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Executive Brief: Self-Balancing Scooter

To support Minister's media release: 14 July 2016

Key points

- The Commonwealth Minister for Small Business and Assistant Treasurer has made a mandatory safety standard for self-balancing scooters (previously referred to as hoverboards) pursuant to section 104 of the Australian Consumer Law (ACL), which is Schedule 2 of the *Competition and Consumer Act 2010*.
- The safety standard comes into effect on 17 July 2016 and follows the interim ban on hoverboards that do not meet specific safety requirements, which ends on 16 July 2016.
- The standard is designed to reduce the risk of death or serious injury to consumers from house fires started by unsafe self-balancing scooters. It sets out the requirements for rechargeable lithium-ion batteries and battery control systems in self-balancing scooters.
- The requirements contained in the safety standard are the same as those set out in the interim ban.
- The safety standard is in force for a period of two years.
- The two year period gives State and Territory electrical safety regulators adequate time to develop a longer term control under electrical safety laws.
- The ACL mandatory standard recommended by the ACCC addresses the electrical safety concerns identified with the products and is proportionate to the risk of injury or death from house fires.

Background

Hazard

- Self-balancing scooters are reported to have started six house fires in Australia with three of those houses being destroyed.
- All six house fires in Australia which were related to self-balancing scooters appear to have been caused by the unit overheating while charging.
- There have been reports in Australia and overseas of self-balancing scooters overheating, sparking and smoking. In addition there have been over 50 house fires reported in the United States.
- To date, there have been no serious injuries or deaths reported in Australia.

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Product Safety Standard

- The Australian and overseas experience prior to the interim ban being imposed supports maintaining the safety requirements specified in the interim ban.
- This will mitigate the risk of house fires being caused by self-balancing scooters overheating while charging and thereby reducing the risk of injury or death to consumers.
- The scope of the legislative instrument is two-wheeled devices. At this time there is insufficient evidence to support regulation of single wheeled devices in Australia, but the ACCC is having several single wheeled devices tested and will continue to monitor their safety.
- The ACL mandatory standard recommended by the ACCC is a proportionate and evidence-based approach.

Previous Interim Ban

- On 18 March 2016, the Minister for Small Business and Assistant Treasurer imposed an interim ban on hoverboards that did not meet specific safety requirements. The interim ban commenced on 19 March 2016, was extended twice and will end on 16 July 2016.

Energy Safe Victoria

- Energy Safe Victoria (ESV) gazetted a prohibition notice on 23 June 2016 to prevent the sale of hoverboards in Victoria unless ESV has issued a Certificate of Compliance for the hoverboard. The prohibition started on 1 July 2016.
- ESV's action is assessed as increasing the regulatory burden without measurable added benefit, but can be seen as a step towards a longer term solution where electrical safety regulators manage the electrical safety of self-balancing scooters
- Most state and territory electrical safety regulators' laws do not allow them to regulate hoverboards (other than the mains connected electrical charger). ESV is the exception.
- The ACCC will continue to work with electrical safety regulators on a longer term solution under electrical safety laws.

Recalls

- There have been 21 recalls of self-balancing scooters and/or their electrical chargers, primarily due to non-compliant electrical chargers. This involved around 6000 units. State and territory electrical safety regulators have regulatory oversight of mains connected equipment like electrical chargers.
- Some self-balancing scooters have been recalled because suppliers were concerned about the safety of the self-balancing scooter itself, after they became aware it had been supplied with a non-compliant charger.
- The United States Consumer Product Safety Commission (US CPSC) announced 10 recalls on 6 July 2016. The recalls affect up to half a million units.
- The ACCC is aware of only one product on the US CPSC recall list being supplied in Australia, which had already been recalled in December 2015.

Next steps

- The Minister's Office has advised an intention to publish a media release on Thursday 14 July 2016.

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- CPSB will use the express lodgement option for the instrument on Thursday 14 July 2016. We will lodge the instrument around 9.00 am it will be around 11.00 am.

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