THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

TENTH ASSEMBLY

Standing Committee on Planning, Transport and City Services Report No. 15 - Inquiry into Electric Vehicle (EV) Adoption in the ACT

Government Response

Presented by
Shane Rattenbury MLA
Minister for Water, Energy and Emissions Reduction
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Standing Committee on Planning, Transport and City Services - Report No 15 -

Inquiry into electric vehicle (EV) adoption in the ACT

Background

The ACT is proud to lead on climate change action to reduce greenhouse gas emissions. We are the first Australian jurisdiction to be powered by 100% renewable electricity.

With global emissions still rising, there is an urgent imperative to further reduce emissions, including from the cars we drive.

Following the transition to 100% renewable electricity, transport is the single largest contributor to the ACT's greenhouse gas emissions, making up over 60% of the total. To reach our goal of net zero emissions by 2045, we need to significantly reduce emissions from transport.

The ACT Government is committed to reducing transport emissions to create a healthier and more sustainable future for the ACT. As well as improving public transport and encouraging walking and cycling, a key measure is to transition the ACT's vehicle fleet to zero emissions vehicles (ZEVs) such as electric cars.

In July 2022, the ACT's Zero Emissions Vehicles Strategy 2022-30 (the Strategy) was launched. This Strategy focuses on how we can encourage the uptake of ZEVs to cut transport emissions and improve air quality in our city. Because of our 100% renewable electricity supply, the shift to ZEVs presents a zero emissions solution that can help decarbonise the ACT's transport system. The benefits of this transition are not only environmental, it can also deliver better health and financial outcomes, offering improved air-quality, increased fuel security, lower maintenance and running costs, and quieter and cleaner roads and cities.

Ambitious targets for ZEV sales, underpinned by supportive policies and a fit-for-purpose charging network in the ACT, will all help to ensure that availability of ZEVs increases, and that the ACT benefits from a wider range of models than is currently available.

The ACT is one of the most attractive places to buy a ZEV – with no stamp duty, two years free registration and interest free loans of up to \$15,000 for eligible ZEVs.

The Strategy sets a ZEV sales target for the ACT of 80-90% of light vehicles sales by 2030 and outlines the ACT Government's intention to cease registration of new non-ZEVs by 2035. These ambitious targets make it clear that the ACT is committed to a zero-emissions future.

Terms of Reference

The Standing Committee on Planning, Transport and City Services adopted the following terms of reference for its inquiry into barriers to EV uptake and solutions and incentives to encourage uptake in the Territory, including:

- 1) Skills development needs to support an expanding EV uptake;
- 2) Industry development opportunities;

- Planning laws and regulations and education and promotions in relation to charging infrastructure requirements in a variety of residential, public and commercial configurations and precincts;
- 4) ACT Government's role in providing charging infrastructure;
- 5) Regional charging infrastructure and whether this is a barrier to local uptake, end-of-life battery disposal, and impact of EVs on ACT power supply requirements and vehicle-to-grid issues;
- 6) Application of Territory taxes and charges for EV purchases including registration charges;
- 7) Federal taxes and charges for EV purchases, including import taxes;
- 8) Other Federal barriers to EV uptake, cost and availability of EVs, including fuel efficiency standards, impact of EV uptake on existing motor and service industry sectors including possible transition assistance, equity and just-transition issues for people on lower incomes; and
- 9) Any other matter relevant to this issue.

Government Position on Recommendations

Recommendation 1

The Committee recommends that the ACT Government work closely with the Commonwealth Government and advocate for national fuel emissions standards that are consistent with those set in Europe.

Government Position

Agreed

The ACT Government continues to advocate for a robust and ambitious fuel efficiency standard aligned with European Union standards, to be introduced without delay. In May 2023 the ACT Government made a formal submission to the Australian Government's consultation process on the design of a fuel efficiency standard to apply to new light passenger and commercial vehicles. Submissions are also made through the regular National Electric Vehicle Strategy States and Territories meetings.

Recommendation 2

The Committee recommends that the ACT Government work with other jurisdictions to plan and implement charging infrastructure along major routes to and from Canberra, to ensure that ACT residents can have confidence in travelling long distances using an EV.

Government Position

Agreed in principle

The ACT Government regularly engages with the Commonwealth and New South Wales Governments to ensure that the deployment of charging infrastructure surrounding the ACT provides Canberrans with the confidence to own an electric vehicle and be able to charge it when travelling interstate.

Recommendation 3

The Committee recommends that the ACT Government review the proposed rollout of charging infrastructure to ensure an equitable spatial distribution of chargers occurs and report the findings to the Assembly.

Government Position

Agreed in principle

The ACT Government is already working to ensure there is an equitable spatial distribution of chargers being installed across the ACT:

- grant deeds with existing charging providers require a spread of chargers in the Territory;
- the location of existing public chargers in the ACT is regularly monitored;
- the ACT Government's Public EV Charging Infrastructure Fund launched in July 2023 and will prioritise the installation of chargers:
 - at a list of sites identified in the Program Guidelines which includes locations of importance to the community such as tourist destinations, shopping centres and community facilities;
 - o in areas with limited existing chargers.
- investigation is currently underway to determine how to best meet the charging needs
 of business and the community in the ACT from 2024 to 2030 to ensure there is
 sufficient access to public charging for Canberra-based journeys.

Geographical distribution is just one of a number of factors that go into consideration for the deployment of public chargers in the ACT;

Recommendation 4

The Committee recommends that the ACT Government consider encouraging Tesla to include a charging location within the ACT in its pilot program extending the 'supercharger' network to non-Tesla vehicles.

Government Position

Agreed

Tesla has already made some of their public charging network available to non-Tesla vehicles and ACT Government will continue to encourage Tesla to open up its network both in the ACT and nationally.

The Committee recommends that the ACT Government, when providing support for charging infrastructure installation, require service guarantees for reliability and develop a maintenance policy for public electric chargers including service level standards to ensure chargers are properly maintained and reliably available.

Government Position

Agreed

Service guarantees are already in place for existing grant recipients and will be included in the grant deeds for recipients of funding under the Public EV Charging Infrastructure Fund launched in July 2023.

Recommendation 6

The Committee recommends that the ACT Government investigate the feasibility of installing kerbside chargers for EVs in areas where off-street parking is not allocated for each residence, to supplement both public and private charging infrastructure.

Government Position

Agreed in principle

Kerbside charging is being investigated as part of the Public EV Charging Infrastructure Fund launched in July 2023. However kerbside charging comes with its own set of complexities and is not suitable for a range of settings in the ACT due to issues such as the lack of available street side electricity poles.

Recommendation 7

The Committee recommends that the ACT Government consider whether more hydrogen refuelling is required in the ACT or surrounding regions and take steps to ensure that this is adequately provided if hydrogen refuelling is a barrier to greater EV uptake in private and freight vehicles.

Government Position

Agreed in principle

The ACT Government continues to explore opportunities to enable the transition of transport to zero emissions vehicles, including supporting the deployment of hydrogen refuelling to enable in particular heavy vehicle transition.

Recommendation 8

The Committee recommends that the ACT Government provide one-off grants to body corporates of existing multi-dwelling units to assess whether their building can be retrofitted to accommodate charging infrastructure and the most practicable way the building can be retrofitted.

Government Position

Agreed in principle

In September 2023 the ACT Government launched the Residential Strata EV Ready Pilot Study as a first step to exploring the opportunities, challenges and costs of retrofitting EV charging infrastructure into existing multi-unit developments. The objectives of the Pilot are to:

- understand the opportunities, challenges and costs of installing EV charging infrastructure into existing residential strata where unit owners cannot simply connect an EV charger to their own individually metered power supplies;
- support safe and equitable access to EV charging for residents in these strata;
- showcase examples of EV ready configurations to other apartment and townhouse complexes in the ACT;
- inform future policy supporting strata residents transition to EVs.

The pilot will fund the cost of:

- an EV ready feasibility study in up to 10 eligible strata buildings, and
- installing the EV ready infrastructure in at least two of these strata.

The feasibility studies will provide owners corporations with tailored advice from industry experts on the technical requirements and anticipated costs of getting their buildings EV ready. The Pilot will not fund the installation of chargers, but rather the underlying infrastructure that makes the building ready to accommodate one charger per unit.

Future policy and programs to support residents in transition to EVs is likely to require a range of pathways and is currently under development. This would be delivered under provisioned funding associated with the ACT's Zero Emissions Vehicles Strategy 2022-30 by EPSDD.

Recommendation 9

The Committee recommends that the ACT Government engage in a cost-benefit analysis that demonstrates to property owners the increase in the value of a property relative to the initial cost of implementing EV charging infrastructure.

Government Position

Not agreed

Significant evidence gathered internationally already confirms that property value increases once EV charging infrastructure is installed. There is little value in the ACT replicating this work. However, the Government will consider how the existing evidence may be utilised in the ACT to educate and encourage installation of infrastructure.

The Committee recommends that the ACT Government better promote its existing advisory service and write to all body corporates in the ACT to ensure that all multi-unit buildings are aware they can receive targeted advice about how to offer EV charging services.

Government Position

Agreed in principle

The Business Fleet Advisory Service is primarily aimed at supporting businesses and community organisations as they consider transitioning their fleet of vehicles to ZEVs. Extensive guidance on how EV charging can be deployed in a multi-unit building is already available online from ACT Government ranging from simple introductory guides through to complex guides for developers. A targeted communications strategy will be developed following completion of the Residential Strata EV Ready Pilot Study to ensure that owners corporations are aware of the guidance and how to access it as part of Government's broader support in this space.

Recommendation 11

The Committee recommends that the ACT Government review the *Unit Titles (Management) Act 2011* to ensure the provisions of the Act are adequate for body corporates to manage EV related matters for example the installation of charging infrastructure.

Government Position

Agreed

The Government considers that it is important for the Unit Titles (Management) Act 2011 to work effectively to support the transition to net zero. The Government has been discussing with stakeholders the need to consider a review of the Unit Titles (Management) Act 2011 to ensure the provisions of the Act allow body corporates to manage EV related matters, such as the installation of charging infrastructure. The conduct and outcomes of any such review will be subject to Government's legislative priorities

Recommendation 12

The Committee recommends that the ACT Government closely monitor the progress of Vehicle-to-Grid technologies to align uptake with available technology that is commercially viable and safe.

Government Position

Agreed

Following participation in the world-leading ARENA-funded Realising Electric Vehicle-to-grid Services (REVS) project, ACT Government continues to monitor the progress of vehicle-to-grid technologies to ensure that the technology can be adopted by businesses and the community when viable.

The Committee recommends that the ACT Government table in the Assembly, by the last sitting week of 2023, the 2022 GHD/ACIL ALLEN modelling on the impact to the electricity grid of the transition from gas and the uptake of EVs.

Government Position

Noted

The 2022 GHD/ACIL Allen modelling is already publicly available at <u>Canberra is Electrifying</u> - The preferred pathway | Canberra is Electrifying (act.gov.au).

Recommendation 14

The Committee recommends that the ACT Government table in the Assembly, the updated modelling currently being undertaken on the impact to the electricity grid of the transition from gas and the uptake of EVs.

Government Position

Agreed

The updated modelling work has been completed and can be tabled in the Assembly.

Recommendation 15

The Committee recommends that the ACT Government continue to work with Evoenergy to ensure network readiness and minimise network constraints as EV ownership grows.

Government Position

Agreed

The ACT Government will continue to work with Evoenergy, as part of developing the Integrated Energy Plan and on other energy policy matters, to ensure network readiness and minimise network constraints as EV ownership grows.

Recommendation 16

The Committee recommends that the ACT Government acknowledge the inequities which exist in the current government policies and programs supporting the transition to EVs and adapt these policies and programs to better respond to those inequities.

Government Position

Agreed in principle

The ACT Government regularly reviews the effectiveness of its programs and policies to ensure they are achieving the desired outcomes. While current policies benefit early adopters, the intent is to stimulate accelerated uptake of ZEVs. This benefits the wider community by stimulating development of a strong second-hand ZEV market sooner.

The Committee recommends that the ACT Government review current government policies and programs supporting the transition to electric vehicles to gain a greater understanding of the types of inequalities in or exacerbated by this program, how these could have been better responded to and what learnings from this experience can be applied to future areas of transition such as the transition from gas to electricity.

Government Position

Agreed

The ACT Government is reviewing current policies and programs supporting the transition to electric vehicles and changes to and/or the introduction of new policies and programs will occur in the future.

Recommendation 18

The Committee recommends that, to support a just transition to a zero-emissions city, the ACT Government include non-car electric vehicles such as electric motorcycles, e-bicycles, e-tricycles and electric scooters in the Sustainable Household Scheme.

Government Position

Agreed in principle

Zero emissions motorbikes (ZEMs) were added to the Sustainable Household Scheme's EV category in September 2023. ZEMs are motorbikes that produce zero tailpipe emissions. The Sustainable Household Scheme considers and evaluates new products for inclusion as applicable.

Recommendation 19

The Committee recommends that the ACT Government continue to support all forms of transport with priority being on modes of transport that provide public access or minimise congestion, such as active travel or public transport.

Government Position

Agreed

The Transport Strategy 2020 outlines the ACT Government's vision for a world class transport system that supports a compact, sustainable and vibrant city. Multi-modal planning will ensure that the most efficient and appropriate movement types will be prioritised according to the land-use. Investment will be rebalanced towards public transport, walking, cycling and micro mobility to make these choices more attractive. The draft Active Travel Plan was released in 2022, outlining the ACT Government's vision to encourage more people to walk and ride. It is scheduled for release at the end of 2023.

The Committee recommends that the ACT Government undertake further consideration of and report back to the Assembly on how the transition to electric vehicles as currently outlined will or will not support a reduction in individual car dependency.

Government Position

Agreed

The primary purpose of the transition to electric vehicles is to deliver a zero-emission vehicle fleet. In addition, the ACT Government is currently working to encourage reduced individual car dependency by developing a more compact city, delivering improved public transport services and supporting increased active travel and e-mobility options. Government will report back to the Assembly on the impact of these programs and how the transition to EVs will support a reduction in individual car dependency.

Recommendation 21

The Committee recommends that the ACT Government, as a matter of good practice when developing and implementing policy for future transitions, undertake a risk assessment of the inequalities possible or exacerbated from transitioning, including disability and just transition, and use this to address the issues identified as any future program is developed and implemented.

Government Position

Agreed in principle

Policy development in ACT Government typically includes the development of program logics and risk assessments. These documents are intended to identify issues or challenges a program may face including inequity. For example, to help Canberra prepare for an electric future we're developing the Integrated Energy Plan (IEP). The IEP is our electrification pathway and will outline the ACT's energy transition to help us meet our legislated target of zero net emissions by 2045. Community and industry provided feedback on the IEP position paper between 1 August and 12 September 2023. The IEP position paper proposed guiding principles for the energy transition. These guiding principles include prioritising a fair and equitable transition to net zero. The final IEP will provide further information regarding the actions that will be taken to respond to inequalities that could be exacerbated by the transition to net-zero.

Recommendation 22

The Committee recommends that the ACT Government, as a matter of best practice, publish a statement on how the inequalities identified in the risk assessment for any future transitions are being addressed in the policy and programs.

Government Position

Not agreed

ACT Government will seek to identify potential inequality in policies and programs and to address them as part of normal policy and program development. Further, Government will seek to identify inequality during measurement and verification of programs and to address them with changes to a program where required. However, the publishing of a statement may act to misinform the community given the statement will be fixed in time while policies and programs evolve through measurement and verification. For that reason, Government does not agree with this recommendation, but as identified in Recommendation 21, Government will seek to identify potential inequality in policies and programs at inception and seek to put measures in place to observe and address inequalities that may result.

Recommendation 23

The Committee recommends that the ACT Government, when considering road-user charges, does not disincentivise the purchase of low emissions vehicles.

Government Position

Agreed

The ACT Government is committed to a vehicle registration system which incentivises lower emissions vehicles, including an emissions-based registration system to replace weight-based registration from 1 July 2024.

On 18 October 2023, the High Court held that a road-user charge is an excise under the definition in the Constitution, which cannot be levied by states or territories. The ACT Government will not consider introducing a road-user charge in its own right but will look to work with the Commonwealth on any future development of a road-user charge.

Recommendation 24

The Committee recommends that the ACT Government consider the costs and benefits of shortening the lease period on its fleet of electric vehicles in order to increase the local supply of used electric vehicles.

Government Position

Noted

In the transition to ZEVs, standard ACT Government passenger vehicle leases extended from three to four years, due to the relatively higher cost of EVs compared of internal combustion engine vehicles. With ZEVs now more affordable, Government can consider moving back to three-year leases to provide greater throughput of EVs into the local second hand market.

The Committee recommends that the ACT Government explore more opportunities to assist the freight industry, such as curfew exemptions and financial incentives, as soon as practicable and ahead of the current 2030 timeframe.

Government Position

Agreed

The ACT Government will investigate opportunities to assist the freight industry by investigating successful programs in other jurisdictions such as United States and Europe.

Recommendation 26

The Committee recommends that the ACT Government provide additional funding and support to ACT Fire and Rescue for specialised training to deal with EV related fires.

Government Position

Noted

The ACT Emergency Services Agency, which includes ACT Fire & Rescue (ACTF&R), is funded for emergency management and related support arrangements to keep our community safe. This includes responding to all fire types including electric vehicle related fires.

Fire services across Australian jurisdictions are in constant communication about the risks that arise from responding to electric vehicle fires. These types of vehicles bring new challenges that fire services across the world are learning to deal with. Information gathered from these consultations is being used to inform training and response in this ever-growing and ever-changing area.

It is important to monitor ACTF&R resourcing, on an ongoing basis, to ensure that capability keeps pace with changing technologies and risks. This includes the development and delivery of EV specific training across all ACTF&R staff.

First responder training in EV incident and emergency response is currently non-accredited. Nationally accredited training has not yet been developed.

The Australasian Fire and Emergency Service Authorities Council (AFAC) is the peak body responsible for representing fire, emergency services and land management agencies in the Australasian region. AFAC has released guidance for its members on <u>incidents involving</u> <u>electric vehicles</u> (May 2022).

CIT EV Lab on the Fyshwick campus includes a first responder simulator to deliver non-accredited training. ACT Emergency Services (ESA) approached CIT in May 2023 to discuss first responder training. ESA has requested this training is model-specific. CIT is working with ESA and original equipment manufacturers (OEMs) to develop training with specific depower instructions for each vehicle type.

This will be investigated under business-as-usual processes within existing resources by EPSDD, JACS and CIT. If actioned, additional funding may be sought in a future business case.

The risk of EV fires is twenty times lower than the risk of a fire in a conventional ICE vehicle. There have been four recorded EV fires since 2010 in Australia, two of which were arson related.

Recommendation 27

The Committee recommends that the ACT Government support the development and publication of educational materials for owners corporations and the general public on EV charging facilities and how to manage associated risks.

Government Position

Agreed

The ACT Government launched a webpage and a four page Making Your Strata Building EV Ready guide in December 2023, aimed at educating owners corporations on the process of exploring whether installing charging facilities in their buildings is viable. More educational materials specific to owners corporations are planned.

A fact sheet on using public charging facilities is currently under development. Further educational materials aimed at the general public are planned.

Recommendation 28

The Committee recommends that the ACT Government ensure that legislation is in place as soon as possible to support and promote the environmentally sound reuse and recycling of EV batteries, whether this occurs within the ACT or in partnership with surrounding jurisdictions.

Government Position

Noted

The ACT Government is of the view that a national regulatory product stewardship approach should be taken for large batteries including from electric vehicles, and that this should happen as a matter of priority given their rapid proliferation and growing concerns around safety. The ACT Government will continue to advocate for national approach to product stewardship for large batteries including EV batteries. The ACT Government has committed to exploring legislative options to encourage product stewardship in the ACT as part of its ACT Circular Economy Strategy 2023-2030. The Circular Economy Bill was introduced in the Legislative Assembly in August 2023 and may provide some opportunities to explore its potential use in relation to batteries.

The Committee recommends that the ACT Government ensure public charging facilities are disability accessible.

Government Position

Agreed-in-principle

In July 2023 the ACT Government released the Electric Vehicle Charging Infrastructure Operational Policy for installation of electric vehicle charging infrastructure on ACT Government land and car parking areas. This includes requirements to show that disabled access has been considered including the width and length of EV charging bays, the height and access and the useability of digital and physical infrastructure for people with various types of disabilities.

The ACT Government is committed to providing public charging facilities that are accessible for people with disability as part of the Public EV Charging Infrastructure Fund, launched in July 2023 where possible. However, site constraints in existing car parks will restrict the ability to provide accessible charging bays in many locations.

In addition:

- Australia does not currently have a Standard that outlines the design of an accessible EV charging station;
- the use of existing disabled parking bays is governed by legislation that won't allow for any disabled parking bays to be limited to EV drivers with disability.

Recommendation 30

The Committee recommends that the ACT Government consider updating driver education and testing standards to allow drivers to learn and be assessed in electric vehicles.

Government Position

Agreed in principle

ZEVs, as well as many newer model ICE vehicles, come fitted with Electronic Park Brakes. Access Canberra amended its policy to allow for vehicles with Electronic Park Brakes (which by default captures zero emissions vehicles) to be used for 'one off' driver licence tests. This policy change occurred in June 2022.

Vehicles with Electronic Park Brakes (including ZEVs) are still to be subject to existing requirements and assessment vehicle pre-checks. If a vehicle's Electronic Park Brake is in the foot well or somewhere else beyond the reach of the driver licence examiner, the assessment will not proceed. This is to ensure the safety of Access Canberra driver licence examiner staff.

Many ZEVs can also be used under the 'logbook' scheme.