

Media Release

NECA calls on government to ditch guaranteed super rise

The National Electrical and Communications Association (NECA) today urged the government to reconsider the rise in employer contributions to guaranteed superannuation as it is unsustainable given current market conditions.

The increase in compulsory superannuation contributions in future years remains a challenge. Whilst NECA supports the Federal Government's move to freeze the compulsory contribution at 9.5 per cent through to 2021, we believe that further increases beyond 10 per cent and up to a rate of 12 per cent by 2025 are unsustainable.

NECA understands the Federal Government is considering its options given the current economic environment and is adding its voice to growing calls for the increase to be scrapped so businesses can get back on their feet.

Many businesses, including electrical and communications contractors, are doing it tough right now and most simply cannot afford an increase in costs. Australia's superannuation system is the envy of the world because we have the right balance that delivers great outcomes for employees while not putting too big a burden on employers. Any change, particularly in the midst of the pandemic and first Australian recession in 29 years, could put companies out of business.

NECA members, many of them small and medium enterprises (SMEs) – the lifeblood of the Australian economy – are telling us that they can't shoulder additional costs and urgently need all levels of government to implement regulatory and tax reforms to stimulate the economy, which will support small business and protect livelihoods.

The National Electrical and Communications Association (NECA) is the peak industry body for Australia's electrical and communications contracting industry, which employs more than 165,000 workers and delivers an annual turnover in excess of \$23 billion. It represents the interests of over 5,400 electrical contracting businesses across all Australian States and Territories.

NECA's Pre-Budget Submission, which outlines a series of policy measures that would stimulate the economy, support business and protect jobs, can be seen [here](#).

NECA's Industry Impact Survey, which provides insights into the impact of COVID, can be seen [here](#).

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NECA media contact

Katherine Cammuso – katherine.cammuso@neca.asn.au or +61 2 410 609 443