



6 September 2019

Kirsten McKillop  
In-service safety for automated vehicles  
National Transport Commission

*Submitted via email to [kmckillop@ntc.gov.au](mailto:kmckillop@ntc.gov.au)*

Dear Kirsten

Thank you for the opportunity to provide feedback on the RIS- in-service safety for Automated Vehicles.

IAG strongly supports a system of regulation for automated vehicles that has safety at its core. In order for automated vehicles to be a successful part of our transport system people need to be able to trust the technology will operate safely and that protection exists for when things go wrong.

We believe insurance is a key part of the safety continuum. Regulation needs to be in place to ensure products won't fail and those responsible for the technology, while it is in operation are held accountable for safety breaches. Insurance complements this regulation by offering products to protect against residual risk including the financial burden of something going wrong, it is also a mechanism for recovery when systems fail. In order for insurers to offer this additional protection there needs to be solid regulation of the risks on the road and a sharing of data and information so insurers can calculate and price products to offer the community.

We believe the regulation around automated vehicles in service needs to be set at a particularly high level as public trust is key to AV technology succeeding. The global community has already seen a number of deaths in countries trialing this technology where safety regulation is not strict (e.g. in the USA). Although small in comparison to the global road toll, we know people hold machines to a higher level of safety.

Although the self-certification process has been endorsed by the NTC and transport ministers, we caution that this may not elevate the safety bar enough and there may be gaps in safety due to this approach. In our previous submission to the NTC on safety assurance system for automated vehicles (see appendix 1 attached), we highlight that in our experience as an independent testing body for driving systems (i.e. AEB), car technology in 'real world' conditions vary from what is promised or tested by the manufacturer. We believe there is still opportunity for a broader exploration of the costs and benefits of a stricter regulatory regime before self-certification commences.

However, if there is no scope to strengthen this approach, then it becomes especially important to get in-service regulation right. We support the comprehensive work the NTC has completed in this RIS. We believe the NTC has correctly identified the problem and the key parties that influence the risks. We support option 3 or 4 as outlined in chapter 10 – a general safety duty enforced by a national regulator. We believe this option would create national consistency in the legal duties for the parties involved and best allow the regulator to monitor and report trends in compliance and safety breaches.

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However, to ensure the success of this option for in service regulation, we believe the NTC must also consider the following matters.

**Harmonising motor accident insurance schemes and road rules** – IAG has consistently identified the need for national principle based approach to motor accident insurance schemes (MAIS) to ensure anyone injured in a motor vehicle accident in Australia has simple, easy access and equitable levels of support whether they were injured by a vehicle controlled by a human driver or by an autonomous vehicle with its ADS engaged. Similarly, unified road rules would allow automated vehicles to cross jurisdictional boundaries with ease and any changes to road rules to be implemented uniformly.

A national harmonised approach to both MAIS and road rules would also allow the regulator to monitor any emerging safety risks or trends, issue recalls and monitor compliance in a more coordinated manner. National rules and standards also make it easier for companies wanting to enter the market in Australia to program the ADS systems and comply with the laws.

**Allow for Independent testing and regular testing of technology to ensure safety** – In our experience repairing and insuring vehicles and their occupants, we have seen and continue to see gaps in the regulation of vehicles which can have serious cost and safety consequences. We have outlined these in detail in our previous submission (see appendix 1 attached), including examples where manufacturers leave out key safety features to reduce cost pressures, intentionally breach self-certification criteria requiring recalls, and have technology designed overseas not perform as promised in Australia.

We believe a new independent body will be needed to test the functionality of automated technology and driving systems and report findings (similar to ANCAP and the work the IAG Research Centre does today). In addition to how this operates today, future technology may require re-testing or regularly testing to ensure the technology continues to function as promised throughout the lifecycle of the vehicle and especially after repair and recalibration.

**Align with international standards** – We agree with the NTC that it is important Australia aligns our regulations with international regulatory approaches so we are consistent with international regulations and international manufactures who want to sell their products in the Australian market.

We would also like to see the development of international standards for the independent body assessing vehicle safety (as discussed above) as this would allow vehicle manufactures to faster incept their products into markets and be covered by insurance.

**Create a framework for storing and sharing data** – Standardised, readable and accessible data is critical for all parties to succeed in the connected and automated vehicle network. The type of data produced, the length of time for which it is stored and who can access it and how, should all form parts of a robust data governance framework. This framework, once created, needs to be managed by a neutral, independent entity to ensure privacy and appropriate use of that data.

IAG would welcome the opportunity to provide input into the development of this framework, particularly advising on the needs of insurers.

#### **Require technical information sharing of Automated Driving Systems (ADS)-**

For the insurance industry to continue to offer products, insurers need to understand and assess the risks. Motor insurance currently is based on the technical assessment of the vehicle and forecast of the persons driving behaviour based on history and statistics. As the 'driver' becomes software or algorithms, the industry will need access to data and technical information on how this performs to adequately price risk.

To do this, ideally a standardised interface would be created that all manufacturers would use; the manufacturers would then need to share a copy of their proprietary information in this format so insurers can compare ADS systems and be able to assess the risk of each manufacturer's ADS. We understand there would likely be hesitancy from manufacturers to readily share this information, however, we believe

it could be done as long as we work collaboratively across industries and the regulator has put in place appropriate information security standards and procedures.

**In response to the specific questions for comment:**

IAG endorses the content of the Insurance Council of Australia submission and provides the following further comments:

**Q2, 3 and 6.**

IAG does not believe existing regulation is sufficient for telecommunication providers or infrastructure and road managers in the future, as connected and automated vehicle technology will likely be reliant on these being up to a certain standard to maintain safety. For example, roads, road marking and other infrastructure may need to be well maintained in order for vehicle sensors to work. Similarly, telecommunications systems may require a reliable and consistent connection to ensure GPS systems (or other technology using Wi-Fi) can be maintained and safely used, depending on what systems are deployed and/or how the technology functions. But we believe there should be a general safety duty imposed on telecommunication providers and on infrastructure or road managers when the technology relies on their service.

**Q5 Do you think there are any new risks posed by second-hand ADS components, after-market modifications or the transfer of ownership of automated vehicles, which may not be adequately addressed by existing regulation designed for conventional vehicles?**

IAG believes there are risks and gaps in the current regulation of second hand, after-market parts and modifications of conventional vehicles. These risks do impact safety and can create a financial burden for customers. For example; OEM's warranty or safety claims for vehicles are often voided when modification occurs, even if the fault is not related to the modification. Similarly, there is often a disconnect between OEM's specifications and repairs i.e. a windscreen repairer may not have the knowledge of the impact a replaced windscreen has on the cars sensors.

These issues may be heightened by adding connected and automated vehicles into the system and new risks may emerge. IAG believes more proactive education of the repair industry, and further consideration of the role & responsibility of the after-market parts suppliers needs to be done. The design of in service regulation for automated vehicles is perhaps a good opportunity for the regulation here to reviewed and strengthened. IAG would welcome the opportunity to be involved in any discussion on how this could be strengthened to improve safety.

IAG is available to discuss the above recommendations or answer any further questions in more detail. Please contact Naomi Graham Principle Public Policy & Industry Affairs on (02) 9088 9450.

Sincerely,

Cecilia Warren  
Director, Research & Development  
IAG