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Australian
Competition &
Consumer
Commission

Submission to Standards Review Meeting

Date of meeting 02-May-2017

Meeting number 14

Trackit PRJ1002066

Title Expanding the scope of the mandatory safety standard for self-balancing scooters: draft consultation paper

Recommendation We seek final approval for the publication of the consultation paper for our review of the safety standard for self-balancing scooters

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Division, Branch and Office Consumer Product Safety Branch

Legal/Economic input This paper contains confidential and privileged material (shaded)

Conflict of interest Rickard Court

Attachments Yes

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1. Purpose

- 1.1 Having considered and incorporated feedback from the Standards Review Meeting on 2 March 2017, we seek approval to publish the consultation paper for the review of the mandatory safety standard for self-balancing scooters.
- 1.2 If approval is granted we intend to consult with stakeholders including suppliers, state and territory regulators and consumer groups for a period of six weeks.

2. Background

- 2.1 The mandatory safety standard for self-balancing scooters (hoverboards) was implemented on 17 July 2016 and will expire on 16 July 2018. The standard currently applies to two-wheeled ride on devices with no steering grips, seats or handlebars, which are powered by a lithium-ion battery that is rechargeable via connection to a mains power supply. The safety standard for two-wheeled self-balancing scooters was developed to reduce the risk of house fires and to protect occupants from serious injury.
- 2.2 The safety standard for self-balancing scooters is being reviewed to consider broadening the scope of the safety standard to include single-wheeled self-balancing scooters, otherwise known as 'monoboards'. While there have been no reported incidents involving single-wheeled scooters in Australia, there are two reports that we are aware of from the UK of fires starting when the scooters were charging.
- 2.3 In 2016 ACCC commissioned independent laboratory testing of a single-wheeled device. Results identified failure to comply with section 11 (normal use test) of the International Electrotechnical Commission (IEC) Standard. The battery overheated after the monoboard was loaded with 120kg and used on a treadmill. This failure represents a fire hazard that may arise when the product is in use. This section is a part of the mandatory safety standard and also adopted in the Energy Safe Victoria's (ESV) requirements for self-balancing scooters (the ESV requirements apply to single-wheeled and two-wheeled devices).
- 2.4 The ESV prohibition notice for self-balancing scooters is a regulation that applies within the Victorian jurisdiction and is more stringent than the national safety standard.
- 2.5 The product that failed parts of the safety standard and the ESV prohibition notice was recalled.
- 2.6 Aside from the ESV regulation, there is currently no other regulatory scheme in the states and territories that cover single-wheeled scooters.
- 2.7 Regulatory gaps in the electrical safety laws means that states and territories are unable to regulate extra low voltage devices like self-balancing scooters. As such the ACL is best placed to address immediate safety issues with self-balancing scooters in the interim.
- 2.8 The Productivity Commission in the recent study of Consumer Law Enforcement and Administration has recommended states and territories should move to agree on nationally consistent laws on electrical goods safety. The ACCC will continue to advocate that electrical safety regulators should achieve a long-term solution prior to the standard ending on 16 July 2018.
- 2.9 The ACCC is anticipating that other state and territory electrical safety authorities will regulate these products, once they gain the legislative authority to do so.

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- 2.10 In the intervening period, to ensure consumer protection and that minimum safety requirements are met, the ACCC proposes to expand the scope of the current safety standard to include single-wheeled scooters.
- 2.11 We approached the Office of Best Practice Regulation (OBPR) on 15 November 2016 for preliminary assessment of this proposal. On 16 November 2016 OBPR advised that a regulatory impact statement was not required.

3. Consultation

- 3.1 We will inform the Minister of our intention to consult prior to publication of the paper.
- 3.2 We will consult publicly for six weeks using the ACCC consultation hub and will alert other ACL regulators, email stakeholders and promote the consultation on the Product Safety Australia and business.gov.au websites.

4. Analysis to support the recommendation

- 4.1 The consultation paper proposes the following policy options:
 - Option 1 – Keep the current safety standard, which does not include single-wheeled self-balancing scooters (status quo)
 - Option 2 – Remake the safety standard to include single-wheeled self-balancing scooters.
- 4.2 Our preliminary position is that Option 2 would be likely to provide the greatest net benefit to consumers, suppliers and regulators.
- 4.3 Evidence suggests that single-wheeled self-balancing scooters pose the same risk as two-wheeled self-balancing scooters; however, outside Victoria there is no regulation of single-wheeled scooters.
- 4.4 Expanding the safety standard for two-wheeled self-balancing scooters to include single-wheeled self-balancing scooters would improve protection for consumers in the absence of uniform electrical safety regulations.
- 4.5 Safety standards are a proactive way of protecting consumers against hazards, which in this case is the risk of fire.
- 4.6 Suppliers would be able to continue to sell single-wheeled self-balancing scooters provided they meet the safety standard.

5. Attachment

Consultation paper (10 pages).