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Sasha Srkulj
Director, lithium-ion Batteries Project
Consumer Product Safety Division
Australian Competition & Consumer Commission
GPO Boc 3131
Canberra ACT 2601

via website: lithiumbatteries@accc.gov.au

ARA SUBMISSION TO ACCC REGARDING LITHIUM-ION BATTERIES ISSUES PAPER

The Australian Retailers Association (ARA) welcomes the opportunity to provide comments to the Australian Competition & Consumer Commission (ACCC) in response to its issues paper on lithium-ion batteries.

The ARA is the oldest, largest and most diverse national retail body, representing a \$400 billion sector that employs 1.3 million Australians – making retail the largest private sector employer in the country. As Australia's peak retail body, representing more than 120,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects and unifies our independent, national and international retail community.

We represent the full spectrum of Australian retail, from our largest national and international retailers to our small and medium sized members, who make up 95% of our membership. Our members operate across all categories - from food to fashion, hairdressing to hardware, and everything in between.

Lithium-ion batteries are widely used in many personal devices and household products, including mobile phones, toys, wearable devices as well as common garden tools and e-scooters. Retailers are committed to selling products that comply with relevant safety standards and do not pose an undue safety risk to consumers. Safety concerns go beyond the point of sale and extend to safe use and re-charging of these batteries as well as safe disposal at the end of the products life cycle.

The ARA submits that the following principles should guide the ACCC's review of safety considerations in relation to products containing lithium-ion batteries:

1. Products sold in Australia should be manufactured to meet relevant safety standards so retailers can be confident they are selling products that are safe for consumers to use.
2. Consumers need to be aware of the safe and recommended use of these products, particularly in relation to safe charging of these batteries.
3. Where innovation can ensure the safer charging of these batteries, it should be utilised.
4. Safe disposal and recycling solutions need to be widely available and accessible to ensure that these products do not pose a risk at the end of their lifecycle. This needs to be supported by adequate and appropriate infrastructure to safely manage the volume of product.

The ARA has consulted closely with members of its advisory committee on technical standards in relation to this submission and we make the following recommendations in response to the questions set out in the issues paper.

We note that the use and operation of lithium-ion batteries are covered by existing Australian and international standards, with the key safety risks being:

- Thermal hazards relating to the batteries themselves and charging circuitry.

- Mechanical and electrical hazards relating to the product type. These risks are fundamentally similar to those of their 240V mains power-operated counterparts. For example, a blender operated by lithium-ion batteries has the same safety hazards as does a mains-powered version- hazards that the mandatory standards for the mains-powered version address under existing state-based electrical product regulation.

The ARA therefore recommends a national framework for electrical product regulation, to replace the current system managed by state and territory governments. A national framework for these products would ensure consistent mandatory testing, certification and registration of these products.

ACCC question	ARA comments
Types of Li-ion batteries in consumer products	
1. Do you consider certain types of Li-ion batteries are more hazardous than others? For example, are certain types of Li-ion batteries more hazardous because of the chemistry make up and/or other factors that impact the hazard? Please provide an explanation and/or evidence to support your response.	<p>The ARA does not have technical expertise in batteries. However, subject matter experts from within the ARA's membership note that the risk is mostly associated with rechargeable lithium-ion or lithium-polymer batteries. Experts also advise that the risk of combustion is higher in those batteries that have lower thermal stability.</p> <p>The ARA recommends that the ACCC seek advice from relevant experts and consider whether the scope should be limited to rechargeable Li-ion batteries.</p>
Hazards and risks associated with Li-ion batteries	
2. Do you consider the characterisation of the hazards of Li-ion batteries in Table 1.3 accurate and why? Are there other hazards?	The ARA notes that misuse is also an associated hazard, which is likely to be widespread. Examples of misuse include inappropriate charging practices as well as storage and disposal.
3. Is there a stage at which Li-ion batteries are most dangerous? For example, when being manufactured, transported, stored, used/misused, charged or disposed of. Please provide an explanation and/or evidence to support your response.	<p>The evidence seems to point to the following stages where the batteries are most dangerous:</p> <ul style="list-style-type: none"> • Misuse – for example, using an inappropriate charger or charging in an unsafe way e.g. on top of a bed or soft furnishings or unattended charging for long periods. • Improper disposal – for example, throwing away in ordinary household rubbish collection or illegally dumping.
Li-ion battery incident data	
4. Can you provide any information or data (not already provided) on injuries, incidents, fatalities or near-misses involving a Li-ion battery?	The ARA does not have data to answer this question.
Consumer awareness and behaviour	
5. Do you consider that consumers are sufficiently educated on Li-ion battery safety hazards? If so, what are the key sources of information for consumers? Do you consider that further consumer education is required, what should the message be and in what form?	<p>The evidence raises concerns that consumers are not adequately informed given the risks of fire which can lead to potential injury or death.</p> <p>Key sources of information should include product labelling supported by a national education campaign. Recyclers and product stewardship schemes have a key role to play in this messaging.</p> <p>The ARA also notes that the current consumer (and retailer) information available is predominantly in written form and we suggest video format would likely be more engaging and instructive.</p> <p>Finally, we note that there is potential for confusion with consumer messaging, given that consumers are likely to be unaware that different types of batteries come with different risks. Changing this behaviour would be very difficult.</p> <p>The ARA recommends the ACCC work with stakeholders to develop a comprehensive and co-ordinated consumer education campaign.</p>

6. What actions can consumers take to mitigate the risks presented by Li-ion batteries?	<p>Consumers should be advised to follow manufacturer instructions for use.</p> <p>The ARA recommends that consumers have access to clear instructions and information on safety that is either provided at the point of sale or included on labelling and packaging.</p>
7. As a consumer or retailer: a. Do you assume the manufacturer has conducted safety testing on Li-ion battery products you purchase? b. What safety-related factors influence your purchasing decisions?	<p>Retailers rely on manufacturers to comply with safety standards. However, retailers do not assume that manufacturers have conducted safety testing and may contractually obligate them to do so.</p> <p>Retailers also have quality audits in place throughout the entire supply chain before a product reaches a consumer.</p> <p>Retailers are influenced by independent testing and accredited certifications, which may differ depending on the jurisdiction in which the product is manufactured.</p> <p>Finally, we note that it is important that consumers can have confidence that products they purchase in Australia are safe to use and fit for purpose.</p>
8. Are there particular Li-ion battery products, brands or manufacturers you have safety concerns about? Please provide an explanation and/or evidence to support your response.	The ARA does not have data to answer this question.
9. What other actions can supply chain participants take to mitigate the risks presented by Li-ion batteries?	<p>The ARA recommends proper auditing from elemental stage (i.e. still in chemical form) all the way through to the retail environment to ensure reasonably foreseeable risks are mitigated.</p> <p>We also note that the safe transporting of batteries that are collected for recycling can pose challenges, and that regulations around hazardous waste will be relevant.</p>
10. If you are a manufacturer or seller/distributor of Li-ion batteries, what education or information, if any, do you provide to your supply chain participants, staff and/or consumers about Li-on battery hazards and risks?	The ARA does not have data to answer this question.
11. If you are a manufacturer or seller/distributor of Li-ion batteries, what safety and quality assurance processes do you have in place? How and where is safety and quality assurance testing undertaken? Have you encountered any barriers to undertaking this process?	As noted above, retailers rely on manufacturers to comply with safety standards. However, retailers do not assume that manufacturers have conducted safety testing and may contractually obligate them to do so.
The market	
12. What information or data can you provide about who the major players are in the Australian market for Li-ion batteries, including all supply chain participants, and the types of products they supply?	The ARA does not have data to answer this question.
13. Are there alternatives to Li-ion batteries that are in the market or in development that are potentially safer than Li-on batteries? What are they?	<p>The ARA does not have the relevant technical expertise to respond to this question. However, we note recent media coverage of potentially safer options.¹</p> <p>The ARA recommends that the ACCC engage technical experts to advise on this question, noting there can be varying lead times between technical innovations and new products being released.</p>

¹ [Australia's budding vanadium industry vital to more sustainable future, experts say - ABC News](#)

Regulatory landscape	
14. Do you consider government intervention is required to manage Li-ion battery safety risks? If yes, what form of intervention do you recommend? Please explain your response.	<p>The ARA recommends that the ACCC focuses first on the outcomes that need to be achieved before determining whether regulation is the best way to achieve the desired outcomes.</p> <p>We recommend that the ACCC strive for the following outcomes:</p> <ul style="list-style-type: none"> • Products for sale in Australia are safe and meet relevant international safety standards. Products that do not meet safety standards should not be permitted in the Australian market. • There must be broad awareness in the community around the risk of misuse, poor storage or inappropriate disposal of lithium-ion batteries. • Where technical solutions can make the use of batteries safer, such solutions should be employed. • Safe recycling and disposal methods should be readily available and accessible.
Potential risk mitigation strategies	
15. Do you recommend any existing voluntary, industry or international safety standard, or overseas regulatory frameworks or certification methods, as having potential to mitigate the risks discussed in this Issues Paper? To what extent do these already address the risks discussed in this Issues Paper?	<p>The ARA recommends that the ACCC engage with Standards Australia in relation to information about existing safety standards and certifications.</p> <p>The ARA's members take the view that existing Australian and international standards currently cover the key safety risks associated with lithium-ion batteries.</p> <p>We note that, as pointed out in the consultation paper, there are gaps in state-based electrical regulations which permit lithium-ion battery operated products to enter the Australian market that do not meet current safety standards.</p> <p>The ARA therefore recommends implementation of a national approach to electrical product regulation so that these products would be covered, as well as the ACCC's involvement in QR-112 which is responsible for AS/NZS 4417.2 and which sets out the definitions, risk levels and testing requirements for electrical products across Australia.</p>
16. If you are a manufacturer or seller/distributor of Li-ion batteries, please provide details about whether the products you, or your supply chain participants, supply meet any relevant voluntary, industry and/or international standard and/or regulations, or other certification or quality assurance processes/requirements.	Depending on the jurisdictions involved, ARA members sell lithium-ion batteries that comply with existing standards and regulations.
17. Do you consider that any of the potential risk mitigation strategies identified in this Issues Paper would prevent injuries or fatalities from Li-ion batteries in Australia, either on their own or as part of a combined approach? Why?	<p>The ARA recommends a combined policy approach, informed by evidence, that also includes a strong consumer education campaign alongside industry initiatives.</p> <p>It is important to clearly understand the risks, informed by evidence, before these risks can be appropriately mitigated.</p>
18. What other potential risk mitigation strategies may be effective in reducing the risks posed by Li-ion batteries? Please explain your response.	The ARA does not have comment on additional strategies at this stage.
19. What research is available that is directed to the prevention of injuries or fatalities caused by Li-ion batteries.	The ARA recommends that the ACCC liaise with Standards Australia regarding research into safer design and manufacturing.

20. Are there further innovations, including advances in technology, that could either mitigate or exacerbate the hazards associated with Li-ion batteries discussed in this Issues Paper?

The ARA does not have the technical expertise to respond to question.

Thank you again for the opportunity to provide a submission to the ACCC on this important safety issue. We look forward to further engagement as the review progresses.

Any queries in relation to this submission can be directed to our policy team at policy@retail.org.au.

Yours sincerely,



Paul Zahra
Chief Executive Officer