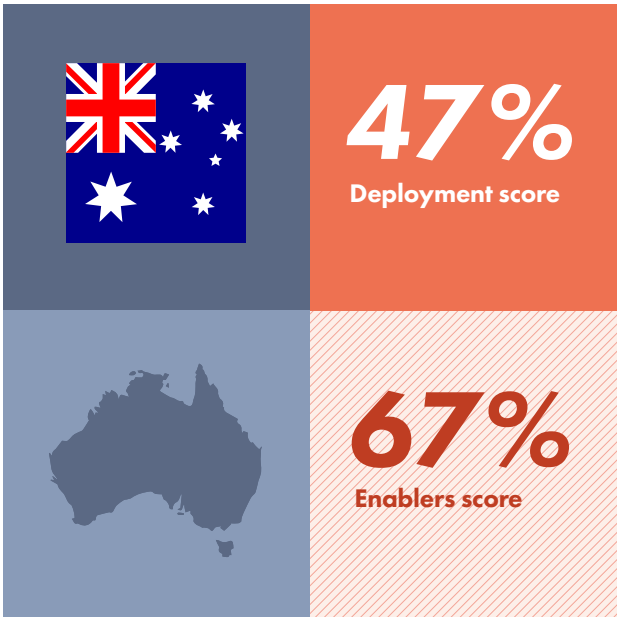
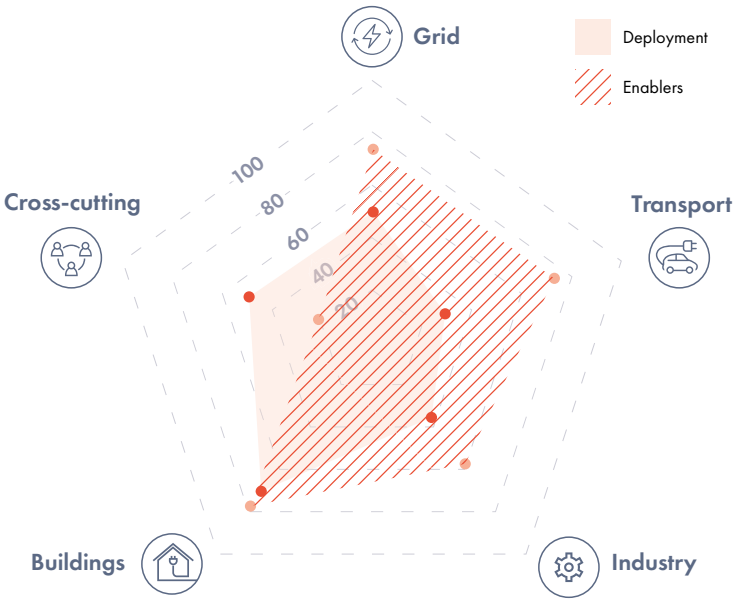
ANNEX: COUNTRY PROFILES

AUSTRALIA





Australia scores in the middle of the pack both categories (47% for deployment, 67% enablers), with some areas of leadership and other areas of inertia. Long-standing power market reforms, such as the creation of the National Electricity Market in 1998, have helped Australia become a leader on distributed solar and storage and it has strong foundations for demand-side flexibility through time-of-use tariffs and programs like the Solar Sharer Offer.

Other strengths include heat pump adoption and workforce capacity; electric vehicle (EV) car adoption, and green industry (while still early-stage) are also accelerating. On the other hand, most policies retain the structural status quo: fossil fuel subsidies continue to grow, and standards for industrial efficiency lag behind what's needed. Commercial EV adoption and industrial electrification have room to improve. Additionally, two confusing policy signals weaken private sector and capital confidence: the continued support for fossil fuel production operations (e.g. with the approvals of coal and gas projects, and the potential build-out of the first new oil refinery in decades) and the lack of concrete actions and sector-by-sector policies to move from decarbonization targets to implementation.

Australian policymakers can accelerate progress by aligning financial incentives with clean electrification and enforcing clear sectoral standards that complement current project funding programs, which are more voluntary in nature. Even with significant funds available for end-use electrification, several factors undercut the financial case — from high electricity and construction costs to increasing fossil fuel subsidies (such as the Fuel Tax Credits Scheme). Stronger standards for industrial efficiency and demand-side flexibility could also help manage electricity demand growth, helping affordability by reducing the electricity and fuel import costs required to achieve home comfort or industrial output.

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In the table below, 'Deployment' indicators include sales of EVs and heat pumps, grid congestion and flexibility metrics, and share of clean power, as well as key indicators influencing the business case, such as cost differences versus fossil technologies. 'Enablers' cover government plans, incentives, and regulations. See Methodology Annex for details.

NORMALIZED SCORE	AREAS OF STRENGTH	AREAS FOR IMPROVEMENT
GRID & POWER MARKET **14/30** DEPLOYMENT **22/30** ENABLERS	Distributed solar and storage adoption are among the highest in our assessed countries. Solid market reforms and demand flexibility efforts.	Grid investment has been insufficient to reduce solar curtailment. Annual home electricity costs are among the highest of the countries analyzed.
TRANSPORT **6/20** DEPLOYMENT **15/20** ENABLERS	Early progress for EV passenger vehicles (15% sales share). Strong EV incentives, charging investment, and smart/bidirectional charging initiatives.	EV deployment beyond cars remains low, with diesel higher than most countries. Vehicle CO2 standards are not long-term and exclude heavy trucks.
INDUSTRY **8/20** DEPLOYMENT **12/20** ENABLERS	Some early-stage green iron and steel efforts from several companies. Robust programs support efficiency, decarbonization, and electrification.	Industrial electrification is still early, while efficiency standards lag peers (e.g. IE2 for motors, and no standards for pumps, fans, or air compressors).
BUILDINGS **15/20** DEPLOYMENT **16/20** ENABLERS	Strong building electrification (more than 60% of final energy as electricity), heat pump adoption, and national and state incentive policies.	Smart meter installation and electric cooking have room to expand. Appliance standards (such as air conditioners) are not at Collaborative Labeling and Appliance Standards Program benchmarks.
CROSS-CUTTING **5/10** DEPLOYMENT **2/10** ENABLERS	Australia's workforce has the highest share of electrical trade workers in our assessment.	Fossil fuel subsidies have increased to a near-record high. Construction costs are high for building new infrastructure.
TOTAL SCORES	**47/100** DEPLOYMENT	**67/100** ENABLERS

Scores may not sum perfectly due to rounding. Data quality concerns: ***low.*** *The only hard-to-find data were on non-passenger EVs and heat pumps*

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The goal of this index is to inspire action, maximize strengths, and work toward improvement opportunities. All stakeholders have a role to play, but policy often sets the tone for sustained, market-based change.

We have reviewed the above findings against WMBC's 10 Policy Principles to Seize the Electric Advantage. Many challenges, from high electricity costs to high fossil fuel subsidies, relate to Principle 3 on realigning financial incentives. Focusing on this policy principle would help Australia improve the affordability of electrification. In tandem, gaps on efficiency standards and mandates (e.g. for industrial motors and heavy-duty vehicles) can be served by Principle 8 and would improve security by reducing volatile oil imports.

STATUS ■ **STRONG SIGNS OF IMPLEMENTATION** ■ **MIXED IMPLEMENTATION** ■ **NOTABLE GAPS**

POLICY PRINCIPLE	RECOMMENDATIONS
1. Reinforce clean electrification as a shared strategic priority across international forums	*This has not been assessed for country comparison, as electrification remains at an early stage of discussion in international forums. Emerging examples of best practice are highlighted under "Best practice policies" in the "Findings for policymakers and advocacy" section.*
2. Set clear targets and timelines for electrification	Pair existing emissions reduction targets with actionable sectoral electrification targets, such as in France.
3. Realign financial incentives and taxation to support electrification	Reverse the trend of fossil fuel subsidy increases and implement a clear phaseout plan, along with strengthening the price signal from the Australian Carbon Credit Unit.
4. Ensure electricity markets reward clean, flexible supply and demand	Focus on utilization of current and future solar and storage resources, building on programs such as the Solar Sharer Offer and other demand flexibility efforts.
5. Deliver modern electricity systems including grids and enabling infrastructure	Increase investment in grid infrastructure and smart, bidirectional charging networks (via programs like the Driving the Nation Fund), to complement strong incentives for distributed generation and battery storage for households and businesses.

ANNEX: COUNTRY PROFILES

AUSTRALIA

STATUS ■ **STRONG SIGNS OF IMPLEMENTATION** ■ **MIXED IMPLEMENTATION** ■ **NOTABLE GAPS**

POLICY PRINCIPLE	RECOMMENDATIONS
6. Streamline permitting and grid connection processes	Implement the Australian Energy Market Operator's Streamlined Connections Process workstream via industry working groups, government project trials, and other business-led initiatives.
7. Mobilize finance and de-risk investment	Minimize deployment cost hurdles to encourage private sector investment alongside the many government incentive programs, while continuing to implement commitments to financially assist neighboring regions in their path towards electrification access.
8. Use regulatory standards and mandates to accelerate deployment of electric solutions	Improve standards for industrial energy efficiency and electrification (e.g. via the 2025 consultation on improving the IE2 standard for motors), while enforcing recent updates in vehicle standards and the Construction Code for buildings.
9. Integrate electrification into industrial strategies and trade policy	Accelerate deployment of industrial electrification to support Australia's positioning as a first mover, building on expansive government funds for green iron, aluminum, and other sectors.
10. Build the skilled workforce needed to electrify the economy	Deploy recent investments in training capacity, apprenticeship support for small and medium-sized businesses, and teacher preparation among current industry professionals, while supporting the country's strong existing workforce.