

FEDERAL ELECTION 2025



NECA PRE-ELECTION REPORT

JANUARY 2025

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Introduction

Pre-Election Report: Australia's Economic Future to 2035 and the Role of the Electrotechnology Industry in Nation Building.

Four years and one month after the end of World War II, Prime Minister Ben Chifley turned the first sod of the Snowy Hydro Scheme in Adaminaby, marking the dawn of a new era for Australian growth, prosperity, and innovation. As we approach the 2025 election, three years after the global pandemic, we again stand at the threshold of a transformative moment and turn to the Energy sector to lead the country forward. This report explores the Electrotechnology industry, vital to Australia's economic recovery and long-term sustainability through to 2035 and beyond.

Australia faces complex challenges: widening inequalities, the need for rapid digital transformation, and growing global geopolitical uncertainties. Economic growth is slowing, with GDP per capita declining over the past seven quarters, while productivity and business profits are under pressure. Despite these hurdles, unemployment remains low, inflation is moderating, and we now have a critical opportunity to act.

The path forward lies in strategic investment in infrastructure, innovation, and, crucially, human capital. To build a resilient, sustainable economy, we must turn to the sectors essential to shaping Australia's future – particularly the Electrotechnology industry.

The Electrotechnology industry employs 241,600 people through 56,402¹ businesses and is made up of electrical contractors, electricity network

operators, communications specialists, and digital transformation experts, and will form the backbone of our nation-building efforts. This sector will drive Australia's transition to a sustainable, tech-driven economy by modernising our infrastructure, enhancing energy security, and supporting the renewable energy revolution. It will play a pivotal role in addressing national priorities such as expanding renewable energy, enabling carbon capture, building climate-resilient infrastructure, electrifying transport systems, implementation of the Nationwide Electrification Accelerator, rolling out electric vehicle charging networks, and improving national digital connectivity.

To meet these challenges, we must invest in the workforce that will power these projects. According to Jobs Skills Australia, the sector could face a shortfall of up to 32,000 skilled electrical tradespeople by 2030, putting critical projects at risk. NECA calls for policies that support apprenticeships, upskilling tradespeople, streamline regulation, and safeguard small business enterprises essential to delivering electrical technology services in Australia. Harnessing the full potential of the Electrotechnology industry is key for Australia in building a resilient economy that will drive growth and prosperity well into 2035 and beyond.

This is our moment to shape the next chapter in our Australian story, one driven by skilled tradespeople, sustainable businesses and innovative infrastructure.

¹ Powering Skills Organisation <https://poweringskills.com.au>

Recommendations

Macro-Economic

- Lowering the corporate tax rate. Initially, eligibility for the 25% rate should be expanded to businesses with turnover under \$250 million.
- Cutting Red tape and administrative burden on Australian businesses.
- Raise the value of eligible depreciable assets to \$50,000 and increase the turnover threshold to \$50 million for greater investment.
- Target of 2.5% of GDP for R&D investment by 2026, fostering collaboration between industry, government, and academia.
- Introduce an investment allowance of 20% for assets over \$100,000 to help businesses accelerate productivity improvements to stay abreast of advancements in technology and integrate them into operations.

Construction and Electrotechnology Industry Reform

- The Commonwealth Government should collaborate with state and territory governments to ensure consistency in regulations and standards across Australia.
- Reinstate the ABCC and add to its remit to add greater focus for subcontractors.
- National Occupational Licensing Regime.
- Tackle illegal Phoenixing activities.
- Review the Australian Energy Regulator's Distribution Ring-Fencing Guidelines to promote competition and consistency with the National Electricity Objectives.
- Improved WHS regulation.
- Implementation of the recommendations from John Murray's Building Confidence Report 2020.

- Urgent reform to unfair contract terms to ensure fairer, transparent and sustainable industry practices.

Small Business Initiatives

- Reintroduce and make permanent the Small Business Technology Investment and Skills Training Boost programs.
- Provide grants and resources for the transition to payday superannuation.

Workplace Reform

- Establish a small business division within the Fair Work Commission for tailored support and faster decisions.
- Modify the Fair Work Act to provide the ability for the commission to provide fast tracked relief to third party small businesses impacted by industrial action.
- Enable the Fair Work Ombudsman to provide binding advice to protect small businesses from claims.
- Allocate sufficient funding to assess new regulations and ensure adequate departmental resources.
- Harmonise State and Commonwealth Acts to create a unified and consistent portable Long Service Leave scheme for the construction sector.

Energy Security

- Innovative energy solutions and emerging technologies for industry development and skill growth.
- Develop and enable methods to verify compliance of network connected Clean Energy Regulator installations and compel remedial action.
- Adopt market-based solutions for net zero.
- Enhance collaboration and transparency in energy policy.



RECOMMENDATIONS continued

- Task the Productivity Commission to review and eliminate inefficient climate policies.
- Adopt a technology-agnostic approach for a diverse, economically sustainable and secure energy generation.

Nation Building

- Invest in Apprenticeships: Address the projected 32,000 electrician shortfall by 2030 with funded programs.
- Establish subsidised funding for adult apprentices in their first two years.
- Streamline Regulations: Reduce red tape and expedite approvals for renewable energy, electric vehicle, and infrastructure projects.
- Support Workforce Retention: Offer financial incentives, bonuses, and training grants to retain skilled electricians.
- Promote Workforce Diversity: Encourage underrepresented groups, including women and Indigenous Australians, to enter the electrical trade.
- Collaborate on Workforce Planning: Align training programs with upcoming infrastructure projects to ensure sufficient skilled labour.

Australia's Digital Growth

- Invest in Energy Infrastructure – Prioritise upgrades to power, storage, and transmission for growing data centre demands.
- Streamline Industrial Relations – Address industrial relations issues to reduce delays and ensure predictable data centre construction.
- Support Workforce Development – Upskill workers in AI, automation, and energy-efficient technologies to meet sector demands.
- Encourage Domestic Data Centre Investment – Provide incentives for local

data centres, reducing offshore storage reliance and enhancing sovereignty.

- Facilitate Smart Grid Deployment – Support smart grids and energy-efficient technologies to optimise data centre energy use.

Skills and Training

- Increase Investment in VET: Increase funding for Industry led providers to deliver high-quality, industry-relevant education and support.
- Enhance International Education Policies: Remove restrictive caps and encourage sustainable growth in international education, aligning qualifications.
- Support Small and Regional Businesses: Implement tiered incentives to support small and regional businesses to take on apprentices.
- Mature Apprentice Subsidy Scheme (MASS): Create a program to subsidise the wages of mature-age apprentices, thereby aiding businesses in the engagement and retraining of workers.
- Increase Female Apprentice Participation: Offer subsidies and support initiatives to boost female participation and inclusive workplace training.
- Introduce the Trades Passport program to fast-track the entry of qualified electrical tradespeople from comparable accreditation licencing regimes.
- National Continuing Professional Development (CPD) Approach: Implement a nationwide CPD framework, offering affordable, practical training to ensure the ongoing currency of knowledge and skills.
- Provide access and facilitate partnerships for industry led RTOs and GTOs to existing underutilised infrastructure in regional locations to facilitate Electrical Technology training opportunities.

About NECA

The National Electrical and Communications Association (NECA) is the leading industry body for Australia's electrical and communications sectors. With branches in every State and Territory, NECA represents more than 6,500 businesses across diverse industries, including construction, mining, air conditioning, refrigeration, manufacturing, communications, and renewable energy. These businesses specialise in the design, installation, and maintenance of electrical systems and electronic equipment, driving innovation and excellence across the country.

For over 100 years, NECA has advocated for the electrotechnology industry, championing safety, efficiency, and regulatory compliance. The association represents the sector at all levels of government and within key industry forums.

NECA members play a vital role in Australia's economy, powering businesses, homes, and critical infrastructure. Their work enhances energy security, drives investment, and delivers sustainable, affordable solutions. NECA is committed to maintaining high industry standards, safeguarding the reputation and safety of the electrotechnology sector for tradespeople, consumers, and the broader community.

NECA Training empowers the electrical, electricity supply, and communications industries by delivering a broad range of high-quality programs. These include pre-apprenticeship, apprenticeship, post-trade accredited, and industry-specific courses, all recognised for their excellence and holistic approach. We train over 3,500 apprentices nationally, achieving an outstanding 90% plus completion rate – well above the average of public sector training of around 50%.

In response to Australia's projected shortage of 32,000 electricians by 2030, NECA Training promotes diverse career pathways, encouraging school students, school leavers, and Indigenous and mature-aged apprentices to enter the industry. We are also committed to increasing female participation, with nearly 20% of our apprentices currently women, and aim to further grow this percentage in the years ahead.

NECA's Excellence Awards recognise achievements in innovation, safety, and training, while the Apprentice Awards celebrate emerging leaders shaping the future of the electrotechnology industry.

NECA is shaping Australia's future with a skilled workforce, sustainable businesses, and innovation to power communities and technology.



Macro-Economic

Tax Reform for Small Business

The Australian tax system is complex and costly to administer, placing a heavy burden on small electrical businesses. With skill shortages, especially among qualified electricians, the time spent on administrative tasks removes workers from the market, worsening the nationwide skills gap.

NECA advocates for tax reform to reduce red tape, making the system more efficient and supportive of businesses. This reform should promote economic growth, address distributional impacts, and align with federal, state, and territory budgets. NECA also supports establishing a Tax and Federation Reform Commission to recommend ways to improve the division of spending responsibilities between levels of government.

Australia's corporate tax rate is among the highest in the OECD, sitting at 30% in 2024, seven percent higher than the OECD average, creating a tax disparity between medium/large businesses, which are taxed at 30%, and small businesses with a turnover under \$50 million, taxed at 25%. This misalignment hinders the growth of larger businesses, which smaller enterprises rely on for supplies and customers. While there were plans to lower the corporate tax rate to 25% for all businesses, these have not yet materialised.

NECA recommends gradually lowering the corporate tax rate. Initially, eligibility for the 25% rate should be expanded to businesses with turnover under \$250 million. This would enhance Australia's global competitiveness and attract investment. Over time, the threshold could be progressively raised to align all businesses at 25%.

Additionally, NECA advocates for reducing payroll tax, which varies across states and territories and is inefficient. A long-term goal should be to phase it out entirely, with the Commonwealth working with state and territory governments to ease the compliance burden.

Deregulation and Regulatory Reform

The regulatory burden in Australia significantly impacts productivity, growth, and international competitiveness, especially for small and medium businesses, including those in the Electrotechnology Industry. The regulatory system must be simple, outcome-focused, and designed to support business establishment, operation, and growth.

Recent increases in government regulations and transparency requirements have stifled innovation and increased costs, which are ultimately passed on to consumers. To ensure a competitive environment, it's essential that competition laws remain fit for purpose, addressing the relationship between the Commonwealth and state governments. A user-centric approach to regulation, involving close collaboration between regulators, industry bodies, employees, and community representatives, will improve efficiency and effectiveness.

Duplication of regulations, particularly in environmental planning and land use, also hinders businesses, including NECA members, who often face lengthy approval processes for major projects. Streamlining approvals and establishing fixed timelines for low-risk projects will reduce administrative burdens.

Further, regulatory agencies must be held accountable for efficient cost recovery practices, ensuring policies are transparent and effective. Businesses also need targeted support to manage growing reporting requirements, such as superannuation, tax transparency, and environmental, social and corporate disclosures. Providing this assistance will ease the compliance burden while supporting sustainable business growth and innovation.

Business Investment

Business investment is essential for productivity growth, technological advancement, and innovation, especially for sectors like electrotechnology. Tax incentives, such as the instant asset write-off (IAW), have proven effective in driving investment, particularly among small and medium-sized businesses during economic downturns. However, the uncertainty around the IAW's availability, due to delays, undermines its potential. To foster long-term planning and sustainable growth, the IAW should be made permanent.

Raising the value of eligible depreciable assets to \$50,000 and increasing the threshold for eligible businesses to \$50 million in turnover would allow NECA members to invest in more substantial assets, contributing to broader economic growth. Additionally, allowing the IAW on the first \$50,000 of eligible assets, with the remainder depreciated over time, would help SMEs make bigger investments and drive productivity.

Support for larger-scale investments in heavy machinery and equipment is also crucial. Introducing an investment allowance of 20% for assets over \$100,000 would help businesses justify the upfront costs and accelerate productivity improvements.

Research and Development

Research and development (R&D) investment is vital for maintaining global competitiveness, yet Australia's R&D spending lags the OECD average. To boost innovation, the government should target 2.5% of GDP for R&D investment by 2026, while fostering collaboration between industry, state governments, and academia. This approach will encourage private sector investment and ensure Australia remains competitive in a rapidly evolving global market.

RECOMMENDATIONS

- Establish a Tax and Federation Reform Commission to provide advice on tax reforms that enhance the tax environment for businesses, including those in the electrotechnology industry.
- Extend the 25% corporate tax rate to SMEs with a turnover up to \$250 million, supporting industry and fostering growth.
- Collaborate with state and territory governments to reduce payroll tax burdens, easing the financial strain on electrotechnology businesses.
- Prioritise and resource a user-centric approach to regulation across government, improving efficiency for businesses in the sector.
- Simplify the approval process for major projects and reduce regulatory duplication, speeding up timelines for those in the electrotechnology and communications industry.
- Enforce accountability in the cost recovery process for regulatory agencies, driving more efficient and cost-effective regulation.
- Provide advisory services to help businesses navigate changing regulatory and reporting requirements.
- Increase the IAW threshold to \$50,000, supporting larger investments in technology and equipment.
- Apply the IAW to the first \$50,000 of larger investments, with normal depreciation for the remainder.
- Introduce a 20% investment allowance for plant and equipment over \$100,000 to encourage large-scale investments.
- Set a target to lift R&D investment to 2.5% of GDP by 2026, boosting innovation in the sector.

Construction and Electrotechnology Industry Reform

Nationwide consistency

Inconsistent regulations across state and territory borders create significant challenges for Australian Electrotechnology businesses. For example, in Queensland the Best Practice Industry Conditions (BPIC) introduced by the previous Government has led to complex and costly industrial relations challenges, causing significant cost blowouts and project delays on large Government funded infrastructure projects.

Similarly, the NSW Accredited Service Provider (ASP) scheme fosters competition and innovation for customers, however the federal regulation of networks is allowing some of those market players to manipulate the system, undermining fair competition and creating inefficiencies. Furthermore, in other jurisdictions, customers and developers remain constrained by networks that retain responsibility for electricity services that could be easily and more efficiently sourced and provided by a competitive market.

The Commonwealth Government must take the lead in driving nationwide consistency across all levels of government. By coordinating reforms to standardise licensing, reporting, and compliance requirements, this approach would improve workforce mobility and reduce barriers to cross-border work, particularly in border regions like Queanbeyan/Canberra, Coolangatta/Tweed, and Albury/Wodonga.

A unified regulatory framework would enable Electrotechnology businesses to focus on delivering high-quality projects, rather than navigating complex compliance issues. By driving these reforms, the Commonwealth can strengthen the Electrotechnology industry, promoting greater competitiveness and efficiency while ensuring the timely delivery of critical infrastructure and supporting business growth.

Improved WHS regulation

Many businesses, and particularly construction-based businesses are faced with a regulatory burden associated with haphazard and unrealistic implementation of silica regulation. Different jurisdictions are developing complicated or vague guidance and/or relying on different sources of evidence. Recent proposals require businesses to test for exposure limits that cannot be practically measured.

NECA recommends giving a greater voice to business in considerations about modifying WHS regulations and/or require SafeWork Australia to assess the verified evidence, practicality and economic impact of significant changes to workplace regulations.

NECA also supports initiatives to improve nationally consistent reporting of electrical safety incidents and compliance outcomes to support national licensing outcomes. This has become even more evident in recent years and requires a national consistent approach. A consideration of a national standard on incident reporting is urgently needed.

Reinstating the ABCC: Ensuring Fairness and Stability

Fairness, transparency, and the enforcement of workplace relations laws are essential for Australia's economic future, especially within the building and construction sector. Over the past 12 months, construction unions, such as the CFMEU have been involved in several high-profile disputes, including widespread industrial action that has delayed key projects and driven up costs. These disruptions highlight the need for strong oversight to ensure fair, lawful practices.

NECA, alongside other industry bodies, strongly supports the reinstatement of the Australian Building and Construction Commission (ABCC). The ABCC was crucial in maintaining fairness and transparency in the sector, which is vital for the efficient delivery of projects and the creation of new jobs. Electrical

contractors rely on a regulated, safe, and productive work environment where the rule of law is upheld.

The ABCC provided critical support to the Electrotechnology industry by:

- Assisting subcontractors with unpaid dues and ensuring compliance with Security of Payments laws.
- Offering education and advice on workplace relations issues.
- Investigating breaches of industrial laws, including wage and entitlement violations, coercion, and industrial action.
- Supporting legal actions to enforce compliance with relevant Acts.

As the construction industry faces ongoing challenges, NECA urges the incoming government to reinstate the ABCC's vital role in ensuring transparency, business confidence, and productivity. Reinstating the ABCC, with strengthened powers for regulation, will provide the stability necessary for the sector to thrive.

Introducing a National Occupational Licensing Regime

To deliver critical nation-building infrastructure such as EV charging networks, renewable power in designated zones, and data centres, it's essential for electrical tradespeople to work freely across Australia. Inconsistent licensing requirements between the states and territories hinder the ability to deploy skilled workers where they're needed most.

NECA advocates for a national occupational licensing scheme for the electrotechnology industry, ensuring that safety standards, technical expertise, and insurance requirements are not compromised.

For this to succeed, industry stakeholders must address current barriers and allocate resources for the development of legislation and a comprehensive review to establish a national framework for licensing recognition. This will improve workforce mobility and efficiency across the electrotechnology industry.

NECA supports the introduction of a "driver's license style" national electrical licensing system.

Combating Illegal Phoenix Activity

NECA expresses concern over the prevalence and impact of illegal phoenix activity within the construction industry. These practices undermine market integrity, inflict significant harm on legitimate businesses, deprive workers of entitlements, and destabilise the economy. NECA advocates for the establishment of a dedicated independent investigative and prosecutorial office within the Australian Competition and Consumer Commission (ACCC) to focus on ending any phoenix activity in the construction sector.

The Treasury Laws Amendment (Combating Illegal Phoenixing) Act 2020 aimed to combat illegal phoenix activity by introducing new offences and penalties. However, as of March 2024, no criminal or civil prosecutions have been brought forward by the Australian Securities and Investments Commission. Phoenix operators exploit legislative and procedural loopholes to liquidate companies, evade liabilities, and resume trading under a new guise, leaving a trail of unpaid debts.

The consequences for the Electrotechnology industry include:

- **Breaches of Security of Payments Legislation:** These operators consistently circumvent payment obligations, resulting in significant financial losses for subcontractors and small businesses.
- **Emotional and Financial Strain on Stakeholders:** The ripple effects of phoenixing activity extend beyond the immediate financial losses. Subcontractors, employees, and their families bear the brunt of this illegal behaviour, resulting in emotional and financial distress.
- **Weakening of the Construction Sector:** The absence of prosecutions under current legislation allows predatory practices to continue unabated, further weakening the sector's reputation as a viable and secure sector for investment.

- **Increased Cost of Construction:** Illegal corporate phoenixing activity significantly contributes to increased construction costs across the sector. Legitimate businesses are forced to absorb the loss or incur higher insurance premiums, legal costs, and compliance expenses to protect themselves against such risks. These additional costs are inevitably passed down the supply chain, inflating the overall price of construction projects.

While the Phoenix Taskforce, led by the Australian Taxation Office (ATO), has achieved commendable outcomes, there remains a need for a dedicated resource allocation within the ACCC or a specific construction industry independent authority.

NECA proposes the following measures:

- Establish a dedicated investigative and prosecutorial unit for the construction sector, fully funded and resourced to investigate and prosecute all entities or persons engaged in illegal activities within the construction sector.
- Direct ACCC to pursue civil and criminal penalties for breaches of Fair Work obligations.
- Increase ASIC referrals to the Serious Financial Crime Taskforce to escalate high-profile cases.

- Enhance enforcement against facilitators by strengthening data-sharing with the Phoenix Taskforce to identify and prosecute pre-insolvency advisers complicit in this activity.
- Investigate mechanisms used by facilitators to shield phoenix operators from liabilities and recommend legislative or regulatory changes.
- Prioritise compliance audits within the construction sector.
- Monitor contractors on government-funded projects to enforce adherence to Security of Payments and Unfair Contracts legislated obligations.
- Leverage the Director Identification Number system to track and disqualify repeat offenders or related parties.

Enable pre-emptive actions against directors with a history of phoenix-related offenses.

NECA regards this issue as one of increasing urgency. The Electrotechnology industry, a cornerstone of Australia's infrastructure and renewable energy future, must operate in a fair and stable market.

Security of Payments

NECA advocates for security of payment reforms to ensure timely, fair payments, enhance transparency, streamline dispute resolution, and protect financial stability, reducing delays and unfair practices within the construction industry.

NECA fully supports and recommends the implementation of the key findings from Mr John Murray AM's 2018 report which was focused on 3 key pillars:

1. Minimising complexities and administrative burdens within the system.
2. Providing equal rights and protections across all jurisdictions.
3. Promoting prompt payment to ensure cash flow continuity.

Key recommendations particularly relevant to the electrotechnology sector include:

- Adopting a single regime for making claims under the Act, removing the distinction between 'complex' and 'standard' claims.
- Ensuring the legislation does not apply to claimant corporations in liquidation, protecting the financial interests of other parties.
- Abolishing 'reference dates', allowing claimants to submit a payment claim monthly (or more frequently if permitted by the contract).
- Introducing an express requirement that all payment claims explicitly state they are made under the Act.
- Establishing a review mechanism for adjudicator decisions to enhance fairness and transparency.
- Rendering certain unfair contract terms void, such as those imposing unreasonable notice requirements.
- Introducing a deemed statutory trust model to secure payments across the contractual chain, offering greater financial security to subcontractors and suppliers.

Unfair Contract Terms

NECA members face significant challenges due to Unfair Contract terms (UFC), including imbalanced risk allocation, delayed payments, and unilateral changes, which undermine subcontractor stability.

In the construction sector, these issues create financial instability, hinder competition, and increase project risks. Subcontractors, especially SMEs, bear disproportionate risks, leading to cash flow problems, project delays, and potential disputes. Addressing these concerns is essential for ensuring a more balanced and sustainable environment for all businesses in the industry.

NECA advocates for urgent reform of UCTs in the Australian construction sector. While amendments to the Competition and Consumer Act 2010, effective from 10 November 2023, represent some progress, further action is needed to address the disproportionate impact on subcontractors.

Key issues identified include:

- Unreasonable risk allocation and excessive liabilities for subcontractors.
- Unilateral variation clauses and unjust termination provisions.
- Delayed payments and lack of clarity in subcontract agreements.

NECA's recommendations include:

1. Ensuring fair and transparent contracts by eliminating unfair risk allocation and unreasonable liabilities.
2. Simplifying contracts to promote clarity and fairness for all parties involved.
3. Prohibiting unilateral variations and unjust termination clauses that leave subcontractors vulnerable.
4. Extending UCT protections to all businesses in the construction sector, not just small enterprises.
5. Prohibiting the unconscionable practice by Standards Australia for the licensing of variations to standard form contracts.



Reviewing Distribution Ring-Fencing Guidelines

NECA formally requests a review of, and amendments to, the Distribution Ring-Fencing Guidelines currently in place. NECA members are frequently voicing concerns that the Related Electricity Service Providers (RESPs) associated with several Distribution Network Service Providers (DNSPs) are exploiting weaknesses in the current guidelines to compete on an unfair basis in the provision of contestable and other electrical services.

The current guidelines permit a RESP to operate with very few permanent staff who can call on and allocate any number of DNSP staff and resources to deliver services and/or contestable infrastructure projects. This creates multiple conflicts of interest and disadvantages for competitor organisations that do not have access to such resources without significant investment in capital and workforce development.

NECA proposes that, in the interests of consumers and the promotion of competition in electricity services, the ability of DNSPs to pursue work in unregulated services using their own staff be prohibited or heavily limited.

RECOMMENDATIONS

- Reinstatement of the ABCC to ensure fairness and stability in the construction sector.
- Introduction of a national occupational licensing regime to harmonise and reduce costs.
- Establishment and funding of a dedicated investigative and prosecutorial unit for combating illegal phoenix activity.
- Enhancement of enforcement against facilitators and strengthening data-sharing with the Phoenix Taskforce.
- Review and amendment of the Distribution Ring-Fencing Guidelines to promote fair competition.
- Adoption of the key recommendations of the National Review of Security of Payment Laws by John Murray.
- Urgent reform to unfair contract terms to ensure fairer, transparent and sustainable industry practices.

Small Business

The Australia Small Business and Family Enterprise Ombudsman (ASBFEO) highlighted the crucial role of SMEs in supporting the economy. In 2021/22 ASBFEO found SMEs made up more than 98% of all Australian business, employing around 70% of the workforce and contributing approximately \$506 billion or third of the country's GDP.

To support these enterprises, NECA urges the government to adopt and fund specific policies in the 2025-26 Budget. It is crucial that every proposed legislative or regulatory measure includes a clear analysis of its impact on small businesses. This analysis should be detailed in a dedicated section within any policy impact report. Adequate funding should be allocated to ensure the Office of Impact Analysis (OIA), the Office of Parliamentary Counsel (OPC), and relevant drafting branches of departments are well-resourced to perform this essential work.

Reintroduce the Small Business Technology Investment Boost (SBTIB)

NECA welcomed the government's commitment to the SBTIB and Skills Training Boost (STB) programs in the October 2022 Budget. However, many small businesses still lack the digital capabilities needed to thrive in a digital economy. Programs like SBTIB and STB are essential to prevent further inequities and support entrepreneurial growth. Unfortunately, these programs were not fully realised. The SBTIB program was short-lived, and the legislation to activate it was not passed before its scheduled closure on 30 June 2023.

The Small Business Skills Training Program was available for only nine months before it closed on 30 June 2024. To truly boost small business investment in technology and skills, the government should reintroduce and make these programs permanent.

As payday superannuation approaches on 1 July 2026, Australian small businesses will need support to transition and comply with new obligations. This is especially important with the closure of the Australian Taxation Office's Small Business Superannuation Clearing House (SBSCH) from 1 July

2026. The impact of the closure of SBSCH will have several impacts on small business including:

1. Finding alternative solutions.
2. Dealing with increased administrative burden.
3. Address potential costs.
4. Compliance with Payday Super.

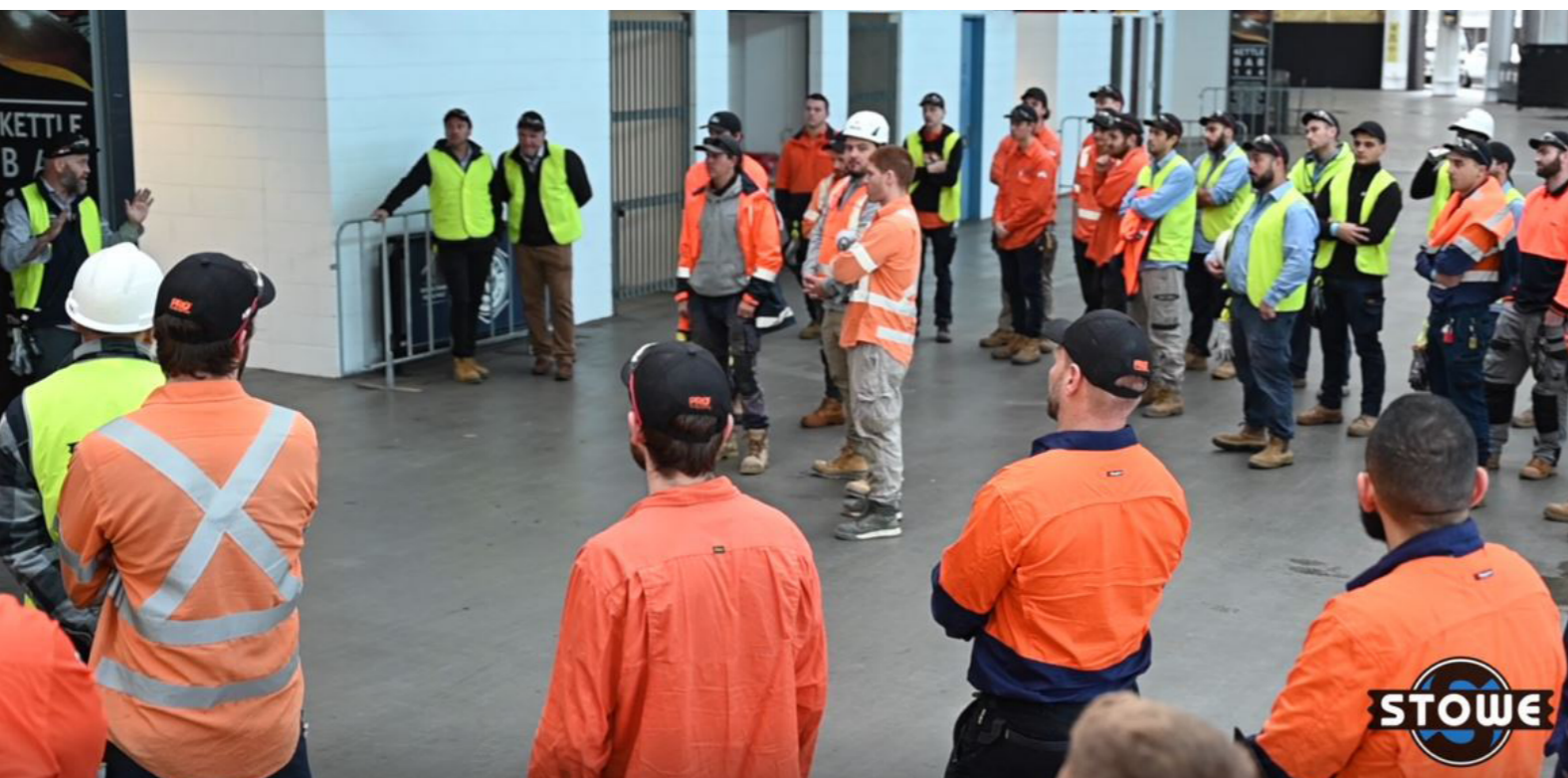
Grants or similar programs must be introduced to help small businesses transition to available and equivalent services, as the SBSCH is unlikely to be replaced by a free service.

Merchant Card Payment Costs and Surcharging

NECA supported ACCI's recommendations made to the Reserve Bank of Australia's review of Merchant Card Payment Costs and Surcharging. These recommendations aim to encourage competition within the card payment system and reduce fees for small businesses.

RECOMMENDATIONS

- Clearly articulate the anticipated impact on small businesses within any policy impact analysis generated for proposed legislative or regulatory measures.
- Reinstatement and making permanent the Small Business Technology Investment and Skills Training Boost programs.
- Introduction of supports, such as grants and educational materials, to assist small businesses transition to payday superannuation requirements.
- Support the ACCC and RBA to collect, publish, and monitor data around merchant fees, including interchange and scheme fees, to increase transparency, and to act against anti-competitive behaviours within the card payments system.
- Mandate LCR and ensure that the ACCC is empowered to oversee and enforce this implementation.



Workplace Reform

The recent reforms to Australia’s industrial relations legislative framework, including the Secure Jobs Better Pay Act, the Protecting Worker Entitlements Act, and the Closing Loopholes changes to the Fair Work Act, have introduced significant new obligations for businesses.

These changes have created complex regulatory requirements that small operators find particularly challenging. The 2025-26 Budget presents an opportunity to reduce this red tape through sensible regulatory actions that acknowledge the unique circumstances of small businesses. Adjustments to the operations of the Fair Work Commission and the Fair Work Ombudsman can provide better, more tailored support.

Amidst these legislative changes, serious allegations have been raised against CFMEU personnel regarding their behaviour in the construction industry. The government has taken some initial steps, but the Australian Bureau of Statistics’ data release on 11 December 2024 highlights that more needs to be done.

Industrial disputes in the construction industry have increased sharply since the allegations came to light, with the September 2024 quarter seeing 27,500 working days lost, a near 210% increase from the previous quarter.

Recent wage disputes in NSW have seen industrial action at the three distribution network services providers (DNSP’s) cause extreme hardship to many small, medium, and large electrical employers and their clients. The impact of the action has left those business with significant unrecoverable losses stemming from late notice cancellations of final connection work by the employees of those DNSP’s and delayed housing, commercial, and infrastructure projects. For this reason, NECA recommends that modifications are implemented to provide easier access to relief for third parties affected by industrial action.

Portable Long Service Leave for Construction Workers

Portable long service leave (LSL) schemes for construction workers provides diverse arrangements across all states and territories in particular NSW, Queensland, and Tasmania. However, Commonwealth sites – such as military bases and government projects—are excluded from the funding and therefore application of these schemes. This creates inconsistencies that disadvantage workers who may lose out on service credits when working on federal projects or place additional voluntary burdens on businesses who act ethically and provide for their employees.

In NSW, workers accumulate service entitlements across employers within the construction industry supported via planning and development fees. However, if they work on Commonwealth sites, those service credits are not recognised, delaying or denying LSL entitlements.

These inconsistencies create confusion, disadvantage, financial hardship, and administrative challenges for both workers and employers. Payroll systems often fail to track service across multiple employers and sites, leading to errors and delays in entitlements.

The Federal Government must address these inconsistencies by harmonising State and Commonwealth laws to ensure all construction workers are treated equally, regardless of the project type.

NECA calls on the Commonwealth to:

- Harmonise State and Commonwealth Acts to create a unified portable LSL scheme.
- Extend LSL coverage to include Commonwealth sites.
- Create a Commonwealth LSL Scheme that works with state schemes.
- Improve data tracking for service on Commonwealth sites.
- Implement retrospective credit allocation for workers on Commonwealth projects.

RECOMMENDATIONS

- Reinstate the ABCC as an effective industry watchdog, with the powers and resources to eliminate corrupt and illegal conduct in the construction industry. The 2025-26 Budget should allocate funds to reinstate the ABCC in full.
- Establish a small business division within the Fair Work Commission to make expedited decisions and provide tailored support and advice for small employers.
- Enable the Fair Work Ombudsman to provide binding advice to small business owners on modern award matters, protecting them from claims where the advice was followed.
- Allocate adequate funding in the 2025-26 Budget to ensure the Office of Impact Analysis (OIA), the Office of Parliamentary Counsel (OPC), and relevant drafting branches of departments are sufficiently resourced.
- Support the collection, publication, and monitoring of data around merchant fees, including interchange and scheme fees, to increase transparency and act against anti-competitive behaviours within the card payments system.
- Harmonise State and Commonwealth Acts to create a unified portable LSL scheme.



Energy Security

Improved uptake and integration of Direct Energy Resources (DER) and Clean Energy Regulator (CER) with network operators

NECA members are at the forefront of the design and/or physical installation of DER and CER technologies in residences, businesses and public installations at all levels. NECA also advocates to and participates in consultation with government policy makers for improved policies and outcomes with respect to the regulation and governance of CER.

Australia has suffered from a failure in national leadership by not pursuing national programs for standards and enabling policies and platforms despite being provided with ample analysis and recommendations vis the ESB report in 2019.

Recognising that this is somewhat being remedied with the current CER Taskforce initiative, the federal government needs to secure the commitment and co-operation of the state and territory policy makers and the Distribution Network Service Providers (DNSPs) to ensure optimal integration of DER and CER.

Energy Generation with a Technological focus

NECA supports a technology-agnostic approach to future energy generation. Transitioning to renewable energy – solar, wind, and energy storage – requires significant electrical infrastructure. However, replacing ageing generators and addressing base load energy needs must also be prioritised. As Australia moves towards net-zero, reliable and affordable energy will be essential to meet rising demand from electrifying transport, including EVs, homes and buildings and powering data centres. Renewables alone may not suffice in meeting these needs (Department of Industry, Science, Energy and Resources, 2023).

NECA is open to collaborating with the government to explore the energy generation mix to bridge this gap, whilst remaining consistent with other OECD countries (International Energy Agency, 2022). Regardless of the energy mix, the Electrotechnology

industry workforce will play a vital role in installing, maintaining, and connecting renewable energy systems to the grid. Fast-tracking regulatory approvals and investing in workforce training are critical to ensuring energy security.

The skilled workforce needed can only be achieved if Industry members can plan for future workloads and have access to skilled professionals.

Unlock Infrastructure Projects

NECA recommends that the Commonwealth Government prioritise and fast-track a pipeline of major, shovel-ready infrastructure projects, particularly in the Electrotechnology industry. These projects, including renewable energy developments, energy-efficient homes and infrastructure, data centres and digital network upgrades, provide significant opportunities for small, medium and large electrotechnology businesses.

The government should commit to clear start and completion timelines for these projects, ensuring projects are adequately resourced and labour availability is maintained. This will help ensure continuity of work, giving contractors the confidence to plan long-term investments in their businesses and workforce.

Furthermore, NECA advocates for the inclusion of Rise and Fall provisions in long-term federal contracts. This would allow for fair price adjustments in response to changing material and labour costs, which would better protect contractors and maintain financial stability throughout lengthy projects. These measures will enable electrical contractors to manage project timelines and costs effectively.

Support Emerging Technologies

To support Australia's transition to a sustainable and renewable energy future, NECA recommends the Commonwealth Government invest in emerging technologies, particularly those relevant to the Electrotechnology industry. This includes projects around renewable energy, electric vehicle (EV) charging infrastructure, energy storage solutions, and hydrogen production.

The Electrotechnology industry is essential to the implementation and expansion of these technologies, so it is crucial that the government supports the industry's efforts through targeted funding and initiatives that promote the uptake of new technologies.

NECA also calls for the development of a national skills and training framework that equips Electrotechnology industry members with the expertise required to realise these new technologies. Providing access to industry-specific training and upskilling programs will ensure the workforce can meet the demands of evolving energy systems.

NECA urges the government to prioritise investments that enable Electrotechnology industry members to lead in the areas of energy efficiency, sustainable infrastructure, and renewable energy.

Adopt Market-Based Solutions

NECA strongly supports the Commonwealth Government's commitment to achieving net-zero emissions by 2050. However, NECA also advocates for a balanced, market-driven approach that considers the practical needs of the Electrotechnology industry. While the transition to renewable energy is essential, existing technologies like gas continue to play a vital role in Australia's energy mix.

NECA recommends that the government take a pragmatic approach by supporting gas as a transition fuel while simultaneously advancing the use of renewables. This strategy will help ensure the energy transition remains smooth, cost-effective, and does not disrupt the Electrotechnology industry's operations. By supporting a balanced energy mix, the government can ensure that the Electrotechnology industry remains competitive and adaptable as it moves toward net-zero emissions.



Enhance Transparency and Collaboration

NECA urges the Commonwealth Government to collaborate with state and territory governments to streamline approval processes for energy and infrastructure projects. The development of Renewable Energy Zones (REZs) and new gas fields should be expedited, and restrictions on exploration must be relaxed.

Increasing transparency around these projects will help improve confidence among investors and contractors, providing clarity on timelines and approval processes. By reducing unnecessary delays and complexities, the government can foster a stable and efficient environment for Electrotechnology businesses to operate.

NECA also recommends improving data-sharing and collaboration across jurisdictions to ensure projects are delivered on time and to budget.

RECOMMENDATIONS

- Increase energy generation capacity to meet demand and drive economic growth.
- Adopt a technology-agnostic approach towards generation to ensure energy security.
- Fast-track shovel-ready infrastructure projects, including renewable energy and energy-efficient developments.
- Establish clear timelines for projects to ensure adequate resources and workforce availability.
- Include Rise and Fall provisions in federal contracts to adjust for material and labour costs.
- Invest in emerging technologies like EV charging, energy storage, and hydrogen production.
- Foster industry development and skill growth through innovative energy solutions and technologies.
- Develop a national skills framework to upskill the Electrotechnology industry workforce for emerging technologies.
- Support a balanced, market-driven energy approach, integrating renewables and gas as a bridge fuel.
- Adopt market-based solutions for a smooth, cost-effective transition to net-zero emissions.
- Collaborate with state and territory governments to streamline energy and infrastructure project approvals.
- Expedite Renewable Energy Zone (REZ) development and relax gas exploration restrictions.
- Improve data-sharing and collaboration to ensure on-time, on-budget project delivery.
- Task the Productivity Commission to review and eliminate inefficient climate policies.
- Enhance collaboration and transparency in energy policy to increase investor confidence.

Nation Building

Electrotechnology Industry Challenges and Opportunities for Nation-Building

As Australia embarks on ambitious nation-building projects in the coming decades, the Electrotechnology industry will be pivotal in delivering critical infrastructure and systems across renewable energy, transport, digital connectivity, and urban development.

The Electrotechnology workforce will play an essential role in the success of these projects, but to ensure timely, cost-effective, and sustainable delivery, the Commonwealth Government must provide critical support.

Key Nation-Building Projects

Renewable Energy & Energy Security

NECA supports a technology-agnostic approach to future energy generation. Transitioning to renewable energy – solar, wind, and energy storage—requires significant electrical infrastructure. However, replacing ageing generators and addressing base load energy needs must also be prioritised. As Australia moves towards net-zero, reliable and affordable energy will be essential to meet rising demand from electrifying transport, including EVs, and powering data centres. Renewables alone may not suffice in meeting these needs (Department of Industry, Science, Energy and Resources, 2023).

NECA is open to collaborating with the government to explore the energy generation mix to bridge this gap, whilst remaining consistent with other OECD countries (International Energy Agency, 2022). Regardless of the energy mix, the Electrotechnology workforce will play a vital role in installing, maintaining, and connecting renewable energy systems to the grid. Fast-tracking regulatory approvals and investing in workforce training are critical to ensuring energy security.

The skilled workforce needed can only be achieved if Industry members can plan for future workloads and have access to skilled professionals.

Transport Infrastructure

The electrification of rail lines and development of driverless trains are vital for future transport networks. Electrotechnology professionals are essential in installing systems for high-speed rail, automation, and communications for driverless trains. Additionally, the rollout of electric vehicle (EV) charging infrastructure requires substantial electrical systems, which Electrotechnology contractors will deploy across Australia.

Electrifying rail is key to reducing emissions and improving efficiency. Electrotechnology industry members will install power systems and substations. According to the National Transport Commission, “electrification is crucial for emission reductions and transport efficiency” (2020).

Driverless trains rely on advanced electrical systems for communications and safety. Infrastructure Australia notes, “automated trains need complex electrical systems for reliable operation” (2021).

The rise of electric vehicles demands widespread charging infrastructure. The Electrotechnology industry will be key to this expansion. The Clean Energy Council states, “an extensive EV network, supported by skilled contractors, is crucial for carbon reduction goals” (2021).

The Electrotechnology industry will play a pivotal role in delivering these transport projects. Fast-tracking regulatory approvals and investing in workforce training are essential to meeting demand and ensuring energy security.

Digital Infrastructure and 5G Rollout

Building Australia’s digital future depends on robust telecommunications infrastructure. Electrical contractors are responsible for installing electrical systems for 5G antennas, fibre optic networks, and data centres. These upgrades are vital for smart cities, remote working, and economic competitiveness, and the government must streamline approval processes to facilitate their delivery.

Smart Cities and Urban Renewal

The development of smart cities relies on integrating IoT, smart grids, and energy-efficient systems into urban infrastructure. The Electrotechnology industry is crucial to installing and maintaining these systems. Governments must collaborate with the industry to overcome planning delays, allow flexibility for technology advancements and ensure timely project delivery. NECA would further comment that the implementation of the electrification of the home will put further strain on the already critical skill shortages and urgent measures are needed to increase the available workforce

Hydrogen Infrastructure

The growth of Australia's hydrogen economy requires infrastructure for production, storage, and transport. The Electrotechnology industry will support this by building and maintaining electrical systems in hydrogen production plants and refuelling stations. Fast-tracking these projects and investing in workforce development is necessary for a sustainable hydrogen economy.

Housing Stock and Affordable Housing

For Australia to even come close to the net-zero target, the electrification of existing housing stock is essential to meeting sustainability goals. Electrical contractors already carry the responsibility of construction, repairs and maintenance for Australian homes, and with the ongoing housing crisis, their role in retrofitting homes for energy efficiency has never been more crucial.

Australia's population growth, with over one million people added since the last federal election, has placed immense pressure on the housing market. This surge, combined with decades of inadequate housing supply, has led to a severe housing affordability crisis. As noted by the Grattan Institute, "the national housing shortage is estimated at 300,000 homes, with housing prices rising faster than wages" (Grattan Institute, 2023). This demand is pushing the cost of living to unsustainable levels for many Australians.

Electrical contractors and the electrotechnology sector are key players in addressing these challenges. They are integral to the integration of solar panels, energy-efficient lighting, and electric vehicle (EV) charging stations into new builds and retrofits, aligning with the government's decarbonisation goals. The Clean Energy Council asserts that "electrical contractors are critical in the transition to net-zero housing, supporting the installation of renewable energy systems and sustainable technologies" (Clean Energy Council, 2022).

Electricians are integral to delivering front-end infrastructure required for housing developments, such as power connections and essential utilities, before construction can commence.

However, significant delays caused by inefficiencies in planning processes, roadblocks in infrastructure design, opposition to competition and excessive regulatory barriers are stalling these critical works. These delays lead to increased project costs, prolonged housing shortages, and missed economic opportunities.

To address these challenges, the government should streamline planning approvals, implement greater competitive and private sector infrastructure design, and enhance coordination between private utility providers and developers. Additionally, investing in modern digital tools, such as integrated planning platforms, would increase transparency and expedite the delivery of front-end infrastructure works.

To support this transition and ensure the timely delivery of housing, the government must reduce regulatory barriers and fast-track housing development. As the Housing Industry Association (HIA) highlights, "streamlining planning and approval processes is necessary to meet Australia's urgent housing needs" (HIA, 2022).

Electrical contractors must be equipped with the skills and resources to deliver these projects effectively, and the government must play an active role in creating a regulatory environment that supports the rapid construction and retrofitting of affordable, energy-efficient housing.

Challenges Facing the Electrotechnology Industry

Skilled Labour Shortage

A projected shortfall of up to 32,000 electricians by 2030 threatens to delay key projects. Addressing this shortage is critical, and the government must invest in training and apprenticeships to ensure a skilled workforce.

Outdated Regulatory Frameworks

Complex and outdated regulations cause delays and increase costs. Streamlining regulatory processes at both state and federal levels will enable faster, more efficient project delivery.

Slow Infrastructure Approvals

Delayed infrastructure approvals are a major barrier to progress. Expediting approval processes, particularly for renewable energy and transport projects, will ensure that critical infrastructure is delivered on time.

Cybersecurity Risks

As digital infrastructure becomes more interconnected, the need for strong cybersecurity measures increases. Electrical contractors will be integral in integrating cybersecurity protocols into critical infrastructure. The government must support these efforts to safeguard emerging technologies.

RECOMMENDATIONS

- Invest in industry led RTOs and GTOs for electrical Apprenticeships.
- Including technical and pastoral care mentoring programs for Apprentices, to ensure 90%+ completion rates.
- National licencing to support workforce mobility.
- Support Emerging Tech Apprenticeships: Fund industry-led programs for renewable energy, EV infrastructure, and hydrogen tech training.
- Simplify Regulations: Reduce red tape and expedite approvals for renewable energy and infrastructure projects.
- Fund Workforce Retention: Offer bonuses and development grants to maintain a skilled workforce during peak demand.
- Collaborate on Workforce Planning: Partner with NECA to align training with upcoming infrastructure projects.
- Support Small Contractors: Provide grants, loans, and tax incentives for small contractors scaling up operations.
- Promote Workforce Diversity: Encourage women, Indigenous Australians, and minorities to join the Electrotechnology industry.
- Incentivise Sustainability: Offer financial incentives for electrical contractors to adopt renewable energy and energy-efficient technologies.
- Support measures of workforce and licencing mobility to deliver projects.
- Streamline Safety Standards and encourage nationwide uniformity.
- Ensure consistency across all states and territories when applying work standards.

Australia's Digital Growth

Data centres are essential to Australia's tech-driven economy, supporting AI, cloud-based computing, and data storage. As Australia aims to be a regional leader in digital services, addressing challenges like reliable energy infrastructure, industrial relations stability, and workforce development is crucial.

Without sufficient base-load power, Australia risks losing major tech companies to regions with more reliable energy. Additionally, relying on offshore data storage exposes Australia to significant security and privacy risks. As the Australian Strategic Policy Institute (ASPI) notes, "The lack of data sovereignty puts Australia at risk of exposure to foreign legal and regulatory frameworks that do not align with Australian values or security standards" (ASPI, 2023). Similarly, the Australian Cyber Security Centre (ACSC) highlights that "Storing data offshore introduces vulnerabilities and increases risks of cyber threats, which may not comply with Australian security standards" (ACSC, 2022).

NECA members are specialists in building and planning data centres, providing critical electrical systems and infrastructure. They play a vital role in ensuring data centres are designed and constructed to meet growing demand for capacity, security, and efficiency.

To maintain Australia's digital sovereignty, the government must address these challenges by ensuring reliable energy infrastructure, stable industrial relations, and workforce development. Investing in domestic data centres will safeguard data, enhance privacy standards, and secure Australia's position as a global digital leader.

Economic Impact of Data Centres

Data centre expansion is a significant opportunity for Australia's economy, with an anticipated \$50 billion or greater potential contribution over the next decade. The demand for advanced electrical and communications infrastructure, driven by AI and data-intensive industries, will create thousands of jobs and boost GDP. Australia is on track to become a regional hub for digital services, and Electrotechnology industry members will play a key role in supporting this growth through the delivery of electrical systems that power these data centres.

Constructive industrial relations will be essential to the success in establishing this sector. Delays in critical infrastructure projects from industrial disputes would increase the costs of development and undermine investor confidence.

NECA supports free and open market considerations for the awarding of all tenders and contracts to ensure the best contractors for the works are selected. This is essential to ensure confidence in the construction and operations of the data centre and for multinational tech giants to also maintain and increase trust in the Australian tech sector.

For Electrotechnology industry members, such disruptions can delay projects and increase costs, potentially encouraging tech businesses to shift operations to more stable regions. To foster continued growth in this sector, a more predictable and stable industrial relations environment is essential.

The Role of AI and the Shift in Data Centre Strategies

The rise of AI is reshaping the design and operation of data centres. Traditionally built for cloud-based computing, data centres now must accommodate AI workloads, which require more advanced electrical systems and cooling technologies. With AI-powered data centres potentially being located anywhere globally, Australia faces competition from regions offering lower construction and operational costs. NECA members will need to stay competitive by upskilling the workforce in AI-specific technologies and developing the necessary electrical systems to support this shift.

Energy Capacity and Reliability: A Key Challenge

Data centres are highly energy-intensive, and Australia's transition to renewable energy presents challenges in maintaining a stable, reliable power supply. To support data centre growth, investments in large-scale energy storage, transmission network upgrades, and reliable base-load power are essential. Without these infrastructure improvements, Australia risks energy shortages, potentially disrupting data centre operations. Electrotechnology industry members play a critical role by delivering smart grid systems, energy-efficient technologies, and advanced electrical infrastructure that will meet the energy demands of these facilities.

RECOMMENDATIONS

- **Invest in Energy Infrastructure** – Prioritise upgrades to power, storage, and energy transmission for growing data centre demands.
- **Streamline Industrial Relations** – Address industrial relations issues to reduce disruptions, security and delays to ensure predictable data centre construction and operation.
- **Support Workforce Development** – Upskill workers in AI, automation, and energy-efficient technologies to meet sector demands.
- **Encourage Domestic Data Centre Investment** – Provide incentives for local data centres, reducing offshore storage reliance and enhancing sovereignty.
- **Facilitate Smart Grid Deployment** – Support smart grids and energy-efficient technologies to optimise data centre energy use.



Skills and training

NECA Submission on Skills and Training: A Vision for the Future of Australia's Workforce

According to the National Centre for Vocational Education Research (NCVER), approximately 20,000 to 25,000² active apprenticeships are in electrotechnology-related trades (including electricians, electrical engineers, and technicians). The electrotechnology apprenticeship program is among the largest in Australia, reflecting the demand for skilled workers in both traditional and emerging technologies.

NECA is committed to advocating for a dynamic and competitive training market that meets the growing demands of Australia's Vocational Education and Training (VET) sector. As an organisation operating both Registered Training Organisations (RTOs) and Group Training Organisations (GTOs), NECA has a unique perspective on the effectiveness of current training systems.

Our GTOs and RTOs consistently achieve apprentice completion rates of over 90%, a stark contrast to the public provider average of around 50%. This experience underscores the need for comprehensive reform in Australia's VET system, especially in addressing the skills shortages that threaten the continued growth and competitiveness of industries like Electrotechnology.

Addressing Skills Shortages and Improving Workforce Competency

Australia's VET system must evolve to meet the demands of a rapidly changing economy not to mention the skills shortages and rapid technological advancement pressures facing the Electrotechnology industry. The Electrotechnology industry requires a workforce that is not only highly skilled but also adaptable and capable of responding to emerging challenges.

NECA believes the VET system must be more closely aligned with industry needs, ensuring job-ready graduates with the specific skills

that employers require. Feedback from NECA members, highlights that the current training frameworks often fail to adequately prepare graduates for the real-world demands of the Electrotechnology industry. To address this, the training system must focus on developing both technical proficiency and adaptability, allowing the workforce to remain competitive in the face of rapid technological change.

A key component of this vision is the enhancement of apprenticeships, which remain one of the most effective pathways for workforce development. However, current apprenticeship systems must be supported to address skills shortages, improve completion rates, and ensure that apprentices develop the broad skill sets needed in these rapidly evolving industries.

The government must work with the Powering Skills Organisation to ensure qualifications align with industry needs for instance Companion Volume for the UEE30820. Concerns exist regarding its relevance for electricians working with emerging technologies in manufacturing and industrial environments. Consideration should be given to restructuring the qualification, focusing on safety and allowing the electrical fitting qualification to support licensing.

Building a Diverse and Resilient Workforce

Australia has set an ambitious goal for 80% of the population to hold a post-school qualification by 2050. Achieving this goal will require significant investment in skills development, especially in trades that are vital to the nation's economy, like Electrotechnology. To create a robust training system, a diversified ecosystem of both public and industry led RTOs is essential. A competitive training market promotes innovation and quality, offering students and industry the flexibility to choose the institution that best meets their needs.

NECA is committed to increasing participation from underrepresented groups, including women, mature-age workers, and individuals from diverse and disadvantaged backgrounds. It is critical to create pathways that encourage these groups to enter and

thrive in the Electrotechnology industry. By doing so, we will not only address skills shortages but also build a more inclusive and resilient workforce.

Supporting Apprenticeship Pathways

The apprenticeship system plays a crucial role in developing Australia's skilled workforce, especially in the Electrotechnology industry. However, NECA has identified several barriers to attracting apprentices, particularly in small businesses, where much of the training occurs. Small businesses, which train around 42% of Australia's apprentices, often face significant financial and work continuity challenges when taking on apprentices. To address this, NECA advocates for a tiered incentive system that offers more substantial financial and practical support for small and regional businesses. This would help alleviate the burden on businesses in key regional areas and strengthen the apprenticeship pipeline across the country.

Additionally, incentives should be extended to medium-sized businesses and large employers, but at a scaled level.

Furthermore, Group Training Organisations (GTOs) play a vital role in mentoring and supporting apprentices. A targeted grant program, which encourages and supports the utilisation of GTOs by industry businesses, would help ensure that apprentices are supported and completion rates increased.

An industry lead support program like the Industry Specialist Mentoring for Australian Apprentices program should be implemented for critical trades and skills.

Reskilling the Existing Workforce

As emerging technologies continue to reshape the workplace, there is a growing need to reskill the existing workforce. With the adoption of new technologies such as solar power, electric vehicles, and battery storage, workers need continuous opportunities to update their skills.

NECA calls for a national reskilling strategy that encourages lifelong learning and ensures the workforce remains adaptable in response to technological advancement.

In addition to strengthening apprenticeship pathways, policies should be implemented to support mid-career workers and displaced workers, helping them retrain and transition into the high demand occupations in the Electrotechnology industry.

Addressing Skills Shortages in Regional Australia

Facilitating Electrotechnology training in regional Australia poses significant challenges as there are fewer local training providers offering Apprenticeship training. As a result, regional areas struggle with low apprentice enrolment.

The shortage of skilled electricians is a critical issue for renewable energy projects, such as solar, wind, and EV infrastructure, which are vital for meeting Net Zero targets. The shortage also affects agriculture, with electrical incidents contributing to 5-10% of fatalities and injuries (Safe Work Australia, 2021).

To address these challenges, NECA advocates for the establishment of industry led training centres in the regions. To expedite the roll-out, unutilised and under-utilised government owned buildings could be retrofitted to support quality, flexible, localised training.

This will:

- Increase access to apprenticeships and quality industry-led training in the regions.
- Support regional industry needs, including renewable energy and agriculture.
- Provide a viable use for existing unutilised and underutilised government owned infrastructure in the regions, thereby reducing costs and improving access to education.

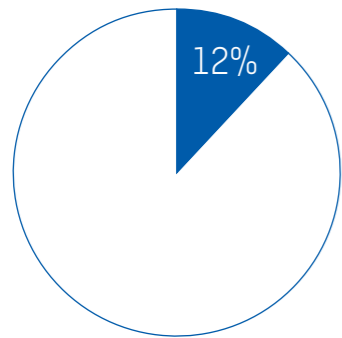
NECA recommends the Australian Government prioritise providing access to existing underutilised infrastructure, invest in regional training infrastructure, fund skills hubs, incentives for employers to retain apprentices and work with industry led RTOs and GTO to provide this essential training in regional Australia.

² National Centre for Vocational Education <https://www.ncver.edu.au>

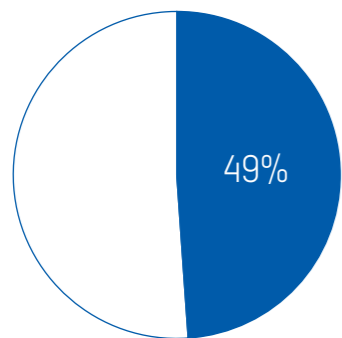
Success of the GTO Model in Retaining Female Apprentices

Industry-led Group Training Organisations (GTOs) are proven to improve retention rates for young women in construction. According to Safe Work Australia (2021), women represent only **12%** of the workforce, with **49%** experiencing harassment in male-dominated sectors (Australian Human Rights Commission, 2019).

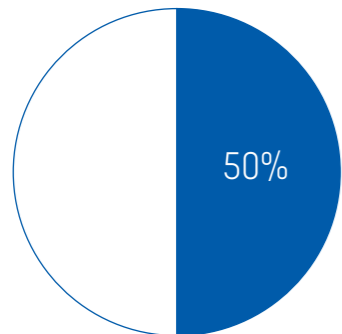
Women in Construction



Women experiencing harassment in male-dominated sectors



Women completing apprenticeships with mentorship



The GTO model employs **Regional Field Officers** who offer **mentorship** and provide gender-sensitive support, enforce **zero-tolerance policies**, and ensure a safe environment for apprentices. This mentorship is key to helping young women navigate a historically male-dominated culture.

According to **CSQ (2021)**, women with mentorship are **50% more likely to complete their apprenticeships**. Flexible work arrangements further improve retention, helping women balance work and caregiving.

Supporting the industry led GTO model is a critical tool in closing the skills gap and advancing **gender equality** in the Electrotechnology and broader construction industries

Introducing a Trades Passport Program

To address immediate skills shortages and labour gaps in the Electrotechnology industry, NECA proposes the introduction of a Trades Passport program to bring suitably qualified tradespeople from overseas. Given the comparability of electrical standards, training systems, and regulatory rigor in countries like the United Kingdom and Ireland, NECA recommends fast-tracking electricians from these countries to Australia.

The proposed Trades Passport would work as follows:

- Candidates who meet the necessary criteria will be fast-tracked into the Australian electrotechnology industry.
- Candidates will be assessed in their home country by an accredited Australian organisation, ensuring their qualifications meet Australian standards.
- Following successful assessment, visa applications (such as subclasses 186, 189, and 190) will be fast-tracked.
- Candidates will complete gap training at NECA (or an equivalent) accredited college.
- After gap training, candidates will undergo 12 months of on-the-job training with a sponsoring business.
- To incentivise retention, candidates who complete the program successfully would be eligible for permanent residency after five years.

- A sunset clause could be applied, with the program closing five years after its introduction, aligning with the typical duration of an apprenticeship training program.

Fee-Free TAFE: A Limited Solution

While fee-free TAFE initiatives can offer increased access to vocational education, they are not a panacea for the systemic challenges in the VET sector. NECA's experience running RTOs and GTOs continue to demonstrate completion rates for apprenticeships can exceed 90%, whereas TAFE's completion rates for the same group are much lower, at around 55%.

This disparity suggests that simply offering fee-free education does not guarantee quality training or increased completion rates. NECA's RTOs are better able to align training with industry needs, providing apprentices with the hands-on, real-world experience necessary to succeed. The solution is not simply expanding fee-free programs but implementing a comprehensive approach to VET reform that emphasises quality, industry relevance, and support for both employers and apprentices.

RECOMMENDATIONS

- **Increase Investment in VET:** Allocate greater funding to a broader range of training providers, specifically industry-led providers, ensuring that students receive high-quality, industry-relevant education that reflects emerging technological trends.
- **Enhance International Education Policies:** Shift away from restrictive caps and policies that limit the inflow of skilled workers. Support sustainable growth in international education by encouraging legitimate training providers and aligning international qualifications with Australian standards.
- **Support Small and Regional Businesses:** Introduce a tiered incentive system to help small and regional businesses take on apprentices and trainees, through the utilisation of GTOs.
- **Mature Apprentice Subsidy Scheme (MASS):** Create a national program that subsidises the hiring of mature-age apprentices, helping businesses offset the costs and allowing skilled workers to retrain into high-demand trades.
- **Increase Female Apprentice Participation:** Provide targeted subsidies and support for businesses to increase female participation in apprenticeships, alongside workplace initiatives and training for employers on creating inclusive and supportive work environments.
- **Introduce the Trades Passport:** Urgently implement the Trades Passport program to attract qualified electricians from the United Kingdom and Ireland, addressing immediate skills shortages.
- **National Continuing Professional Development (CPD) Approach:** Implement a consistent CPD framework across all states and territories, ensuring that workers in the Electrotechnology industry have access to affordable, practical training to stay up to date with industry standards.
- Provide access for RTOs and GTOs to existing unutilised and underutilised government owned infrastructure in regional locations to facilitate the provision of Electrotechnology training opportunities.

