

# Review of the mandatory standard for prams and strollers

# **Consultation paper**

January 2017



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#### **Disclaimer**

The Australian Competition & Consumer Commission (ACCC) has developed this consultation paper to seek the views of stakeholders about the mandatory safety standard for prams and strollers.

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# 1. Introduction

The Australian Competition and Consumer Commission (ACCC) has prepared this consultation paper as part of our review of the safety standard for prams and strollers.

This consultation paper is in the format of a Regulation Impact Statement (RIS). The Australian Government requires a RIS to inform every regulatory policy proposal, unless it is a minor update to existing laws. The RIS process assesses the costs and benefits of policy options to ensure any regulation provides the greatest benefit to the Australian community.

This consultation paper invites stakeholders to comment on a number of issues and options. A summary of key questions is at section 9.

## 2. The problem and the need for government action

The ACCC is reviewing the mandatory safety standard for prams and strollers because:

- we want to see if the safety standard is still effective (it started in 2008) in reducing serious injuries and deaths of children using these products
- the market and products have changed since the previous review of the mandatory safety standard
- we are considering hazards associated with pram and stroller folding mechanisms and with the stability of some prams and strollers with added features
- we are considering the latest Australian voluntary standard for prams and strollers
- we are considering trusted international standards for prams and strollers.

The ACCC is considering four policy options for the mandatory safety standard:

- Option 1 Retain the current mandatory safety standard (status quo).
- Option 2 Adopt parts of the updated voluntary Australian standard.
- Option 3 Allow compliance with the voluntary Australian or trusted international standards.
- Option 4 Revoke the mandatory safety standard.

We published a consultation paper in late 2014 seeking feedback on possible changes to the mandatory safety standard consistent with Option 2 in this paper. The responses supported those changes but also indicated a preference for suppliers to be able to comply with trusted international standards.

### 3. Background

#### 3.1. Prams and strollers in Australia

Prams and strollers are similar products. Prams transport very young children primarily in a fully reclined position whereas strollers transport children in a seated position (often with capacity to adjust to a reclined position).

Australians buy about 750 000 new prams and strollers each year<sup>1</sup>. This is about two and a half products for each of the 300 000 children born each year. There is an increasing trend for parents and other care givers to buy multiple prams or strollers. The mandatory safety

<sup>&</sup>lt;sup>1</sup> A 2007 industry survey estimated 740 000 prams and strollers sold each year.

standard does not address the safety of prams or strollers that families and other care givers (such as grandparents) reuse for later children, or gift or sell second-hand.

Cheaper prams and strollers (\$30-\$50) may last for 2-5 years and models that are more expensive (\$200-\$500) may last for 5-7 years. There are also prestige products that sell for \$1000 or more.

All of the prams and strollers supplied in Australia are manufactured overseas (mostly in China or Europe). However, suppliers modify most of the products locally to satisfy specific Australian requirements (red brakes, tether straps and warnings). Online trading has greatly increased the range of suppliers over recent years.

Prams and strollers have changed since the mandatory safety standard started in 2008:

- combination products for both babies (in a reclined position) and young infants (in a more upright position) have become common
- many products now have multiple uses with integrated components to carry the child (in a removable bassinet or capsule) or to transport a child in a motor vehicle (child car restraint)
- prams and strollers that incorporate additional seats, platforms or other attachments to transport more than one child have become popular
- prams and strollers for consumers to use while jogging or cycling are now common.

#### 3.2. Injuries and deaths in prams or strollers

#### **Roll-away incidents**

Children can be in great danger if the parent or carer loses control of their pram or stroller.

Three high profile deaths of children in prams or strollers occurred before 2008 where the caregiver lost control and the pram or stroller rolled into a body of water – two in a South Australian river and one off a jetty into the sea. There were also several instances where prams or strollers rolled off train platforms and onto railway tracks.

Events like these prompted the introduction of the mandatory safety standard in 2008 that mandated tether straps, to tether the pram or stroller to the caregiver, and red brake actuators to highlight the location of, and visually remind the carer to use, the brakes. We believe both measures have contributed significantly to the reduction of these incidents. (A question on this is included in the consultation paper).

The introduction of a tether strap provided the carer with an additional safety feature that, if used, would always maintain contact and control of the pram or stroller. Suppliers must currently provide a tether strap with the pram or stroller. They do not need to fix the tether strap <u>on</u> the pram or stroller. The updated voluntary Australian standard requires suppliers to fix a tether strap <u>on</u> the pram or stroller.

#### Falls

Children in a pram or stroller that are not harnessed properly are at risk of injury from falls.

Around 90 per cent of pram and stroller injuries in Australia are because of falls. This occurs when children are not harnessed securely or at all and then manage to stand up in the pram or stroller, when the child is getting in or out of the stroller, or when the stroller becomes unstable going down stairs or inclines.

Similarly, almost 80 per cent of an estimated 261 000 pram or stroller related injuries to US children under 5 between 1990 and 2010<sup>2</sup> were because of contact with the ground, which relates directly to the child not being securely harnessed in the pram or stroller.

The mandatory safety standard requires prams and strollers to have a permanently affixed safety harness which effectively restrains the child, as well as safety warnings prominently displayed on the pram or stroller, including on the harness and tether strap, about the use of these features.

The warnings aim to influence parents and carers to use the harness to protect the child in the pram or stroller. However, many fall injuries occur because the harness in the pram or stroller was not used.

More detailed historical injury data is included in Appendix A.

#### 3.3. The mandatory safety standard

The mandatory safety standard for prams and strollers started in 2008 under the *Trade Practices Act 1974* and it continues under the Australian Consumer Law (ACL).

The key pram and stroller hazards addressed by the safety standard are:

- falls from the stroller as a result of the child being unrestrained or ineffectively restrained

   addressed by requirements for harnesses
- roll away incidents which put children in danger addressed by requirements for brakes and tether straps
- body entrapment addressed by requirements for head barriers and foot enclosures
- finger entrapment addressed by requirements to minimise hazardous gaps.

The mandatory safety standard is based on the voluntary Australian standard *AS/NZS* 2088:2000 Prams and strollers-safety requirements. The mandatory safety standard only specifies those sections of the voluntary Australian standard considered reasonably necessary to prevent injury.

The ACCC funded Standards Australia to review the voluntary Australian standard in 2013. The 2013 version includes safety requirements for vehicle stability, to avoid finger entrapment in folding mechanisms and to reduce inadvertent release of locking mechanisms. It also clarifies harness attachment and permanence requirements, and the structure of the standard is clearer. The improvements in the standard appear to have wide industry acceptance.

Non-compliance identified by the ACCC has mainly related to marking and warning problems. In 2013 the ACCC surveyed 109 products and 20 of 28 non-compliances related to the mandatory warning.

There have been 27 pram or stroller recalls since the mandatory safety standard started: four in 2009, nine in 2011, three in 2012, four in 2013, two in 2014, two in 2015, and three to date in 2016. These recalls were about warning and information marking provisions of the mandatory safety standard and about issues that are not addressed by the mandatory safety standard, like brake failures, problems with stability and security of attachments and entrapments in hinge folding mechanisms.

<sup>&</sup>lt;sup>2</sup> Injuries associated with strollers and carriages among children in the United States 1990-2010; Fowler E, Kobe C, Roberts KJ, Collins CL and McKenzie LB, in Academic Pediatrics (2016)

#### 3.4. Emerging issues

#### **Folding actions**

About half of the pram or stroller injuries reported to the ACCC in recent years (Appendix A) were caregivers' fingers injured in the scissor-like action of the pram or stroller folding or unfolding mechanism. This is an emerging hazard.

The mandatory safety standard sets requirements to protect the fingers of children passengers of prams or strollers but does not address the hazard to caregivers or children outside the pram or stroller.

Folding or unfolding a stroller can result in entrapped, crushed and scissored fingers of caregivers or children. This has occurred when the pram or stroller inadvertently unfolded while a caregiver carried it or when it was being set up for use. The hazard is associated with a scissoring action, sharp edges on opposing components and the mechanisms that lock the stroller in a folded state.

#### Stability and security of attachments

Suppliers now offer various attachments for the basic pram or stroller, often promoting them as suitable for, or interchangeable with, different brands and models. These attachments can sometimes create stability, security and performance issues if they:

- are not sufficiently secured or locked into place on to the pram or stroller
- create instability, especially when the pram or stroller is loaded.

Children have fallen from the pram or stroller and suffered injuries from these kinds of problems with the security of attachments.

The voluntary standards have not always clearly specified stability tests for attachments or for the prams or strollers that use them. The mandatory safety standard does not currently address this issue.

#### **Harness definitions**

Suppliers, test houses and regulators have expressed confusion about the requirements for pram and stroller harnesses, particularly the requirements for permanent fixation and adjustability. The updated voluntary Australian standard resolves the confusion and clarifies what the terms 'securely attached' and 'permanently fixed' mean, in line with the child (car) restraint standard. These definitions allow a harness that caregivers can adjust, whilst preventing inadvertent adjustment by the child.

#### **Automatic brakes**

Automatic braking systems on some pram and stroller models may provide an additional level of safety.

The 2014 consultation sought views about mandating automatic brakes on prams and strollers. Respondents indicated that some prams and strollers had automatic brakes, but most said that the high cost of mandating automatic brakes on all prams and strollers was not justified, particularly for lower cost prams and strollers.

There have been no deaths and few reported injuries from prams or strollers rolling away from carers since the mandatory safety standard started in 2008. This could be because of the requirements for tether straps and red brakes and heightened awareness of the potential hazards involved in losing control of a pram or stroller. Infrastructure improvements to

enhance safe access for people with disabilities (e.g. at train platforms and near waterways) may also have helped.

However, anecdotal observations also suggest that many carers rarely use the tether strap or, if they do use it, tether other children to the vehicle in order to maintain some control over them. As these potentially serious accidents have been rare, it is not possible to attribute cause with any confidence.

The updated voluntary Australian standard includes requirements for automatic brakes if they are supplied as part of the pram or stroller. Automatic brakes could provide an optional alternative to the currently mandatory Australian-specific requirement for a tether strap. We therefore seek stakeholder views about exempting prams and strollers with automatic brakes that conform to the updated voluntary Australian standard from the requirement for a tether strap.

#### Strollers and chairs for disabled children

Strollers and chairs for disabled children are purpose-built devices that the Therapeutic Goods Administration (TGA) recognises and regulates as medical devices. Governments did not intend the mandatory safety standard to capture these products. The mandatory safety standard requirements may be inappropriate for these products, and the medical devices regulatory framework suits strollers and chairs for disabled children better.

However, some stakeholders have expressed confusion and asked for clarity. We therefore propose to explicitly exempt these products from the mandatory safety standard.

#### **Emerging issues – questions**

- 1. Should we address finger entrapment hazards in folding prams and strollers? Why/why not?
- 2. Should we address the stability and security of pram and stroller attachments? Why/why not?
- 3. Should we adopt the definitions for 'securely attached' and 'permanently affixed' harnesses from the updated voluntary Australian standard? Why/why not?
- 4. Should we exempt strollers and chairs for disabled children from the mandatory safety standard? Why/why not?
- 5. Should we exempt prams and strollers with automatic brakes that conform to the updated voluntary Australian standard from the requirement for a tether strap? Why/why not?
- 6. Should we address any other emerging issues? If so, please explain why.

## 4. Adopting international standards

The ACCC uses the following criteria when assessing whether international standards are appropriate for use in product safety standards in Australia:<sup>3</sup>

- Addressing safety concerns: Is there evidence that the international standard provides an acceptable level of consumer safety?
- Comparable jurisdiction to Australia: Is the international standard published or developed by a legitimate standards body or government agency from an economy or nation with comparable economic and regulatory processes to Australia?

<sup>&</sup>lt;sup>3</sup> ACCC, International standards for the safety of consumer products - criteria for acceptance, ACCC policy principles, 22 July 2015, //www.productsafety.gov.au/content/index.phtml/itemld/1014180

• Applicability to the Australian context: Is the international standard applicable and sufficient in the Australian context?

We have assessed the following standards for prams and strollers:

- <u>ASTM standard</u>: *ASTM F833-15 Standard consumer safety performance specification for carriages and strollers* mandated in the US Code of Federal Regulations Part 1227
- <u>European standard</u>: EN 1888:2012 Child care articles Wheeled child conveyances Safety requirements and test methods.

#### 4.1. Summary

These two international standards address similar hazards in prams and strollers as the Australian standard. The three standards treat the design and performance of key safety features such as harnesses and parking brakes similarly. Potential entrapment hazards, stroller stability, and locking and latching mechanisms for folding actions also have common requirements across the three standards. Appendix C compares the standards in more detail.

Marking and warning requirements are different for each of the three standards but have the same focus on informing users about safe use of the product.

The Australian standard is the only one of the three standards that includes in its general design requirements for a restraint system, specific wording for harness 'permanency'. The ASTM and the EN standards require harnesses and restraints to effectively protect the occupant and so are considered to address this critical safety issue appropriately.

In some cases the standards address hazards slightly differently (different definitions or test procedures) but, in general, these differences are marginal and do not affect the overall level of safety.

We propose that prams and strollers that meet the ASTM or European standards are safe for Australia provided they have red brakes and tether straps. These safety features became mandatory in Australia after several high profile roll-away incidents including three child deaths. Red brakes and tether straps are an accepted part of the Australian safety regime for prams and strollers. No incidents have occurred since these safety features were mandated. The ACCC proposes to maintain these safety features. The ASTM and European standards do not have these requirements. The cost to provide these features is minimal and this ensures the current level of safety to Australian consumers.

#### 4.2. ASTM standard

ASTM International, formerly known as the American Society for Testing and Materials (ASTM), is a reputable US organisation that produces standards used internationally. The US Consumer Product Safety Commission (CPSC) administers US product safety regulations and has a similar role to the ACCC Consumer Product Safety function. US economic and regulatory processes are comparable to those in Australia.

The CPSC last revised its mandatory standard for strollers and carriages in 2016 based on the 2015 version of the ASTM Standard F833. Specific injuries that triggered the update were hazards associated with stability, brakes, restraint systems, latches and folding mechanisms, structural integrity, wheel detachment and entrapment.

The ASTM standard addresses the same key hazards as the updated Australian voluntary standard:

- latching mechanisms to prevent injury from scissoring, shearing or pinching from unintentional folding of the pram or stroller
- effective braking systems
- stability when tested under load
- child restraint systems that remain attached when in normal use (the ASTM standard does not refer to 'permanence' of the child restraint but this is acceptable since the standard has similar requirements for the effectiveness of the restraint system)
- permanent warnings and markings differ but have the same focus on informing users about safe use of the product.

However, the ASTM standard does not require red brake levers or tether straps, which are specified in the mandatory safety standard.

#### 4.3. European standard

The European Committee for Standardization (CEN) developed the European standard. CEN is a not for profit standards organisation which develops standards for use in Europe. CEN covers a jurisdiction with economic and regulatory processes similar to those in Australia.

The European Commission has not recognised the European standard as a harmonised standard under the European Union General Product Safety Directive. The European standard was last revised in 2012.

Although some test procedures and measurements differ, the European standard addresses a similar critical set of safety issues as the mandatory safety standard:

- restraint systems ('permanence' is not required but it must be effective in normal use)
- entrapment hazards from holes and openings and between the handle and body of the pram or stroller
- hazards from moving parts
- locking mechanisms for storage or transport of prams or strollers with folding mechanisms, and to prevent unintentional release
- parking and braking devices
- stability and structural integrity
- marking and warning requirements are worded differently to the updated voluntary Australian standard but focus on informing users about safe use of the product.

However, the European standard does not require red brake levers and tether straps, which are specified in the mandatory safety standard.

#### International standards – question

- 7. Do you agree with the ACCC assessment of international standards for strollers?
- 8. Do you believe that the maintenance of the local requirements for tether straps and red brake actuators is warranted? Has the inclusion of these provisions contributed to the safety of products supplied in Australia?

# 5. Policy options

#### Option 1: Retain the current mandatory safety standard (status quo)

#### Description

The mandatory safety standard would remain unchanged, referencing an outdated voluntary Australian standard. This option is the status quo against which the benefits and costs of the other options are measured.

#### **Benefits**

Consumers would have the same level of safety they have now. There would be no increase in costs to business.

#### Limitations

Maintaining the status quo would mean that the mandatory safety standard would continue to reference an outdated voluntary Australian standard. It is likely to become increasingly difficult for suppliers to arrange testing to an outdated voluntary Australian standard.

The improved safety requirements in the updated voluntary standards would remain voluntary for suppliers. This would not address the emerging safety hazards associated with finger entrapment and stability, and further injuries might occur.

#### Net benefit

We will assess the net benefits of the other policy options against the status quo of retaining the current mandatory safety standard.

#### Option 2: Adopt parts of the updated voluntary Australian standard

#### Description

Under this option, we would update the mandatory safety standard by mandating the following parts of the 2013 voluntary Australian standard:

- new definitions for the terms: securely attached, permanently fixed, accessory, toddler platform and toddler seat (clauses 4.7, 4.8, 4.1, 4.16 and 4.17)
- revised parking brake clauses 8.6 and 9.6
- revised occupant retention clause 8.8
- revised head barrier clauses 8.9 and 9.7.2
- revised foot end opening clauses 8.10 and 9.7.3
- revised tether strap requirements (clause 8.13)
- new finger entrapment requirements about hazardous gaps and openings including for a secure storage latch when the pram or stroller is folded (clauses 8.14, 9.11)
- revised hazardous gaps clause 9.5
- revised stability performance and testing requirements (clause 9.8)

- new locking and latching device requirements for folding strollers and accessories (clauses 9.12, 9.13, 9.14 and 9.15)
- amended warning and marking requirements (clause 12).

#### **Benefits**

Adopting sections of the updated voluntary Australian standard would improve safety since it addresses the emerging issues outlined earlier in this consultation paper. It is impossible to predict the extent of deaths and injuries that the safety improvements of this option might prevent. However, there are clear economic costs associated with death or injury to children (see Appendix B).

This option would reduce confusion amongst suppliers about which version of the Australian standard to comply with, by aligning the voluntary Australian standard and mandatory safety standard. This would make compliance for business easier.

The industry is familiar with the structure of the voluntary Australian standard so it is unlikely that there would be any significant change in the cost of administration and testing.

The significant penalties associated with breaching a mandatory safety standard would still remain accessible to regulators.

#### Limitations

Only adopting the updated voluntary Australian standard would mean that importers could not rely on trusted international standards. This is at odds with fostering competition amongst pram and stroller suppliers and increasing product choice for consumers in a global marketplace without unnecessary restrictions on trade.

The voluntary Australian standard will continue to change and may again become misaligned with the mandatory safety standard.

The testing costs for this option would be similar as for the current mandatory safety standard as many suppliers already have products assessed against the requirements of the whole local standard. These costs could decrease over time as the volume of the product tested increased.

#### Net benefit

We estimate this option would be largely cost neutral but may result in some additional costs in terms of testing against the revised requirements in the updated standard. (See assumptions made in Appendix B).

Table 1: Option 2 – Regulatory bu	urden and cost offset estimate table
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Average annual regulatory costs (from business as usual)						
Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs		
Total, by sector	\$ 0.1m	\$0	\$0	\$ 0.1m		

# Option 3 – Allow compliance with the voluntary Australian or trusted international standards

#### Description

This option would allow suppliers to comply with either the parts of the voluntary Australian standard outlined in Option 2, or the equivalent sections of the ASTM or European standards, if the product also met safety requirements for tether straps and red brakes. (Refer to Appendix C for details).

#### **Benefits**

The safety improvements of Option 2 are also benefits of Option 3.

The option to test products for compliance with trusted international standards would likely reduce compliance costs for suppliers.

This option could reduce barriers to market entry and increase competition in the industry. Suppliers import most prams and strollers into Australia, so allowing them to source and sell products that comply with trusted international standards could give consumers a greater choice of products and could reduce prices.

As with Option 2, the significant penalties for a breach of a mandatory safety standard would also remain.

#### Limitations

Allowing compliance with multiple voluntary standards could make enforcement of the mandatory safety standards slightly more difficult for regulators.

#### Net benefit

We estimate this option would be cost neutral for industry. Increased testing costs for suppliers that test to the updated voluntary Australian standard (same as Option 2) would offset reduced testing costs for those suppliers who test to international standards. Appendix B provides an outline of assumptions made as part of these cost estimates.

Average annual regulatory costs (from business as usual)					
Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs	
Total, by sector	(\$ 0)	\$0	\$ O	(\$ 0)	

#### Option 4: Revoke the mandatory safety standard

#### Description

Revoking the safety standard for prams and strollers would allow industry to self-regulate. Self-regulation would allow businesses to import prams or strollers to Australia from overseas without needing to meet a specific standard.

Suppliers would still need to have regard to the consumer protection provisions of the Australian Consumer Law (ACL). The ACL provides consumers with specific protections for consumer transactions called statutory consumer guarantees every time they purchase goods or services. One of those guarantees is that goods will be of acceptable quality, meaning they are safe and fit for purpose.

#### **Benefits**

There would be no direct compliance costs for industry under this option. This would remove any barriers to trade resulting from the current mandatory safety standard, making it easier for businesses to import products to Australia. This may result in lower priced prams and strollers, and greater product choice for Australian consumers.

#### Limitations

There is a diverse and constantly developing range of prams and strollers available in the Australian marketplace. Revoking the mandatory safety standard would remove important mandatory safety requirements to reduce the risk of roll-away incidents, falls, and body and finger entrapments. This could reduce consumer and retailer confidence in the pram and stroller industry.

Without the mandatory safety standard, suppliers would determine the safety requirements for their products. Some manufacturers may circumvent safety design features and testing to reduce production costs. This could result in a significant increase in serious injuries to young children. The economic cost of potential injuries is impossible to estimate but the costs discussed under Option 2 are particularly indicative and relevant here.

#### Net benefit

We estimate this option would save industry \$1.17m annually. Appendix B provides a detailed explanation of the costings.

Average annual regulatory costs (from business as usual)						
Change in costs (\$ million)	Business	Community organisations	Individuals	Total change in costs		
Total, by sector	- (\$ 1.17m)	\$0	\$ O	- (\$2.3m)		

#### Table 3: Option 4 – Regulatory burden and cost offset estimate table

#### Policy options – questions

9. Which policy option do you support?

10. Are there any other policy options that the ACCC should consider?

# 11. Do you agree with the ACCC estimates of costs set out in Appendix B? Are there additional costs for your business that have not been included?

# 6. Preliminary position

The ACCC will consider submissions on this consultation paper before it settles on a final option to recommend to the Minister, who is the final decision maker. This consultation will help us refine the estimated costs and benefits of each option, to understand the effect on safety, impact on suppliers and to recommend the most appropriate option.

At this stage the ACCC prefers Option 3 (allow compliance with the updated voluntary Australian or international standards). This would allow suppliers to comply with the updated voluntary Australian standard or with the European or ASTM standards, provided the prams and strollers were fitted with tether straps and red brakes. This option would improve safety, increase competition in the market and reduce compliance costs for businesses.

The safety standard for prams and strollers aims to prevent the injury and death of children in these products. Any regulatory changes finally agreed upon need to be consistent with this aim, without limiting competition, or reducing consumer choice, or imposing unnecessary compliance costs for the industry supplying prams and strollers.

## 7. Implementation and evaluation

The ACCC will continue to engage with suppliers and collect information about the risks of injury or death to children in prams and strollers. Stroller suppliers are likely to need time to comply with any new requirements. A 12-24 month transition period typically applies before a new regulation starts.

Once a revised safety standard is in place, the ACCC will continue to monitor industry compliance levels with regular market surveillance and intelligence gathering activities.

#### **Transition Question**

12. Is a period of 12, 18 or 24 months required for transition to the new requirements?

### 8. Summary of key questions

#### **Emerging issues**

- 1. Should we address finger entrapment hazards in folding prams and strollers? Why/why not?
- 2. Should we address the stability and security of pram and stroller attachments? Why/why not?
- 3. Should we adopt the definitions for 'securely attached' and 'permanently affixed' harnesses from the updated voluntary Australian standard? Why/why not?
- 4. Should we exempt strollers and chairs for disabled children from the mandatory safety standard? Why/why not?
- 5. Should we exempt prams and strollers with automatic brakes that conform to the updated voluntary Australian standard from the requirement for a tether strap? Why/why not?
- 6. Should we address any other emerging issues? If so, please explain why.

#### International standards

- 7. Do you agree with the ACCC's assessment of international standards relating to prams and strollers?
- 8. Do you believe that the maintenance of the local requirements for tether straps and red brake actuators is warranted? Has the inclusion of these provisions contributed to the safety of products supplied in Australia?

#### Policy options and transition

- 9. Which policy option do you support?
- 10. Are there any other policy options that the ACCC should consider?
- 11. Do you agree with the ACCC estimates of costs set out in Appendix C? Are there additional costs for your business that have not been included?
- 12. Is a period of 12, 18 or 24 months required for transition to the new requirements?

#### General

13. Do you have any other comments?

#### 9. Have your say

The ACCC invites stakeholders and interested parties to comment on these policy options.

The ACCC released a consultation paper in 2014 that proposed adopting parts of the updated voluntary Australian standard. Most responses supported that proposal but we did not include the other Options detailed in this consultation paper. If you responded to the 2014 consultation we will consider that feedback. We invite you to give us updated or additional comments that we should consider.

Consultation is open from 8 February to 22 March 2017.

The ACCC prefers submissions via the ACCC consultation hub at <u>consultation.accc.gov.au</u>.

The ACCC will alert stakeholders and interested parties to the consultation through the Product Safety Australia website <u>www.productsafety.gov.au</u> and <u>www.business.gov.au</u>.

Alternatively, email submissions to productsafety.regulation@accc.gov.au or via post:

Director Standards and Policy Consumer Product Safety Branch Australian Competition and Consumer Commission GPO Box 3131 CANBERRA ACT 2601

Submissions will be published on the ACCC website at the end of the consultation period.

Please note any information that you believe to be of a confidential nature should be clearly marked or identified as confidential. The ACCC will not disclose the confidential information to third parties, other than advisors or consultants engaged directly by the ACCC, without first providing you with notice of its intention to do so, such as where it is compelled to do so by law.

# Glossary

Term	Definition
ASTM standard	ASTM F833-15 Standard consumer safety performance specification for carriages and strollers
European standard	EN 1888:2012 Child care articles - Wheeled child conveyances - Safety requirements and test methods
Mandatory safety standard	The Australian mandatory safety standard for prams and strollers (Consumer Protection Notice No. 8 of 2007 - Consumer Product Safety Standard for Prams and Strollers) which references parts of AS/NZS 2088:2000 Prams and strollers- Safety requirements
Pram	The mandatory safety standard defines a pram as a wheeled vehicle with a body of box like or boat like shape designed to transport a baby or child weighing up to and including 9 kg primarily in a fully reclined position.
Stroller	The mandatory safety standard defines a stroller as a wheeled vehicle designed to transport a child in a seated position which may also be adjusted to a semi reclined or fully reclined position
Updated voluntary Australian standard	AS/NZS 2088:2013 Prams and strollers - Safety requirements

# Appendix A – Injuries and deaths

#### Victorian injury data

Victorian Injury Surveillance Unit (VISU) data for 1996-2010 indicate:

- there were 2250 presentations to Emergency Departments (EDs) in Victoria for pram and stroller related injury (an average of 150 per year)
- of these, 79 per cent (1778) occurred to children aged one year or less
- falls accounted for 88 per cent (1980) of these cases
- the next most common cause was injury from a cutting/piercing object (being caught or pinched in part of the pram or stroller) – four per cent of cases (98)
- 91 per cent of cases (2049) were treated in the ED and discharged, with eight per cent (171) admitted to hospital.

#### **Queensland injury data**

Queensland Injury Surveillance Unit (QISU) data for 2004-2011 indicate:

- there were 717 presentations to EDs in Queensland for pram and stroller related injury (averaging 90 per year but increasing to about 150 per year in later years)
- of these, 79 per cent (566) occurred to children aged one year or less
- falls accounted for 90 per cent (645) of these cases
- the next most common cause of injury was a child trapping part of their body (usually fingers) in a section of the pram or stroller four per cent (32)
- there were 174 admissions to hospitals (for the 5.5 year period from July 2006, when this data category was first recorded, to December 2011) – this is an average of 32 hospital admissions per year.

A 2013 assessment of these data published by the Queensland Centre for Accident Research and Road Safety<sup>4</sup> concluded that:

"Safety guidance and design standards for prams address the main causes of injuries associated with prams. Pram design, construction, loading and stability address issues associated with fall, rollaway, and entrapment-related injuries. Behavioural components are likely to explain the majority of injuries associated with prams, given the pattern of injuries evidenced. With a peak age of head injuries due to falling out of the pram being 6 months, an age at which children are unlikely to be developmentally capable of climbing out of a pram if appropriately restrained, it is likely that compliance with restraint use is limited in such incidents. Further investigation of behavioural components affecting compliance with restraint use and overloading of prams (with objects or other children) is needed to identify potential preventative approaches to address falls from prams in young babies. Other design opportunities may include such things as an automatic braking system to stop the pram or stroller inadvertently rolling away when stationary."

<sup>&</sup>lt;sup>4</sup> McKenzie, K, Michel, J, Barker, R, & Strachan, D (2013), Consumer product-related injuries in Queensland children: A snapshot of current problem areas for potential action, Centre for Accident Research and Road Safety - Queensland, Brisbane, Queensland. <u>eprints.qut.edu.au/58389/</u>

#### ACCC injury reports

The latest data set indicates that from 2012 to the end of June 2016, suppliers had reported 65 injuries associated with prams or strollers to the ACCC. About half (32) of these were finger injuries. Earlier reports from 2010 to 2012 indicated a similar ratio of finger injuries.

#### **US injury data**

US Consumer Product Safety Commission (CPSC) data for 2008-2012 indicate:

- a variety of injuries relating to prams and strollers
- a high incidence of finger injuries to children and adults using prams and strollers
- 1203 non-fatal incidents, of which 359 generated injury records.

Of the 1203 incidents, there were:

- 429 incidents with wheel issues, producing 52 injuries
- 132 incidents with parking brake problems, producing 8 injuries
- 121 incidents with locking mechanisms, where the vehicle may have unfolded unintentionally, producing 42 injuries
- 83 incidents with restraints, producing 29 injuries
- 75 incidents with stroller hinges, producing 72 injuries
- a further 78 incidents involved children older than 4 years and adults, producing 74 injuries, mostly to the fingers.

Hospital data collected by the US National Electronic Injury Surveillance System (NEISS) for 2008-2011 indicates:

- 46 200 stroller related injuries treated in US hospital emergency departments
- 94 per cent of these (43 428) were treated and released
- most of these incidents related to falls on or off the stroller
- finger entrapment injuries were prominent, particularly with locking mechanisms, hinges, canopies, handlebars, trays and other areas of the stroller where children or adults may place fingers.

# Appendix B - Regulatory cost estimates

We have assessed the regulatory costs for each policy option in this paper against the status quo or business-as-usual (BAU). This is difficult since suppliers of prams and strollers:

- are usually overseas (with local distribution channels)
- need to comply with multiple international product safety standards
- are part of a safety focussed industry (consumers are safety-conscious) so safety requirements are often part of design and production costs that are difficult to separate from overall costs of doing business.

We have used information available to the ACCC and from preliminary industry consultation. We needed to make some assumptions to estimate the effect of each option on pram and stroller suppliers. We explain our key assumptions below. <u>We will review and adjust these assumptions based on any information we receive during consultation</u>.

#### Assumptions

- 1. We have used an estimate of 750 000 new prams and strollers supplied into Australia each year based on a 2007 industry survey and market information.
- 2. We estimate around 15 suppliers (a mixture of manufacturers, wholesalers, importers and retailers including online traders) supply prams and strollers into Australia. The relative complexity of prams and stroller products makes it difficult for suppliers to readily enter the market.
- 3. For illustrative purposes, we have suggested that each supplier on average supplies five models and sells 50 000 prams and strollers each year.
- 4. Suppliers test each model once per year at a cost of \$500-\$3500 depending on whether it is tested in Australia or overseas. Manufacturers who supply to international markets as well as Australia will conduct the majority of their testing overseas. Testing costs by recognised laboratories vary substantially: \$500-\$3200 for the mandatory safety standard; \$1200- \$4200 for the complete voluntary Australian standard; and \$1300-\$3000 for the European and ASTM standards. We have used an estimate for an average testing cost of \$1500.
- 5. On average, suppliers require around two hours to check compliance for each pram or stroller model. This may include some element of checking compliance against the (benchmark) Australian voluntary standard in addition to the mandatory standard (CPN).
- Substantive costs include those costs to satisfy Australian only specific requirements: local warnings, tether straps and red brakes. An Australian supplier has advised the ACCC that an estimate of the substantive cost is approximately \$3 per individual pram or stroller unit.
- 7. We estimate the costs of compliance under Option 1 (retain the current mandatory safety standard) as follows:

Α	Total suppliers (manufacturers, importers and wholesalers)	15
В	Number of models per business	5
С	Cost of testing (on average)	\$1 500
D	Total cost of testing per business per year	\$7 500
Е	Total testing cost to industry per year	<u>\$112 500</u>
F	Labour costs	\$65.45

G	Administrative hours required per model	2
н	Total admin hours cost per business	\$654.50
I	Total admin cost to industry per year	<u>\$9 817.50</u>
J	Substantive costs of standard	\$3
к	Total strollers supplied in Australia per year	750 000
L	Total cost per year	<u>\$2 250 000</u>
М	Total industry BAU costs per year (testing costs + admin cost + substantive cost)	<u>\$2 349 817.50</u>

- 8. For Option 2 (adopt parts of the updated voluntary Australian standard) we assume that all suppliers would continue to test to the mandatory requirements. The testing processes and costs associated with these would not change substantially. Costs may increase marginally as test houses charge more to test new requirements for gaps, stability and security of locking mechanisms. Test houses estimate this increases test costs by \$500 to \$1000. Using an average increase of \$750, this would translate to an industry wide testing cost increase of \$56 250 in excess of the estimate suggested for Option 1. However, total costs may decline as suppliers and test houses only need to use the updated voluntary Australian standard instead of also checking against the outdated version of the standard. We anticipate this would be cost neutral across the industry but have allowed for an industry cost increase of under \$100 000.
- 9. For Option 3 (allow compliance with the updated voluntary Australian or international standards) we assume either a small increase in testing costs for suppliers that test to the updated voluntary Australian standard as for Option 2 above. Any increase is likely to be further offset by reduced testing costs for those suppliers who already test to international standards and no longer need to assess compliance with all local requirements (apart from red brake actuators and tether straps, which are already being provided for by the existing supplier base). Testing cost estimates from five test laboratories, in Australia and overseas, indicates that overseas laboratories are cheaper, mainly as a result of higher testing volumes and competition. We estimate an overall cost neutral net effect to industry.
- 10. For Option 4 (revoking the mandatory standard) we assume that half of suppliers would no longer modify or test to local requirements and half would continue to do so halving the total industry cost to approximately \$1.17m.

NOTE: The economic cost of the loss of a life of a child is at least \$4.2m<sup>5</sup>.

The economic costs of typical injuries that children suffer in prams or strollers include:

•	finger amputation	\$545 401
•	skull fracture	\$10 137
•	intracranial injury	\$6792
•	open wound	\$1988
•	crush injury	\$1226
•	sprain	\$589.

Each injury prevented represents a saving of these economic costs, and this is part of the benefits of this option.

<sup>&</sup>lt;sup>5</sup> Estimate based on Value of a Statistical Life from Best Practice Regulation Guidance Note, Office of Best Practice Regulation, Australian Government, December 2014

# Appendix C – Key requirements of pram and stroller standards

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Key requirement	Updated voluntary Australian standard	European standard	ASTM standard	NOTES
Definitions	Yes* - clauses 4.1,4.7,4.8,4.16, 4.17	Yes- Terms and definitions	Yes- Terminology and discussion points	*Australian standard defines 'permanently fixed' and 'securely attached'
Design and construction				
Parking brakes	Yes*- clauses 8.6; 9.6 (efficiency)	Yes- clause 8.8	Yes- clause 6.1	*Australian standard requires red brake actuator
Red brake actuator	Yes- clause 8.6.2	No	No	
Occupant retention/child restraint/harness	Yes*- clause 8.8	Yes- clause 8.1.3	Yes- clause 6.4	*Australian standard requires no loops in harness
Head barrier	Yes- clause 8.9	Yes- clause 8.1.1.2.2	Yes*- clause 6.5	*ASTM standard regulates 'occupant retention space'
Foot end opening	Yes-clauses 8.10; 9.7.3	No*	Yes- clause 6.8	*European standard addresses entrapment between pram and handle
Tether strap	Yes-clause 8.13	No	No	
Gaps – non occupant: scissoring/shearing/pinching in folding and unfolding	Yes-clause 8.14 although no test is referenced and is design requirement only to 'minimise hazard' during this process	No*	No*	*addressed in ASTM standard as an unintentional folding issue and in the European standard as a locking mechanism issue (see below)

Key requirement	Updated voluntary Australian standard	European standard	ASTM standard	NOTES
Performance				
Gaps – occupant: scissoring shearing pinching	Yes-clause 9.5	Yes- clauses 8.3; 8.2.3 (wheels)	Yes- clauses 5.7; 7.15	
Head barrier efficacy	Yes-clause 9.7.2	Yes- clause 8.1.1.2.2	No*	*Occupant retention space regulated
Stability	Yes- clause 9.8	Yes- clause 8.9	Yes- clause 6.3	
Security of latching/locking mechanisms	Yes- clauses 9.11; 9.12, 9.13, 9.14,9.15	Yes- clauses 8.10.4; 8.3.3.1.2	Yes- clause 6.7; 7.2	
Information				
Markings	Yes- clause 12.1.1	Yes- clause 10.2	Yes-clause 8	Wording differs
Warnings	Yes- clauses 12.1.2; 12.1.3	Yes- clause 10.2.3	Yes- clause 8	Wording differs (see below)

#### Warnings

All of the standards require a model number, date-of-manufacture and a supplier identified on the pram or stroller.

The safety warnings required under the three standards vary:

#### The European standard requires:

WARNING Never leave your child unattended

WARNING Use a harness as soon as your child can sit unaided

WARNING This seat unit is not suitable for a child under 6 months

WARNING Always use the restraint system

The number and date of the European standard

#### The ASTM standard requires:

WARNING Never leave child unattended

WARNING Avoid serious injury from falling or sliding out. Always use seat belt

WARNING Child may slip into leg openings and strangle. Never use in reclined carriage position unless (manufacturer to insert product specific instructions)

WARNING: FALL HAZARD. Wheel can detach and cause tip over. Pull on the wheel to assure it is securely attached

WARNING: FALL HAZARD from tip over. Before running, jogging or walking fast, LOCK the front wheel from swivelling.

#### The updated voluntary Australian Standard requires:

WARNING: TO AVOID INJURY OR DEATH:

ALWAYS APPLY THE BRAKES WHENEVER THE PRAM/STROLLER IS STATIONARY

- DO NOT LEAVE CHILDREN UNATTENDED
- SECURE THE CHILD IN THE HARNESS AT ALL TIMES
- DO NOT CARRY EXTRA CHILDREN OR BAGS ON THIS PRAM/STROLLER
- MAKE SURE CHILDREN ARE CLEAR OF ANY MOVING PARTS IF YOU ADJUST THE PRAM/STROLLER

NOT RECOMMENDED FOR A CHILD UNDERS 6 MONTHS OLD

WARNING: USE THIS HARNESS AT ALL TIMES

WARNING: USE THIS TETHER STRAP TO STOP THE PRAM/STROLLER ROLLING AWAY

The updated voluntary Australian standard is explicit about the rationale for warnings ('to avoid injury or death') and specifies information about always using the brakes, not overweighting the stroller and keeping children clear when adjusting the stroller.