

28th January 2016

The Honourable Scott Morrison MP
Treasurer
Federal Member for Cook
PO Box 6022
Parliament House
CANBERRA ACT 2600

Dear Treasurer Morrison

Electrical Industry Pre-Budget Submission 2016

The National Electrical and Communications Association (NECA) is Australia's peak industry body for the electrical and communications contracting industry which employs more than 145,000 workers with an annual turnover of \$23 Billion. We represent in excess of 4,000 businesses across all states and territories, many of whom are Australian owned and run SMEs.

Additionally, NECA's involvement in the Vocational Educational & Training sector extends to the responsibility for the employment, training and skilling of more than 4,000 current and future electricians and contractors through our Group Training and Registered Training Organisations.

NECA is strongly of the view that quality education, skills and training initiatives are necessary for the successful growth and development of the electrical and communications contracting sector.

In the context of this year's Federal Budget, we have developed a range of recommendations resulting from the *NECA Policy Statement 2015* that we believe are not only critical for the industry, but will also deliver a considerable uplift to the national economy, including:

- The alignment of key business reporting timeframes such as BAS and PAYG tax, FBT, WGEA compliance as well as a alignments of these thresholds;
- NECA calls upon the Federal and State Governments to boost and maintain funding and support for the development and awareness of energy efficiency programs and clean energy initiatives and training. This funding and support should be prioritised towards the electrical contracting industry which is well placed to provide consumers with options and answers in relation to energy efficient solutions;
- NECA recommends that the Federal Government provides an employer wage subsidy to employers who choose to employ mature age/adult apprentices. This subsidy should match the differential between the hourly rate of a junior apprentice and adult apprentice across each stage year of the apprenticeship;



- NECA strongly calls for the stamping out of non-compliant electrical parts and product sales that fail to meet Australian Standards. The professional reputation of our industry is compromised through the weakening of safety standards, property damage and the potential endangerment of human life when non-compliant products remain on sale;
- Further to the point above, NECA calls on the Federal Government to take the lead position in relation to COAG discussions surrounding the Electrical Equipment Safety System (EESS). This would also imply the commitment of funding and resources. The EESS, if established and run as envisaged, is a critical plank in the war against non-compliant building products;
- NECA recommends that when insurance premiums on homes, residential complexes and buildings are calculated that actuaries also factor in the age and quality of a buildings cabling or wiring. Home/property insurance would then attract a premium discount for owners who continue to ensure that their properties wiring is safe and fully compliant. This would occur at the point of sale, prior to the signing of a new rental agreement or the renewal of an insurance policy. NECA recommends that the Federal Government urge insurers to adopt such an approach;
- NECA proposes that a mandatory Safety Audit would occur at the point of sale or any new rental arrangement. The Transfer of title would not occur until a proof of Audit was produced to the relevant Land Titles Office of the relevant State/Territory Government. Such a proposition would be both quick and inexpensive and would provide the consumer with a list of safety issues, remedies and costs, thereby enabling the consumer to budget and remedy their residence in an appropriate manner. NECA recommends that the Federal Government pursue this policy at the appropriate COAG forum;
- NECA proposes that State/Territory Governments encourage property owners to undertake voluntary Home Energy Audits. Home Energy Audits should occur at the point of sale or any new rental arrangement. Such a proposition would be both quick and inexpensive and would provide the consumer with options as to how best a consumer may plan to reduce their energy bill and carbon footprint;
- NECA urges the Federal Government to implement one of the key recommendations of the Henry Tax Review, specifically to reduce the company tax rate to 25%; and
- NECA urges the Federal Government to immediately introduce legislation in relation to a low-cost, Retention Money Trust Account scheme should be established across all state and territory jurisdictions, similar to those available in the real estate industry and legal profession. The scheme should be administered by a Government department to reduce costs and create a level playing field for industry

To this end, we are encouraged by the Turnbull Government's focus upon innovation and its implications for a smarter and greater skilled workforce.

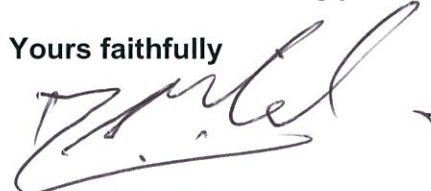
Mature age apprentices are very productive within the workforce and bring enhanced knowledge, maturity, wisdom and experience to businesses within the electrical sector. However from an employer perspective, mature age apprentices are often priced out of the marketplace given the cost of hire and we therefore seek your support for an adult apprentice subsidy that would help to promote reskilling and cross skilling to take greater advantage of the benefits that mature workers could offer industry.



Thank you for your consideration of this request to support the growth and development of our sector. Whilst we are particularly appreciative of the challenges and difficulties with the present fiscal position, we strongly urge you to consider these recommendations within your first Budget, particularly given their potential to boost the national economy.

I look forward to meeting you to discuss these matters shortly.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'Suresh Manickam', with a stylized flourish at the end.

Suresh Manickam
Chief Executive Officer
National Electrical and Communications Association (NECA)

