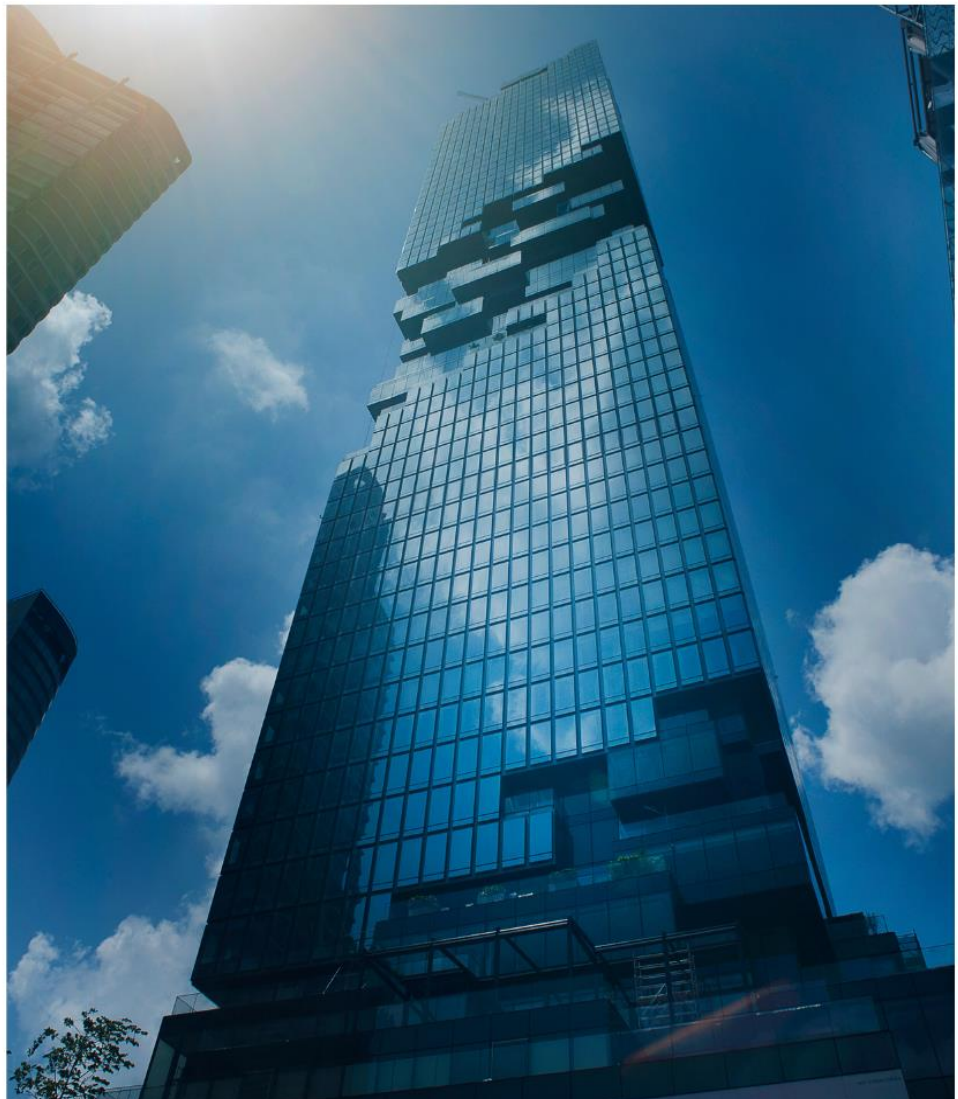


OCTOBER 2022

NATIONAL ELECTRIC VEHICLE STRATEGY (NEVS) CONSULTATION

STRATA COMMUNITY ASSOCIATION
SUBMISSION

PREPARED FOR
The Department of
Climate Change,
Energy, the
Environment and
Water



Introduction

Strata Community Association (SCA) is the peak industry body for Body Corporate and Community Title Management (also referred to as Strata Management, Strata Title, or Owners Corporations Management) in Australia and New Zealand.

Our 5,000 individual and corporate members include strata/body corporate managers, support staff, owners' representatives and suppliers of products and services to the industry. SCA proudly fulfils the dual roles of a professional institute and consumer advocate.

Direct employment in specialist strata management companies is approaching 10,000 people. More significantly, they are pivotal in an estimated \$6.7 billion in annual economic activity.

Based on the 2020 Australasian Strata Insights Report, more than 2.2 million people live in flats and apartments, the vast majority being strata titled.¹ This figure does not include other forms of strata title such as townhouses and community titled developments. Nor does it include businesses operating in strata titled commercial buildings. The estimated value of property under strata title in 2020 exceeds \$1.3 trillion.²

As the growth of apartment and strata living has intensified over the last decade, the strata management strata services industry has grown in lockstep to serve it. Strata managers navigate through a maze of Commonwealth, State and Territory legislation and regulation ranging from actual strata specific legislation, regulation, workplace, health, and safety issues and building codes as well as measures applicable to the management of body corporate funds.

A strata manager is expected to be knowledgeable on a range of issues relating to the management of a strata scheme.

For further information about this consultation, please contact Shaun Brockman, National Policy and Advocacy Manager, SCA. Shaun.brockman@strata.community.

¹ Hazel Easthope, Sian Thompson and Alistair Sisson, *Australasian Strata Insights 2020*, City Futures Research Centre, UNSW, Accessed at <https://cityfutures.be.unsw.edu.au/research/projects/2020-australasian-strata-insights/>

² Ibid, p6

Strata Community Association's Response to the National Electric Vehicle Strategy Consultation Paper

Strata Community Association (SCA) welcomes the opportunity to provide feedback to the National Electric Vehicle Strategy (NEVS) Consultation paper. SCA understands that the successful integration of Electric Vehicles (EVs) into Australia's total vehicle stock is a pivotal component of the government's overall sustainability strategy, and a fundamental driver of the nation's push towards net zero 2050.

In order for the government to reach their established emissions reductions targets, SCA believes it is imperative that adequate consideration is made for the needs of the one in five Australians that live in strata complexes, including apartments and townhouses.

What is strata?

A strata title allows individual ownership of part of a property (called a lot and can include land, a townhouse, villa, duplex, or an apartment), combined with shared ownership in the remainder of the property (usually called 'common property' and includes areas such as foyers, driveways, gardens). This is achieved through a legal strata structure, called owners corporations, bodies corporate, strata companies or strata corporations (use of term/s are typically based on the jurisdiction where this applies).

In 2021 the census indicated that the average household size (persons per dwelling) was 2.52 persons, in comparison an owners corporation may have upwards of hundreds of participants. Economies of scale are created in strata, and as a result investing in the sustainable development of strata means investing in better and smarter ways for communities to live, whilst simultaneously reducing a significant proportion of Australia's overall environmental footprint.

Historically, federal and state incentives specifically targeting or carefully considering strata buildings have been absent. Most policies and incentives have been targeted at freestanding homes, which is often due to the considerable difference in complexity for implementation into strata schemes, or just a lack of awareness of the needs that must be met.

Why is strata important to EV policy in Australia?

As many as one in five Australians live in some form of strata-titled property, with conservative estimates of the number of people living in strata as at least 5 million Australians.³ The majority live in apartments or townhouses, but also in retirement villages, mixed use precincts and large, planned developments.

We know that approximately 20 per cent of Australia's vehicles live in strata complexes like apartments and townhouses. That percentage is unlikely to change as we transition to electric vehicles. Based on vehicle sales per month in September with EVs claiming 7.7 per cent of new sales

³ Ibid, p65

with the Tesla Model Y the third most popular car (with 4,359 sales) outright, **many thousand EVs will be entering strata complexes each month.**

Without appropriately considered policies and funding for the consideration of the thousands of vehicles entering strata, the EV rollout will stall for 20 per cent of Australians.

When each EV starts its new life in strata, a series of questions arise, in short:

- Can I charge my car in my parking space?
- Can I install a fast-charger for my vehicle?
- Can the building's current electrical capacity handle charging my car (and many others)?
- Who pays? For the electricity consumption and for an infrastructure upgrades or installation?
- Are there systems or methods that can determine when I can charge and how I can pay for my own electricity?
- What are the rules around charging my vehicle in my complex?

The above list instructive, but far from exhaustive.

Put another way and in terms of infrastructure, policy and safety, there are a series of challenges facing strata. This submission will go into each in detail, and they include:

- Cost
- Equity within strata
- Insurance
- Supply issues
- Physical issues (for example, location)
- Fire safety issues
- Dynamic Load Management
- Service providers

Our objective in our submission to this consultation is fourfold:

- Increase consideration of the unique characteristics of strata in policy formulation, and the creation of incentives that benefit the millions of Australians living in strata.
- Highlight that if these concerns are not considered and addressed not, they will choke demand for EVs for the 20 per cent of Australians who live in strata
- Highlight that if EVs in strata is not properly considered, it will be very costly down the road to try to address issues that could be addressed at this point in time.
- Take this opportunity to highlight the specific challenges that EV uptake will have on EV owners and people who live in strata complexes (as briefly detailed above).

Strata Community Association Responses to Consultation Questions

Our response to the consultation paper is divided into sections specifically answering consultation questions, as well as an overall set of recommendations at the end.

Consultation Question 4. Are there other measures by governments and industry that could increase affordability and accessibility of EVs to help drive demand?

Retrofitting Strata

The issue

Many potential EV consumers that reside in strata, may be hesitant to take the leap and purchase an EV, due to the lack of confidence that their strata scheme will be able to sufficiently support an EV, and specifically EV charging. This can be at least in part attributed to the fact that most strata schemes are situated in older buildings, and may not have the required electrical infrastructure or other means of capacity to adequately support EV charging for an entire scheme.

Similarly, strata schemes operate in a democratised system, where each member of an owners corporation (OC) may vote on a given issue. OCs, who are making decisions on behalf of the entire strata community (apartment or townhouse complex) may default to denying applications for personal EV charging within a scheme due to several issues including potential cost, inability to offer infrastructure or other potential issues. This can occur even if the tenant has offered to pay for the charger, and/or the increase in common power usage that personal charging may create, due to the issues of equity and grid capacity.

Otherwise, as a scheme may not have the capability to support comprehensive personal EV charging without infrastructure upgrades, there may be a 'first in best dressed' scenario, where some lot owners will derive the privilege of personal EV chargers until the grid capacity of the scheme is full. At that stage, it may not be possible to facilitate personal EV chargers for the rest of the scheme without implementing significantly expensive infrastructure upgrades, and thus some residents may miss out.

The retrofitting of strata schemes to support this infrastructure can be extremely cost prohibitive, with the cost as much as a minimum of \$100,000 prior to the installation of a charger, \$2000 per charger and the associated energy costs as a result of usage.

The solution

Support from the government in retrofitting strata to support EV charging will be a significant driver of demand for EVs. If more strata residents are confident that they are able to charge their vehicles within their building, they are far more incentivised to make the switch.

Availability of Public EV Chargers

The issue

The availability of EV chargers (at least in the short to medium term) is likely to be a significant driver of demand for EVs. If consumers have confidence that there are easily accessible chargers for their

vehicle in their vicinity, they are far more likely to purchase an EV.

SCA is advocating for co-funded investment in private strata dwellings to reach hundreds of residents at a time, however, as highlighted, there are a considerable number of challenges associated with the integration of EV charging into multi-residential buildings i.e. strata schemes.

In many cases, these challenges are highly complex and costly, and will not be overcome overnight.

With this in mind, the availability of fast charging public EV chargers, specifically in densely populated areas where there is a higher preponderance of strata complexes, will likely have a considerable impact on the demand of strata residents for EVs.

It is also important to consider that those who are living in densely populated urban environments are unlikely to be driving their vehicles long distances. As a result, their EVs may only require charging periodically, and thus strata residents may consider fast public charging a viable long-term option (analogous to 'visiting a petrol station' as one currently would).

The solution

When giving consideration to public EV funding, governments should ensure that public charging stations are rolled out in 'strata dense' areas, where people who may not have private access can easily charge their vehicles quickly.

Consideration should be given to potential partnerships with strata complexes to roll out this infrastructure in consultation with the sector to develop the best potential solutions based on the individual schemes desires, location and other factors.

Increasing the availability and accessibility of EV chargers (especially those that charge in a short amount of time) will naturally increase demand and interest.

Tariff Protection

The issue

Presently, there is a lack of regulation of EV tariffs in place. Therefore, as customers and their EV charging usages are theoretically uncapped, without regulation there may be concerns about the possibility of price gouging.

The solution

SCA recommends that the government consider the introduction of comprehensive EV charging tariff regulation, similar to that of the current tariff regulation of electricity Australia-wide. This would not only serve to protect consumers, but drive demand for EVs via setting maximum costs for charging.

Consultation Question 6. What information could help increase demand and is Government or industry best placed to inform Australians about EVs?

Education

The issue – new technology

EVs are still a relatively new and emerging technology, many aspects of which are likely poorly understood by the public. Information that is supplied to the public in the form of targeted education campaigns, that outlines the overwhelming benefits of EV ownership will likely drive demand for EVs.

Whilst the government is well placed to inform Australians about the viability of EVs, SCA recommends that the government work in cooperation with relevant industry stakeholders on informational and educational campaigns, to ensure that the specialised knowledge that industry possesses is effectively translated to the public. This includes industries like strata, where the aforementioned integration of elements such as EV charging infrastructure is highly complex.

Naturally, SCA expects that the private sector (like the auto industry) will disseminate information on EV products directly to the public, via advertising. However, this information is likely to be limited in scope, to specifications that paint their EV product in a positive light, and enables the highest volume of sales. Similarly, private businesses may not necessarily be a trusted source of information for the public, due to the known associated financial incentives.

The issue – charging options

The government may also consider providing information on the charging option that consumers may require for their EVs. In most cases, consumers will only require a personal EV charger with a 7-kW capacity, especially if they are only driving distances of 30-50kms a day, and parking their vehicles at their residences. Chargers with a higher charging capability are, in most cases, likely to be unnecessary, more costly, and will put a greater burden on the electrical infrastructure it is reliant on (this is especially true of strata schemes).

It is important that consumers are also aware of their options regarding the integration of sustainable energy systems to supplement the charging of their EV. There is a significant difference between a reliance on vehicle to grid charging, and the integration of solar and other green energy solutions into a system to support the charging of the EV.

If consumers are motivated to purchase an EV, they are likely also interested in the uptake of other sustainable, low emissions energy solutions. Improving the public's understanding of the options available in regard to green energy systems and the possible integration with EV chargers, along with the associated emissions and cost reductions, may further encourage EV uptake.

The solution

Due to the complex nature of strata schemes and EV integration, the government should partner with peak and industry bodies such as SCA to educate and inform the millions of Australians who live in strata about how best to integrate EVs into their complex.

Therefore, the government should be leading the way for effective EV education for consumers.

Range Anxiety

The issue

Specifically, the government should consider providing targeted information to counter the issue of 'range anxiety' that may be a significant barrier to EV demand. Whilst consumers in Australia may commonly experience range anxiety, in reality, most Australians drive relatively short distances in their cars daily, and will likely only need to charge up weekly or less. This is especially true of high-density areas, where a significant proportion of Australia's total population resides.

The single most useful means to counter range anxiety that may inhibit the uptake of EVs is to ensure that every Australian can drive out of their place of residence with full range in their EV.

The solution

SCA recommends the federal government prioritise co-funding infrastructure investment in strata complexes and creating detailed policy plans in cooperation with state and territory governments to facilitate smooth EV rollout.

Consultation Question 11. What policies and/or industry actions could complement vehicle fuel efficiency standards to help increase supply of EVs to Australia and electrify the Australian fleet?

EVs and older buildings

The issue

As discussed, one of the most pervasive issues with the integration of EVs into strata is the inability of older strata schemes to support adequate EV charging for all residents. SCA is therefore supportive of the recent amendments to the National Construction Code, which ensures that all greenfield Class 2 to 9 developments built from October 2023 are constructed with infrastructure that is capable of supporting the charging electric vehicles. The effective implementation of this provision will complement vehicle fuel efficiency standards, and help to electrify the Australian fleet, as the growth of apartment living continues to surge.

Whilst a significant proportion of strata residents reside in older strata buildings, strata is a growth industry, with more and more apartment developments being constructed every year.

The solution

Ensuring that all new apartment developments support EV charging will limit the extent of strata buildings that will have to be retrofitted in the future, and allow the government to focus on supporting infrastructure upgrades for Australia's existing high-density building stock.

Consultation Question 19. What more needs to be done nationally to ensure we deliver a nationally comprehensive framework for EVs?

Federal Cooperation with State and Territory Governments

The issue

In order to implement a nationally comprehensive framework for EVs, it is imperative that the Federal Government work in cooperation with the other State and Territory Governments across Australia.

In some cases, the relevant issue areas that need to be addressed to ensure the implementation of an effective EV framework are regulated by state legislation. This is true of the strata industry, for example, that has different governing legislation in each state and territory. Therefore, policies that have to be implemented to target the challenges that are faced in strata will be dictated at a state level.

As such, in order to ensure that Australia meets its emissions reduction goals, the government must ensure that the policies and industry actions that are introduced at a federal level are nationally comprehensive, and are sufficient and consistent with the legislation and framework of the state they will be implemented in. Similarly, the Federal Government must support State and Local Governments in the implementation of their own EV frameworks and policies.

The solution

The federal government should work very closely with state and territory government, especially in relation to strata infrastructure and planning which are regulated locally.

The federal government should utilise industry bodies such as SCA to achieve these goals across jurisdictional boundaries, as SCA has a presence in each state and territory and local knowledge in each jurisdiction.

Infrastructure Support

The issue

SCA notes that the scope of the current National Electric Vehicle Strategy consultation is largely focused on driving demand for EVs. SCA recognises the merit in resolving the EV supply side issues that Australia currently faces, and the implementation of measures that increase demand for EVs to drive the electrification of Australia's vehicle fleet.

However, SCA believes that it is equally important to ensure that the nation's infrastructure is ready to accept the increase in the volume of EVs that is being targeted by the government. If adequate consideration is not made for the public, private, residential, and commercial infrastructure that is required to be reinforced and updated to support the growing EV fleet, there may be significant and detrimental flow on effects as a result.

The solution

It is imperative that the government consider its downstream infrastructure plan for EVs in full, and begin to consult with industry to identify the most pertinent issue areas. The implementation of supportive infrastructure for EVs will become exceedingly more difficult the further down the road it is addressed, especially considering the scale and complexity of the changes that need to be made.

Recommendations Summary

1. Government to co-fund infrastructure investment in strata complexes and create detailed policy plans in cooperation with state and territory governments to facilitate smooth EV rollout.
2. Ensure access to sufficient public charging in areas that are dense with strata complexes.
3. Introduce EV tariff regulation to ensure charging is affordable.
4. Partner with industry bodies such as SCA to educate people living in strata.
5. Ensure that all new apartment developments support EV charging.
6. The federal government to work closely with state and territory governments on policy, planning and incentives, and utilise industry bodies such as SCA to achieve these goals across jurisdictional boundaries.
7. Government to continue to consult fully and effectively with industry to understand the downstream impacts of the EV rollout.