Specialist Contractors Association
213 Greenhill Road Eastwood South Australia 5063
PO Box 47 Fullarton South Australia 5063
Ph: (08) 8272 2966 E: neca@necasa.asn.au

Submission to the AEMC

ERC0436 – Accelerating Electric Vehicle Charging Program

On behalf of the Specialist Contractors Association (SCA)

Executive Summary

The Specialist Contractors Association (SCA) supports the accelerated rollout of electric vehicle charging infrastructure (EVCI) as a key enabler of electrification, emissions reduction and consumer choice. However, SCA does not support the proposed rule change in its current form.

The proposal departs from established principles of competitive neutrality by enabling monopoly network businesses to expand into contestable markets using structural advantages and regulated revenue support. It risks distorting investment incentives, undermining private sector participation and weakening confidence in the broader energy transition.

A central justification advanced for the proposal—the so-called "chicken and egg" relationship between EV uptake and charging infrastructure—is not supported by the evidence relied upon and materially overstates the case for intervention.[1] In doing so, the proposal introduces structural risks that extend beyond EV charging and into the broader design of Australia's energy markets.

For these reasons, SCA considers the rule change to be disproportionate, ineffective in its current form, and inconsistent with the National Electricity Objective (NEO).

The "Chicken and Egg" Proposition Does Not Establish Market Failure

The rule change request is premised on a circular argument that EV uptake is constrained by insufficient charging infrastructure, while infrastructure investment is constrained by uncertainty in demand. This framing is used to justify a role for Distribution Network Service Providers (DNSPs) in delivering contestable services.

SCA considers this reasoning to be fundamentally misconceived.

Infrastructure markets regularly develop under conditions of uncertainty. Investment in sectors such as telecommunications, energy generation and fuel retail has historically proceeded through staged,

competitive deployment. Uncertainty about future demand is not, in itself, evidence of market failure requiring monopoly intervention.[2]

In the case of EVCI, the premise that the market is stalled is not supported by observed evidence. Charging infrastructure is already being deployed across Australia by private operators, site hosts and specialist contractors responding to demand. While the pace of deployment may differ from modelling assumptions, this reflects normal market dynamics rather than structural incapacity.[3]

The "chicken and egg" framework also conflates timing differences with systemic failure. A slower rollout relative to projections does not justify structural intervention into a competitive market. Instead, it points to the need for improved coordination, planning and connection processes that support all market participants.

Critically, the proposal does not adequately consider how monopoly entry may exacerbate the dynamic it seeks to address. Where DNSPs are permitted to invest with regulated revenue support, private investment may be displaced. This reduces incentives for market-led deployment and risks creating a self-reinforcing cycle in which perceived under-supply justifies further monopoly expansion.[4]

The argument also assumes a simplified relationship between charger numbers and EV uptake. In practice, utilisation depends heavily on charger type, siting, dwell time and access to parking. Simply increasing asset volumes—particularly where infrastructure is not aligned with user behaviour—does not guarantee increased adoption and may lead to inefficient, underutilised outcomes.[5]

For these reasons, SCA does not consider the "chicken and egg" proposition to constitute a credible justification for the proposed rule change. It is more appropriately characterised as a coordination challenge within an evolving market.

Ineffectiveness of the Proposal in Driving EV Uptake

SCA considers that, even if implemented, the proposal is unlikely to deliver EV uptake at the scale claimed.

The modelling underpinning the rule change relies on broad assumptions regarding the relationship between charger deployment and EV adoption. These assumptions do not adequately reflect real-world conditions. EV uptake is influenced by multiple factors, including vehicle cost, model availability, household charging access and broader policy settings. Public charging availability is only one component and is not, in most cases, the primary constraint.

The program's focus on lower-powered kerbside AC infrastructure further weakens its effectiveness. Such infrastructure typically provides limited energy within common urban parking durations and is highly dependent on parking access and turnover. Where these constraints are not addressed, utilisation is likely to remain low, and the impact on consumer behaviour correspondingly limited.

The proposal also fails to account for displacement effects. To the extent that DNSP-led deployment occurs in locations where private investment would otherwise take place, the outcome may be substitution rather than additional capacity. In those cases, the program does not materially increase infrastructure availability or EV uptake but alters ownership and risk allocation.

Finally, the rule change acknowledges that EV uptake and infrastructure deployment would continue in its absence. This indicates that the proposal primarily affects the timing of investment rather than enabling outcomes that would not otherwise occur. From a regulatory perspective, this is a weak basis for intervention—particularly where that intervention risks distorting markets and increasing costs.

Inconsistency with the National Electricity Objective

The proposal does not satisfy the requirements of the National Electricity Objective, which requires regulatory changes to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers.

First, it is unlikely to promote efficient investment. Infrastructure delivered under a regulated framework is not subject to the same commercial discipline as competitively deployed assets. This increases the risk of inefficient siting, inappropriate technology choices and over-investment in low-utilisation assets.

Second, the proposal introduces inefficient cost allocation. By recovering expenditure through DNSP regulatory asset bases, costs are shifted onto all electricity consumers, including those who may not benefit directly from EVCI services. This weakens user-pays principles, distorts price signals and introduces cross-subsidy.[6]

Third, the proposal risks reducing dynamic efficiency over time. Competitive markets are critical to driving innovation, improving performance and reducing costs. Allowing monopoly providers to enter these markets with structural advantages risks discouraging private investment and weakening the competitive pressures that deliver long-term consumer benefits.

Taken together, these factors indicate that the proposal is unlikely to promote the efficient investment, operation or use of electricity services and is therefore inconsistent with the NEO.

Preserving the Boundary Between Monopoly and Competitive Markets

The proposal represents a broader departure from long-standing competition policy settings in Australia, which have consistently recognised the risks of allowing monopoly infrastructure providers to extend into adjacent markets.

DNSPs possess inherent advantages, including control over network access, privileged system information and regulated revenue recovery. Allowing them to participate in contestable EVCI markets introduces a structural imbalance that cannot be readily mitigated.[7]

Once established, such participation is difficult to reverse. Even time-limited interventions can create enduring market distortions by altering investment expectations and crowding out competitive entry. Maintaining clear structural separation remains essential to ensuring efficient market development.

Mischaracterisation of Market Barriers

While SCA acknowledges that barriers exist—particularly in relation to connection processes and coordination—the proposal does not address these issues on a market-wide basis.

Instead, it selectively removes or bypasses constraints for DNSP-led projects, leaving other participants subject to existing inefficiencies.[8] This risks entrenching competitive imbalance rather than resolving underlying problems.

Where barriers are identified, they should be addressed through reforms that apply universally, including improved connection processes, transparent pricing and better access to network information.

Impacts on Investment and Industry Capability

The EVCI market in Australia is supported by a diverse range of private businesses, including specialist contractors and technology providers. These participants have invested in capability, workforce development and innovation on the basis of a contestable market framework.

Introducing monopoly-backed competition with access to regulated cost recovery alters these conditions significantly. DNSPs would operate with reduced commercial risk compared to private providers, creating asymmetric incentives and discouraging investment.[9]

This not only affects the EVCI market but also undermines confidence in broader energy transition policies that rely on sustained private sector participation.

Safeguards and Market Integrity

The proposal weakens key protections, including ring-fencing arrangements and connection frameworks, that are designed to prevent monopoly businesses from leveraging their position into competitive markets.

Relaxing these safeguards increases the risk of cross-subsidisation, discriminatory conduct and misuse of privileged information.[10] It also reduces transparency and consistency in how network access is provided.

These changes undermine confidence in the regulatory framework and increase risk for market participants.

Conclusion

The proposed rule change is based on an overstated "chicken and egg" premise and does not present a credible or proportionate case for expanding the role of monopoly network businesses into contestable markets.

It is unlikely to deliver EV uptake at the scale claimed, risks displacing efficient private investment, introduces inefficient cost allocation and is inconsistent with the National Electricity Objective.

SCA therefore recommends that the AEMC reject the rule change and instead pursue targeted reforms that address genuine coordination and connection barriers while preserving competitive neutrality and market integrity.

Footnotes

1. DCCEEW, *Rule Change Request: Accelerating Electric Vehicle Charging Infrastructure (ERC0436)* (2026); AEMC, *Consultation Paper: ERC0436* (2026).
2. Independent Committee of Inquiry, *National Competition Policy (Hilmer Review)* (1993).
3. DCCEEW, *Rule Change Request ERC0436* (2026), evidence of ongoing EVCI deployment.
4. Australian Energy Regulator, *Submission to the Victorian Parliamentary Inquiry into Electricity Supply for Electric Vehicles* (Submission No. 118).
5. Teymouri et al., *Analysis of Kerbside EV Charging in Sydney* (UNSW, 2026).
6. DCCEEW, *ERC0436 Rule Change Request* (2026), RAB cost recovery model.
7. AER, *Ring-fencing Guideline (Electricity Distribution)*; AER (Submission No. 118).
8. DCCEEW, *ERC0436 Rule Change Request* (2026), treatment of connection services.
9. AER (Submission No. 118), analysis of DNSP competitive advantages.
10. AER, *Ring-fencing Guideline (Electricity Distribution).*

Yours sincerely

Dain Venning
Secretary
Specialist Contractors Association