

9 May 2018

## Media Release

### Government's infrastructure investment presents growth opportunities for electrical contractors

Although there are no big ticket items for the electrotechnology sector in the 2018/19 Federal Budget, the ongoing investment in major infrastructure projects, company tax cuts and the extension of small business concessions will benefit electrical contractors.

#### **Infrastructure**

"The prioritisation of major infrastructure projects including the Melbourne airport rail link, the widening of the M1 between Brisbane and the Gold Coast and the upgrade of road and rail in WA will ensure continued opportunities for growth and employment for our sector," said Suresh Manickam, CEO National Electrical and Communications Association (NECA).

Similarly, in South Australia and Western Australia the creation of a \$3.8 billion Defence Export Facility opens up a range of opportunities for our sector.

NECA believes it is essential that there is a significant involvement of apprentices in all of these projects as this will provide valuable experience and opportunities as well as encourage more students to take up a trade apprenticeship.

#### **Small business concessions**

NECA has pressured the Government to cut the company tax rate for small businesses to 25% and we're pleased to see a commitment in this budget to reduce company tax to 25 per cent by 2026/27.

The extension of the \$20,000 Instant Asset Write-off program is a positive move providing NECA's SME businesses an opportunity to improve their cash flow and replace or upgrade assets and tools. However, we believe the \$20,000 cap is too low and a realistic level should be at least doubled to better reflect the cost of business tools and equipment for electrical contractors.

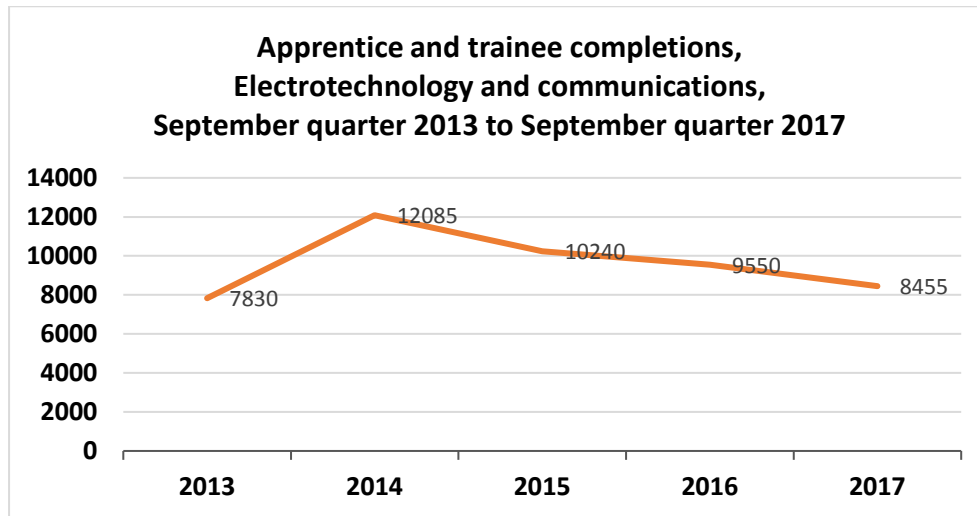
Our members tell us that red tape creates an unnecessary administrative burden on their businesses. We would like to have seen alignment of key business reporting timeframes such as BAS, PAYG tax, FBT and WGEA compliance to lessen this burden.

#### **Attracting apprentices to trades**

At the end of 2017, NECA delivered a Pre-Budget submission to the Federal Government and is disappointed the majority of our recommendations have not been taken up.

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The most recent NCVER data indicates a continuing decline in the number of apprentices who drop out of their apprenticeship. Apprentice completion rates electrotechnology and communication courses has declined by 30 per cent in the three years from September 2014 to September 2017.



Given this trend, we believe the Government has missed an opportunity to address the forecast skills shortage across the trade by investing in effective training facilities and schemes to attract a greater diversity of people into an electrotechnology trade apprenticeship, particularly mature age and female students.

### **Renewable energy**

NECA is also disappointed at the lack of subsidies or grants to encourage property owners to install solar photovoltaic panels and battery storage units. We are hopeful that the toughening of eligibility requirements for R&D tax benefits will not impact new technologies which could increase the use of renewable energy, decrease demand on the national grid and help drive electricity prices down. Our members tell us that Australian households continue to call for financial assistance in this regard, and to this end we encourage further discussion on this topic.

NECA will continue to advocate to the Federal and state and territory governments for investment in initiatives that will ensure a sustainable future for the electrotechnology sector.

**-ENDS-**

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### **Notes for editors**

1. *NECA is the peak industry body representing the interests of electrical and communications contractors Australia-wide.*
2. *Membership comprises over 5,000 contracting companies with over 50,000 employees.*
3. *NECA wholly-owns Registered Training Organisations and Group Training Organisations in NSW, VIC & WA, the EcoSmart Electricians initiative, ACRS (a national cabling registrar) and has a joint venture with NESS Super in NSW.*
4. *NECA employs around 2,000 apprentice electricians, training a further 2,000.*