



20 November 2023

To whom it may concern,

Response to ACCC consultation on RRRR consumer goods

The Insurance Council of Australia (**Insurance Council**) and its members thank the ACCC for the opportunity to provide feedback on the safety issues affecting consumer goods that are refurbished, remade or recycled and/or used as raw materials for new products.

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 60,000 people, generates gross written premium of \$64.5 billion per annum and on average pays out \$147 million in claims each working day (\$36.5 billion paid out per year).

The Insurance Council believes that electrification of Australia's transport sector, including the electrification of passenger and commercial vehicles, will play an important role in decarbonising our economy. Insurers are working to reduce emissions across their operations, investments, underwriting and supply chain, and a faster transition to electric vehicles in Australia will facilitate faster decarbonisation.

However, while the regulatory environment for road registered electric vehicles is strong, stronger enforcement of regulations for personal mobility devices, such as e-scooters and e-bikes, is needed to ensure consumers are using safe products.

The Insurance Council and its members are working with a range of stakeholders to strengthen the safety of electric vehicles and personal mobility devices.

This includes working with:

- relevant fire authorities in supporting testing and building a better understanding of emerging risks, particularly in relation to personal mobility devices.
- relevant strata groups and associations to support the development of guidance or by-laws to assist in consistent risk management across strata buildings.
- key bodies across industries and governments to support the acceleration of Australia's electric vehicle transition, whilst appropriately managing emerging risks.

The Insurance Council and its members also recommend a range of measures to strengthen the safety of electric vehicles and personal mobility devices.

Further detail is provided below.

- **Expand the Battery Stewardship Scheme to include electric vehicle batteries.** Safely and effectively recycling electric vehicle batteries will be important to enable

the responsible management of these assets through to end of life. The Battery Stewardship Council has been commissioned by the Federal Government to lead industry consultation on this issue.

- **Strengthening regulation and enforcement for personal mobility devices, such as e-scooters and e-bikes, to ensure the importation and sale of safe equipment only.** While the technical standards associated with personal mobility devices may be adequate, the broader regulatory environment for these products in Australia is presently inadequate, leading to the importation and sale of cheap, non-compliant products. Stronger regulatory enforcement activity around the importation and sale of this type of product will help to reduce the rising incidence of unsafe products.
- **Education for consumers about the safe operation and maintenance of electrified transport and charging infrastructure.** The fire risk associated with lithium-ion batteries 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.
- **Working with insurers to conduct evidence-based risk modelling to inform decision-making on the transition to electric vehicles.** 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 electric vehicle performance. According to EV FireSafe data, electric vehicles have a very low risk of battery fire, in part because electric vehicles are subject to stringent regulations and testing, and use very high quality battery cells encased in a protective (IP rated) battery pack. However, when electric vehicle battery fires do occur, they need to be managed differently, and may require more time, resources and firefighting water to manage the incident. 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.

We trust that our initial observations are of assistance. If you have any questions or comments in relation to our submission, please contact Louis Brailsford, Adviser, Climate Action, lbrailsford@insurancecouncil.com.au.

Yours sincerely,



Andrew Hall
Executive Director and CEO