



LEGISLATIVE ASSEMBLY
FOR THE AUSTRALIAN CAPITAL TERRITORY

STANDING COMMITTEE ON PLANNING, TRANSPORT, AND CITY SERVICES
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Submission Cover Sheet

Inquiry into electric vehicle (EV) Adoption in the ACT

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The Owners Corporation of Lakefront Apartments, [REDACTED], would like to thank you for the opportunity to contribute to the inquiry into EV Vehicle Adoption in the ACT.

On behalf of our Owners Corporation, 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.

Our building is typical of many built during the rapid expansion of high rise in the ACT, being now ten years old. It is multi-storey and has 145 lots. 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 lack of appropriate legislation.

We have 220 parking lots, all attached to lots and all occupied by private vehicles. There are no parking spaces for building managers, service persons or visitors. There is no space available to create such car parks.

It is typical in having mixed occupancy, with resident and rental lot owners, as well as some short term rental. 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.

What we have currently achieved to green our building.

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

- Replaced of the majority of common area lighting with LED's under the ACT subsidy scheme
- Replaced of gas pool heating with a heat exchange heater
- Planned for replacement of current gas hot water system with heat exchange or similar technology at the end of the life of the current heaters.
- Supported the installation of EV chargers in units with private garages- which allows for direct connection to individual meters.

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

Our building has experienced unexpected costs as the results of rectifying past poor building quality and certification processes. This rectification cost is in the hundreds of thousands of dollars over the years. Fortunately our building has not faced the dire consequences of others where Owners Corporations have had to resort to loans or the imposition of special levies.

As many other buildings, we have faced costs from flammable cladding inspections. Thankfully we have avoided the very heavy burden rectification has placed on many buildings in the ACT.

Our owners have experienced significant rate rises due to changing rate structure, which is impacting on all strata owners. We are also experiencing rent increases as investor pass on the rate increases.

We have also faced rapid escalation of apartment insurance costs following past climatic events and in anticipation of future events. This means that apartments are paying tens of thousands of dollars in additional insurance cost each year.

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. In their case, the primary decision made is around finances regarding the purchase of the car, the economics of conversion for them as individuals and the relatively small cost of installing charging facilities. Householders are supported in this decision by subsidies at the time of expenditure (the decision to purchase an electric vehicle) and through reductions in registration cost. Apartment blocks must make very large expenditure “up front”, before the majority of lot owners have decided to purchase. This expenditure is not insignificant. In a building such as ours, it will amount to hundreds of thousands of dollars.

Owners Corporation 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. Adding to this complication is the fact that 50% or more of the lots may be rented out on a twelve monthly lease so the situation is constantly in a state of flux.

There is a discrepancy between the outlook for the occupier purchasing the EV and owner of the lot. A renter can apply for an incentive only once but their rental agreement may only be for 12 months. Although the charger may be removed, the cost of reinstalling in a new rental may be as expensive or even more expensive. This will discourage any renter from converting to an EV. There are also costs incurred and safety concerns around any charge point where the charger has been removed.

In a case where the owner installs a charging station in a rented lot , the subsidy is not available to them. It is currently only available for their private purchase of a vehicle. Further, as a large percentage of the cost of installing a charger to an individual parking lot lies in increased infrastructure- the board, meters and conduit to lots -owners are not able to simply transfer charges to a renter, particularly if that renter is not using charging facilities.

Our initial investigations show the cost of installation in our strata block will be very expensive. Like many buildings, we have limited ability to draw in additional power without major works to power infrastructure. Our building requires very expensive works to ascertain current draw down capacity, to upgrade to the system to allow for charging and even then will be very limited in the percentage of cars that can be charged at any one time.

In addition, the lack of standardisation of EV charging plugs complicates all planning and decision making for OCs. Moves currently underway in Europe to standardise systems may alleviate this but it may also mean that systems installed now may require costly alteration in the near future. This is a major drag on any decision making.

Although some buildings may be to opt for a communal charging space, that option is not available to us or many buildings of our vintage. As the building code did not require visitor parking spaces, there is no space. All parking spaces are allocated to unit title.

Our Owner Corporation 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.

There is also no certainty of the legal position of any "letter of conditions" or "conditions agreement" that the Owners Corporation may require from any owner seeking to install EV charging. All such letters are subject to dispute in ACAT so the Owners Corporation has no certainty that such an agreement will be binding.

In summary, the lack of certainty around installation will increase the reluctance of our OC and OC's 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 cost, 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 rises, 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. 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.

Some Government actions however would be beneficial.

1. The provision of public 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 off 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, individuals may purchase an EV.
4. A change to the current subsidy scheme that assume that the most substantial additional cost is the purchase of the charger, to a scheme recognise that the up front upgrading of infrastructure far exceeds this cost in large strata buildings
5. The change to any subsidy scheme to recognise that 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 that assist Owners Corporations to plan effectively. OC's require very clear guidelines for installation, 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. This is a particularly important equity issue as early uptake can be expected to predominantly favour the most affluent of residents.
8. While outside the brief of this inquiry, the lack of standardisation of EV plugs may hinder any actions taken at a Territory level. Support and advocacy for standardisation across the EV industry must be a priority.

The Invitation

Lakefront 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.

Executive Committee
Lakefront