



Submission to Standards Review Meeting

Date of meeting	10 November 2017
Meeting number	24
Dynamics	PRJ1002066
Title	Review of the mandatory safety standard for self-balancing scooters – Consultation outcomes
Recommendation	We seek Commissioners' endorsement of our recommendation to the Minister.
Project staff	Todd Owen (x6956), Elizabeth Loiacono (x1420), Matthew Prendergast (x6421),
Responsible SES	Neville Matthew (x1066)
Branch and Office	Consumer Product Safety Branch
Legal/Economic input	No

☐ This paper contains confidential and privileged material (shaded)

Attachments Yes

1. Purpose

- 1.1. To update Commissioners on the outcomes of our consultation process.
- 1.2. This paper seeks Commissioners' endorsement of our proposed recommendation to the Minister.

2. Recommendation

- 2.1. We recommend that the Minister is advised to make a new safety standard (the **new standard**) that would:
 - extend the scope of the safety standard to include single-wheeled self-balancing scooters
 - extend the operation of the safety standard for twelve months until 16 July 2019.

3. Background

- 3.1. On 17 July 2016 the *Consumer Goods (Self-balancing Scooters) Safety Standard 2016* (the **current standard**), for two-wheeled self-balancing scooters was made mandatory under the Australian Consumer Law (ACL). The current standard will expire on 16 July 2018.

- 3.2. The current standard was introduced to address a regulatory gap identified in the state and territory regulatory frameworks covering the safety of electrical products.
- 3.3. The standard puts in place requirements to address design and construction flaws that pose a risk of electrical house fires. Such incidents have occurred when self-balancing scooters powered by lithium-ion batteries have overheated when charged via a mains power supply.
- 3.4. The ACCC is aware of nine house fires since January 2016 caused by two-wheeled self-balancing scooters that were being charged in the premises. The damage caused to three of these houses was so significant that they were irreparable.
- 3.5. Single-wheeled self-balancing scooters pose a similar safety risk and the ACCC is aware of two house fires that occurred in the UK in 2015. In both cases, the scooters were being charged via a mains power supply when the fires started.
- 3.6. To accurately assess the potential hazards of single-wheeled self-balancing scooters, the ACCC commissioned independent laboratory testing of one model of a single-wheeled self-balancing scooter in 2016. The product's battery overheated during testing, and would have failed to comply with the requirements of the current standard had it been a two-wheeled self-balancing scooter.
- 3.7. The ACCC released a consultation paper on 14 June 2017 to assess the suitability of extending the scope of the current standard to include single-wheeled self-balancing scooters.

4. Analysis of issue

Consumer Goods (Self-balancing Scooters) Safety Standard 2016

Extending the scope of the current standard

- 4.1. The current standard applies to two-wheeled ride-on devices with no steering grips, seats or handle bars which are powered by a lithium-ion battery that is rechargeable via connection to a mains power supply.
- 4.2. The standard requires two-wheeled self-balancing scooters to include appropriate components and electrical circuitry to safely manage battery charging, battery discharging, battery temperature controls and unbalanced charge in multiple lithium-ion battery cells.
- 4.3. We have assessed single-wheeled self-balancing scooters and consider they have similar design characteristics to two-wheeled self-balancing scooters, therefore posing a similar risk to consumers in the form of electrical fires.
- 4.4. Given the parity of the hazard, we therefore recommend that single-wheeled self-balancing scooters should be regulated on the same basis as two-wheeled self-balancing scooters.

Extending the timeframe for the operation of the current standard

- 4.5. The timeframe for the operation of the current standard was limited to two years to provide state and territory authorities with a sufficient timeframe in which they could enact measures to take over the regulation of self-balancing scooters.

- 4.6. New South Wales, Victoria and Western Australia regulate extra low voltage products which would encompass self-balancing scooters. As this product is an extra low voltage product it is beyond the scope of other state and territory regimes.
- 4.7. Our view remains that state and territory electrical safety regulators are the most appropriate authorities to regulate these products, as they hold the requisite technical expertise. Further, we consider that it should not be difficult for those jurisdictions which do not presently capture extra low voltage products to extend their regulatory scope so as to capture self-balancing scooters in full. This would provide for regulation of batteries and battery control systems.
- 4.8. The Victorian Government had in place additional regulations for self-balancing scooters, which lapsed in July 2017. This required suppliers to apply to Energy Safe Victoria (ESV) for a Certificate of Compliance that, when granted, indicated that their product was approved and met the safety requirements specified by ESV.
- 4.9. Extending the timeframe for the operation of the current standard by twelve months would allow us to continue to further engage with state and territory regulators on the regulation of self-balancing scooter with a view to withdrawing from regulatory responsibility, noting that the ACCC would still retain jurisdiction over the Northern Territory regime. It would also, alternatively, provide time to assess whether the market had developed sufficiently so that ongoing regulation was no longer required, for example through improved product design.
- 4.10. We wrote to electrical safety regulators in October 2016 raising our concerns about the growing prospect of safety incidents caused by self-balancing scooters charged by lithium-ion batteries, and seeking their agreement that they regulate these products.
- 4.11. We received responses from the Australian Capital Territory (which was supportive of a coordinated response), South Australia and Western Australia (both of which referred the matter to the Electrical Regulatory Authorities Council's (ERAC) November 2016 meeting for discussion). Following this meeting no state or territory regulator moved to implement regulation of self-balancing scooters.
- 4.12. At this time a coordinated response between state and territory regulators has not been reached.
- 4.13. We intend to again engage directly with electrical safety regulators about their putting in place measures to regulate self-balancing scooters as well as strengthening our engagement with ERAC. ERAC was established to operate as a coordination and liaison agency for the electrical regulatory authorities and its support is important in driving reform.
- 4.14. We will seek the agreement of Commissioners when we finalise our engagement strategy.

Public consultation

- 4.15. We consulted from 14 June 2017 to 28 July 2017 on options for amending the current standard.
- 4.16. Our preferred position was to remake the safety standard so as to also regulate single-wheeled self-balancing scooters, with the alternative position to maintain the safety standard in its current form.

- 4.17. No submissions were received and suppliers were notified of the consultation directly by email and invited to make a submission.

Engagement with state and territory co-regulatory agencies

- 4.18. We emailed state and territory regulators on 23 October 2017 to inform them of the consultation process, and received one response from ESV informing us that its regulations had lapsed.



- 4.20. The Office of Best Practice Regulation advised that expanding the scope of the current standard would not require the preparation of a regulation impact statement.

5. Attachments

Attachment 1 – Consultation paper