

To: The Hon. Anthony Albanese, MP Prime Minister of Australia

CC: The Hon. Dr Jim Chalmers, The Hon. Chris Bowen

To: The Hon. Peter Dutton, Leader of the Opposition

CC: The Hon. David Littleproud, The Hon. Angus Taylor, Mr Ted O'Brien

Subject: Review Capital Gains Tax (CGT) on landowner payments for transmission infrastructure

We are writing to express our desire for the Government to review the application of Capital Gains Tax (CGT) to landholder payments for critical electricity transmission infrastructure. This can have a significant impact on rural communities and landholders, with the potential to affect the efficient delivery of transmission infrastructure that is essential for the transition to net zero emissions.

As you may be aware, new transmission infrastructure often necessitates the acquisition of easements over private land. While landholders are compensated for the impact of this infrastructure on their property, these payments are currently subject to CGT, meaning a portion of the compensation is paid to the federal tax office.

This situation creates a major disincentive for landholders to host new transmission infrastructure, which has potential to cause delays in the transition and exacerbating reliability concerns.

We believe that the federal government should take urgent action to review the issue and consider an exemption of landholder payments for transmission infrastructure from CGT to ensure landholders are not unfairly taxed on payments for the impact of transmission infrastructure on their land.

Going into this election, we ask you to give this issue your urgent attention.

Thank you for your time and consideration.

Sincerely,

- **Dom van den Berg, CEO – Energy Network Australia**
- **David Smales, CEO – AusNet**
- **Tim Rourke, CEO – CitiPower & Powercor**
- **Simon Emms, CEO – ElectraNet**
- **Paul Simshauser, CEO – Powerlink**
- **Seán Mc Goldrick, CEO – TasNetworks**
- **Brett Redman, CEO – Transgrid**

Additional Information:

- Electricity transmission is an important enabler of the transition to net zero emissions.
- The payments are to encourage landholders to participate in transmission development and to compensate them for their participation.
- Landholders however appear to be paying CGT on the payments. Their legitimate concern is that this undermines the value of payments received, to the point where the payments net of taxation may lead to overall detrimental financial outcomes for the landholder.
- It seems illogical for landholders to be required to pay CGT on these payments which are intended to put them in the position they would otherwise be in, noting that any genuine and lasting changes to property value should be accounted for as capital gains (or losses) in any future transfer of a property.
- It also seems illogical that electricity customers (some of whom are vulnerable or experiencing financial hardship) should fund these payments of CGT on land payments.