

Submission

**In response to rule change request
ERC0436 by DCCEEW to enable the
“Accelerating Electric Vehicle Charging
Program”**

June 2026

About NECA

The National Electrical and Communications Association (NECA) is the peak industry body for Australia's electrical and communications industry, which employs over 340,000 people and turns over more than \$82bn annually. NECA represents over 6,500 businesses performing works including the design, installation, and maintenance of electrical and electronic equipment in the construction, mining, air conditioning, refrigeration, manufacturing, communications, security, automation, and renewable energy sectors.

NECA has advocated on behalf of the electrotechnology industry for over 100 years and helps its members and industry operate in an efficient, safe, and regulatorily compliant manner. NECA represents the interests of electrical and communication businesses to all levels of government and in regulatory, legislative and industry development forums. It is also a foundation member of the Australian Chamber of Commerce and Industry (ACCI) and contributes to sustained development of the workforce through our apprenticeship programs, Registered Training Organisations (RTO's), and post trade training.

Executive Summary

NECA supports the rapid deployment of electric vehicle charging infrastructure (EVCI) across Australia as an important enabler of transport decarbonisation, consumer choice and broader electrification. However, NECA does not support the rule change proposed by the Department of Climate Change, Energy, the Environment and Water (DCCEEW) in its current form. The proposal departs from core principles that underpin the National Electricity Market (NEM), including competitive neutrality, user-pays outcomes, independent economic regulation and clear separation between monopoly network functions and contestable services.

The proposal would allow distribution network service providers (DNSPs) to expand into a contestable market using regulated revenue support, while transferring a substantial portion of the costs to electricity consumers through the regulatory asset base (RAB). DCCEEW's proposal would also exempt program activities from established ring-fencing constraints and remove ordinary connection service processes for relevant works, thereby weakening protections against cross-subsidy and discriminatory conduct.

In NECA's view, the core defects in the proposal are not cured by its time-limited nature. The proposal would still create a precedent for regulated monopoly businesses to fund and control assets used in contestable downstream markets, despite the AER's long-standing position that EV charging infrastructure is a contestable, non-network service and that DNSPs' unique control of network data, connection processes and access charges creates real risks to competition if those businesses are allowed to own or operate such assets.

The proposal asserts that DNSP-led installation of kerbside AC charging will materially accelerate EV uptake and emissions reduction. NECA considers that the assertion is weakly evidenced and relies on assumptions. The proposal fails to distinguish sufficiently between the very different roles of slow AC charging and moderate or fast DC charging, and it overstates the causal relationship between the deployment of low-power kerbside charging and EV adoption.

The proposal also appears to exclude or marginalise state and local government authorities in planning decisions that directly affect kerbside access, parking management, public amenity and community outcomes. Evidence presented to both the NSW¹ and Victorian² parliamentary inquiries demonstrates that poor planning integration, inadequate local consultation and monopoly-led approaches can produce poor utilisation, community backlash and distorted market outcomes.³

For these reasons, NECA recommends that the AEMC reject the rule change as proposed and instead pursue measures that address genuine barriers to EVCI rollout—particularly connection delays, opaque access arrangements and planning coordination—without compromising the integrity of the market framework.

NECA is deeply concerned about the broader policy precedent that would be established if monopoly network businesses are permitted to expand into contestable markets using regulatory advantages unavailable to private sector participants. Whether in EV charging, renewable energy, batteries, electrification services or any other emerging sector, this is fundamentally poor public policy. Private businesses invest, innovate and employ people because they have confidence that markets will remain open, competitive and subject to clear and consistent rules. When governments or regulators allow monopoly entities to compete directly against private enterprise while retaining structural advantages, investment confidence is undermined and competition is weakened.

The consequences extend far beyond the immediate market in question. Australia is seeking to attract private capital, foster innovation and build sovereign capability across a range of strategic industries. Yet investors are increasingly expressing concern about regulatory uncertainty and the growing risk of monopoly participation in competitive markets. If these concerns continue, investment will increasingly flow elsewhere, innovation will be developed offshore and Australian companies will lose opportunities to grow, commercialise intellectual property and create highly skilled jobs. Australia cannot strengthen its renewable energy sector, technology capability or economic resilience by discouraging the very private sector investment and innovation upon which these industries depend.

Australia's major economic reforms have consistently moved in one direction when dealing with monopoly infrastructure and competitive markets. The Hilmer Review, National Competition Policy reforms, telecommunications restructuring, rail access reforms and airport regulation were all founded on the principle that monopoly owners should not be permitted to leverage their control of essential infrastructure into adjacent competitive markets. Rather than weakening separation requirements, governments have generally strengthened competitive neutrality obligations, structural separation arrangements and third-party access regimes to encourage private investment, competition and consumer benefit.

The proposal represents a departure from this long-established policy approach. Distribution Network Service Providers occupy a monopoly position within the electricity system, control access to essential network infrastructure and possess information and operational advantages unavailable to other market

¹ Infrastructure for electric and alternative energy source vehicles in NSW, <https://www.parliament.nsw.gov.au/committees/inquiries/Pages/inquiry-details.aspx?pk=3095#tab-submissions>

² Inquiry into Electricity Supply for Electric Vehicles, <https://www.parliament.vic.gov.au/electricvehicleinquiry>

³ EVX, Submission No.23; NECA, Submission No. 20 to the NSW inquiry ref in footnote 1
AEVA Submission No. 114; AER Submission No. 118 to the Victorian inquiry ref in footnote 2.

participants. Allowing DNSPs greater participation in contestable EV charging markets would move policy in the opposite direction to decades of Australian competition reform. The lessons from telecommunications, airports, rail and other infrastructure sectors are clear. Where monopoly operators are permitted to compete directly with private sector participants in adjacent markets, concerns regarding discrimination, cross-subsidisation, reduced investment confidence and weakened competition inevitably arise. The AEMC should therefore maintain the established principles of ring fencing and competitive neutrality rather than create a precedent that is inconsistent with Australia's broader competition policy framework.

Q1: Problem Statement

NECA recognises that there are real coordination challenges in scaling EVCI deployment, particularly in areas where utilisation remains uncertain and where network connection processes are slow, opaque or costly. However, NECA does not agree with the proposition that the market problems identified by DCCEEW justify DNSP-led intervention of the kind proposed. The evidence presented by DCCEEW indicates that charging infrastructure deployment is already growing, albeit not at the same rate as EV uptake. That is more accurately characterised as an investment timing and coordination issue than as a structural market failure requiring monopoly businesses to enter the market with a highly questionable deployment plan.

In relation to metropolitan kerbside AC charging, NECA accepts that there is a need to improve access for consumers without off-street parking. However, the fact that this market is still developing does not justify regulated monopoly ownership or RAB funding. On the contrary, the very existence of an emerging contestable market is a reason for caution. A regulated monopoly with access to low-risk capital, privileged network information and control over connection processes is capable of materially crowding out private investment in that market before it has matured.⁴

NECA does accept that targeted intervention may be warranted in genuinely uneconomic regional blackspot areas where there is no practical prospect of competitive delivery. But that is a much narrower category than the program now contemplates. The DCCEEW proposal extends well beyond genuine “last resort” activity and creates a framework in which DNSPs identify sites, perform connections, and in some cases install and maintain EVCI in both metropolitan and regional contexts.⁵

NECA agrees with DCCEEW that connection processes, pricing arrangements and access to DNSP infrastructure can be barriers to efficient EVCI deployment. DCCEEW itself notes that connection timeframes can be in the order of six to twelve months, and that site identification processes and facility access fees are part of the challenge. However, NECA's concern is that the proposed rule change does not fix these problems across the market; rather, it selectively removes them for DNSP-delivered projects while leaving contestable providers exposed to the same barriers.⁶

This concern is consistent with evidence provided to the NSW and Victorian parliamentary inquiries. Participants in those inquiries repeatedly pointed to DNSPs' control over infrastructure access, data, pricing and approvals as a source of competitive imbalance in the market for EV charging and related services. The

⁴ AER Victorian inquiry submission on competition risks.

⁵ DCCEEW Rule Change Request, program design options and provider of last resort role.

⁶ DCCEEW Rule Change Request, problem statement and proposed treatment of connection works.

logic of that evidence is that barriers should be reformed for all participants, not bypassed for a monopoly provider.⁷

Q2: Emissions Reduction

NECA does not consider the emissions reduction case sufficient to justify the proposed intervention, particularly because the modelling relies on a weak and overly generalised causal relationship between kerbside AC charging deployment and EV uptake.

The rule-change request claims the program will support **423,000 EVs**, derived by applying a uniform ratio of **30 EVs per charger** across **14,093 chargers**. This approach is not robust because it assumes all chargers contribute equally to EV uptake, despite the program being overwhelmingly comprised of **slow kerbside AC infrastructure (13,720 units, ~97%)** rather than high-throughput DC charging.

Recent Australian evidence shows that charger performance varies materially by both **technology type and real-world operating conditions**. UNSW research on Sydney kerbside charging indicates that **30–50 kW DC chargers with dedicated parking** deliver substantially higher utilisation than AC and represent the most effective configuration for urban streets.⁸ Analysis of the same dataset further demonstrates that AC kerbside sites without dedicated parking can support only a very small number of EVs, whereas comparable sub-50 kW DC sites can support **an order of magnitude more vehicles per site**, reflecting significant differences in throughput.⁹

This conclusion is reinforced by emerging industry evidence that the kerbside market itself is shifting away from AC. Recent analysis of Australian deployments notes that earlier council-led trials of pole-mounted AC chargers have underperformed in real-world conditions because **typical urban parking durations (often 1–2 hours)** are too short for AC to deliver meaningful energy. In contrast, **50 kW DC chargers can deliver 150–200 km of range within the same dwell time**, enabling a full day of urban driving and aligning charging performance with real parking behaviour. This has led to a structural shift in industry expectations, with DC increasingly viewed as the **baseline requirement for effective kerbside charging**, rather than a premium option.¹⁰

These findings directly undermine the use of a single EV-per-charger ratio. A program dominated by AC kerbside infrastructure is unlikely to achieve the utilisation levels implied by international averages derived from mixed or DC-heavy networks. The underlying issue is not merely charger power, but whether the infrastructure can deliver **meaningful energy within constrained urban dwell times**.

⁷ NSW and Victorian parliamentary inquiry materials, including submissions from NECA, EVX, AEVA and the AER.

⁸ Teymouri et al. (UNSW, 2026), Analysis of kerbside electric vehicle charging in Sydney, Australia. Available at: <https://zenodo.org/records/19866413/files/202604%20-%20Analysis%20of%20kerbside%20electric%20vehicle%20charging%20in%20Sydney%20Australia.pdf>

⁹ Sector analysis of Sydney kerbside dataset showing large utilisation differences between AC and DC sites. Available at: <https://www.linkedin.com/pulse/only-we-had-good-public-data-support-kerbside-ev-policy-ross-de-rango-hkjxc/>

¹⁰ Fleet EV News (Dec 16, 2025), Kerbside Charging 2.0: Why DC Is Replacing AC on Australia's Streets. Available at: <https://fleetevnews.com.au/kerbside-charging-2-0-why-dc-is-replacing-ac-on-australias-streets/>

Effectiveness of kerbside charging is also fundamentally constrained by access to parking, not just electrical equipment. Sector evidence consistently emphasises that viable public charging requires **integrated parking access and turnover management**; without this, assets risk significant underutilisation.¹¹ As parking control sits largely with local government, the proposal's limited treatment of council coordination materially weakens the assumption that all planned AC chargers will operate effectively. This concern is reinforced by critiques noting that local government—despite controlling kerbside access—is not fully integrated into the program design.¹²

System-level data further suggests that charger counts alone are not the primary constraint. Recent national analysis indicates most fast-charging sites operate with **substantial spare capacity**, with queues largely limited to peak travel periods.¹³ This reinforces that **location, charger mix and utilisation**, rather than raw unit numbers, determine how many EVs can be supported.

When these factors are incorporated, a materially lower estimate emerges. Adjusting for lower utilisation of AC kerbside chargers and higher productivity of DC infrastructure yields a central estimate of approximately **220,000 EVs supported**, with a plausible range of **~80,000 to 270,000** depending on siting quality, parking controls and uptake. This is roughly **half the claimed impact**, and reflects a more realistic translation of infrastructure into usable charging capacity.

In summary, the modelling overstates outcomes by applying a generic international average to a program that is both **AC-dominated and highly dependent on kerbside conditions**. The evidence from the UNSW work (footnote 8) and other Australian deployments indicates that **charging effectiveness is governed by dwell time, parking access and charger power**, and that DC-based kerbside solutions are increasingly necessary to achieve meaningful utilisation. A more credible examination by DCCEEW would explicitly differentiate AC and DC performance, incorporate parking constraints, and align assumptions with observed Australian utilisation data.

There is also a counterfactual problem. DCCEEW expressly acknowledges that, even in the absence of the program, the transition to low-carbon transport will still occur and EVCI would still be deployed, but more slowly. That means much of the claimed emissions benefit is really a claim about timing rather than about enabling an otherwise impossible transition. That is a much weaker basis for imposing regulated costs on all electricity consumers and distorting a contestable market.

Further, the proposal does not adequately confront the risk of displacement. If regulated DNSP-backed infrastructure is rolled out in areas where private investment would have occurred or could occur, the net effect may simply be to crowd out more efficient private capital—including in higher-value moderate or fast charging solutions—rather than to create genuinely additional infrastructure. In that case, the program

¹¹ Sector evidence on kerbside charging requiring integrated parking access. Available at: <https://www.linkedin.com/pulse/kerbside-public-charging-assets-owners-state-play-today-simpson-6ssf/>

¹² Sector critique noting absence of local government integration. Available at: <https://www.linkedin.com/pulse/im-from-government-here-help-ross-de-rango-mekmc/>

¹³ ABC News (June 19, 2026), EV charger rollout keeping pace with electric vehicle uptake. Available at: <https://www.abc.net.au/news/science/2026-06-19/ev-charger-rollout-keeping-pace-electric-vehicle-uptake/106754272>

may shift the ownership and risk profile of the assets whilst delivering a fraction of the benefits claimed and potentially suppressing deployment of private capital.¹⁴

For these reasons, NECA does not accept that the emissions modelling, as presented, provides a sufficient or reliable justification for the proposed rule change. Any policy case based on emissions reduction must show not merely that EVCI matters, but that the specific form of intervention proposed is necessary, proportionate and efficient. That threshold has not been met.

Q3: Other Benefits

NECA does not consider that the broader benefits claimed by DCCEEW provide a persuasive basis for the proposed rule change.

DCCEEW suggests that the program will deliver ancillary benefits such as improved planning, better coordination between network and charging infrastructure, greater data transparency, and practical insights that may inform a future enduring market design. While these are desirable outcomes in the abstract, they do not depend on DNSPs owning, funding or controlling EV charging infrastructure through regulated revenues. In NECA's view, these are governance, planning and process issues that can and should be addressed through targeted reforms to connection frameworks, information-sharing, and public planning arrangements rather than by expanding monopoly network businesses into contestable markets.

Indeed, the evidence before both the NSW and Victorian parliamentary inquiries points in the opposite direction. Participants in those inquiries did not simply identify theoretical competition concerns; they documented practical failures and poor consumer outcomes where DNSPs or their affiliates were privileged in access to public space, infrastructure or planning processes. In NSW, EVX warned that allowing DNSPs to own and operate EV charging infrastructure within the regulated asset base would distort the market, crowd out private investment and shift costs onto consumers who may never use the service.¹⁵

EVX also documented the practical consequences of poorly coordinated DNSP-aligned deployment in the Inner West of Sydney, describing community backlash and low utilisation where chargers were deployed without dedicated parking and without the kind of council engagement and public-space planning that private operators had found necessary to achieve meaningful usage. According to that evidence, non-dedicated locations generated utilisation rates of around 1 per cent, compared with approximately 20 per cent at dedicated and properly consulted sites.¹⁶

That is directly relevant to DCCEEW's assertion that DNSPs can deliver planning efficiencies or useful lessons for future market design. The NSW inquiry material suggests the opposite: if deployment is led primarily by network considerations, without proper integration of local government parking controls, user access requirements, traffic management and community expectations, the result may be technically energised infrastructure that is poorly used, poorly received and poor value for money. NECA's own submission to the NSW inquiry made the same point, namely that the location and arrangement of EVCI in public spaces should be coordinated by local government, supported by state government analysis, rather than driven by the convenience of incumbent monopoly networks.¹⁷

¹⁴ AER Victorian inquiry submission.

¹⁵ EVX, Submission No. 23 to the NSW inquiry.

¹⁶ EVX, Submission No. 23 to the NSW inquiry, evidence regarding community sentiment and utilisation.

¹⁷ EVX submission; NECA Submission to the NSW inquiry.

A similar pattern emerges from the Victorian inquiry. The Australian Energy Regulator’s submission to that inquiry emphasised that ring-fencing exists precisely because DNSPs hold unique advantages in adjacent markets: they possess privileged data on network capacity, set connection requirements, and control access fees for parties seeking to connect EV charging infrastructure. The AER warned that if DNSPs were permitted to install, own and operate EV charging infrastructure, they could use those advantages unfairly to stifle the development of a competitive EV charging market, to **the long-term detriment of consumers**. That is not an abstract possibility; it is a recognition by the economic regulator that the very matters DCCEEW portrays as “insights” or “coordination strengths” are, in fact, sources of entrenched market power that must be constrained rather than expanded.¹⁸

Other Victorian participants reinforced that concern. The Australian Electric Vehicle Association recommended that ring-fencing protections be upheld to prevent DNSPs from owning or operating public EV charging assets in contestable markets and called for strict connection service standards and transparent, standardised network tariff structures for charge point operators. EVSE Australia similarly told the Victorian inquiry that smart charging, time-of-use tariffs and demand response are already proven tools and can be delivered by competitive providers; it expressly stated that DNSP ownership of charging infrastructure is not necessary to achieve those outcomes. EVSE further pointed to its own deployment experience in Victoria—including projects delivered under the Destination Charging Across Victoria program and through partnerships with councils and site owners—as evidence that contestable providers can roll out reliable public charging infrastructure efficiently without monopoly ownership.¹⁹

The Victorian inquiry also recorded consistent views that councils and non-network actors must remain central to deployment in built environments. Dr Alan Tse submitted that older suburbs without off-street parking need a mix of pole-mounted AC charging and strategically placed rapid chargers, but cautioned that relying only on electricity distributors would slow things down and that councils and private operators should be enabled to deliver local solutions. The Australian Electric Vehicle Association likewise recommended that the Municipal Association of Victoria be assisted to develop guidelines and standards for kerbside charging, underscoring the point that the relevant expertise sits not only within energy networks but also within local government and planning authorities. Ross De Rango, in his personal submission, also cautioned against over-reliance on DNSP or system-level assumptions, arguing that retail competition and existing market offers already provide effective tools for managing charging demand and that Victorian government should undertake independent modelling rather than relying on potentially overstated network risk narratives.²⁰

Taken together, the NSW and Victorian inquiries do not demonstrate that DNSP-led deployment offers special public benefits beyond emissions reduction. Rather, they reveal a recurring set of risks: poor siting outcomes when deployment is not embedded in local planning and parking controls; community backlash where public-space considerations are inadequately addressed; low utilisation where infrastructure is placed according to engineering convenience rather than practical user needs; and persistent concern from

¹⁸ Australian Energy Regulator, Submission No. 118 to the Victorian parliamentary inquiry.

¹⁹ Australian Electric Vehicle Association, Submission No. 114; EVSE Australia, Submission No. 34 to the Victorian parliamentary inquiry.

²⁰ Dr Alan Tse, Submission No. 1; AEVA, Submission No. 114; Ross De Rango, Submission No. 73 to the Victorian parliamentary inquiry.

regulators, consumer advocates and market participants that DNSP control over contestable EV charging services would suppress competition and reduce long-term efficiency.²¹

For these reasons, NECA does not accept that the proposal's claimed "other benefits" justify the rule change. To the extent there are valid lessons to be learned about connection reform, site transparency or infrastructure coordination, those lessons can be generated without socialising costs through the RAB or granting DNSPs an expanded role in ownership and delivery of contestable charging assets.

DCCEEW's assessment also overlooks the broader economic benefits that may be lost if competitive market participation is displaced by monopoly network ownership. The Australian Government's Future Made in Australia agenda is founded on attracting private investment, supporting Australian industry, fostering innovation and creating opportunities for small and medium sized enterprises to participate in the energy transition. Australia's EV charging sector has already attracted substantial private investment from electrical contractors, charge point operators, technology providers, equipment suppliers and infrastructure developers. Many of these businesses, including NECA members, have invested significant capital in charging infrastructure, specialised workforce capability, software platforms, customer acquisition, maintenance networks and long-term business development strategies on the understanding that EV charging would remain a genuinely contestable market.

The proposed rule change risks weakening those investment signals by expanding the role of monopoly network businesses into areas currently served by private enterprise. Several charge point operators that have engaged with NECA have expressed concern that the proposal has deterred future investment, reduced market confidence and undermined the commercial viability of projects developed without access to monopoly advantages. These businesses are creating jobs, supporting apprenticeships, developing innovative technologies and contributing to Australia's clean energy transition. The relevant policy question is therefore not simply whether DNSP participation may deliver additional benefits, but whether those benefits outweigh the loss of private investment, innovation, competition and small business growth that would otherwise occur. NECA submits that these broader economic costs have not been adequately considered within DCCEEW's assessment.

Planning and Governance Concerns

A critical deficiency in the proposal is the way it allocates planning responsibility. The proposal envisages DNSPs identifying suitable sites for EVCI, with DCCEEW oversight and reference to an infrastructure mapping tool. However, EVCI planning is not merely a matter of electrical connection or available network capacity. In metropolitan and regional communities alike, charging infrastructure interacts with land use planning, parking controls, traffic management, urban amenity, accessibility, public safety, and local economic and transport objectives. These are matters in which local councils and state planning and transport authorities are the appropriate decision-makers or, at minimum, indispensable partners.²²

DNSPs are not institutionally equipped to balance those considerations. Their expertise lies in network engineering and regulated asset management, not in urban planning, community engagement or the

²¹ EVX NSW submission; AEVA, AER and EVSE Victorian submissions.

²² NECA NSW inquiry submission; AEVA Victorian inquiry submission.

allocation of scarce public space. Nor are DNSPs directly accountable to local communities for the public amenity and land-use consequences of their decisions.²³

The practical risks of that mismatch are not speculative. Evidence provided to the NSW inquiry described how inadequate integration with council processes and parking management led to poor consumer sentiment, backlash and extremely low utilisation at certain sites. EVX's evidence is particularly instructive in this regard. It demonstrates that a charger can be technically connected and operational yet still fail as public infrastructure if it is not supported by dedicated parking, proper signage, local consultation and a location strategy aligned with actual user behaviour. That is precisely why local government and local planning input are essential.²⁴

The Victorian inquiry identified similar themes. A number of submissions emphasised that councils and competitive providers should remain central to the delivery of local charging solutions, especially in older suburbs and other environments where built form, parking pressure and street design materially affect whether infrastructure is accessible and useful. The recommendations advanced in those submissions consistently pointed to stronger planning frameworks, council involvement, standardised access rules and clearer consumer protections—not to a broader ownership role for DNSPs.²⁵

In NECA's view, the proposal not only underestimates the importance of state and local government planning authorities; it would also leave DNSPs insufficiently constrained in acting "in the interests of the community". There is no equivalent to a local planning process embedded in the proposed rule change. There is no clear mechanism to ensure that site selection is aligned with community needs, local transport strategies or equitable access outcomes. Nor is there any assurance that infrastructure choices will prioritise user value rather than network convenience or lowest engineering cost.²⁶

For these reasons, NECA considers that any framework for accelerated EVCI deployment must place state and local government authorities at the centre of planning and approval decisions. DNSPs should contribute technical information about network capacity and efficient connection options, but they should not be the primary planners of public charging infrastructure in shared public spaces.²⁷

Q4: Contributions from All Electricity Consumers

NECA opposes the proposal to recover residual costs from all electricity consumers. DCCEEW proposes that the difference between total project costs and the amount charge point operators are willing to pay should be funded by a combination of Commonwealth grants and electricity consumers through DNSP RAB adjustments. NECA considers that to be inconsistent with user-pays principles and with efficient market design.

NECA also considers DCCEEW's characterisation of the "impact to consumers" to be understated, because it relies on an average residential bill metric (\$0.79–\$1.44 per year) that materially dilutes and obscures the underlying cost of the program—approximately \$85.4 million in capex and \$11.8 million in opex—and its recovery mechanism through the RAB.

²³ AER Victorian inquiry submission.

²⁴ EVX and NECA submissions to the NSW parliamentary inquiry.

²⁵ AEVA, Dr Alan Tse and EVSE submissions to the Victorian parliamentary inquiry.

²⁶ EVX and NECA NSW submissions.

²⁷ NECA NSW submission; AEVA and Dr Alan Tse Victorian submissions.

This framing masks both the scale of total expenditure and its distribution, given that network costs are not recovered equally per household but are largely driven by consumption and demand, meaning commercial and industrial users will bear a disproportionately larger share in absolute terms despite no equivalent impact being disclosed.

It further downplays the extent of cross-subsidisation inherent in recovering around 70% of costs from all electricity consumers—many of whom may not directly benefit from EV charging infrastructure—by presenting the outcome as a negligible household impact rather than a system-wide cost allocation. In this respect, the methodology is not incorrect but provides an incomplete and potentially misleading basis for assessing the true impact on “energy consumers.”

Public EV charging is a contestable service. The primary beneficiaries are EV users, EVCI operators and site hosts. The fact that there may be some wider public or environmental benefit does not justify shifting the majority of costs onto consumers who do not use those services, many of whom may have no realistic prospect of purchasing an EV in the near term. Socialising those costs would amount to a cross-subsidy from general electricity users to a specific class of infrastructure users and commercial operators.

This is particularly problematic when the beneficiary businesses are operating in a contestable market. A private CPO must raise capital, evaluate utilisation risk, negotiate sites and bear commercial exposure. Under the proposed model, the DNSP would face a materially different risk profile because a large share of its costs would be guaranteed through regulated revenue. That asymmetry distorts investment incentives and makes it harder for competitive providers to participate on equal terms.²⁸

NECA also notes the precedent risk. If the AEMC accepts the proposition that broadly socialised network charges can be used to support monopoly-led entry into one emerging contestable market on the basis of broader public policy benefits, it will become significantly harder to resist similar proposals in other areas of the energy transition.²⁹

Q5: Proposed DNSP Recovery of Residual Costs

NECA does not support the proposed cost recovery mechanism.

The proposal would require the AER to include approved capex and, unusually, certain opex amounts in DNSP regulatory asset bases based on values determined through the DCCEEW program. That effectively displaces ordinary economic regulatory scrutiny with a policy agency assessment process. While DCCEEW suggests that its grants framework mirrors existing incentive arrangements, that does not make it equivalent to the AER’s regulatory scrutiny, nor does it remove the fundamental problem that a policy department—not the regulator—is being placed in the position of determining the recoverable value of contestable market assets.³⁰

The proposed treatment of opex is especially problematic. DCCEEW proposes that the first five years of operating expenditure be effectively capitalised into the RAB for administrative simplicity. That is a significant departure from the normal principle that operating costs are recovered as opex, not

²⁸ AER Victorian inquiry submission.

²⁹ AER Victorian inquiry submission.

³⁰ DCCEEW Rule Change Request, proposed RAB arrangements and DCCEEW role in determining recoverable amounts.

transformed into long-lived regulated assets. It would lock costs into the regulated asset base, dilute efficiency incentives and create the risk of inefficient long-term cost recovery.³¹

DCCEEW also acknowledges that the proposed framework may reduce the AER's ability to conduct ex post review of expenditure and suggests that some overall cap mechanism might be considered. The fact that such a safeguard is contemplated only after the fact reinforces the concern that the proposed regime is structurally deficient. Efficient expenditure on contestable services should not be presumed merely because a grant process exists.

For these reasons, NECA does not support inclusion of capex in the RAB, inclusion of five years of opex in the RAB, or the proposal to treat ongoing opex in later periods as ordinary standard control service expenditure for these assets.

Q6: Proposed Timing for DNSP Cost Recovery

The timing of cost recovery does not address the fundamental defects in the proposal. Whether recovery occurs in the next regulatory period or via a reopener is secondary to the more important issue: that the proposal would require consumers to fund contestable market assets through a weakened regulatory process. NECA therefore does not support either approach in the absence of a fundamental redesign of the model.

Q7: Other Changes to the National Electricity Rules

NECA strongly opposes the proposed exclusion of EVCI connection works from the definition of connection services and the proposed relaxation of ring-fencing and restricted asset rules.

Connection service frameworks exist for good reasons. They provide transparency, cost allocation principles, and a structured interface between connection applicants and network businesses. Excluding EVCI connection works from that framework for program projects would not eliminate inefficiency; it would simply remove ordinary connection disciplines for DNSP-led activities. This creates an uneven playing field and deprives the market of established procedural protections.

The proposed ring-fencing exemption is even more concerning. The AER's Victorian submission makes clear that ring-fencing is intended to guard against cross-subsidisation and discrimination by monopoly network businesses operating in contestable markets. EV charging infrastructure is a contestable service. Allowing DNSPs to own or operate such infrastructure, or to undertake associated functions outside established constraints, increases the risk that they will leverage privileged data, asset access, connection control and branding in ways that suppress competition.³²

These concerns are not theoretical. They are reflected in evidence from both NSW and Victoria, including submissions calling for ring-fencing to be strengthened or preserved and warning against DNSP control of contestable charging assets. The proposed rule change would move in the opposite direction.³³

³¹ DCCEEW Rule Change Request, proposed treatment of first five years of opex.

³² Australian Energy Regulator, Submission No. 118 to the Victorian parliamentary inquiry.

³³ AER Victorian submission; AEVA Victorian submission; EVX NSW submission

Q8: Alternative Solutions

NECA considers that the policy objectives identified by DCCEEW can be pursued through more proportionate and competitively neutral alternatives.

First, public funding can be provided directly to contestable providers through competitive grants or tender processes without bringing assets into DNSP RABs. This would maintain incentives for efficient deployment while avoiding the distortions associated with regulated monopoly ownership. Evidence from Victoria indicates that competitive providers have already delivered public charging through partnerships with councils, shopping centres and regional destinations, demonstrating that contestable deployment models are viable where barriers are appropriately addressed.³⁴

Second, real reform should focus on the barriers DCCEEW correctly identifies—namely connection delays, opaque access charges, pole access arrangements and information asymmetry. If the issue is that DNSP processes are too slow or arbitrary, then those processes should be reformed for everyone. Standard service levels, clearer tariff structures, transparent access rules and better publication of network hosting information would directly improve conditions for market-led deployment. Victorian submissions from the AEVA and AER both support that kind of approach.³⁵

Third, planning and coordination should be led by state and local governments, with DNSPs providing technical input rather than acting as EVCI planners or owners. Both NECA's NSW submission and multiple Victorian inquiry submissions support a stronger role for local government, council engagement and planning standards in this area.³⁶

Q9: End of Asset Lives

If assets are installed under any temporary intervention model, NECA does not consider that they should automatically remain within the DNSP's regulated asset base or be automatically replaced by the DNSP at end of life. To permit that would allow a temporary rule to create a permanent monopoly foothold in a contestable market. Instead, the relevant sites or assets should be subject to re-contestation, transfer or other market testing to determine whether they can be provided competitively.

Q10: Supplementary Question on the Role of DNSPs

NECA does not support DNSPs acting as providers of last resort in metropolitan markets or taking on a broader enduring role in the ownership and operation of EV charging infrastructure in contestable sub-markets. DNSPs should focus on their core role in providing efficient, reliable network services and facilitating non-discriminatory access to the network.³⁷

In genuinely uneconomic regional areas, a tightly defined and explicitly temporary last-resort role may be considered in limited circumstances, but only where market failure is clearly evidenced, alternative delivery

³⁴ EVSE Australia, Submission No. 34; Dr Alan Tse, Submission No. 1 to the Victorian inquiry.

³⁵ Australian Electric Vehicle Association, Submission No. 114; Australian Energy Regulator, Submission No. 118 to the Victorian inquiry.

³⁶ NECA NSW inquiry submission; AEVA and Dr Alan Tse Victorian inquiry submissions.

³⁷ AER Victorian inquiry submission.

options have been exhausted, and the framework includes strict transparency, accountability and exit mechanisms. The present proposal does not satisfy that standard.

Conclusion

DCCEEW's proposal identifies real issues in the rollout of EV charging infrastructure, including connection delays, coordination problems and the challenges of servicing consumers without off-street parking. However, the proposed solution is not appropriately tailored to those issues. It shifts contestable market activity into a quasi-regulated model, weakens existing market safeguards, socialises private and localised costs, and sidelines planning authorities that are better placed than DNSPs to make decisions in the public interest.

The DCCEEW request makes excessive claims of the benefits of the program and fails to disclose the impact on all 'energy consumers'

The evidence from the NSW and Victorian parliamentary inquiries should give the AEMC pause. Those inquiries documented real concerns about monopoly advantages, barriers to competition, poor planning outcomes and the importance of local government involvement. They do not support the proposition that DNSP-led deployment through regulated funding is the appropriate way to accelerate EVCI rollout.

Experience shows that once monopoly advantages are extended into competitive markets, private investment retreats and innovation suffers. The AEMC should not repeat mistakes that risk undermining competition, burdening consumers and displacing the businesses that have invested in building Australia's EV charging market.

For these reasons, NECA recommends that the AEMC reject the rule change as proposed and instead pursue reforms that improve connection frameworks, transparency, planning coordination and market access while preserving competitive neutrality and the integrity of the national electricity framework.

To arrange a meeting or discuss this proposal further, please contact:

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