

25 July 2025

The Hon. Dr Jim Chalmers Treasurer

Submitted online

Dear Treasurer

Economic Reform Roundtable

Energy Networks Australia (ENA) welcomes the opportunity to make this submission as part of the Government's Economic Reform Roundtable.

ENA represents Australia's electricity transmission and distribution and gas distribution networks. Our members provide more than 16 million electricity and gas connections to almost every home and business across Australia.

The energy sector has a significant role to play in improving Australia's productivity and building economic resilience, and our members are committed to this goal while driving a sustainable energy future for all Australians. There are targeted reforms that the Government can implement in the energy sector now which will flow through to productivity gains within the broader economy.

Make the most of existing network infrastructure to deliver benefits economy-wide

Transforming networks from static, one-way assets into dynamic platforms that maximise the benefits of clean energy generation and storage and unlock local energy solutions, such as electric vehicle charging on kerbside power poles, will, by 2030, cut \$7 billion per annum from the energy system and reduce household power bills by \$160 per year.

As outlined in our *The Time is Now: Getting smarter with the grid* report¹, these benefits can be unlocked by a set of targeted and pragmatic reforms, including:

- introducing a regulatory waiver to allow networks to roll out larger batteries attached to
 existing grid substations closer to demand and updating the regulatory framework to
 recognise the full value of these batteries so everyone, even those without solar, enjoy
 the benefits, and
- making electric vehicles more accessible by enabling distribution networks to install chargers on power poles to support a faster and cheaper roll out of kerbside charging.

Fast-track the building of critical network infrastructure to unlock opportunities

As the energy transition gathers pace, transmission projects are essential to giving households and businesses access to reliable, affordable, clean and secure electricity.

Reforming the overarching framework for environmental and planning approvals will speed up project approvals while also safeguarding nature, which is key to Australia meeting its climate

Energy Networks Association

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¹ ENA and L.E.K. Consulting, The Time is Now: Getting smarter with the grid, August 2024.

and renewable energy targets while also ensuring reliable and secure energy alongside other environmental goals. Faster, more efficient approvals as part of the Environment Protection and Biodiversity Conservation Act for critical infrastructure like national building transmission projects could be achieved by removing duplication across state and federal governments and streamlining processes.

In addition, an exemption of landholder payments for critical electricity transmission infrastructure from the Capital Gains Tax is needed to ensure the progression of infrastructure essential to Australia's net zero future and to guarantee that landholders who host the new infrastructure are properly compensated.² Without this reform, there is a diminished incentive for landholders to support the development of transmission projects. This adds cost to projects that are ultimately paid by energy customers, while contributing to the risk that projects are delayed, the energy transition slows, and reliability concerns grow.

Secure the future of Australian industry

Investment in renewable gas solutions is vital in giving hard-to-electrify industries that have long been a staple of Australia's economic landscape the opportunity to not just survive but thrive in a decarbonised world. Renewable gases like biomethane and hydrogen are a robust solution to reduce industrial emissions from gas use.

Targeted policy support for renewable gases should be a priority, including:

- building on the Hydrogen Headstart program to include targeted support for the near term opportunities presented by biomethane, and
- introducing a national Renewable Gas Target for industry that will propel innovation, reduce costs, boost supply chains, enhance economies of scale and drive decarbonisation solutions that are critical to the long term sustainability of Australian industry.³

Clear long-term policy signals, such as the options outlined above, are critical to driving investment in innovation today to improve productivity tomorrow.

If you have any questions or would like to discuss this submission, please contact Lucy Moon, Director of Strategy and External Relations on lucymoon@energynetworks.com.au.

Yours sincerely,

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Dominique van den Berg Chief Executive

² ENA, Powering our Future: Six Commonwealth Energy Commitments for a Stronger Australia, April 2025.

³ ENA, Renewable gas for a future made in Australia, July 2024.