Transport and Infrastructure Net Zero Consultation Roadmap

Take the survey

Department of Climate Change, Energy, Environment and Water

Response received at:
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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
Insurance Council of Australia

4 Confirm that you have read and understand this declaration.
Yes

5 First name
Aaron

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Finnegan

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8 Phone

Not answered

9 Who are you answering on behalf of?

Organisation

10 Organisation name

Insurance Council of Australia

11 What best describes you or your organisation?

Industry

12 What sector do you represent?

Other: "Insurance"

13 What state or territory do you live in?

New South Wales

14 Postcode

2000

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?

Yes

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

ICA Submission_Transport and Instrastructure Net Zero Roadmap_July 2024.pdf

69 Upload a submission

Not answered

70 Upload supporting file

Not answered

71 Upload supporting file

Not answered

Insurance Council of Australia

26 July 2024

To whom it may concern,

Transport and Infrastructure Net Zero Consultation Roadmap – July 2024

The Insurance Council of Australia (**Insurance Council**) thanks the Federal Government for the opportunity to provide input into the Transport and Infrastructure Net Zero Consultation Roadmap. We appreciate the collaborative approach the Federal Government has taken to welcome submissions from interested stakeholders.

The Insurance Council is the representative body of the general insurance industry in Australia and represents approximately 89% of private sector general insurers. As a foundational component of the Australian economy the general insurance industry employs approximately 46,000 people [1], generates gross written premium of $66 billion per annum, on average pays out $159 million in claims each working day ($39.4 billion paid out per year).[2]

The Insurance Council and its members welcome the Federal Government's commitment to decarbonising transport and infrastructure and are supportive of developing a transport and infrastructure net zero action plan, as a key step towards meeting Australia's greenhouse gas emissions reduction targets. Electrification of Australia's transport sector, including the electrification of passenger and commercial vehicles, will play an important role in the transition to net zero. Insurers are working to reduce emissions across their operations, investments, underwriting and supply chain, and a faster transition to electric vehicles (EVs) in Australia will facilitate faster decarbonisation of insurer's motor books.

Our submission draws on the consolidated feedback from Insurance Council members and sets out a range of recommended policies to accelerate a shift to low emission transport modes:

The Insurance Council and its members are supportive of a national policy framework for active and public transport

The Insurance Council and its members welcome the Federal Government implementing a national policy framework for active and public transport that includes infrastructure development, public engagement, legislative reform and technological advancement. While developing this framework, it is important to consider personal safety and appropriate risk management - this is particularly relevant for personal mobility devices (such as e-bikes and e-scooters) used most commonly for personal transport and urban last-mile delivery.

Minimising potential fire risks

According to EV FireSafe data, personal mobility devices have a higher risk of battery fire overall and a higher risk of causing injury, fatality and property loss.[1] This is primarily due to market demand leading to poor design and manufacturing, high wear and tear, poor regulation and enforcement, and the storage and charging inside buildings. While EV FireSafe has found six battery fires in Australia for road registered EVs, battery fires for personal mobility devices are occurring weekly in Australia. This disparity in fire risk profiles, indicates the need to strengthen regulation and enforcement for personal mobility devices.

[2] APRA data, APRA releases general insurance statistics for June 2023 | APRA, June 2023
[1] EV Fire Safe, 05.1 Categorising lithium-ion batteries,

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To reduce the potential fire risks associated with personal mobility devices, the Insurance Council recommends the following policy measures:

Recommendation: Strengthen regulation and enforcement for personal mobility devices by creating a national regulation framework to ensure the importation and sale of safe equipment only.

- Increased demand for these low-emission transport options has led to imports of non-compliant devices that pose higher risks of battery fires, injuries, fatalities, and property loss, necessitating stronger government oversight. The Insurance Council supports the NSW Government's efforts to ensure compliance with safety standards and encourages national certification requirements to standardise battery safety across Australia.

Recommendation: Educate consumers about the safe operation and maintenance of electrified transport and charging infrastructure for all vehicle types.

- The fire risk associated with lithium-ion batteries in all vehicle types can be minimised with appropriate operation, such as storing batteries in a cool, dry place, and by avoiding hazardous operation, such as charging batteries that have been damaged.

Recommendation: Federal Government funding, matched by the states and territories, for research and training for fire authorities and other first responders, to enable safe management of fuel-efficient vehicles involved in collisions and fires.

- Research indicates that road registered electric vehicles do not present a greater risk of fire occurrence than internal combustion engine (ICE) vehicles[2] however when EV battery fires do occur, they need to be managed differently and may require more time, resources and firefighting water to manage the incident. Battery fires are generally harder to extinguish due to the toxic chemicals released from malfunction, and firefighters require specific training to achieve this.
- Federal Government funding, matched by the states and territories, could support existing research being undertaken by bodies such as the New South Wales Fire and Rescue to better understand how to effectively manage these incidents; as well as supporting EV FireSafe to undertake a robust and independent review of global literature about electric vehicle fire safety in the built environment

Investment in electric vehicle charging infrastructure and recycling facilities

With demand for EVs increasing and road freight expected to grow significantly, the Federal government can play a greater role in investing in charging infrastructure and battery recycling facilities. This could build upon existing Federal government commitments in the Driving the Nation Fund and the National Battery Strategy, by expanding the national rollout of EV charging infrastructure and investing in local EV battery recycling facilities to appropriately manage end-of-life EV batteries.

To accelerate the uptake of electric vehicles in Australia, the Insurance Council recommends the following policy measures:

Recommendation: Invest in the national rollout of electric vehicle charging infrastructure.

[2] Boehmer HR, Klassen MS and Olenick SM (2021) Fire Hazard Analysis of Modern Vehicles in Parking Facilities, Fire Technology, No 5; Burke G (2021) EV Risk Assessment. Risk Impact Pty Ltd; Bisschop R, Willstrand O and Rosengren M (2020) Handling Lithium-Ion Batteries in Electric Vehicles: Preventing and Recovering from Hazardous Events, Fire Technology, 56, 2671–2694; Sun P, Huang X, Bisschop R and Niu H (2020) A Review of Battery Fires in Electric Vehicles, Fire Technology, 56, 1361–1410.

- Federal and state governments should increase existing funding commitments for electric vehicle charging infrastructure to ensure there is a comprehensive Australia-wide network in place by 2026. In addition, governments could explore with the private sector how to provide financial incentives to reduce the cost of installing home and commercial charging equipment.
- All charging infrastructure should be built to ensure resilience to extreme weather events. Flooding, cyclones and other weather events could damage charging infrastructure and may take a long time to safely repair, impacting mobility in the aftermath of disasters especially in regional areas.

Recommendation: Federal and State government investment in battery recycling facilities.

- Federal and state governments should invest in local EV battery recycling facilities to appropriately manage end-of-life EV batteries. Safely and effectively recycling electric vehicle batteries will be important to enable the responsible management of these assets through to end of life.

Recommendation: Federal and state government coordination of Australia's electric vehicle charging network.

- National coordination is required to ensure infrastructure is built where it is most needed. Priority should be on expanding the national rollout of EV charging infrastructure on key highway routes across Australia.

Enabling policy recommendations to support Australia's transition to a net zero transport sector

Recommendation: Upskill existing technicians and train new technicians to work on electric vehicles and associated infrastructure.

- The Federal Government's New Energy Skills Program provides subsided courses for eligible trades and this needs to be regularly reviewed to make sure all relevant courses for emerging industries are included.

Recommendation: Federal and State Government review and amendment of relevant standards when necessary.

- Federal and State Government should ensure the National Construction Code and relevant standards remain fit for purpose to keep pace with the increasing uptake of EVs, and to support the safe installation and use of EV charging equipment in new and existing homes. In addition, insurers, peak bodies, and state governments should collaborate to chart a path for insuring and incentivising the uptake of charging infrastructure in existing homes and apartments. Doing this will future-proof new housing by ensuring all new builds are electric vehicle-ready, as well as implementing and enforcing consistent safety standards on electric vehicle charger installation and maintenance.

Recommendation: Federal Government works with the Insurance Council and insurers to conduct evidence-based risk modelling to inform decision-making on the implementation and ongoing evaluation of the NVES.

- Insurers are well-placed to provide advice on electric vehicle adoption, from ensuring charging infrastructure is built to withstand future extreme weather events or providing risk assessments on fuel-efficient vehicle performance. Governments should work with insurers and collaborate with stakeholders such as building developers, original equipment manufacturers and charging station providers to facilitate the provision of verifiable and credible information to consumers. The Insurance Council recommends the Federal Government works with insurers to conduct

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evidence-based risk modelling to inform decision-making on the ongoing transition to net zero in the transport sector.

Recommendation: Introduce a scheme to incentivise the purchase of fuel-efficient light and heavy commercial vehicles for business.

- Light and heavy commercial vehicles are used by insurers across their operations, especially for roadside assistance. A rebate or taxation concession scheme would encourage Australian businesses to replace ageing commercial vehicles and trucks with more efficient alternatives, reducing long-term operating costs and emissions. This would help to overcome the currently high purchase price of these types of vehicles, which is a major barrier to stronger uptake, especially for smaller businesses with lower margins.

We trust that our initial observations are of assistance. If you have any questions or comments in relation to our submission please contact Aaron Finnegan, Climate Change Adviser, [redacted]

Yours sincerely

[redacted]

Kylie Macfarlane
Chief Operating Officer