

# REGULATION IMPACT STATEMENT



## THE REGULATION OF TREADMILLS UNDER THE TRADE PRACTICES ACT 1974

DECEMBER 2008

**Product Safety Policy Section  
Australian Competition & Consumer  
Commission**

**OBPR Approval Number: 9975**

## INTRODUCTION

This regulation impact statement was developed by the Australian Competition and Consumer Commission (ACCC) to examine the need for government regulation to improve the safety of treadmills. The decision maker is the Minister for Competition Policy and Consumer Affairs.

On 31 March 2008, the then NSW Minister for Fair Trading referred a matter to the NSW Products Safety Committee (NSWPSC), being the questions of whether supply of domestic treadmills should be prohibited, or be allowed only subject to conditions or restrictions to be specified by the Committee.<sup>1</sup>

The NSWPSC is established under s. 24 of the NSW Fair Trading Act 1987, and has the function, inter alia, of providing advice to the Minister on such issues in relation to the operation of Divisions 2 and 3 of Part 3 as are referred to it by the Minister.

On 8 August 2008, the NSWPSC furnished an extensive report to the NSW Minister with its findings, conclusions and recommendations. The report is the source of much of the content incorporated in this paper.

## PROBLEM

### What is the problem being addressed?

The problem to be addressed is the injuries which occur as a result of the usage of treadmills, described in the report by the NSWPSC in the following terms:-

“The significant hazard with domestic treadmills is their capacity to entrap the hands and fingers of young unsupervised children in areas of contact with the rotating conveyor belt resulting in severe friction burns.

Most commonly, injuries occur when unsupervised children place their hands into the area at the rear of a motorised treadmill and are wedged by the constant rotation of the rubberised conveyor belt. The friction of the conveyor belt against the particularly sensitive skin of the unsupervised child results in severe friction burns. The vast majority of burn injuries have occurred where young children have approached treadmills that are being used by an adult who does not see them approaching or when children have gained access to the treadmill and used it unsupervised with young siblings present.

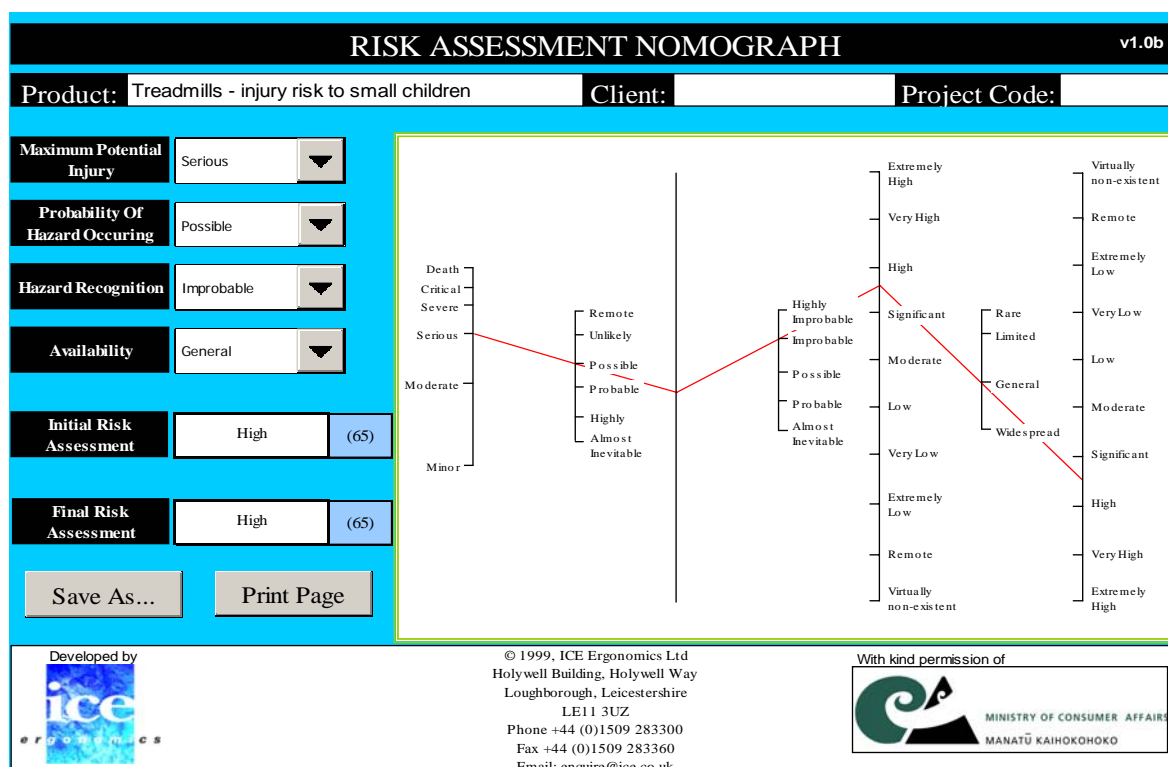
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[http://www.fairtrading.nsw.gov.au/About\\_us/Reviews\\_and\\_reports/Consumer\\_and\\_trader\\_research\\_and\\_issues/Safety\\_inquiry\\_domestic\\_treadmills.html](http://www.fairtrading.nsw.gov.au/About_us/Reviews_and_reports/Consumer_and_trader_research_and_issues/Safety_inquiry_domestic_treadmills.html)

Motorised treadmills are also known to entrap the hands of unsupervised children along the side areas of the conveyor belt.”

The risk of injury in the circumstances described above has been assessed as being high. This assessment is based on the assumptions shown in the fields on the left side of the following nomograph, based on the information found later in this document. In particular, the injury data evidences that serious injuries can and do occur (the first two assumptions). The injury data also indicates that users of treadmills rarely recognise the dangers of using treadmills in the presence of small children, and the number of injuries which have occurred suggests that treadmills can be assessed as being generally available.



### Injury data

Accurate national data on the incidence of friction burns associated with treadmills is not available<sup>2</sup>. Injury data has been drawn from limited State-based data referred to in the report by the NSWPSA, which indicates that in NSW there have been over 70 reported injuries to small children caused by treadmills since 2001. Nationally, the report states that there are over 100

<sup>2</sup> “...even countries with extensive health databases know very little about the key epidemiological indicator of incidence and even less about the underlying causes, circumstances or mechanisms of injury.” D. H. Stone: *Ten Myths about injury prevention that hinder effective child safety policy making*, The Journal of the Royal Society for the Promotion of Health; Jul 2007; 127, 4; Health Module pg. 161

reports of severe friction burn injuries to children caused by treadmills. Of 64 injuries treated in NSW up until the end of April 2008 and involving presentation to hospitals, 30 required surgery and extensive rehabilitation, and the median age of the children injured was 2.8 years. However, many injuries (particularly abrasions, lacerations and bruising) are treated by GP's and may not be reported.

The report by the NSWSPSC also looked at the position in New Zealand and the USA. The NZ Ministry of Consumer Affairs reported that there do not appear to be the same issues in NZ regarding injuries as in NSW. Its view is the matter concerns inadequate parental care and the adequacy of warnings and operating instructions.

The US Consumer Product Safety Commission advised that despite 'thousands of reported injuries', there are no current plans to develop either a voluntary or mandatory standard for treadmills.

US medical authorities in an article published in the Journal of Burn Care and Rehabilitation (2004) reported that treadmills are a burn risk for children. The report concluded that current safety devices on treadmills are ineffective in preventing serious hand injuries to children. The authors argued that new design modifications and public awareness are needed to improve child safety.

## **OBJECTIVES**

### **What are the objectives of government action?**

Ultimately, the objective of regulatory intervention in relation to this issue is to reduce the risk of friction burn injuries to small children while minimising any additional burden on business. In other words, the goal of government action is the protection of the community from the injuries associated with the usage of treadmills which are unnecessarily caused when small children come into contact with the moving surfaces of a treadmill.

### **Is there a regulation currently in place? Who administers it?**

NSW indicated in late August 2008 that it proposed to implement the recommendations of the NSWSPSC, and introduce a mandatory labelling requirement for treadmills.<sup>3</sup> The *Fair Trading Amendment (Treadmills) Regulation 2008* was gazetted on 19 December 2008 and commences on 1 June 2009.

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[http://www.fairtrading.nsw.gov.au/About\\_us/News\\_and\\_events/Media\\_releases/2008\\_media\\_releases/20080826\\_keep\\_children\\_away\\_from\\_treadmills.html](http://www.fairtrading.nsw.gov.au/About_us/News_and_events/Media_releases/2008_media_releases/20080826_keep_children_away_from_treadmills.html)

## OPTIONS

The viable options available to achieve the product safety objective are:

1. Maintain the status quo, i.e. rely on the current industry practices and consumer education;
2. Quasi-government regulation, being government endorsement of a voluntary industry program, such as a code of practice, that requires suppliers to warn purchasers of treadmills of the dangers that they may pose for young children; and
3. Government regulation to require mandatory labelling of treadmills, as recommended by the NSWPSA.

Consumer education is currently provided by fair trading and health authorities in each State and Territory. It is envisaged that consumer education would continue as an adjunct to each of these options, but on present experience it could not be considered an effective stand-alone option, as evidence to the NSWPSA indicates that there needs to be a continual reminder to users of treadmills to keep young children away from machines.

## IMPACT ANALYSIS

This section of the paper provides a descriptive summary of the effects of the above options on affected impact groups. For ease of reference, these costs and benefits are also reproduced in tabular form at **Attachment A**

### Impact Groups

The proposed viable options would affect purchasers/users of treadmills, businesses (including small businesses) involved in the supply of treadmills (manufacturers, importers, distributors and retailers), and government.

#### **Option 1: Status Quo (voluntary compliance with standards)**

Continuing the present arrangements whereby industry determines all specifications and labelling requirements for products it will supply would permit the supply of any treadmills regardless of whether any warnings were provided in relation to product usage or the form in which any such warnings might be given (in instruction manuals, or in permanent / prominent labelling of the treadmill).

#### **Costs and benefits to consumers**

The potential costs to consumers include:

- A continuation of the risk to the community in consequence of treadmills not providing the levels of safety in relation to injuries to small children that is consistent with reasonable consumer expectations; and

- Medical and other costs of injury where this occurs.

The potential benefits to consumers include:

- Unrestricted supply of treadmills, providing consumers with a wide choice of products and competitive prices;
- Price competition in the market due to the lack of market restrictions.

### **Costs and benefits to industry**

The costs to industry include:

- Continuing uncertainty about the need for safety requirements relating to the usage of treadmills, given the unclear legal position concerning the liability of industry for usage-associated injuries which might occur;
- Continuing uncertainty about what safety standards are appropriate for the Australian market; and
- The potential for inconsistent regulatory responses to the problem being imposed by State/Territory governments if the Commonwealth fails to introduce generally acceptable uniform requirements.

The benefits to industry are cost savings where suppliers choose not to provide additional labelling on machines, allowing unrestricted product selection and pricing competition.

### **Costs and benefits to government**

The costs to Government are:

- The need for consumer safety agencies to react to increasing public demands for regulatory intervention to protect young children from product hazards, and community criticism of the Government for failing to reduce the risk of friction burn injuries caused by treadmills; and
- Public health system costs associated with the treatment of injuries to small children associated with treadmill usage<sup>4</sup>.

### **Option 2: Quasi-Regulation**

This option would comprise the development of a voluntary industry program for the supply of treadmills. The program would typically involve a Government endorsed industry code of practice whereby manufacturers and importers voluntarily adhere to an agreed labelling standard.

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<sup>4</sup> Cf. Consumer Product-Related Injury in Australia: Direct hospital and medical costs to government - <http://www.monash.edu.au/muarc/reports/muarc083.pdf>

### **Costs and benefits to consumers**

The costs to consumers could be

- The presence of products in the market that fail to warn consumers of potential dangers and require consumers to assess the safety of the product; and
- The cost of injuries associated with treadmills that do not comply with industry-accepted labelling requirements.

The benefits to consumers would be an overall increase in the level of treadmill safety, and an expected corresponding reduction in injuries to children related to the use of treadmills.

### **Costs and benefits to industry**

- The cost of putting in place and maintaining the infrastructure to support quasi-regulation. Previous experience with industry codes of practice suggests that these costs could amount to approximately \$30,000 per year;
  - This would require an on-going cooperative commitment by all industry participants, involving some form of supplier registration, monitoring of the market and a system of review and redress for cases of non-compliance;
- The costs to individual suppliers of ensuring that products meet agreed labelling or other requirements; and
- Disproportionate costs borne by industry members which are party to quasi-regulation versus those which are not.

The benefit to industry would be improved confidence that products on the market have a reduced risk of causing injury to small children.

It is considered that a significant section of the market (importers of treadmills) would need to be convinced of the benefits to their businesses of following a voluntary code of practice, and having regard to the compliance costs involved and the un-coordinated nature of the market<sup>5</sup>, this would be a difficult task.

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<sup>5</sup> Treadmills suppliers tend to be part of the fitness industry, which includes specialist equipment suppliers, gym equipment and other sporting goods suppliers. A search for treadmills on E-bay's Australian website suggests that in excess of 20 brands of treadmill may be available on the Australian market, but there is no readily available information on their source of manufacture or importation. The ACCC is unaware of any industry body purporting to represent the interests of the majority of treadmill suppliers.

### **Costs and benefits to government**

- Where injuries to small children are caused by treadmills not carrying warning labels, the Government may be criticised for failing to protect the public; and
- The cost of negotiating a suitable industry program, monitoring the program and monitoring the market to ensure that the initiative is effective. The estimated cost to government is \$40,000 per year.

The benefit to government would be an expected reduction in injuries related to treadmills due to improved levels of product safety, which would result in less demand on public hospital emergency departments.

### **Option 3: Introduce a Mandatory Labelling Standard**

The safety of products in the Australian market might be controlled through a mandatory consumer product safety standard prescribed under the Trade Practices Act. A TPA mandatory standard would require all treadmills supplied by incorporated bodies or through cross border trade to comply with a prescribed standard. It is common practice for State and Territory governments to adopt TPA mandatory requirements into their legislation, which allows enforcement by State jurisdictions and extends the application of the requirements to sole traders.

An appropriate mandatory safety standard for treadmills would be one which provides for a mandatory warning label. The NSWPSR Report found that there are no suitable design solutions currently available to address the hazard of friction burns presented to young children by treadmills.

The key features for a labelling standard for treadmills are:

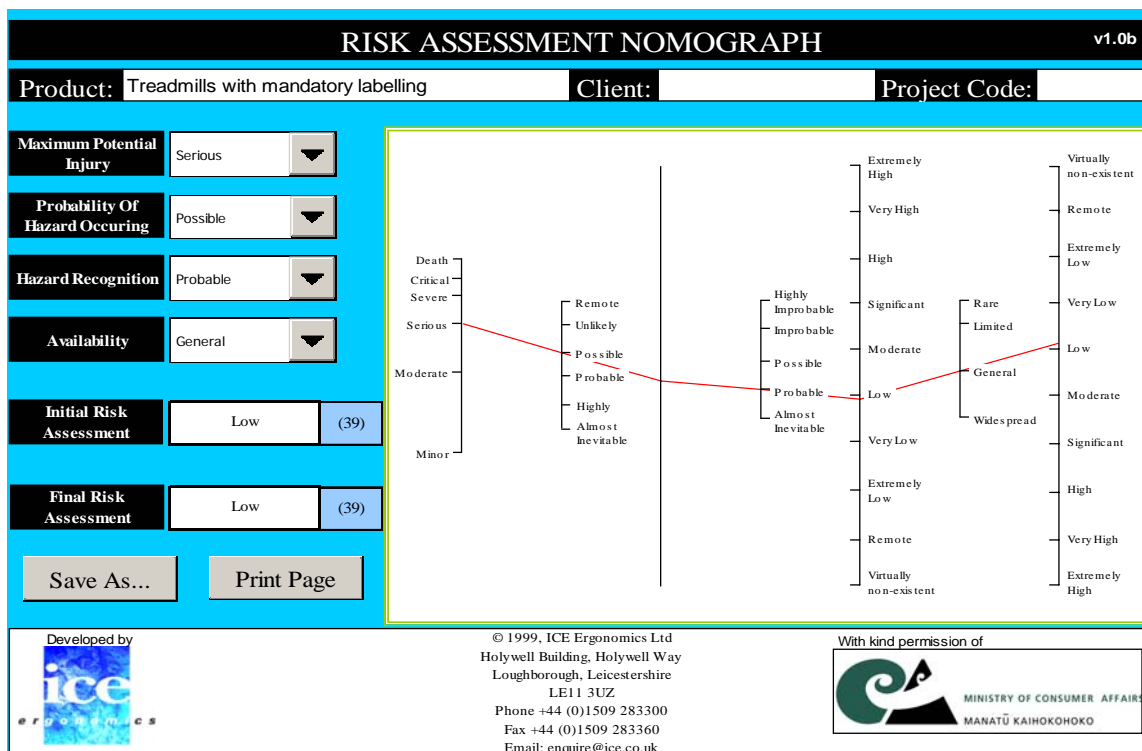
- A requirement for a warning to keep children away from treadmills, incorporating a brief explanation of the dangers;
- the warning to be conspicuous and visible to the user of the treadmill when the treadmill is in operation;
- the warning be to permanent in nature, to provide an ongoing message to users of the treadmill

A mandatory standard incorporating the above specifications would:

- Eliminate from the market those treadmills that do not meet the mandatory requirements, thereby reducing the level of risk to small children of friction burns caused by treadmills ; and
- Give consumers confidence that treadmills on the market provide a reasonable level of safety against friction burns.



Implementation of such a standard is assessed as being likely to reduce the risk of injury from high (see nomograph at P 3) to 'low', as illustrated by the following nomograph (which is based on the assumption that treadmill users will probably recognise the hazard of using treadmills in the presence of small children when they are constantly reminded of it):



**Possible trade implications**

The Commonwealth Government has obligations to ensure that its regulations do not impose unnecessary barriers to trade by setting standards that make compliance by overseas manufacturers difficult. However, under the terms of the Agreement on Technical Barriers to Trade, a Government is able to regulate to protect human life and health, especially where it can be shown to be necessary to achieve reasonable levels of consumer protection.

To all intents and purposes, the European Product Safety Directive is similar to the proposed regulations as it requires that producers provide safe products and that they inform consumers of potential risks. The Directive is considered to provide its 25 member countries with equivalent protection to that being proposed. In consequence, Australia is not setting a precedent by establishing a regulatory standard for treadmills and is not imposing a technical barrier to trade which might be inconsistent with Australia's WTO commitments.

### **Costs and benefits to consumers**

The costs to consumers could potentially include be some minor reduction in the choice of treadmills, if it were assumed that some importers might choose not to undertake labelling of the product to ensure compliance with the proposed mandatory requirement. There could also conceivably be an (albeit minor) increase in the price of treadmills to reflect increased costs to the manufacturer. Given the nature of the proposed regulatory requirements, the increase would be marginal.

The benefits to consumers would be a reduced cost of injury to small children associated with friction burns caused by treadmills due to the exclusion of non-compliant products from the market.

### **Costs and benefits to industry**

The possible costs to industry will be the loss of opportunity to retail an unrestricted choice of treadmills and the cost of ensuring that treadmills comply with prescribed labelling requirements. It should be noted, however, that the direct costs of implementing the proposed mandatory labelling requirements, although minor, are likely to be passed on to treadmill purchasers.

A mandatory labelling standard provides benefits to industry because it provides clarity as to what is required in providing a product.

This can provide a higher level of confidence in compliance and help avoid the potential cost and inconvenience of product recalls and possible litigation.

### **Costs and benefits to government**

Enforcement costs are estimated<sup>6</sup> as being less than \$10,000 per annum, which would include the costs of market surveys to monitor the compliance of treadmills with labelling requirements under the proposed Regulation and any associated enforcement action deemed necessary. To enforce the standard, the ACCC would continue monitoring of the market to identify any non-complying products and secure their prompt removal.

The benefits to government would be improved consumer safety due to the elimination from the market of less safe products, an associated reduction in personal and community trauma, reduced medical and hospitalisation costs and a stronger and more responsible market. The wellbeing of the community in general, and especially those most vulnerable, such as the small children who are prone to suffer injuries in consequence of contact with the moving parts of treadmills, is a keystone of government policy, and establishing

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<sup>6</sup> The experience of the ACCC in relation to the introduction of new regulation is a high level of compliance can ordinarily be anticipated and that expenditure of large amounts in relation to enforcement is usually not warranted.

product regulation will assure the community that product safety is being addressed.

**Net impact or net benefit**

The net benefit to the community of implementing the proposed regulations is difficult to estimate, but is likely to be in the vicinity of some tens of thousands of dollars, given the potential injury savings and the low cost of actually labelling treadmills in a manner which would comply with the proposed regulation.

It is unlikely that total set-up or on-going costs to industry would be substantially more than several thousand dollars. This assumes that the cost of putting a label or plate on each machine is unlikely to add more than a few cents to the overall cost of each machine, and a sales volume of probably less than 50 thousand units per annum. [Attachment B provides comments from major industry stakeholders which may be of relevance in estimating total industry sales].

The benefits to the community of saving a number of injuries of varying severity a year is likely to be significant in terms of medical costs alone, ignoring the significant trauma and indirect costs suffered by parents and carers of injured children. But even if only one or two children could be saved from serious injury in the course of a year, the net benefit is still likely to exceed the relatively low costs of implementing the proposed measures.

**CONSULTATION**

This Regulation Impact Statement setting out the case for the mandating of labelling requirements for treadmills incorporates reference to submissions to the NSWPC, which received comment from:

- consumers and consumer representatives;
- health professionals;
- industry representatives.

The Regulation Impact Statement was also considered by the Consumer Products Advisory Committee (CPAC) to the Ministerial Council on Consumer Affairs (MCCA) (comprising Commonwealth, State, Territory and New Zealand Consumer Affairs/Fair Trading officers).

**Comment received through consultation**

There was broad support from all stakeholders for the introduction of a labelling standard. The major issues raised by various parties are noted at the end of this document.

## CONCLUSION AND RECOMMENDED OPTION

Option 1 to maintain the status quo by continuing present industry practices and consumer awareness is not considered viable, having regard to the considerations canvassed in this document. This conclusion is consistent with the findings, conclusions and recommendations of the NSWPSA.

Consumer education is considered a useful means of reaching product users generally, but its impact is not of a continuing nature and it is presently failing to achieve its desired outcomes.

Option 2 to seek to ensure the provision of safer treadmills through quasi-regulation is not considered feasible because of the uncoordinated nature of the market.

Option 3 establishing explicit government regulation by declaring a mandatory labelling standard for treadmills is considered the only effective means of achieving an improved level of protection for consumers and the community at large. The proposed regulation would make compliance simple for industry and impose a minimum burden on consumers and industry. Overall, it is clear that the reduction in risk flowing from the imposition of a mandatory standard will result in a net benefit, notwithstanding the difficulties in quantifying the magnitude of that benefit with any exactitude. Having regard to this assessment, Option 3 is the preferred option.

Option 3 would comprise a mandatory product safety standard prescribed under the Trade Practices Act, to provide an ongoing message to users of treadmills about the risk of injury to small children who are present when the treadmill is being used.

## IMPLEMENTATION AND REVIEW

It is proposed that the new mandatory safety standard for treadmills will be prescribed as soon as possible and apply to treadmill suppliers on or after a date 6 months from the date of registration on the Federal Register of Legislative Instruments. The ACCC has already commenced educational activities by publishing a Safety Alert on treadmills<sup>7</sup>, and the proposed mandatory standard will highlight concerns about the safety of the product to industry stakeholders and the community, while providing suppliers with a reasonable period to source complying products where necessary.

The new mandatory standard will be expected to be introduced early in 2009 and be subject to review after five years.

Compliance with the new mandatory standard will be facilitated via comprehensive supplier information and guidance, and the mandatory

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<sup>7</sup> See <http://www.accc.gov.au/content/index.phtml/itemId/848069>. 25,000 copies of the brochure were printed at a cost of less than \$2,000.

minimum standard will be enforced by regular market surveillance by the ACCC.

The effectiveness of the regulation will be assessed through analysis of market survey findings, recall action, and the incidence of treadmill related friction burn injuries that might be identified from injury data.

ATTACHMENT A

TABLE OF COSTS AND BENEFITS

		<b>Option 1: Maintain Status Quo</b>	<b>Option 2: Quasi-Regulation (Industry Code)</b>	<b>Option 3: Government Regulation (preferred option)</b>
<b>COSTS</b>	<b>Consumers</b>	<p>Continuing risk to community in consequence of treadmills not providing the levels of safety in relation to injuries to small children that is consistent with reasonable consumer expectations</p> <p>Medical and other costs of injury where this occurs</p>	<p>The presence of products in the market that fail to warn consumers of potential dangers and require consumers to assess the safety of the product.</p> <p>Cost of injuries associated with treadmills that do not comply with industry-accepted labelling requirements.</p>	<p>Minor reduction in choice in the market with the withdrawal of non-complying products.</p>
	<b>Industry and Small Business</b>	<p>Continuing uncertainty about the need for safety requirements relating to the usage of treadmills, given the unclear legal position concerning the liability of industry for usage-associated injuries which might occur.</p> <p>Continuing uncertainty about what safety standards are appropriate for the Australian market</p> <p>Potential for inconsistent regulatory</p>	<p>Need to put in place and maintain the infrastructure to support quasi-regulation. Previous experience with industry codes of practice suggests that these costs would amount to approximately \$30,000 per year.</p> <p>The costs to individual suppliers of ensuring that products meet agreed labelling</p>	<p>Loss of opportunity to retail an unlimited choice of treadmills.</p> <p>The cost of ensuring that products meet proposed labelling standards. [An estimation of these costs is included in the ‘Net impact or net benefit’ section of the RIS.]</p>

		<b>Option 1: Maintain Status Quo</b>	<b>Option 2: Quasi-Regulation (Industry Code)</b>	<b>Option 3: Government Regulation (preferred option)</b>
		responses which might be imposed by State / Territory governments.	requirements  Disproportionate costs borne by industry members which are party to quasi-regulation versus those which are not.	
	<b>Government</b>	The need for consumer safety agencies to react to increasing demands for regulatory intervention to protect young children from product hazards, and community criticism of the Government for failing to reduce the risk of friction burn injuries caused by treadmills.  Public health system costs related to the treatment of injuries associated with friction burns caused by treadmills.	Where injuries to small children are caused by treadmills not carrying warning labels, the Government may be criticised for failing to protect the public.  Estimated costs of \$40,000 per annum.	Enforcement costs of approximately \$10,000 per annum, to be supported by an ongoing safety awareness campaign costing an initial \$2,000
<b>BENEFITS</b>	<b>Consumers</b>	Unrestricted supply of treadmills, providing consumers with a wide choice of products and competitive prices  Price competition in the market due	Some reduction in injuries associated with use of treadmills.  Increased confidence that treadmills are safer in terms of	Reduced incidence of injuries associated with friction burns caused by treadmills. [An estimation of this benefit is included in the 'Net impact or

		<b>Option 1: Maintain Status Quo</b>	<b>Option 2: Quasi-Regulation (Industry Code)</b>	<b>Option 3: Government Regulation (preferred option)</b>
		to the lack of market restrictions	compliance with a mandatory standard.	net benefit' section of the RIS]
	<b>Industry and Small Business</b>	Cost savings where suppliers choose not to provide additional labelling on machines, allowing unrestricted product selection and pricing competition	Improved confidence that products on the market have a reduced risk of causing injury to small children	Access to clear specific requirements which offer the opportunity to reduce management and administrative effort to ensure compliance.  Avoidance of the cost and inconvenience of product recalls and litigation in relation to the issue.
	<b>Government</b>	The absence of any additional requirement to formally monitor the market for treadmills.	Reduction in injuries related to treadmills due to improved levels of product safety, which would result in less demand on public hospital emergency department	Improved consumer safety.  Minimised personal and community trauma.  Reduced medical and hospitalisation costs.



**ATTACHMENT B  
CONSULTATION COMMENT**

Below is a summary of significant comments from major stakeholders (not identified in consequence of privacy considerations) on the regulatory issues, as provided in response to the NSWPC's call for submissions, together with the response determined after analysis:

**Health Professionals**

- a) *Comment:* Dr [REDACTED], Acting Chief Health Officer & Deputy-Director [REDACTED], NSW Health Dr [REDACTED] welcomed the decision to refer the safety of treadmills to the Products Safety Committee based on the increasing numbers of admissions of children for treatment of severe friction burns from contact with treadmills.

*Response:* No response necessary.

- b) *Comment:* Dr [REDACTED] NSW Severe Burn Injury Service: Only effective way to deal with paediatric burn injuries from treadmills is to legislate. This has been effective for other causes of paediatric burns, particularly smoke alarm legislation and hot water legislation... Essential that legislation be introduced to require safety mechanisms to be built into treadmills to prevent injuries from occurring.

*Response:* No response necessary.

- c) *Comment:* Dr [REDACTED], Fairfield Hospital: Dr [REDACTED], on behalf of a research team, provided a copy of a published study conducted by a group from the Children's Hospital at Westmead into treadmill injuries to children from 2001 to 2006.

The study concluded that treadmill related burn injuries to children involve a serious public health issue and warrant attention.

Specifically, the study highlighted the limitations of international standards in addressing the concerns with friction burns to young children.

Adult supervision is paramount. Prevention strategies should include public awareness campaign and child safety features in equipment design

*Response:* No response necessary.

- d) *Comment:* Ms [REDACTED], Burns Prevention/Education Officer, NSW Severe Burn Injury Service: Ms [REDACTED] submitted that the issue of friction burns to young children must be addressed. Ms [REDACTED] has called for an education and prevention campaign

to highlight the issue of burns to the public.

*Response:* The ACCC agrees that education and publicity is an essential adjunct to any response to the problem of child injuries caused by treadmills.

- e) *Comment:* Prof [REDACTED] Paediatric Burns and Trauma Royal Children's Hospital Brisbane and Ms [REDACTED], Burns Prevention Researcher, the University of Queensland, Royal Children's Hospital: Details provided of a study conducted by the [REDACTED] Paediatric Burns Centre. The study was carried out following the admission of 7 children with friction burns in March 2008. The study recommended an education program and design requirements. The Committee was urged to consider these recommendations and mandate a set of standards that prohibit the future importation or sale of treadmills that do not meet safety standards.

*Response:* The NSWPSA concluded that it was not presently possible to specify design and performance requirements for treadmills, but that a permanent warning label in a conspicuous location on a treadmill would be a continual reminder to users of treadmills to keep young children away from the machine and of their capacity to cause severe friction burn injuries.

- f) *Comment:* Mr [REDACTED], Physiotherapist: Mr Wrigley has used treadmills in a health services setting for over 18 years. His submission was concerned with treadmills generally and did not raise any issues regarding child safety. He expressed the views that treadmills, generally, are safe for physically fit and able people.

*Response:* No response necessary

### Industry / Small business stakeholders

- g) *Comment:* Mr [REDACTED], Proprietor, [REDACTED] Rentals: Mr [REDACTED] has been selling and hiring treadmills for over 12 years. Hiring of treadmills accounts for 85% of his business. He has not received any reports of injury and believes it is because they have cut out safety keys and are well maintained. Mr [REDACTED] said that any action to restrict the supply of treadmills would cripple his business. Nonetheless, he advocated requirements for treadmills to include a safety key.

*Response:* Refer previous responses.

- h) *Comment:* Mr [REDACTED], Managing Director, [REDACTED] Pty Ltd / [REDACTED] Pty Ltd: Mr [REDACTED] maintains that [REDACTED] and [REDACTED] Fitness is Australia's largest fitness equipment retailer with 35 stores throughout Australia. He said these companies had sold hundreds of thousands of treadmills over the past 18 years. Mr

████████ referred to the benefits of treadmills and stated that in his time in the industry he had heard of only three injuries. He stated that these three injuries should be put into perspective against the daily feedback he receives from customers regarding the benefits of treadmills.

*Response:* No response necessary.

- i) *Comment:* Mr ██████████, General Manager, ██████████ (Aust.) Ltd: Mr ██████████ indicated that sales of treadmills represent 52% of the company's sales and that any move to ban them would significantly reduce its workforce. ██████████ supplies treadmills that meet European Standard EN-957. While the company has not received any reports of burn or abrasion injuries, it is working towards implementing modifications to its treadmills that it believes will almost eliminate the prospect of burn and abrasion injuries.

*Response:* No response necessary

- j) *Comment:* Mr ██████████, Product Associate-Fitness, ██████████ Limited: Mr ██████████ advised that ██████████ stores have been supplying domestic treadmills for 22 years. Over 7000 units alone have been supplied to June this year. ██████████ has not received any reports of friction burns to children. Mr ██████████ said compliance with international standards varied between suppliers. Mr ██████████ does not believe light handed restrictions would have any impact as treadmills sold are already made to high standards. He said heavy handed restrictions would impact on suppliers' costs resulting in a smaller range being available.

*Response:* No response necessary

- k) *Comment:* Mr ██████████, Chief Executive Officer, ██████████ Pty Ltd: Mr ██████████ indicated that ██████████ Pty Ltd had been in the fitness equipment industry for over twenty five years. Since 2005 it had supplied 70,000 treadmills. The company has not received any reports of burn or abrasion injuries. The ██████████ believes regulatory restrictions on treadmills would result in a better standard of treadmill in the marketplace along with a price increase to the end consumer. The ██████████ believes minimum safety standards should be introduced for treadmills.

*Response:* Agreed in principle

- l) *Comment:* Mr ██████████, QA Team Leader, ██████████ Australia Pty Ltd: Mr ██████████ advised that ██████████ stores throughout Australia have supplied over 20,000 motorised treadmills since 2005 without receiving any report of burn or abrasion injuries. Treadmills supplied by ██████████ comply with BS EN 957. Mr ██████████ maintains regulatory restrictions would increase testing and

compliance costs. Mr [REDACTED] said that based on [REDACTED] specific experience with treadmills no regulatory conditions should be placed on them. Nonetheless, Mr [REDACTED] suggested [REDACTED] would support any requirements that will make treadmill safety uniform across all retail, mail direct or internet sales.

*Response:* No response necessary

**Consumer representative / Treadmill users**

- m) *Comment:* Mr [REDACTED], Deputy CEO, [REDACTED]: Mr [REDACTED] maintains that [REDACTED] believes that regulatory action is required to ensure that all domestic treadmills and similar devices have adequate guarding of moving parts and that warning labels alone are not sufficient.

*Response:* Agreed in principle (but subject to previous responses concerning the conclusions of the NSWPC).

- n) *Comment:* Mr [REDACTED], Consumer: Mr [REDACTED] mentioned an issue he has with a particular treadmill not having an operative safety cut out key. He suggested that only fail safe treadmills should be able to be supplied.

*Response:* No response necessary

- o) *Comment:* Mr [REDACTED], Consumer: Mr [REDACTED] has used treadmills for 8 years and has highlighted the benefits treadmills play in a domestic environment. Mr [REDACTED] has called for the supply of treadmills to continue with appropriate warnings.

*Response:* No response necessary

- p) *Comment:* [REDACTED], Consumer: Ms [REDACTED] submits that parental or guardian supervision is the only efficacious safety precaution for treadmills. Ms [REDACTED] suggested consideration of a number of design options to enhance safety.

*Response:* No response necessary

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**Enquiries concerning this Regulation Impact Statement should be directed to:**

**Director  
Product Safety Policy  
Australian Competition & Consumer Commission  
GPO Box 3131  
CANBERRA ACT 2601**

**Email: [john.wunsch@accc.gov.au](mailto:john.wunsch@accc.gov.au)**