# A PUBLIC-HEALTH PERSPECTIVE ON BUSINESS NOTIFICATION OF HAZARDOUS PRODUCTS

The issue of mandating the notification to government of product -injury incidents by suppliers of goods is currently under review. In the USA such practice has long been required by law. The UK and the rest of the European Union have recently started down the same path. The issue in Australia is being argued mainly on its economic and administrative merits, with relatively little input from injury-control specialists. Consequently, the range of potential benefits of mandatory notification has been underestimated, resulting in a skewed view of costs versus benefits.

Central to the case for the negative is the speculation that new laws would not result in more product recalls. Unfortunately, there is no compelling evidence for or against this proposition. In the absence of such evidence, it is essential to consider the many potential safety interventions that exist outside the narrow frame of product recalls per se. The experience of the US Consumer Product Safety Commission (CPSC) shows that “corrective actions” (their term) not involving a recall outnumber recalls by a factor of two to one.

Product safety is dependent on myriad small decisions affecting design, manufacture, marketing, presentation, after-sales service, and community monitoring. These decisions in turn are influenced by prevailing consumer expectations and the legal culture. Where there is a perception of active enforcement, the sense of business accountability increases and good safety decisions become more likely. Effective government safety policy therefore involves fostering the perception of enforcement, on the road, at work, and, in this case, in the marketplace. First and foremost, the requirement to notify product-related incidents of injury is valuable for the *general deterrent and encouragement effect* that it has on business.

Secondly, centralised reporting makes possible aggregation of information, speeding the time it takes for a given product hazard to be appropriately noted. The exact same product may be sold by many firms, each of which can only be aware of a small number of the injury incidents that occur. In addition, when case data are aggregated they may be more efficiently shared between agencies, presenting the opportunity for a greater practical contribution by sectors like health, justice (think coroners) and education (think universities) that are at present only peripherally involved in product-hazard assessment. Importantly, sharing of aggregated data has the potential to spread the cost of investigation, which is by far the largest cost in product regulation.

Finally, requiring businesses to notify injury incidents helps facilitate voluntary recalls when such action is required. It is apparent from US regulatory experience that businesses not complying with notification requirements tend to be those that are also most uncooperative in organising voluntary recalls. If failure to notify were an offence in Australia, as it is in the US, non-compliance

could be used as a lever by enforcement agencies in negotiations with reluctant businesses.

It is not expensive for businesses to simply forward to government the occasional injury reports that are received, nor for government to store such information. Recent communication from the UK suggests that minimum cost is anticipated as that country moves to implement mandatory reporting.

Furthermore, there is no obvious alternative to reporting by businesses. Speculation about beefing up hospital-based data collection is poorly informed. The acute phase of medical treatment is not a good time to ask people to recall the exact make and model of the product involved in their injury. In South Australia, with the nation's longest standing hospital-based injury surveillance system, only about one percent of parties injured by a product can successfully identify the product at the time of medical treatment.

It is simplistic to conclude that business has no active role to play in the early identification of unsafe products. No hospital-based reporting system could ever fully substitute for the timely provision of information directly from businesses. In the US, the CPSC relies on both types of surveillance system, business-based and hospital-based.

**These then are the arguments that support the phased introduction in Australia of mandatory business notification of product hazards, consistent with US and European practice, regardless of the anticipated effect on the number of product recalls.**