Property Council of Australia
ABN 13 00847 4422

Level 1, 11 Barrack Street
Sydney NSW 2000

T. +61 2 9033 1900
E. info@propertycouncil.com.au

propertycouncil.com.au
@propertycouncil

3 November 2022

National Electric Vehicle Strategy Team

John Gorton Building
King Edward Terrace
Parkes ACT 2600

Via email: NEVS@industry.gov.au

Dear National EV Strategy Team

RE: Property Council of Australia submission to National Electric Vehicle Strategy discussion paper.

The Property Council welcomes the opportunity to make a submission to the ongoing consultation on the National Electric Vehicle Strategy (NEVS) discussion paper.

The Property Council of Australia is the voice of Australia's largest industry – property. Our industry represents 13 percent of Australia's GDP, employs 1.4 million Australians, and generates $72 billion in tax revenues. Property Council members invest in, design, build and manage places that matter to Australians across all major building asset classes.

Australia's property industry leaders are world leaders in sustainability. They have consistently led global ESG indices including the Dow Jones Sustainability Index and the Global Real Estate Sustainability Benchmark, which they have topped since its inception twelve years ago. Many of our leading members have ambitious sustainability strategies with commitments to net zero emissions by 2030 or sooner, with several portfolios having reached this milestone already.

Electrification of building equipment for heating, hot water and cooking, combined with renewable electricity, is a key strategy identified by our members to decarbonise building operations. The additional electricity demand at the building level generated by EVs must be accounted for in forward planning of supply-side measures and should be balanced with a focus on efficiency and demand side measures. AEMO's *Integrated System Plan* finds that, as the price of electric vehicles falls "*their share of the total vehicle fleet is expected to increase, rising in Step Change to 58% by 2040. This would account for approximately 37 TWh of electricity demand, with a demand profile that would ideally provide a sponge for solar supply, but may exacerbate peak demands without proper infrastructure and consumer incentives to charge outside those periods*."

Early planning is essential to ensure that measures are taken to ensure a just, equitable and well-ordered roll out of electric vehicles. This must include a specific focus within the strategy to support the built environment to provide the essential charging infrastructure for EVs. This infrastructure, and the grid capacity to support it should be considered within the broader electricity supply/demand context.

The Property Council's immediate recommendations in relation to the National EV Strategy are as follows, with more information included in the detailed response below:

1. Establish a comprehensive sectoral strategy for the built environment to support integration of EV charging infrastructure into new and existing buildings in the context of the broader energy transition.

2. Map priority building types for the installation of charging infrastructure based on expected future usage.

3. Work with AEMO to map energy demand for charging in the broader context of electrification of strategic building equipment and demand/supply.

4. Update market rules and energy rating schemes to ensure electricity usage is correctly measured and allocated by sector. Electricity drawn from building infrastructure to power electric vehicles should be marked as "export energy" under tools such as NABERS to ensure ratings are not affected.

The Property Council would welcome the chance to meet with the National EV Strategy Team and discuss our views in further detail. Please reach out to Tim Wheeler, National Policy Manager on TWheeler@propertycouncil.com.au or +614 9173 1496 should you wish to discuss this submission in more detail.

Yours faithfully,

Mike Zorbas

Group Executive, Policy

Property Council of Australia

National Electric Vehicle Strategy

Property Council detailed response to Consultation Questions

	Question	Property Council Response
1.	Do you agree with the objectives and do you think they will achieve our proposed goals? Are there other objectives we should consider?	● We commend the Federal Government's prioritisation of this important policy issue, recognising the key role electric vehicle technology has to play in unlocking future economic opportunities for our nation, and importantly for achieving a 43% reduction in emissions by 2030, and net zero emissions by 2050. ● We support the government's three stated objectives to: ○ Encourage rapid increase in demand for EVs ○ Increase supply of affordable and accessible EVs ○ Establish the systems and infrastructure to enable the rapid uptake of EVs. ● We note the significant role that the built environment will be required to play in the establishment of enabling infrastructure. The built environment can also play a key role in balancing supply and demand of electricity and the role of EV integration. It should form an integral part of the NEVS and broader energy reform policy. The Property Council would welcome the opportunity for further consultation to balance policy approaches.
2.	What are the implications if other countries accelerate EV uptake faster than Australia?	● Early action is required to ensure an orderly and just transition to a decarbonised transport sector. Australia must act now to avoid being left behind by other similarly developed economies who will benefit from the early mover's advantage. The *AEMO Integrated System Plan's* Step Change Scenario, which is considered most likely by experts, dictates that the entire transport sector will be

		electrified to achieve net zero by 2050. There is a need for a coordinated approach that encompasses demand and supply side growth to adequately plan for the future. We encourage the Department to engage with international jurisdictions that are ahead of Australia in EV uptake (e.g. Norway, California) and draw on their expertise. ● Electric powered freight movement comes at a lower cost than Internal Combustion Engine (ICE) freight. Australia will be at disadvantage to countries that have a higher uptake as these savings can be passed on to product purchasers. ● Lower operating costs of EVs help to reduce transport costs. Without increased EV adoption the cost of transport and cost of goods will remain higher in our market than in comparable markets, affecting the overall competitiveness of the Australian property sector. ● Australia risks remaining a repository for inefficient vehicles as manufacturers offload old technology in markets without fuel efficiency standards and/or EV targets. ● Failing to accelerate the uptake of electric vehicles in Australia will not only jeopardise our ability to meet emissions reduction targets, but will entrench our nation's reliance on imported fuel, and continue to lead to air pollution related illnesses.
3.	What are suitable indicators to measure if we are on track to achieve our goals and objectives?	● Charging infrastructure is available in adequate supply on arterial roads and urban areas. ● Building codes, regulations and voluntary guidelines may require to be updated with minimum requirements for the installation of charging infrastructure in the built environment. ● Guidance materials and voluntary standards are available for best practice charging equipment in the built environment by asset type.

4.	Are there other measures by governments and industry that could increase affordability and accessibility of EVs to help drive demand?	• N/a
5.	Over what timeframe should we be incentivising low emission vehicles as we transition to zero emission vehicles?	• Incentives should be balanced with minimum standards and regulation to deliver increased uptake of EVs until such time as the business case for EVs outperforms that of ICEVs. • Timeframes should be established early in the process and reviewed frequently to assess their continued effectiveness.
6.	What information could help increase demand and is Government or industry best placed to inform Australians about EVs?	• The Federal Government has a key role to play in the collection of data, and the dissemination of trusted information on EV technology. • Industry also has a key role to play in demonstrating leadership in the adoption and roll-out of EV technologies, and associated infrastructure, setting an example for the community, while accelerating the development of a second-hand EV market in Australia.
Vehicle fuel efficiency standards need to be: • Effective in reducing transport emissions • Equitable so all Australians can access the vehicles they need for work and leisure • Transparent and well explained to avoid unintended consequences • Credible and robust by drawing on expert analysis and experience • Enable vehicles with the best emissions and safety technology to be available to Australians.		
7.	Are vehicle fuel efficiency standards an effective mechanism to reduce passenger and light commercial fleet emissions?	• The Property Council supports a sectoral approach to reducing carbon emissions Australia-wide. The transport sector, like the built environment, has significant opportunities to decarbonise while improving performance and generating competitive opportunities. The Government should consider minimum fuel efficiency standards, in line with those in place in comparable economies in Europe and the

		US.
8.	Would vehicle fuel efficiency standards incentivise global manufacturers to send EVs and lower emission vehicles to Australia?	• N/a
9.	In addition to vehicle fuel efficiency standards for passenger and light commercial vehicles, would vehicle fuel efficiency standards be an appropriate mechanism to increase the supply of heavy vehicle classes to Australia?	• N/a
10.	What design features should the Government consider in more detail for vehicle fuel efficiency standards, including level of ambition, who they should apply to, commencement date, penalties and enforcement?	• N/a
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?	• Without appropriate charging infrastructure in homes, workplaces and other building types, the EV rollout cannot be successful. • We encourage the government to work with the built environment to find the right national approach to a policy mix that encourages the installation of charging infrastructure in the volumes and locations that it is required.
12.	Do we need different measures to ensure all segments of the road transport sector are able to reduce emissions and, if so, what government and industry measures might well support the uptake of electric bikes, micro-mobility and motorbikes?	• N/a.
13.	How could we best increase the number of affordable second hand EVs?	• N/a.
14.	Should the Government consider ways to increase the supply of second hand EVs independently imported to the	• N/a.

	Australian market? Could the safety and consumer risks of this approach be mitigated?	
15.	What actions can governments and industry take to strengthen our competitiveness and innovate across the full lifecycle of the EV value chain?	• N/a.
16.	How can we expand our existing domestic heavy vehicle manufacturing and assembly capability?	• N/a.
17.	Is it viable to extend Australian domestic manufacturing and assembly capability to other vehicle classes?	• N/a.
18.	Are there other proposals that could help drive demand for EVs and provide a revenue source to help fund road infrastructure?	• There is a structural challenge for governments to consider in future tax revenue sources for road infrastructure as the income from fuel excise reduces with EV uptake. • The Fuel Excise tax is expected to generate $13.9 billion in tax revenue this year and $62.5 billion over the next four years. Replacement of this revenue over time will be important to fund road and transport infrastructure with the shift to EVs. • The Commonwealth should work proactively with the transport sector and state and territory governments to ensure that alternative taxes to fuel excise are coordinated and do not act as a disincentive to EV uptake while the cost of EVs is not at parity with ICE equivalents. Given many other approaches to taxation (such as road user charges adopted in Victoria) are collected at a state level, arrangements will need to be made between states and the Commonwealth to replace the revenue lost by the fuel excise.
19.	What more needs to be done nationally to ensure we deliver a nationally comprehensive framework for EVs?	**Strategy for the built environment** The Property Council's key priorities in relation to the NEVS are as follow: 1. Establish a comprehensive sectoral strategy for the built environment to support integration

		of EV charging infrastructure into new and existing buildings in the context of the broader energy transition. 2. Map priority building types for the installation of charging infrastructure based on expected future usage. 3. Work with AEMO to map energy demand for charging in the broader context of electrification of strategic building equipment and demand/supply. 4. Update market rules and energy rating schemes to ensure electricity usage is correctly measured and allocated by sector. Electricity drawn from building infrastructure to power electric vehicles should be marked as "export energy" under tools such as NABERS to ensure ratings are not affected. **Property Sector** ● The Property Council welcomes the recent changes to the National Construction Code requiring new apartment buildings to be built 'EV Ready', such that electrical infrastructure is put in place to enable every car parking space to be wired for EV charging. ● We draw your attention to the need to implement smart metering in buildings to correctly monitor and allocate energy use by sector. Current energy rating systems such as NABERS would require modification to ensure power drawn for the transport sector does not affect the building's energy efficiency rating. ● Significant work remains in the existing built environment, where it has become very clear that the retrofitting of EV charging in existing class 2 buildings faces many hurdles. The NSW Government is leading the way in addressing this issue. The Property Council believes that there may also be a role for the Federal Government in supporting this transition with incentives for retrofits. Importantly, the focus should remain on achieving a nationally consistent approach to regulation. For example if an EV charger is provided at cost of the consumer, does this create an embedded network? Are the

		regulations around on-selling electricity in this case clear and consistent? ● While the work undertaken to date by industry has been advocating primarily for readiness in apartment complexes and workplaces, and has so far excluded standalone homes and standalone multi-deck car parks, there will be merit in giving consideration to EV readiness in these building types in the near term. **Fire Safety** ● The Property Council is an active participant in the Australian Building Codes Board work program to assess safe ways to conduct EV charging in buildings. ● We encourage a measured approach to managing fire safety risks and avoiding knee jerk provisions that could affect the viability of EV charging infrastructure in underground carparks in particular. ● In particular, should car parks with charging equipment be re-classified from Class 7a (car parks) to Class 8 (service stations), the cost impost would be significant. The Property Council would caution strongly against this approach in the absence of evidence for its implementation. ● Take a preemptive approach to mitigation rather than relying on the built environment. Temperature variation, gas detection are approaches worth pursuing. **Grid integration** ● The Federal Government should investigate methods for incentivising, directly funding and/or requiring EV charging equipment installed in the Australian market to have smart communications capability, over at least one of Ethernet, Cellular modem, or WiFi. ● This measure is intended to future-proof EV charging equipment installations to support future participation in EV charging orchestration schemes, in the event that EV charging orchestration becomes commercially viable in a manner that requires communications capability in the EV charging

		equipment. ● This requirement should be nationally consistent, and should not require jurisdictionally (i.e. state level or DNSP level) unique compliance, testing, or qualification requirements. **Training** ● The installation of fit-for-purpose EV charging infrastructure cannot be achieved without improving the skills and capacity of local supply chains. ● The Federal Government should develop a national education and training agenda for building electrification of buildings that includes a dedicated workstream on integrating charging infrastructure into the built environment. **Battery recycling / stewardship** ● Concerns have been raised in various places about the risk of EV batteries ending up in landfill, and the potential need for a stewardship scheme to prevent this outcome. ● The Property Council observes that at both local and global levels, EV battery recycling initiatives are getting underway under existing market settings, without the need for additional regulation. ● It is particularly impressive that this is happening in Australia, given our relatively late entry into taking on EVs at scale. ● The Property Council suggests that while there is the possibility of market failure similar to the current market failure whereby the majority of small household batteries end up in landfill, there is no indication that significant market failure of this nature has yet occurred in Australia, or that it is likely in the future given the significant economic value inherent in EV batteries. ● Based on this, the Property Council would recommend the Federal Government maintain watching brief on this issue, but do not support measures, such as levies, that are premature,

		risk slowing the adoption of EVs, and that should only be pursued if there is proven to be a substantial market failure for which there is no evidence of at present in Australia.
20.	How can we best make sure all Australians get access to the opportunities and benefits from the transition?	• N/a.