STANDING COMMITTEE ON PLANNING, TRANSPORT, AND CITY SERVICES Ms Jo Clay MLA (Chair), Ms Suzanne Orr MLA (Deputy Chair), Mr Mark Parton MLA

Submission Cover Sheet

Inquiry into electric vehicle (EV) Adoption in the ACT

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Attention:

Ms Jo Clay MLA

Chair

Standing Committee on Planning, Transport and City Services ACT Legislative Assembly

Inquiry into Electric Vehicle (EV) Adoption in the ACT

Submission

by
The Owners Corporation of , The Viridian

Correspondence to: Link Strata Management,



The Owners Corporation of the Viridian, represented by the Executive Committee, would like to thank you for the opportunity to contribute to the inquiry into EV Vehicle Adoption in the ACT.

We would particularly seek to address the following points:

- 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
- ACT Government's role in providing charging infrastructure.

Background

We represent a building where many lot owners are committed to emission reduction. Many owners are financially able to consider conversion to EV but are held back by the lack of charging facilities in Kingston and our own complex.

Our building is typical of many built during the rapid expansion of high-rise in the ACT, being now 18 years old. It is multi-storey and has 173 units, including eleven commercial units. It was built when government regulations regarding apartments above three stories and multi-use apartment were still being developed in the ACT and shares with other buildings of this period the problems caused by this lag in the development of appropriate legislation.

Some achievements in greening our building

As stated, our building would like to contribute to moving on fossil fuel reduction. We have:

- installed solar panels in 2014 to provide power to common property areas of the complex
- replaced the majority of common area lighting with LED's
- recently upgraded our old gas hot water system to a more efficient gas system*
- supported the installation of one EV charger for an early adopter of EV charging by direct connection to the owner's individual meter, an approach that cannot be extended to all owners due to available capacity.

What has limited our building response to the uptake of EV vehicles?

We have over 300 parking lots, all attached to units and most occupied by private vehicles. As a consequence of lack of foresight in development requirements, there are no parking spaces for visitors, and only one allocated for the Body Corporate, used by the Caretaker. There is no space available to create additional car spaces.

It is typical in having mixed occupancy, with owners, workers from the commercial units and renters. The problems facing our building as we consider infrastructure for EV charging are in no way unique, but would be shared by most larger strata buildings.

We also have limited electrical infrastructure for individual EV charging in addition to the limited space for communal charging stations.

Our building faces significant costs going forward, having experienced rapid escalation of building insurance costs, now the single most expensive item in our budget. This arises principally from the 2020 hail storms and the related open insurance claim.

Like many other buildings, we face additional costs from flammable cladding inspections and are in the process of identifying the extent of the remediation/replacement job ahead of us. We have found the ACT Government and insurance companies have different agendas which present us with potential additional financial outlays.

And this month, the ACT Government has announced it will phase out gas over the next 20 years. This will require us to convert our hot water system to another fuel source, most likely an electricity based solution, further complicating the adoption of EV technology due to another competing demand for the limited capacity of our electricity infrastructure. We know the capacity question is not only about what is available to our complex, but what is available to all apartments complexes in the Kingston area. We would want any increase to our demand for electricity to be considered in the context of renewable energy and the potential to install additional solar panels to offset the increasing costs for our owners.

The obstacles we face as a large strata building

The obstacles to the uptake of EV vehicles are markedly different from those faced by owners of stand alone properties or small strata buildings. Apartment blocks must make very large expenditure "up front", before the majority of owners have decided to purchase an EV. This expenditure is not insignificant and in times of increasing costs on so many other fronts, the owners corporation will struggle to get majority agreement to spend the necessary funds. Even though the relevant legislation includes provisions for prioritising sustainability infrastructure, there is a limit to what owners can pay in addition to combustible cladding removal, scheduling the replacement of a relatively new gas hot water system and additional insurance costs arising from the 2020 hailstorms.

Owners Corporations have great difficulty planning around EV uptake. Although owners can be polled on intentions, this is in no way binding and many may not go ahead with a purchase.

Our initial investigations show the cost of installation in our strata block could be quite expensive, as we need to provide a backbone infrastructure that will provide the ability of owners to connect EV chargers when required as well as providing the ability to adapt to future changes in the technology.

In addition, the lack of standardisation of EV charging systems and plugs complicates all planning and decision making for Owner Corporations and is a major drag on any decision making.

Although some buildings may opt for a communal charging space, that option is not readily available to our building. As the building code did not require visitor parking spaces, there is no space and all parking spaces except one are allocated to unit title.

Our OC is also aware that the insurance and maintenance situation regarding installation of EV chargers needs to be clarified. There is uncertainty around costs associated with damage to chargers, problems caused during the private installation of chargers on common property or damage caused during individual electrical connection. It is also very unclear what additional insurance costs or imposts will result from the installation of chargers, particularly when installed privately by lot owners in communal spaces.

In summary, the lack of certainty around installation will increase the reluctance of our OC and OCs in general to incur any additional expenditure involving large outlays and loans at this time. While many buildings are reeling under the impact of flammable cladding, building defect rectification and rising maintenance costs, the complications of EV charging infrastructure is an additional burden on volunteer Executive Committees.

Additionally all Owners Corporations can expect resistance from owners to further strata levy increase, especially from owners renting out their apartments. Increases in other costs such as rates, and inflation rises within the construction industry (passed on as increased maintenance costs) have already seen strata levies rise, even in those buildings that have not had to impose special levies or take out rectification loans. This is not a time when optional larger expenditures, however justified, can be easily undertaken.

The support that would enable us to move forward

Currently, most schemes, advice and subsidies assume recipients are acting as individuals, whereas lot owners need to act collectively. This needs to be remedied. Subsidies to vehicle purchasers do not take into account many of the additional obstacles and costs incurred by the need for large-scale installation and collective decision making.

A different range of subsidies is needed, and their quantum should reflect the number of residents in each complex.

And finally, there are simply not enough public charging facilities to accommodate Canberra's high density living. An urgent response to this gap would offer an interim solution for apartment residents who wish to buy an EV but live in complexes that require more time to develop, finance and implement a charging solution. There do not appear to be <u>any</u> public charging stations in Kingston. This does not reflect the population profile or the contribution to the ACT Budget made by ratepayers in this area.

Some Government actions that would be beneficial

- 1. The provision of public fast charging stations adjacent to large apartment complexes or clusters of complexes, particularly in areas where cars could be left safely at night to charge.
- 2. Extending current encouragement schemes to allow free assessments of buildings as to their current draw down capacity, the required upgrade to enable EV charging (with regard to the number of vehicles housed in the building) and free advice on the infrastructure upgrades that would be required.
- 3. A change to the current method of subsidies for installation of chargers away from the assumption that EV purchasers live in stand alone house. To benefit apartment buildings, schemes must assume the majority of costs will be incurred BEFORE, maybe years before, most individuals may purchase an EV.
- 4. A change to the current subsidy scheme from the assumption that the most substantial additional cost is the purchase of the charger, to a scheme that recognises that the up front upgrading of infrastructure far exceeds the cost of individual chargers in large strata buildings.
- 5. The change to any subsidy scheme to recognise that, for large strata title complexes, the majority of cost must be made upfront collectively, regardless of the initial number of resident converting to electric vehicles.
- 6. The production of guidelines to assist Owners Corporations to plan effectively. OC's require very clear guidelines for installation, and to understand the legal and insurance obligations that may arise.
- 7. Additional to assistance around initial installation, OC's require guidelines on the fair and reasonable administration of the system in a transitional phase where only a minority of owners may be gaining the benefit of installation through their ownership of EVs.

The Invitation

Viridian would welcome the opportunity to talk with the Committee or individual representatives to further discuss this matter, to provide an onsite site visit to outline the difficulties in practice or to collaborate in the search for practical solutions. While very aware of the obstacles we face, we are committed to a greener future for our building and Canberra.

Executive Committee
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26 August 2022