

CRISIS MANAGEMENT // NEWSLETTER //
AUSTRALIA

Product Recall Monitor Australia

July 2023

The Liberty Product Recall Monitor summarises recent product recalls that have taken place across a variety of industries in Australia throughout 2022.

At Liberty, we're experts in crisis management, and offer best in class support, underpinned by exceptional service, risk engineering and local claims handling. We understand that each business has different needs and Liberty offers bespoke policy wordings to help ensure the right level of protection in an evolving risk environment.

In this edition we share some recent recalls in:

- ▶ Food and beverage
- ▶ Babies and kids
- ▶ Allergens
- ▶ Home and living
- ▶ Microbiological
- ▶ Health and lifestyle

TRENDING
TOPICS

AUSTRALIA

Why Liberty?



Voted the [NIBA 2022 Specialty Insurer of the Year](#), Liberty Specialty Markets (Liberty) offers a breadth of world-class insurance and reinsurance services to brokers and insured clients. We bring value and solutions to more than 26,000 of Asia Pacific's most significant business and government organisations – helping protect what they earn, build or own.

Experts in crisis management

We are experts in crisis management, and have the largest recall team in the country, comprised of experienced underwriters with more than 20 years experience.

Our bespoke policies are tailored to suit the individual needs of clients, covering:

- ▶ Accidental contamination
- ▶ Product defect
- ▶ Intentional impaired ingredient
- ▶ Government recall
- ▶ Alleged contamination
- ▶ Product extortion
- ▶ Malicious product tampering
- ▶ Adverse publicity

Market leading cover and best in class crisis support

Our market leading Contaminated Products Insurance includes Retailers Withdrawal coverage*. This means our policy also covers product withdrawal due to a quality issue with no threat of bodily injury. This fills the significant gap in coverage for many clients who find themselves exposed when their product is subject to a withdrawal from supermarkets due to a quality issue, as opposed to a food safety issue.

24/7 support

You can expect 24/7 support from our dedicated crisis management consultants.

We provide access to leading crisis management consultants, market leading food technologists and PR experts to assist you with the prevention, management and recovery from a product recall event.

Exceptional service, risk engineering and local claims handling

We understand the need for a quick turnaround. Liberty has underwriters in all eastern states and can meet with clients when needed the most.

Our local claims handling is managed out of Sydney by our senior claims specialist, James Paul.

We have a dedicated Risk Engineer, Luis Gonzales, who provides technical support to underwriters regarding risk. Luis is available to meet with your client to help ensure we fully understand your client's business.

Find out more

If you would like to know more about product recalls and withdrawals and the tailored solutions we provide, please get in touch with a member of the [Liberty Crisis Management team](#).

* All benefits and covers described in this monitor are subject to the terms of the relevant policy.





Shifts in consumer behaviour and safety standards

In Australia, the eCommerce industry is growing. Since COVID, consumers are shopping online more than ever, accounting for 19.3% of total retail spend in 2021 of A\$65b. This represents a 1/4 increase in spend since 2020. The change in consumer shopping behaviour represents an increased risk of Australians being sold unsafe products, as well as those that don't comply with Australian standards and bans.

Since the Australian Competition & Consumer Commission (ACCC) established the [Australian Product Safety Pledge](#) in 2020 to help protect consumers, pledged signatories have reported 99.8% of self-detected unsafe listings which were removed within two business days. This form of self-regulation has been incredibly successful, with signatories empowered to assist with proactively identifying high risk products.

The pledge and the reporting of self-detected unsafe listings may have had an impact on the overall product recall figures for 2022. It also shows that businesses must always remain vigilant.

Button battery safety standards

Button batteries are used in a broad range of consumer and household products, including toys. If swallowed, these small disc-shaped batteries can cause severe injury or death to children aged 0-5 years. Children at this age often put things in their mouth and button batteries can lodge in their oesophagus. The electrical current triggered by saliva causes a chemical reaction that can cause severe burns to the esophagus and internal organs. Since 2013, three children have died and 44 have been severely injured in Australia from incidents involving these batteries.

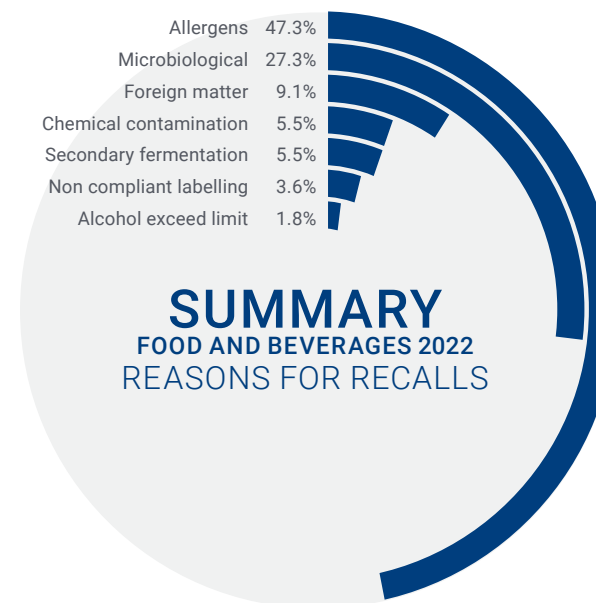
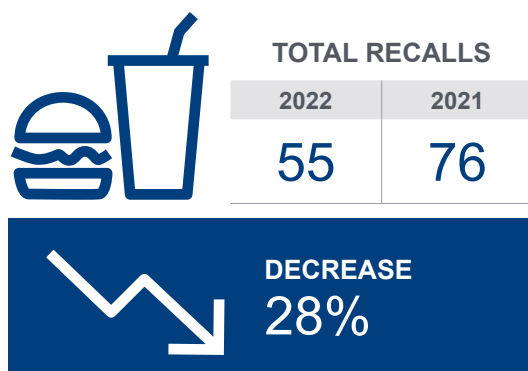
In 2022, Australia became the first country to have a button battery safety standard that applies across all consumer product categories. These [standards](#) became mandatory in June 2022. One year after its implementation, almost 40 recalls of products that do not comply with the regulation have been issued ([ACCC 2022](#)).

Food allergen labelling

Across 2022, there was a decrease in food and beverage related recalls experienced in Australia and New Zealand due to tighter regulations such as the Mandatory Labelling Rules introduced in 2020, and the introduction of the Food Allergen Portal (the Portal) which was initiated by The Allergen Collaboration, first formed in 2011. The portal provides best practice food allergen resources and messaging to promote knowledge and safety. These initiatives have delivered the lowest rate of allergen-related product recalls for almost 10 years by driving consistently clear and prominent food allergen labelling ([Food Safety 2023](#)).

What's been recalled in Australia

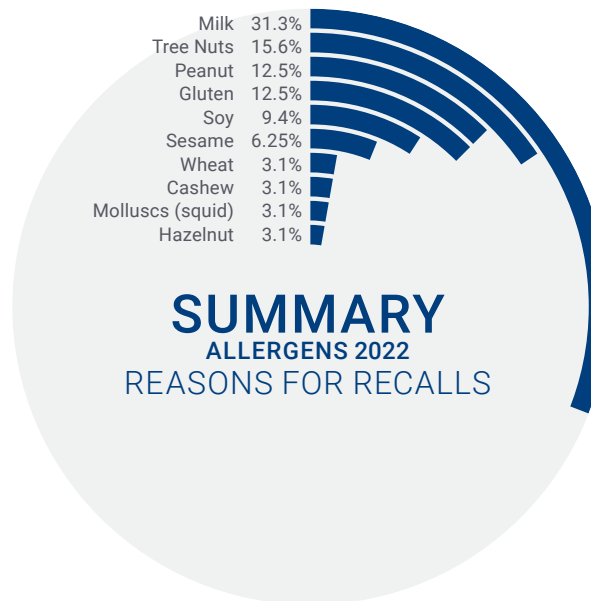
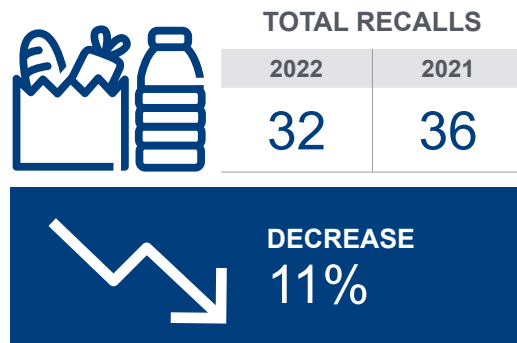
Food and Beverages overview



Recall examples

Incident		Hazard	Remedy
30 March 2022 – beer	Illness/injury if consumed	The product had the potential to exceed marked alcohol content and/or the can rupturing due to secondary fermentation. Food products containing excess alcohol and carbonation may cause illness/injury if consumed.	Refund
28 April 2022 – lamb mince	Illness/injury if consumed	The presence of plastic and metal was detected. Food products containing plastic and metal may cause illness/injury if consumed.	Refund and replacement
29 September 2022 - yoghurt	Illness/injury if consumed	The product contained a low concentration of sanitising solution which may cause illness/injury if consumed.	Refund

Allergens 2022 overview



Recall examples

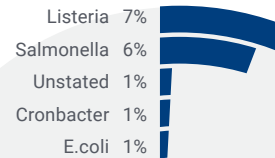
Incident		Hazard	Remedy
29 April 2022 – chocolate coated almonds	Allergy or food intolerance	Undeclared allergens were detected (tree nuts: cashew and hazelnut). Consumers with a tree nut allergy or intolerance may have a reaction.	Refund
7 July 2022 – tomato paste	Allergy or food intolerance	The presence of an undeclared allergen (soy) was detected. Consumers with a soy allergy or intolerance may have a reaction.	Refund
13 October 2022 – soup mix	Allergy or food intolerance	The presence of an undeclared allergen (gluten: barley) was detected. Consumers with a gluten (barley) allergy or intolerance may have a reaction.	Refund

Microbiological contamination overview 2022



TOTAL RECALLS

2022	2021
16	23



SUMMARY MICROBIOLOGICAL CONTAMINATION 2022 REASONS FOR RECALLS

Recall examples

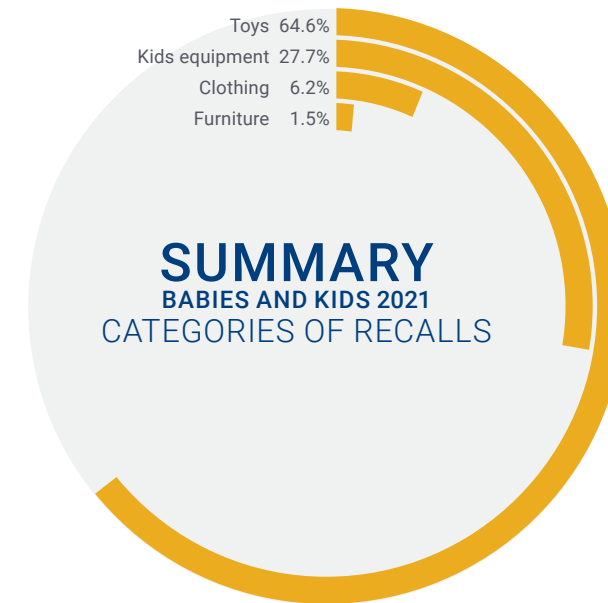
Incident		Hazard	Remedy
4 January 2022 – detox tea	Illness	Microbial contamination (Salmonella) was detected in the product which can cause illness if consumed.	Refund
31 August 2022 – ready to eat meals	Illness	Microbial contamination (Listeria monocytogenes) was detected in the product which can cause illness if consumed, in particular to pregnant women and their unborn babies, the elderly and people with low immune systems.	Refund
14 October 2022 – salami	Illness	Microbial contamination (Salmonella) was detected in the product which can cause illness if consumed.	Refund

Babies and kids 2022 overview



TOTAL RECALLS

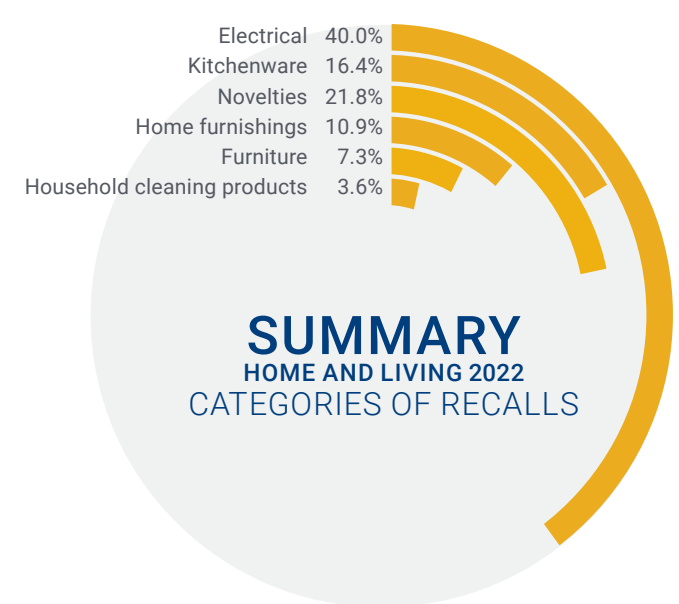
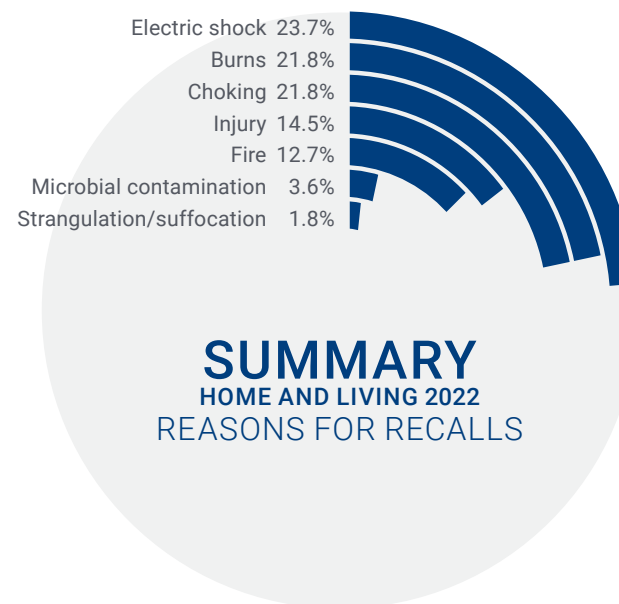
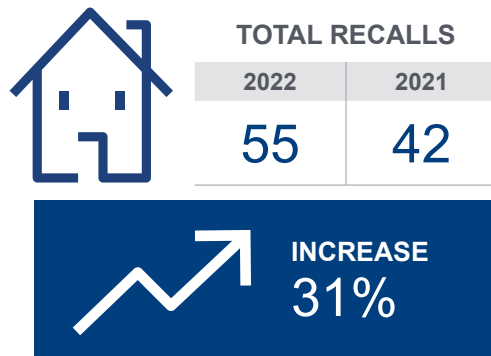
2022	2021
65	87



Recall examples

Incident	Hazard	Remedy
4 March 2022 – kangaroo and koala soft toy	Choking or suffocation The toy did not meet mandatory safety standards for children up to and including 36 months of age because the corks may break off the toy's hat into small parts, posing a choking or suffocation hazard for young children.	Refund or remove corks
2 September 2022 – sensory shape sorter	Choking The product's red sorting cube (which has a clear top) may break and release a small ball. This product may not meet mandatory safety standards for children up to and including 36 months of age. If released the ball may pose a choking hazard for young children, which can lead to severe injury or death.	Remove sorting cube and refund
9 December 2022 – pram	Amputation injury It was discovered that holes in the brake disc are large enough to catch the finger of a child. A child not seated in the stroller could insert their finger in the brake disc which may lead to an amputation injury.	Replacement discs

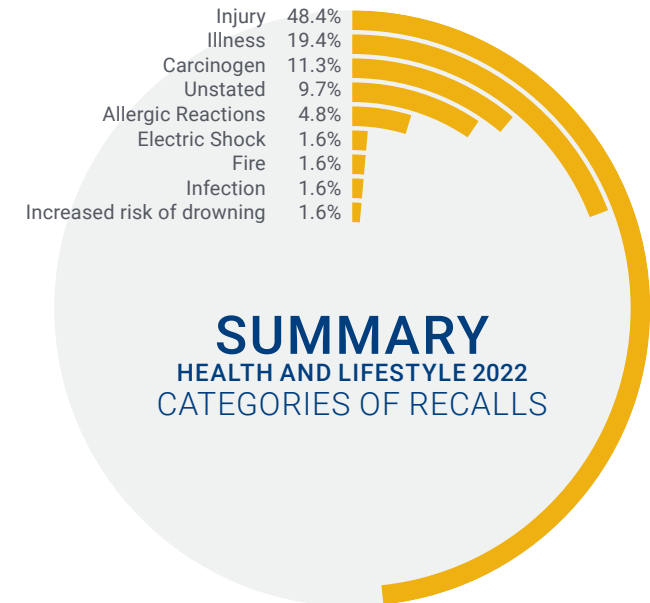
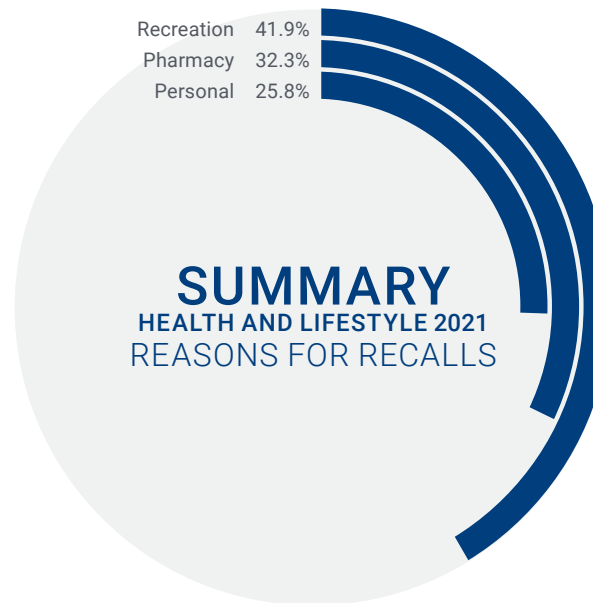
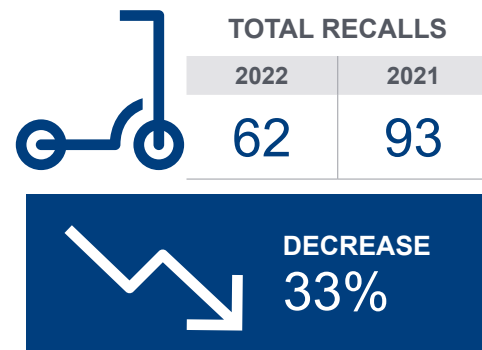
Home and living 2022 overview



Recall examples

Incident	Hazard		Remedy
28 January 2022 – LED neon light power supply	Electric shock	The supply cord's protective earth wire is not connected to the plug's earth pin. The LED power supply does not comply with the relevant Australian standard and does not have an Australian approval. There is risk of electric shock, which can cause serious injury or death.	Repair Replacement of power supply
17 March 2022 – ceiling fan	Injury	The product's fan blades may crack and fall off the body of the fan. If this happens, there is a risk of injury to bystanders.	Repair
9 September 2022 – electronic weighing bowl	Choking, illness or death	The product does not comply with mandatory standards for products containing button batteries. Its battery compartment was not adequately secured and one lithium button battery is accessible. If young children gain access to the button battery and ingest them, they may suffer severe internal burn injuries, which can result in serious illness or death. Button batteries also pose a choking hazard to young children.	Exchange for gift

Health and lifestyle 2022 overview



Recall examples

Incident		Hazard	Remedy
20 January 2022 - scooter	Injury or death	The steering tube may crack or break which presents an increased risk of an accident that can result in serious injury or death to the rider.	Refund
14 October 2022 - seat walker	Injury	The nut securing the frame's cross brace in place may become loose over time, leading to the frame becoming unstable. If the frame becomes unstable there is an increased falls risk that may lead to injury.	Refund
7 October 2022 - shampoo	Infection or illness	The affected batch may be contaminated with bacteria (<i>Enterobacter Gergoviae</i>). Cosmetic products contaminated with <i>Enterobacter Gergoviae</i> may cause infection or illness, especially if the user has a weakened immune system.	Refund



Contact us

If you're looking for more information regarding product recall insurance, please get in touch with our specialist crisis management underwriters.

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✚ Meet our Crisis Management Team Members

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