie however, given the small sample size, these case studies suggest that product-related injuries may be more common than we think.

“Two years back a family member suffered an injury from an unsafe foot operated air pump. The product though purchased in Melbourne was manufactured overseas.”

“Recently I purchased the most basic of household tools being a set of knives from Myers. ...They are of Chinese manufacture in stainless steel with a name which would make you think they are from Belgium.

I was using the bread knife and I cut myself on the side opposite to the blade. I had not noticed that this side was quite sharp. The cut was only small and did

no real damage but never the less should not have occurred. A couple of days later L when using another knife also sustained a small cut.

We were using the knives in a manner consistent with their design but we still suffer cuts. On complaining to a store person they merely said you should be more careful. I accept that I did not assess the safety of the product...

But you would not expect to have problems with purchasing a knife as it is a very simple tool which has been around for years. In the case of the knives it would not have been easy to check them in the store as they were tightly packaged and an inspection would have required the package to have been opened etc. Yes I should have checked them when I took them home but I 'assumed' that they would be fit for the purpose."

"As part of my job I carry out assessments for Insurers on a variety of matters including products liability claims.

Most recent claims have been where a teenage boy lost his hand in a tree mulcher - the device did not have an auto stop on obstruction as well as no guard. A bad accident.

Another recent claim - still running - is a where a gas cooker allegedly due to its design has allegedly caused brain damage by the simmer flame being extinguished unbeknown to the occupant. There is a suggestion that this issue is a common problem.

We are investigating a forklift that if obstructed in its lifting mechanism the tynes of the fork can free fall. This has allegedly occurred causing an injury to a worker."

"Inhaled chlorine from pool tablets when canister was opened. Difficulty breathing for 24 hrs. Not indicated on packet. Probably the tablets should have been in plastic so that first breath didn't get "full blast" of concentrated chlorine."

"Yes - a cheap corkscrew broke off in the neck of a wine bottle, and when I tried to lever the cork out, I snapped the neck of the wine bottle and cut my hand. (Misuse?) Bit of both. The corkscrew was too cheap and nasty for the task at hand, but my levering action was unsafe."

"Two friends have had severe foot injuries from motor mowers. The motor mower was a combination of poor design and misuse. Mower manufacturers would argue that they recommend that people should wear steel capped footwear. They also know that most people don't own steel capped shoes. Mowers could be better designed to reduce this risk. I have never seen a mower manufacturer even supply any information about steel capped shoes. Household rotary mower safety design in relation to blade protection has not changed in thirty years under the current framework which does not require manufacturers to produce safe products. I have not even seen safety advertised as a feature of a mower."

“My skin was affected by soap (Yes, I have sensitive skin, but there was no product warning). I have had a near miss from an aluminium ladder which had rivets fail under normal use. I have purchased shoes which had soles which were slippery on normal wet surfaces, and fallen as a consequence. These examples are because of inherent faults in the products.”

“Case Studies. (from my personal experience only). The toddler son of a friend of mine broke his leg when he pulled an oil filled column heater onto himself. These heaters have a very high centre of gravity and are easily toppled over. Because they are heavy, they cause significant injury. (I believe infants have died from such accidents).

In a "near miss" situation, my own son (three at the time) narrowly escaped injury when he accidentally toppled a large bird bath at a local plant nursery whilst he was attempting to look at the fish in the bowl. Again these types of accidents are relatively common and are foreseeable use-not misuse by consumers.”

“I've been washing a car & cut my hand, due to the poor design of the car (metal edges not rounded, etc.)”

“Yes. While playing in the backyard with children's golf clubs (ie. plastic) I was accidentally hit in the face. The head of the golf stick had broken in half earlier in the day. The sharp edge of the split golf head caused the hit to cut my cheek all the way through. It was the first time we had used the clubs.

My sister and boyfriend have both received second degree burns when making plunger coffee. The base of the coffee plunger had four pronged legs on both occasions. When they pushed the plunger down the pot fell over spilling boiling coffee on them. The pot did not have a stable base.”

“Yes. Power saw injury where fingers were cut off when sawing a piece of timber without the guard in place. Operation of the equipment should be prevented until guards are in place. Of course operator interference with safety guards/switches can not be prevented by the manufacturer. Not used properly.”

“The only injury I have suffered is an asthmatic reaction to a vacuum cleaner that was supposed to control dust very well. My vacuum cleaner is a Kambrook. I was told it was good for people with allergies and asthma (no bag and good dust control) and of course it failed to do this at all well so I have trouble using it. I have avoided the problem by not using it very much. I use other cleaning methods.

My late partner, xxx, suffered a severe asthmatic reaction to using bleach to clean a bathroom many years ago. This required him to be hospitalised. He could not recall any warning on the bleach bottle about this when he used it. This may have since been corrected.”

“A friend had her hand severely lacerated by a ceramic doorknob coming apart as she turned it. She permanently lost some function in two fingers and has had an operation and several spinal nerve blocking procedures to regain some use in one hand. The injury occurred because there is a weakness in the ceramic, which can occur in the baking process. The doorknob was not being used incorrectly. Take your ceramic doorknobs and throw them in the bin!”

4. A number of people made insightful remarks which are worth re-producing in the body of this submission.

“I think in many cases the instructions are very poor - and poor can mean too wordy as well as not clear. Also, in many cases, the consumer is required to 'assemble' an article - that with poor instruction is fraught with problems and possible danger.”

“In order to place the following in context, I was Safety Manager for a large railway for a brief periodAt present, manufacturers' risk culture appears to be one of mainly minimising manufacturer liability through warnings in instruction booklets and warranties, rather than improving consumer safety through design and other means of risk reduction.

Motor vehicle manufacturers have been subject to legislative standards for many years - which they resisted at first. The safety of cars has improved without any reduction in sales or profit. Safety has improved in the workplace in recent years, largely due to responsibility being placed on business managers and leaders to provide a safe workplace. Most safety managers in large organisations would say that their workers are now safer at work than they are at home. Most businesses would agree that improved safety has saved cost, not increased it.

Consumers are not as well informed as manufacturers, so are less able to make valid safety assessments of competing products. Unless manufacturers are made responsible for assessing consumer risks, addressing the risks, monitoring the results, and providing safe products, who will? Manufacturers have valid concerns about legislative control and level playing fields, but the car industry provides a model which could be followed and has proven to be a success.”

“If the human using the product is a child, then the obligation on the manufacturer, designer and seller to protect the user is greater because a child cannot voluntarily assume the risk and is more likely to mistakenly misuse the product than an adult.

We put a greater obligation on designers, manufacturers and sellers when the number of humans that can be injured through a single failure is greater. Consequently, the general belief that aeroplanes need to be a great deal safer than motor vehicles. “

“I agree that products should be expected to be safe. But there is an element of consumer risk taking involved ...”

PART 2 - RESPONSE TO THE ISSUES PAPER

2.1 The Commission's Approach

Impact Groups

The list of impact groups suggested by the Commission is comprehensive.

Trans-Tasman Competition etc

As a general principle it is preferable that Australia's laws are harmonised with those of other similar economies. The only rider of course is that harmonisation should not result in a diminishment of consumer protection.

Australia's extension of the Privacy Act to the private sector in 2002 illustrates the importance of harmonisation. At least one of the drivers for this legislation was the privacy standards in place in the European Union – countries with lower standards than the EU, such as Australia, would have found it increasingly difficult to trade with the EU.

In similar vein, over 65% of new standards produced by Standards Australia are internationally aligned¹.

Australia's product safety laws currently lag behind those in the EU. The debate there appears to be focussing on the implementation of their EU General Product Safety Directive (GPSD), rather than the GPSD itself. For example, Annette Dragsdah from the Union of Industrial and Employers' Confederations of Europe identified the problems facing industry in a recent presentation as "complex and burdensome legislation², different interpretation and non-transparent or non-existent market surveillance"³. Traders not complying with the laws provided "unfair competition".

2.2 Case for Intervention and System Objectives

Incentives to Produce Safe Products, Product Liability Laws

Large companies are keenly aware of the "reputational risk" they face in the marketplace. This, together with a genuine commitment to safety from many, can provide strong incentives to industry to manufacture and/or import only safe products and act to recall those that fall through the net.

¹ Statement at Standards Australia workshop from the CEO on 24/6/2005.

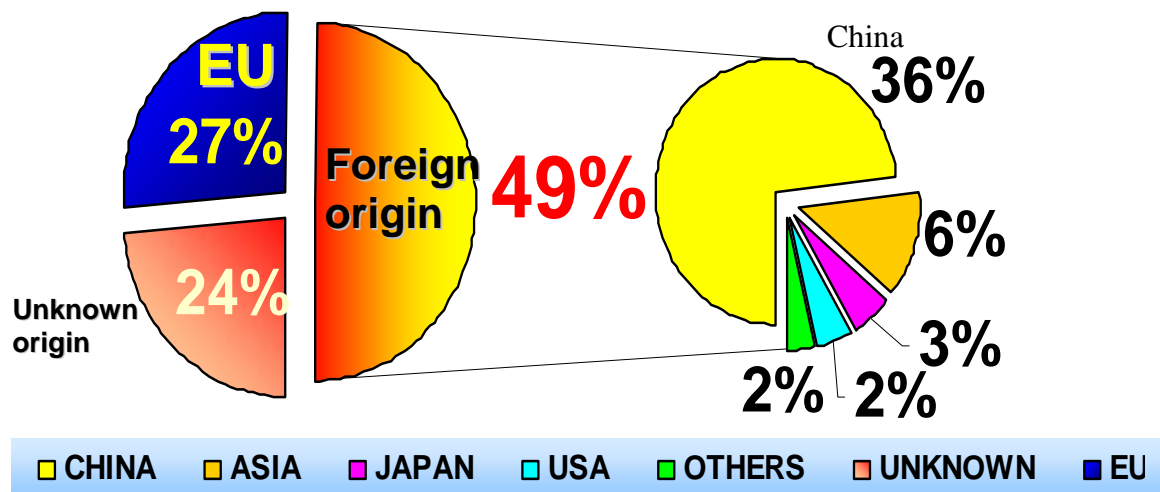
² She was referring to a whole raft of laws – not the GPSD.

³ Dragsdahl, Annette, "Market surveillance in Practice, seen from a Business Perspective", Slide 10 from a presentation to the EU conference on market surveillance, 10th March, 2005.

Nevertheless as Choice surveys have consistently found many of the products in the marketplace do not meet voluntary or mandatory safety standards⁴.

Product liability laws by themselves, provide some incentives – most companies operating in Australia would be aware that they could be sued. However, whilst companies may take steps to minimise the risk of such an event, there may be rational trade-offs for many between making a profit and lower safety levels. Access to the justice system is expensive and takes time – the chances of a consumer having enough money and enough energy to pursue their legal rights may only be practical in the most egregious of cases. Similarly regulators have extremely limited resources and may decide not to prosecute.

Reputational or ethical incentives may not be as strong in the case of smaller companies or where products are imported from other countries. The two graphs below show the situation for the EU in relation to product safety notifications: the majority of unsafe products that are identified are of foreign origin (49%). Of these, most come from China (36%)⁵.



Council was unable to obtain similar statistical information for Australia. Given however that many consumers in the EU and Australia enjoy similar lifestyles, it is possible that the same pattern may be in place in Australia – many unsafe products are being imported.

Children

Children of course need special protection, given they are unable to assess risks for themselves. The concept of “foreseeable misuse” is absolutely critical for products aimed at this group. There are numerous examples of products that harm children, simply because kids are kids – they fall out of bunk beds without guards, fall down stairs in baby walkers and put small objects in their mouths.

⁴ See submission from the Australian Consumers’ Association to the MCCA Discussion Paper.

⁵ Dragsdahl, Annette, Ibid, slide 20.

Extent of Reliance on “Informed” Consumers

Whilst informed consumers is a laudable objective (see later comments), the extent to which consumer behaviour or empowerment moderates the market is questionable.

As illustrated in the survey in Part 1 and possibly also by one’s own individual experience, many consumers expect to be protected by the “system” - indeed almost take it for granted. And when the system fails, consumers expect that there are avenues of redress.

As an example, most of us trust the professionals we deal with, such as doctors or lawyers, to be competent. The current Inquiry into the work of Dr. Patel in Bundaberg Hospital in Queensland provides a salutary example of how this mistrust can be misplaced. It is however rational human behaviour.

Another example from the same field, is the use of rating systems for hospitals or doctors. The transcript below is from an ABC Radio National report from 4th April, 2005⁶:

Alex Barratt: The most comprehensive research is on report cards for heart surgeons doing coronary artery bypass surgery, sewing in new vessels to replace clogged up ones – a procedure known as ‘cabbage’ (CABG). Dr Rachel Werner from the University of Pennsylvania recently published a review of health care report cards and whether they do what they’re intended to do. She made surprising findings, including that they didn’t even deliver the goods for President Bill Clinton.

Rachel Werner: We know remarkably little about the impact of these report cards. We also know that patients who are one of the two primary audiences for these report cards don’t tend to use them when they are making decisions about where to get their surgery done. And actually the most famous example of this most recently was when former president Bill Clinton needed bypass surgery last year – he went to one of the worst-rated hospitals in New York.

And his story was very typical of a lot of stories, which is bad when patients are choosing a cardiac surgeon, they go to whoever they are being referred to by their cardiologist.

Alex Barratt: Even though it’s publicly available information, people don’t use it?

These examples illustrate what one could call the “regulator’s dilemma”. The message of the education campaigns of many regulators is to “be careful” and check out the product and provider before you buy – be it a doctor, a superannuation fund or a product for your home. So, for example, regulators in the home building industry exhort consumers to check out the licensing history of builders. Very few do. The

⁶ The Health Report see <http://www.abc.net.au/rn/talks/8.30/helthrpt/stories/s1335471.htm>

Australian Securities and Investments Commission tells consumers to check that their financial planner is licensed. Very few do.

The product safety system cannot rely to any great extent on consumers knowing what to look for in products (beyond common sense), nor that they will necessarily use and seek out publicly available information about safety. The idea of “informed consumers’ providing any real influence over the broad field of product safety is not realistic.

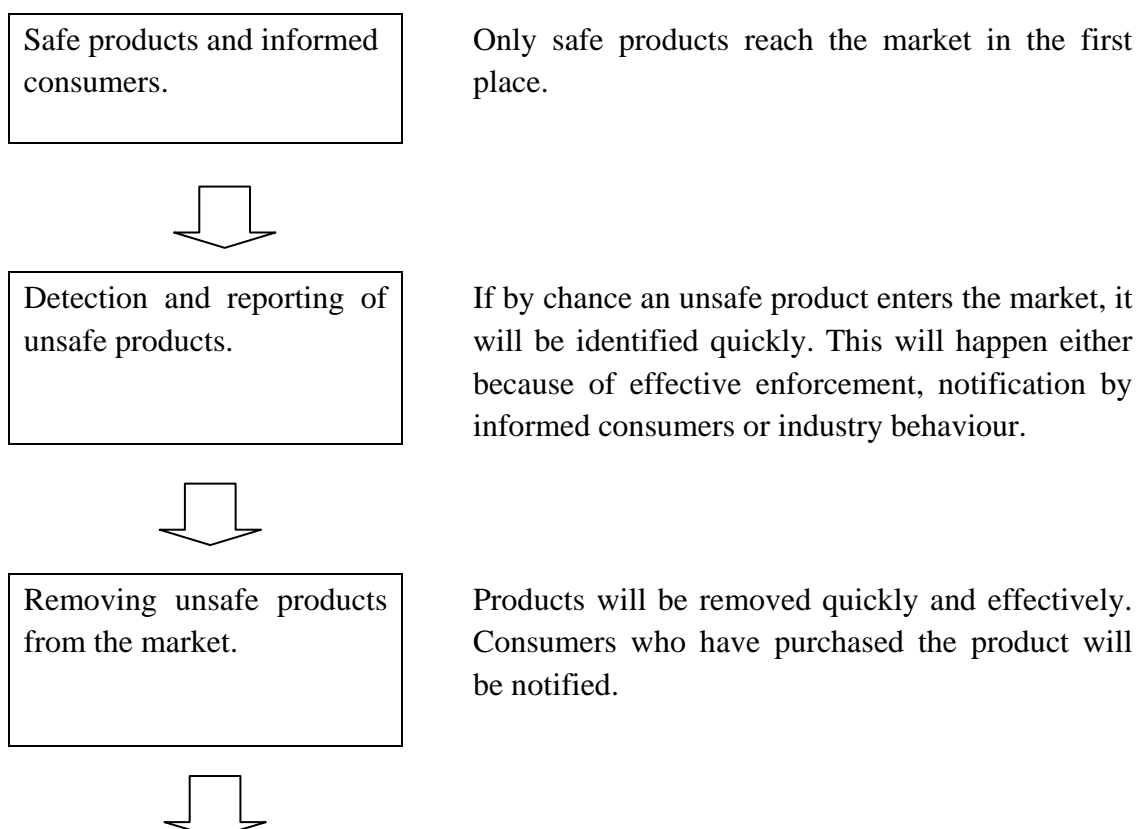
And it is certainly beyond the resources of government to conduct ongoing awareness campaigns about safety issues.

Objective of the Consumer Product Safety System, What is an “acceptable” level of safety?

Risk can never be completely removed, only managed. The objective described in the MCCA discussion paper appears reasonable. The introduction of a GSP would help to define what was an acceptable level of safety (see later discussion).

Intermediate Objectives

The intermediate objectives described in the MCCA Discussion Paper are an entirely reasonable approach. Like all policy objectives however, there will be some overlap between them. This is to be expected. However, the first four objectives essentially form a logical progression as shown in the diagram below:



Consumer redress and compensation

Consumers will be reimbursed for any costs they may have occurred. Where they are harmed by the product, they will have access to speedy and fair redress.

Efficient markets and the efficient use of resources should clearly underpin the system (intermediate objective). Regulators should:

- be adequately resourced so that they can monitor the marketplace and enforce the laws;
- collect data on product safety injuries;
- learn from “failures”, for example, where unsafe products have entered the marketplace and act to stop similar circumstances arising again.

In Council’s view the importance of collecting adequate data on product-related injuries is critical enough for it to be separated out as an objective on its own.

2.3 Assessment of the Current System

Magnitude of the Problem

Our assessment of the problem follows the intermediate objectives set out above. There are deficiencies at each level.

1. *Safe products and informed consumers*

Unsafe products are reaching the market (see data from MUARC, Queensland Injury Surveillance Unit and so on). The costs of injury are generally borne by consumers and the community at large, rather than the industries responsible for putting the unsafe products into the marketplace.

As discussed earlier, consumers are not as well informed about safety as regulators might hope. Whilst some consumers check specific classes of goods, they may not have the knowledge to do this adequately. A very sad example was described in the Sydney Morning Herald last year:

“It took the death of a baby in Adelaide to alert pram manufacturers to a dangerous design flaw. But fixing it was not enough to protect children in older prams.

Though suppliers such as BabyCo had not intended it, the headboard on many of its prams could be opened and laid flat. A baby could crawl to the head of tis

Burwood pram and cause it to tip, then become trapped in the frame or smothered in the hood.

The defect went unnoticed until a baby in Adelaide slid through the gap at the head of a competitor's pram and was smothered ... But owners of older prams were never warned of the risk, and no prams were recalled.

On October 27, 1997, Stephanie Swansson put her seven-month-old daughter Abigail to sleep in a Burwood pram at her parents' Melbourne house. The headboard may have been left open. "I thought she was having a good long sleep", said Mrs Swanson ...

This is of course a tragic story.

We cannot expect consumers to ever have the skills to adequately assess the safety of all products.

2. *Detection of unsafe products*

3. *Removal of unsafe products*

There appears to be general agreement between consumer groups, industry and regulators that our product safety system is reactive and fractured.

This partly reflects a lack of resources of the regulators, but also the legal framework in which recalls are carried out. It seems that many unsafe products reach our shops. Regulators are hampered in removing the unsafe products of which they become aware, due to the way in which laws are framed. Finally, it is unrealistic to rely on consumers to police their own safety.

4. *Consumer redress and compensation*

The anecdotal evidence presented earlier in this submission suggested that product related injuries were relatively common. In some of the cases, the consumers involved had obviously sought redress. However in most cases, the people who had been harmed would not have taken the matter further. This of course has implications for other people who use the same product and are subject to the same risk.

It seems that consumer redress and compensation is possibly only available in the most egregious of cases (and in some of these, consumers are required to sign confidentiality agreements as a condition of receiving compensation. This means that any system-wide changes are not made.)

No amount of compensation can ever comfort a parent who has lost a child. It is almost impossible to measure "pain and suffering" in such cases.

5. *Efficient market and use of resources*

Good information about product-related injuries is fundamental to an efficient marketplace – it provides evidence on which policy makers can judge how well our

laws and other marketplace interventions are working. There is however a dearth of such information.

Many of the consumers who described product-related injuries – from burns, allergic reactions or cuts for example - would have consulted a local doctor or hospital. It is unlikely that these injuries were ever counted as the product-related injuries they obviously were.

The lack of a nationally coordinated injury surveillance unit is a major gap in the Australian product safety system.

Different state based product safety regimes also add costs and uncertainty for business.

2.4 How should the system be reformed?

Framing a GSP

Clearly this issue is critical. If framed sensibly, many of the concerns raised by some stakeholders about the impact of a GSP may be allayed. As a starting point, a GSP would be based on existing standards as published by Standards Australia or those from international standard bodies. The GSP should also cover foreseeable misuse. Businesses should be required to recall products that are unsafe.

A GSP appropriately puts the onus on the supplier of a product to ensure its safety. The current system relies too much on waiting for injuries to occur, before action can be taken by regulators.

The benefits/advantages of a GSP would outweigh its costs/disadvantages for industry, consumer and regulators.

Positive benefits include:

- Regulation that is consistent with public opinion – that products that enter the marketplace are assumed to be safe;
- Cultural change within Australian industry. The philosophy behind a GSP is easy to understand and could be expected to drive a more proactive approach from industry. This would be one of the most significant impacts of the GSP and should not be under-estimated. It could be expected to result in fewer unsafe products entering the marketplace, with benefits for all stakeholders.

The current system is reactive and tends to drive disclosure behaviours by manufacturers and importers – potential safety hazards are bought to the

attention of consumers in the packaging or instructions. A better system surely is that products are safe in the first place.

- If framed correctly, a GSP could provide greater certainty to business about product safety standards. For example, if a GSP picked up appropriate performance-based Australian Standards, this would clearly set out what was acceptable and what was not acceptable in relation to design.

We look forward to the Commission's further exposition on a GSP and the opportunity to consult further on any proposals for reform. It will be particularly helpful if the Commission can assess the details behind the GSP in the United Kingdom.

Advantages and Disadvantages of a GSP – A Comparative Analysis

This section uses a comparative cost-benefit analysis of the proposed GSP. These steps are based on a modified version of COAG's principles and guidelines for undertaking cost-benefit analysis (published in November 1997).

Rather than use "benefits and costs" we have considered the possible impacts of a GSP on stakeholders as being either "negative", "neutral" or "positive". For this reason, we have not completed some of the steps in the process requiring dollar values to be placed on benefits and costs⁷. (It was difficult to put dollar values on various factors without further research.)

Step 1 – Define the problem

- Unsafe products are reaching the Australian marketplace
- Not all unsafe products are detected and recalled. This results in preventable injuries and deaths to consumers. (A safe product is defined as one which also takes into account the way in which it will be used by consumers.)

Step 2 – Identify the objectives

- As per the MCCA paper – to reduce to an acceptable level, the risks faced by Australians when purchasing and using consumer products.

Step 3 – Identify the constraints on government action

- It will be difficult to adequately implement a GSP unless there is agreement at both federal and state level on the proposal.

⁷ The full methodology requires benefits and costs to be quantified then subjected to a net present value calculation and sensitivity analysis.

Step 4 – Identify alternative actions

- If it is accepted that there is a significant problem, it is hard to see what other options may be available. (This is separate from other improvements to the existing system, such as removing inconsistencies between jurisdictions. These changes would be positive, but do not address the fundamental issue.)

Step 5 – Identify and quantify the impact of GSP

This section is a qualitative assessment comparing the impact of a GSP on the main stakeholder groups – consumers, government and industry. The factors below are those suggested by the Commission in its table in the issues paper “Examples of category of impact”. Council’s reasoning for each rating is shown in italics.

	Strong negative	Negative	Neutral	Positive	Strong Positive
<u>Consumers</u>					
1. Access to safe products and services/exposure to risk. <i>There will be fewer unsafe products in the marketplace.</i>					✓
2. Price of products and services <i>It is possible that some products may need to be re-designed to improve safety. On the other hand, consumers are not buying products that end up breaking or not doing the task.</i>				✓	
3. Transaction costs/costs of obtaining information about product safety. <i>Council thinks it unlikely that consumers would be any more or less likely to assess safety. Changes to laws along the lines of a GSP might generate positive press coverage in the short term, but are unlikely to lead to long term behavioural change (we do not think that people would be more inclined to take it for granted than they do already).</i>				✓	
4. Product choice/range of goods and services with different safety and performance characteristics <i>Consumers might trade safety in say cars (paying for air bags for example), but there should be minimum levels nonetheless.</i>				✓	
5. Incentive to avoid/minimise risks (take responsibility/be informed) <i>As set out in point 3, a GSP is not going to</i>				✓	

	Strong negative	Negative	Neutral	Positive	Strong Positive
<i>affect consumer behaviour to any large extent. The “moral hazard” argument might apply in financial markets, but it does not apply in this market.</i>					
6. Pain and suffering <i>Fewer consumers will be injured, and particularly we hope, fewer children.</i>					✓
7. Lost income <i>As above</i>					✓
<u>Business</u>					
8. Incentive to supply safe goods <i>This will be much stronger under a GSP. Business will be competing more fairly. The “cultural” impact of a GSP will be significant.</i>					✓
9. Incentive to quickly withdraw unsafe products from the market <i>See above</i>					✓
10. Incentive for market solutions – advertising, warranties, consumer advocacy groups; complaints by competitors etc <i>This is unlikely to change. (If anything, the GSP might make these incentives stronger.)</i>			✓		
11. Liability when goods cause injury <i>Properly framed, a GSP should provide more certainty for business about what constitutes a “safe” product</i>					✓
12. Production costs/capacity for technological flexibility <i>Some products may need to be re-designed to meet a GSP. It is hard to say how many. Technological flexibility should be unchanged – all a GSP says is that products/re-designed products must be safe.</i>			✓		
13. Other compliance costs/red tape <i>Business will face initial compliance costs. After that, the checks a business does before putting any product into the marketplace would simply incorporate complying with a GSP.</i>		✓			
14. Cost and availability of insurance <i>There will be greater certainty about what constitutes a “safe” product.</i>				✓	
15. Innovation/research and product development <i>There seems no reason why this would change.</i>			✓		

	Strong negative	Negative	Neutral	Positive	Strong Positive
<u>Government</u>					
16. Policy making – costs, efficiency, effectiveness <i>Simpler system</i>					✓
17. Administration – costs, efficiency, effectiveness <i>Simpler system</i>					✓
18. Enforcement – costs, efficiency, effectiveness <i>Simpler system</i>					✓
19. Exposure to liability/risk <i>May possibly reduce, but rated as neutral to be conservative</i>			✓		
20. Health care and disability costs <i>Fewer injuries</i>					✓
21. Publicly funded research <i>We are unable to assess this. It would obviously be a positive for the community, but would have a cost to government.</i>					
22. Level of taxation <i>We are unable to assess this.</i>					

Summary

	Strong negative	Negative	Neutral	Positive	Strong Positive
Consumers			4		3
Business		1	3	1	3
Industry			1		4

Overall, a GSP would have more positive, than negative, impacts on stakeholders.