

Transport and Infrastructure Net Zero Consultation Roadmap

Take the survey

Department of Climate Change, Energy, Environment and Water

Response received at:

August 22, 2024 at 3:04 PM GMT+10

Response ID:

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- 1 Confirm that you have read and understand this privacy notice.
Yes
- 2 Please indicate how and if you want your submission published.
Public
- 3 Published name
Australian Small Business and Family Enterprise Ombudsman
- 4 Confirm that you have read and understand this declaration.
Yes
- 5 First name
Not answered
- 6 Last name
Not answered
- 7 Email
Not answered

- 8** Phone
Not answered
- 9** Who are you answering on behalf of?
Organisation
- 10** Organisation name
Australian Small Business and Family Enterprise Ombudsman
- 11** What best describes you or your organisation?
Not answered
- 12** What sector do you represent?
Not answered
- 13** What state or territory do you live in?
Australian Capital Territory
- 14** Postcode
2601
- 15** What area best describes where you live?
City
- 16** 1. Do you support the proposed guiding principles?
Not answered
- 17** 1.1 Please add details to your response.
Not answered
- 18** 2. Do you support the use of the avoid-shift-improve framework as a tool to identify opportunities for abatement?
Not answered

- 19** 2.1 Please add details to your response.
Not answered
- 20** 3. Do you agree the development of a national policy framework for active and public transport will support emissions reduction?
Not answered
- 21** 3.1 Please add details to your response.
Not answered
- 22** 4. What should be included in a national policy framework for active and public transport and how should it be developed?
Not answered
- 23** 5. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure the movement of people contributes to transport emissions reduction?
Not answered
- 24** 6.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure that the movement of goods contributes to transport emissions reduction?
Not answered
- 25** 6.2. How would these actions address the identified challenges and opportunities for emissions reduction in the movement of goods?
Not answered
- 26** 7. Do you agree with the proposed net zero pathway for light road vehicles?
Not answered

- 27 7.1 Please add details to your response.
Not answered
- 28 8. The Australian Government is currently developing an Australian New Vehicle Efficiency Standard and has already begun to implement actions in the National Electric Vehicle Strategy.8.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce light vehicle emissions?
Not answered
- 29 8.2 How would these actions address the identified challenges and opportunities to reduce light vehicle emissions?
Not answered
- 30 9. Do you agree with the proposed net zero pathway for heavy road vehicles?
Not answered
- 31 9.1 Please add details to your response
Not answered
- 32 10. The proposed pathway for heavy road vehicles relies on a mix of battery electric, hydrogen fuel-cell and low carbon liquid fuels.Rank from 1 to 3, the order in which these should be prioritised for emissions reduction.
Not answered
- 33 10.1 Please add details to your response. Why did you rank them in that order?
Not answered
- 34 11. What role should low carbon liquid fuels play in the heavy vehicle

decarbonisation?

Not answered

- 35 12. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce heavy vehicle emissions?

Not answered

- 36 13. Do you agree with the proposed net zero pathway for rail?

Not answered

- 37 13.1 Please add details to your response.

Not answered

- 38 14. The proposed pathway for rail relies on a mix of battery electric, hydrogen fuel-cell and low carbon liquid fuels. Rank from 1 to 3, the order in which these should be prioritised for emissions reduction.

Not answered

- 39 14.1 Please add details to your response. Why did you rank them in that order?

Not answered

- 40 15. What role should low carbon liquid fuels play in rail decarbonisation?

Not answered

- 41 16. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce rail emissions?

Not answered

- 42 16.1 How would these actions address the identified challenges and

opportunities to reduce rail emissions?

Not answered

43 17. Do you agree with the proposed net zero pathway for maritime?

Not answered

44 17.1 Please add details to your response.

Not answered

45 18. The Australian Government is engaging in consultation as part of the development of the Maritime Emissions Reduction National Action Plan and those consultations will also inform the final Roadmap and Action Plan. 18.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce maritime emissions?

Not answered

46 18.2 How would these actions address the identified challenges and opportunities to reduce maritime emissions?

Not answered

47 19. Do you agree with the proposed net zero pathway for aviation?

Not answered

48 19.1 Please add details to your response.

Not answered

49 20. The Australian Government has already engaged in consultation on aviation decarbonisation through the development of the Aviation White Paper and those consultations will also inform final Roadmap and Action Plan.

Not answered

- 50 20.1 What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce aviation emissions?
Not answered
- 51 21. Do you agree with the proposed net zero pathway for transport infrastructure?
Not answered
- 52 21.1 Please add details to your response.
Not answered
- 53 22. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to reduce transport infrastructure emissions and ensure that transport infrastructure is ready for and enables low-emission transport modes?
Not answered
- 54 22.1 How would these actions address the identified challenges and opportunities to reduce transport infrastructure emissions?
Not answered
- 55 23. What additional actions by governments, communities, industry and other stakeholders need to be taken now and in the future to ensure the energy mix is ready to support transport emissions reduction?
Not answered
- 56 24. How should the use of low carbon liquid fuels (LCLFs) be prioritised across different transport modes over time to achieve maximum abatement?
Not answered

- 57 25. What are the best ways for the Australian Government to work collaboratively with industry, business, governments and communities to implement the proposed pathways?
Not answered
- 58 25.1 What are good domestic or international examples of partnership and collaboration on transport and transport infrastructure emissions reduction that could inform the final Roadmap and Action Plan?
Not answered
- 59 25.2 What opportunities can Government leverage to show leadership in Australia and internationally?
Not answered
- 60 26. What measures and metrics should be used to evaluate the final Transport and Infrastructure Net Zero Roadmap and Action Plan?
Not answered
- 61 26.1 What other data and evidence could governments use and how could this offer further insights on the pace, scale and location of transport emissions reduction pathways?
Not answered
- 62 27. Do you have any feedback on the proposed review process?
Not answered
- 63 28. Do you have any further feedback on the Consultation Roadmap and proposed pathways?
Not answered
- 64 28.1 Is there anything missing? Are the sections appropriately integrated? Is the Roadmap appropriately ambitious?
Not answered

65 29. Is there any further information or documentation that you wish to be considered with your submission?

Not answered

66 Would you like to upload a document?

Yes

67 Have you removed any identifying information from your submission?

Yes

68 Upload a submission

240822 SB - Transport and Infrastructure Net Zero Consultation Roadmap.pdf

69 Upload a submission

Not answered

70 Upload supporting file

Not answered

71 Upload supporting file

Not answered



22 August 2024

Department of Infrastructure, Transport, Regional Development, Communications and the Arts
GPO Box 594
CANBERRA ACT 2601

Via email: NetZero@infrastructure.gov.au

Dear Sir/Madam,

The ASBFEO's submission to the DITRDCA on the Transport and Infrastructure Net Zero Consultation Roadmap

The Australian Small Business and Family Enterprise Ombudsman (the ASBFEO) appreciates the opportunity to give feedback to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the Department) on the Transport and Infrastructure Net Zero Consultation Roadmap (the Consultation Roadmap), to help ensure the Action Plan is fit-for-purpose to support small business interests and participation in the transition.

Australia's transition to net zero by 2050 (the transition) is likely to reshape many aspects of Australian society. As with all technological and social transformations, the transition will bring both new opportunities and disruptive changes to Australian businesses and consumers. It is therefore critical that the Net Zero Plan appropriately manages how benefits, costs and opportunities are distributed in Australian society, to bolster public support of the Net Zero Plan and help ensure its success.

As one of the 6 sectoral plans that will support the Net Zero Plan, the Action Plan should bring the needed leadership, planning and clarity to ensure the policy initiatives of the Australian Government and state and local governments can jointly support the transport sector's contribution to the transition. This is essential to give clear signals to market participants, address policy gaps and inconsistencies, and to support government policy evaluation and decision-making. In turn, these steps will help encourage the necessary business participation and investment to make the Action Plan successful.

The significant scope and complexity of these challenges mean that it is critical that the Department undertakes extensive upfront and ongoing consultation with industry and other agencies to identify relevant issues and consider them from multiple policy lenses. The ASBFEO is therefore encouraged to hear from multiple stakeholders in the road transport industry that they are comfortable with the Department's level of engagement and that they consider that their views are being heard. The ASBFEO similarly values this opportunity to give specific feedback on the Consultation Roadmap to support the Department's consideration of small business issues when forming the Action Plan.

Recommendation 1: The Department to consider small businesses interests and participation in the Action Plan

Based on the ASBFEO's industry engagement and analysis of assistance requests received in 2023-24, the ASBFEO considers that small businesses, including those in the transport sector, do not regard the transition to be their most pressing opportunity or concern. Instead, small businesses are more focused about managing business risks arising from long payment times and defaults,



increases in input costs and decreased demand for their products. Even when small businesses and their industry representatives are specifically asked about their views on the transition, many are more concerned about increased regulatory complexity and costs than the potential opportunities of the transition.

Given this context, the ASBFEO considers that, should the Department want broad base industry support and engagement with the Action Plan (especially for industries like road transport where over 98% of market participants are small businesses), it will need to put small business interests at the centre of how the Action Plan is designed and implemented.¹ Critical to this thinking will be considering how the Action Plan can provide suitable market access, an equal playing field and regulatory certainty for small businesses to undertake the significant investments in capital and training that will be required to participate in the transition and be rewarded for it. The ASBFEO provides further views on these issues under Recommendation 2 below.

The Department will need to consider how they can clearly communicate reliable information about relevant costs, opportunities and regulatory changes to small businesses. The Department will also need to articulate how the Action Plan sits within the broader policy environment that affects small businesses, including how it interacts with the various other sustainability and transport policy measures of the Australian Government, and state, territory and local governments. This would require preparing suitable information materials that are approachable for time-poor small businesses in consultation with industry representatives and government agencies like the ASBFEO that directly engage with small businesses. These organisations would also be useful contact points to help disseminate information and gather industry feedback.

Lastly, as a general comment, the ASBFEO also encourages the Department, when formulating policy options, to consider the scope of regulatory intervention that is needed to achieve its objectives. Given the diversity of types and sizes of businesses in this sector, it is important to consider the regulatory burden, whether intended or otherwise, that different policy options would impose (directly and indirectly) on small businesses in different industries and how this would impact their ability to compete.

Recommendation 2: The Department to consult broadly to understand how the Action Plan is likely to affect market outcomes and competitive dynamics

As set out above, the far-reaching nature of the transition will bring new opportunities and headwinds that affect businesses in the transport sector. Accordingly, in preparing the Action Plan, the Department will have to consider the likely effects of the transition on competitive dynamics in affected markets and supply chains, as well as the types of market outcomes that it intends the Action Plan to deliver. In particular, the ASBFEO encourages the Department to consider how market participants that are likely to be acutely affected by the transition are given opportunities to participate in the transition or to exit from the industry at acceptable cost.

This could, for example, include considering how the road transport industry can participate in the transition without imposing or entrenching barriers to effective competition. Many road freight businesses operate on tight margins and would be unable to bear the financial costs and risks of making the necessary investment to replace their fleet with electric heavy vehicles. Such costs and risks encompass not only the upfront cost of purchasing new vehicles, but also the uncertain expected life and resale value of such vehicles, the cost and complexity of installing charging

¹ Australian Trucking Association (ATA), *Trucking Australia: The Report*, ATA, March 2023, p. 12.



infrastructure, and the lack of accessible fast-charging infrastructure to support widespread industry adoption of electric vehicles. If significant enough, such costs and risks would present a competitive barrier for small businesses to participate in the transition, in contrast to larger businesses with sufficient scale economies or vertical integration. While this may be acceptable in the short-term or even beneficial to motivate investment in emerging technologies and markets, the ASBFEO considers that government involvement could be necessary to avoid a short-term technological disparity amplifying into an entrenched market power issue.

As a possible example, should early adopter large road freight companies develop an electric vehicle charging network but restrict third-party use of it, it could stifle competition in road freight as small business road freight operators could lack the necessary incentives given their smaller scale to develop their own network. While there may eventually be market solutions to this problem, should the Department expect or mandate the transition to happen more quickly, it will likely need to communicate and provide policy measures to support the development of, and commercial access to, sufficient infrastructure to support small business participation.

The ASBFEO encourages the Department to consult with other government agencies, such as the Australian Competition and Consumer Commission and the Productivity Commission, to better understand how the competitive process and market outcomes are likely to be affected by the transition. This could help the Department to better anticipate the likely effects of its policy measures; and make use of likely market behaviour to support the Action Plan and limit the scope of regulatory intervention needed to support the Action Plan's objectives.

Recommendation 3: The Action Plan should consider the role of local governments in supporting road infrastructure and supply chains, by linking explicitly to the National Freight and Supply Chain Strategy.

As the Consultation Roadmap acknowledges, transport infrastructure will have to be 'built with improved resilience and forward-planning to withstand [challenges from the changing climate] and cater for the changes these cause to the movement of people and goods on Australia's transport network'.² In the ASBFEO's view, this requires the Action Plan to acknowledge the importance of local road infrastructure as critical parts of alternative freight and supply chain routes during unexpected events and disasters, and to consider how local roads, especially those in disaster-prone areas, will receive continued maintenance and improvement.

Local governments are responsible for transport infrastructure that improves resilience and enhances competition. The provision and maintenance of alternative transport routes reduces community and small-business dependence on single large suppliers and relatively infrequent delivery schedules. Alternative transport routes enhance food security in normal times and become critical during disasters, when communities can be cut off from major networks.

The harms of disruptions to a freight and supply chain route are greater for remote and regional communities in Australia that depend on a key freight route. For example, the Stuart Highway supports supply chain paths for over 283 local government areas but can be exposed to flooding

² Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA), *Transport and Infrastructure Net Zero Consultation Roadmap*, DITRDC, Australian Government, May 2024, p. 69.



and extreme heat.³ Disruptions to this route in some areas can result in up to 100% of freight being completely obstructed.⁴

While the Consultation Roadmap focuses the shared roles of state and local governments to support active and public transport infrastructure, the ASBFEO proposes that the Action Plan also consider the shared roles of state and local governments to support road infrastructure, by aligning its activities and outcomes to the National Freight and Supply Chain Strategy. This would ensure that the Action Plan forms part of an all-encompassing and coordinated approach by all levels of government in providing first and last-mile, major and alternative supply chain routes.

In our submission on the 2023 Review of the National Freight and Supply Chain Strategy, the ASBFEO acknowledged the Australian Government's commitment to improving local supply chain infrastructure through various grant programs, including the roads to recovery, bridges renewal, black spot, local roads and community infrastructure programs, and the financial assistance grant.

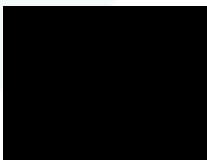
However, we also recognised the limits of the Australian Government's responsibility and influence to assign priority to specific infrastructure development plans projects and deliver specific projects.

The ASBFEO's submission to the 2023 Review of the National Freight and Supply Chain Strategy supported:

- expanding the strategic local government asset assessment project, potentially upgraded with artificial intelligence functionality to provide consistent, real-time data about local government freight needs, optimal and alternative access routes, any linkages to state development plans and any funding requests made to the Australian Government.
- concentrating the Australian Government's efforts and reporting on those projects requiring coordinated action by all jurisdictions
- executing the review's intention to identify a small number of national, data-driven, and high impact national key performance indicators to monitor implementation over the next five years.

If you require any further information, please do not hesitate to contact the ASBFEO via email at advocacy@asbfeo.gov.au.

Yours sincerely,



The Hon Bruce Billson

Australian Small Business and Family Enterprise Ombudsman

³ Bureau of Infrastructure and Transport Research Economics (BITRE), *Road and Rail Supply Chain Resilience Review – Phase 1*, BITRE, Australian Government, February 2023, p. 7.

⁴ BITRE, *Road and Rail Supply Chain Resilience Review – Phase 1*, BITRE, Australian Government, February 2023, p. 7.