

# National Electrical and Communications Association (NECA)

2020-21 Australian Government Pre-Budget Submission





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# About NECA

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. We represent the interests of over 5,200 electrical contracting businesses across all Australian States and Territories.

NECA has been advocating for, and on behalf of, the electrotechnology industry for over 100 years. We aim to help our members and the wider industry to operate and manage their business more effectively and efficiently whilst representing their interests to Federal, State and Territory Governments, regulators and principal industry bodies such as the Australian Chamber of Commerce and Industry (ACCI) and Standards Australia.

Our members make an integral contribution to the Australian economy – connecting homes, businesses and infrastructure – encouraging investment, improving reliability and security across the energy system and delivering greater environmentally sustainable and affordable outcomes for the community. We view the safety and reputation of the electrotechnology industry as paramount to all tradespeople, consumers and the broader community.

NECA is strongly committed to supporting the next generation of electrical and communications contractors. Working with our Registered Training Organisations (RTOs) and Group Training Organisations (GTOs), NECA provides employment and ongoing skills development for approximately 4,800 apprentices across Australia. The majority of these apprentices get the opportunity to gain work experience with NECA's members either directly or via our group schemes. The success of our programs speaks for itself - we proudly boast 90% completion rates across our courses, and approximately one in three electrical apprentices in Australia is a NECA apprentice. In 2019, NECA successfully opened a new state-of-the-art training facility in Chullora, New South Wales – we look forward to expanding our training and education footprint with a further new facility opening in Fyshwick, Australian Capital Territory.

Our approach to attracting and supporting entrants to our industry is through a holistic, progressive and high-quality range of industry relevant programs and initiatives including our long-standing scholarship program, NECA Foundation and the Women in Electrical Trades Roadmap. In addition to these initiatives, we also manage and promote industry wide Annual Excellence and Apprentice Awards designed to acknowledge and celebrate achievements and highly distinguished electrotechnology projects, which includes recognition of apprentices and future leaders in our industry. We proactively seek to ensure a diverse workforce, supporting and attracting more women and mature aged people, and promoting trade career pathways for school-leavers.

# Electrotechnology industry in Australia

The building and construction sector is the second biggest contributor to Australia's economy, attributing to 8.1% of the nation's gross value. Our sector employs more than 1.1 million people, and research indicates that over the last 20 years it has expanded by 4.1%. The sector has attracted some of the country's greatest direct foreign investment - during 2016 and 2017, this equated to around \$25 billion.<sup>1</sup>

Given the significant contributions and benefits to our national economy and profile, education and training system, infrastructure and housing renewal, the environment and most importantly our community, it is critical that the Australian Government make provision in the 2020-21 budget to support the building and construction sector and integral industries within the sector, specifically electrotechnology.

A key challenge for the electrotechnology industry is the ongoing shortage and declining supply of skilled electrical workers. This is evidenced through a reduction in the completion of electrical apprenticeships across Australia, and the retirement of long term and highly skilled workers, leading to a loss of suitably qualified electricians at both ends of the industry and across the broader building and construction sector. Emerging technologies are further driving demand and placing additional strain on the existing workforce.

There are potential significant broader sectoral impacts arising from not supporting electrotechnology, including the delay and impediment of significant urban renewal and infrastructure projects, our national competitiveness and the overall wellbeing and sustainability of small business and family owned enterprises which form the backbone of our nation.

Government support is critical to ensure the ongoing viability of the industry and to meet the growing needs of our community. This includes strategies, initiatives and funding streams to facilitate a diverse and sustainable workforce, improve electrical safety, support small and family owned enterprises and ensure our the next generation of our workforce has the best skills, training and education to reinforce our national reputation, position and economic competitiveness.

NECA's pre-Budget Submission identifies the main issues that the Australian Government should address in formulating the 2020-21 Budget. These measures will greatly assist each of the jurisdictions deliver new infrastructure, future of education and skills needs, sustainable energy and housing renewal.

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<sup>1</sup> 'Why Australia Benchmark Report 2019' Australian Trade and Investment Commission file:///C:/Users/User/Downloads/Australia-Benchmark-Report%20(1).pdf

NECA recommends that the Australian Government make provision in the 2020-21 budget with respect to the following:

- **Non-Conforming Building Products** addressing the significant dangers posed by non-conforming products, also known as the ‘cancer’ of the electrotechnology industry;
- **Education and Training** improving the school and entry requirements, addressing skills needs, attracting women and mature aged people to trades and promoting the benefits of a career pathway in the electrotechnology industry;
- **Supporting Small Business and Family-owned Enterprises and taxation** including the taxation reform and supporting small business and a diverse, sustainable and competitive economy including new jobs;
- **Electrical Safety and Energy Efficiency** reforms to protect and enhance safety and the environment of all the community including the introduction of home energy audits and robust policy for emerging technologies.

NECA appreciates the opportunity to engage and contribute to the Budget process, and accordingly thank the Australian Government.

We strongly urge the Australian Government to consider our recommendations when formulating the 2020-21 Budget, given the significant potential boost to our national competitiveness and productivity, and to deliver additional economic stimulus and increase apprenticeship and employment outcomes.

Should you wish to discuss this submission or matters concerning our industry, I can be contacted on 02 9439 8523 or by email [suresh.manickam@neca.asn.au](mailto:suresh.manickam@neca.asn.au)

Yours faithfully



Suresh Manickam  
**Chief Executive Officer**

# 1. Non-conforming products

Unsafe and/or non-compliant electrical equipment is costly for businesses and consumers. The professional reputation of our industry is compromised through the weakening of safety standards, property damage and the potential endangerment of human life, as well as potential increased legal liabilities to electrical contractors, when non-compliant products remain on sale.

A key concern for the electrotechnology industry is the lack of Government enforcement, at all levels, against distributors of non-compliant products to ensure quality and measurement of performance to Australian Standards.

NECA believes that all levels of government have a responsibility to regularly and vigorously undertake random product auditing as well as non-compliant product enforcement. It is imperative that Federal and State/Territory Government Departments actively and effectively communicate with each other and all relevant stakeholders to remove and protect the market from non-conforming products and implement an effective batch-testing regime.

In recent years, there have been countless examples of avoidable building defects and product failures that have led to loss of life and damage to property. Despite these incidents, there have been extensive delays in developing and implementing policies to address the presence of non-compliant products in the building industry in Australia.

NECA has been very proactive in seeking to address this issue. In doing so, NECA has joined with a range of leading building and construction industry peak bodies to call for more Government funding and enforcement in relation to non-compliant building products, as part of the current Australian Senate Economics References Committee inquiry into non-conforming building products. NECA eagerly awaits the Commonwealth's response to the inquiry.

Given the size of the building and construction sector, and the extent of economic activity in infrastructure and development, it is critical that safeguards are in place to ensure damages do not flow to the industry or consumers as a result of non-compliant building products.

In 2013, NECA in conjunction with Voltimum, developed and instigated the *Does it Comply?* campaign. This campaign focuses on the removal of unsafe and non-compliant products across the electrical sector. As part of the campaign, NECA and Voltimum conducted an industry survey to gain an understanding of the seriousness of the issue of non-compliant product and attitudes across the industry towards this problem.

The survey results indicated that over 75% of respondents had seen the installation or sale of non-compliant electrical product in the Australian market. [Does it Comply?](#) enabled

the creation of the Electrical Industry Charter, an alliance of major industry partners who are committed to selling and using only genuine and compliant products.

Additionally, NECA advocates that the Government strongly encourage all States and Territories recognise the Electrical Equipment Safety System (EESS) database, which is designed to combat the use of non-compliant electrical products. Although EESS is designed to be a nationally operated scheme, it is currently only recognised in Queensland, Tasmania and Western Australia.

In summary, NECA strongly calls upon the Australian Government to:

- stamp out non-compliant electrical component and products that fail to meet Australian Standards;
- increase its commitment and resources to ensure a larger number of component and product random batch tests are carried out to assist with the delivery of compliant, safe, quality electrical products for consumers.

### **Recommendations:**

NECA calls upon the Australian Government in the 2020-21 Budget to:

- 1.1 ensure a larger number of product random batch tests are carried out;
- 1.2 ensure that a greater number of audits are carried out in relation to sellers of electrical products to verify their authenticity;
- 1.3 ensure that there is greater enforcement surrounding the sale and distribution of non-compliant building products; and
- 1.4 encourage State and Territories to recognise the Electrical Equipment Safety System (EESS) Database.



## 2. Vocational Education and Training

NECA supports the operation of a national competitive training market comprising of public and private RTOs, as overseen by one national regulator. NECA recognises that the future viability and success of Australia's Vocational Education and Training (VET) system is a shared responsibility, one that should be strongly influenced and informed by industry and supported by Government. Our member feedback and experience within the VET sector suggests that the current standards and systems have not always led to the delivery of quality job ready graduates with the necessary skills required by the industry - this needs to change.

Within the broader context, it is also critical to understand that the electrotechnology industry is undergoing significant change. In the next decade, we are forecasting a strong emergence of new technologies including batteries, solar infrastructure and electric vehicles. These technologies will change the behaviour, culture and attitudes across industry and the community, as well as how we do business. It is critical that the VET system prepares apprentices with the relevant skills and expertise, and that existing workers have the opportunity to re-skill to competitively operate in the new landscape.

NECA supports the commitment by the Australian Government in the 2019-20 Federal Budget to the \$525 million 'Skills Package – delivering skills for today and tomorrow' (Skills Package), comprising of the new National Skills Commission (NSC), National Careers Institute (NCI) and the pilot Skills Organisations. Any proposed arrangements under these reforms must be flexible, streamlined and responsive to the local needs of private industry, as well as offer a clear, affordable and simple pathway for future entrants. Industry must be wholly integrated to all aspects of the co-design process and governance arrangements to ensure the system is effective, robust and responsive.

As a lead player in the training of future and current electrical and communications contractors through our GTO and RTO across Australia, NECA believes that:

- quality education, skills and training initiatives are critical for the development of the electrical trade;
- Government must ensure that there are adequate opportunities, initiatives and funding to support a diverse workforce, and that the small business sector is incentivised as the major employer to the next generation of tradespeople; and
- Government has a critical role to play in informing school students of their career pathways and opportunities, specifically opportunities found within the trades.

The Australian Government in the 2020-21 Budget should allocate funds to:

- mentor electrotechnology apprentices in order to ensure high quality completion rates of apprentices;
- attract women and mature aged people to trades; and
- promote the benefits of a career pathway in the electrotechnology industry.

## 2.1. Skills Organisations

Further to both the Joyce Review and as part of the recent Skills Package reforms, the Australian Government is committed to piloting Skills Organisations (SO) designed drive innovative end-to-end training solutions and enhance the role and leadership of industry in the national training system. Two industries have been identified to trial the new SOs - human services care and digital technologies (including cyber security).

NECA gives in principle support to the SOs as a resource to support a future that ensures Australians have the skills needed for the jobs in demand to support our economic competitiveness both domestically and abroad.

As the long-standing and highly reputable national industry representative of electrical and communications sub-contractors, and with due consideration to the highly specialised nature of our industry and the significant domestic and international economic value, community benefits and necessity of our industry, NECA is best placed to be the SO for electrotechnology.

NECA has the national infrastructure to implement an SO. We have a NECA office in all States and Territories all of whom are supportive of an SO. Our key office bearers have respectively held industry advisory and leadership positions on Government Boards, groups and panels for over 20 years, since the implementation of the Government's first national training packages in 1998-99.

We not only have a national collective representation, but a significant background and strong expertise in addressing the ongoing skills shortage, expansive and growing VET footprint and demonstrable success in return on investment in a number of State, Territory and Commonwealth pilots, reforms and funding initiatives. In the capacity as an SO, NECA would formally engage other industry bodies in the sector.

To this end, NECA seeks to be nominated as the pilot SO for the electrotechnology industry, and calls on the Government to ensure that the Budget for 2020-21 provides the necessary resources to achieve this outcome.

Whilst NECA has no objection to the proposed 'key priority industries' nominated and subject to the two pilot SOs, we would suggest that given the current skills shortages that

the electrical contracting sector is facing, coupled with the increased future demand of qualified electricians, our industry ought to be provided with similar piloting opportunities.

To ensure the effectiveness of SOs, NECA emphasises the importance for all future SOs to be tailored to address the unique differences and needs of various industries and sectors, such as electrotechnology and energy.

For our industry, it is critical that future SOs prioritise strategic workforce planning and development and engage with industry to ensure that training packages are tailored and current to demand-driven need.

## 2.2. Grants opportunities

NECA strongly supports the proposed National Careers Institute Grants Programs currently being established under the Skills Package reforms to boost partnerships across the sector and improve information and service gaps.

We understand that funding and services engagement opens in January 2020, and the Grants Program is scheduled to be released in March 2020.

As outlined, NECA is a highly reputable, well-established and experienced industry association with the skills, expertise and knowledge to address service gaps and drive innovation within the electrotechnology industry and energy sector more broadly.

We welcome the opportunity to work in partnership with Government and we are best placed and most eligible to take up the new grant scheme as a means to align labour market needs in the electrotechnology industry to enhance and support new opportunities, and we will pursue these opportunities accordingly

## 2.3. School and entry requirements

School-based apprenticeships are an important pathway for students, and are a good source of apprenticeship applications for the industry and provide a way to screen potential applicants. Some of these courses, however, are too institutionally-based and do not always lead to good vocational outcomes.

NECA considers that there is a need to reform the approach to pre-apprenticeships. Pre-apprenticeships should be encouraged where they meet employer and student needs, particularly where there is flexible timetabling. In some cases, it may be sufficient to use this option for Year 11 students to bridge the gap in academic learning required in off-the-job training.

Employers have only limited understanding of this option and its ability to supplement labour when off-the-job training is being undertaken by full-time apprentices. Attainment of

acceptable minimum mathematics skills (at least to sound Year 10 level) is an on-going problem with young applicants.

NECA has been examining the development of a national approach for pre-apprenticeships under the *Electrical Innovative Delivery and Pathways Project*, including how the provision of short, targeted, upfront pre-apprenticeship training can be used to ensure apprentices are more work ready, understand the basics of the industry and have hand skill familiarity.

## 2.4. Apprentice mentoring

NECA Training's high completion rates - at over 90% against an industry level of 50 to 60% - demonstrate the merits of mentoring apprentices and the success of our organisation.

Mentoring allows the proactive management of the individual apprentice's development, including in respect of:

- OH&S awareness and compliance;
- Profiling monitoring;
- Managing personal issues and discipline where necessary;
- Work exposure;
- Reviewing PPE (personal protective equipment)
- Reviewing toolkits; and
- Monitoring and discussing trade school work.

A Deloitte study commissioned by the NSW Board of Vocational Education and Training suggests that the cost of non-completions in NSW for 2010 alone was \$348 Million. The study also estimated that the cost to the NSW Government of non-completion amounted to \$4,100 per apprentice per annum and excluded costs to the Commonwealth, employers and to the broader economy in terms of lost productivity and other multiplier effects.<sup>2</sup>

The implication of this study is that Government effectively saves funds in other areas through the careful targeting of expenditure in apprentice mentoring that leads to higher completion rates of apprenticeships.

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<sup>2</sup> Deloitte Access Economics, commissioned by the NSW Board of Vocational Education and Training, The cost of apprenticeship non-completion in NSW, 25 August 2011

## Recommendations

NECA calls upon the Australian Government in the 2020-21 Budget to:

- 2.1 nominate NECA as the pilot Skills Organisation for the electrotechnology industry;
- 2.2 NECA supports the National Careers Institute Grants Program and welcomes the opportunity to engage with this initiative;
- 2.3 allocate funds for the mentoring of electrotechnology apprentices to help ensure high quality completion rates of apprentices;
- 2.4 flexible timetabling for pre-apprenticeships;
- 2.5 develop practical maths lessons in schools for trade-training aspirants, with involvement of relevant partners in the education systems (including the Australian Association of Mathematics Teachers);
- 2.6 additional funding for the provision of further information and education in relation to the trade pathways available for school students;
- 2.7 assessment of a core set of competencies that reflect the present and future requirements of industry and consumers; and
- 2.8 enhanced funding for literacy and numeracy for apprentices that have been identified through a recruitment process and readiness assessment test, where additional support is required for apprenticeship completion.

## 3. Supporting Small Business and Family-owned Enterprises

Small business and family owned enterprises (SME) are the lifeblood of the national economy and dominate the electrical and communications contracting industry.

NECA's 2019 Market Monitor highlights the fact that 79% of businesses within our industry employ less than 25 staff, and the overall trends indicate the number of small business across the nation are increasing.

NECA believes that the challenges faced by SMEs needs to be properly recognised and addressed by all levels of Government. We argue that a range of initiatives and incentives could be implemented to assist SMEs to diversify the electrotechnology workforce, encouraging more women, mature-aged apprentices and school-leavers into the industry.

### 3.1. Taxation and operational reform

NECA calls upon the Government to introduce a range of tax incentives and opportunities to support the fundamental role and contributions of SMEs within the Australian economy, these include:

- ongoing reductions in the Company Tax Rate to 25% and encourage each State and Territory to reduce their reliance upon payroll tax
- extending Unfair Contract protections legislation by increasing the business size definition to 100 employees and the upfront, payable threshold from \$300,000 to \$3 million for contracts less than 12 months in scope, and for contracts of longer than 12 months in scope, from \$1 million to \$9 million;
- greater scrutiny and accountability in relation to Enterprise Bargaining negotiations. All representatives should be advocating in good faith and not be seeking to delay or draw out negotiations. Employers should not be hindered from directly taking proposals to union members, as is their right under the *Fair Work Act*;
- introducing legislation in relation to a low-cost, Retention Money Trust Account scheme. This 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; and
- alignment of key business reporting timeframes such as BAS and PAYG tax, FBT and WGEA compliance, as well as an alignment of these thresholds to reduce unnecessary red tape and burdens.

### 3.2. Supporting mature aged apprentices

A major issue raised by our members and employers across the electrotechnology industry, is the decline of the adult apprentices i.e. persons over 21 years of age.

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 associated costs and other conditions.

NECA advocates that the Federal Government provides a 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, helping to promote re-skilling and cross-skilling allowing the industry to take greater advantage of the benefits that mature workers can offer.

NECA also calls upon the Government to provide financial assistance to RTOs and GTOs that provide pre-apprenticeship programs for all industry entrants, to ensure a sustainable and competitive future workforce to our critical industry.

### 3.3. Attracting women to the electrical and communications trades

Women are critically underrepresented in the electrotechnology industry, constituting around 2% of the overall workforce.

NECA proactively promotes and seeks to increase the participation of women in the building and construction sector, in particular within electrotechnology. We aim to ensure a more gender diverse, equitable and competitive workforce. We advocate that the trades career path is equally attractive and rewarding as a university degree, and that it is not gender bias.

With the support of the Federal Government, NECA launched the 'Women in Electrical Trade Roadmap at the NECA College of Electrical Training, Joondalup Campus, Western Australia under the Alternative Pathway Project (APP) in December 2018. The Roadmap outlines a number of programs and initiatives to attract and support women in the electrical trades.

The initial feedback to the APP work concerning women identified the need for:

- greater engagement and information targeted at school careers advisors as well as via sporting groups, to inform women of the value of an electrical trade;
- better promotion of success stories and best practices are needed, including the use of female NECA Apprentice Award winners, to promote the value and success of our industry;

- female mentoring will be a critical step to delivering more female apprentices across the electrical contracting sector.

NECA has undertaken interviews of female apprentices, which found that social media and sports clubs have an important role to play in attracting and educating females on the benefits of electrical apprenticeships.

Under the *Electrical Innovative Delivery and Pathways Project*, a range of models, which have been trialed by providers such as NECA Training and Apprenticeships and other specialist agencies, to support women in the trades will be examined and trialed in different locations across Australia.

NECA calls upon the Federal Government to actively promote female trade career pathways, and that funding be made available to roll-out the projects and initiatives identified in the Government funded Roadmap.

### **Recommendations**

NECA calls upon the Australian Government in the 2020-21 Budget to:

- 3.1 funding be made available to support the roll-out of the Women in Electrical Trade Roadmap, developed in partnership with the Commonwealth Government and NECA;
- 3.2 funding for the provision of mentors for female electrical apprentices;
- 3.3 provide employer wage subsidy to small businesses that choose to employ mature age/adult apprentices.
- 3.4 provide financial assistance to RTOs and GTOs that undertake pre-apprenticeship programs for industry entrants
- 3.5 provide an audit of all available grants programs across Australia's three levels of Government so a list of available opportunities can be placed in one location to facilitate access to funding opportunities;
- 3.6 preserve the Government's commitment to ongoing reductions in the Company Tax Rate to 25 per cent and encourage each State and Territory to reduce their reliance upon payroll tax;
- 3.7 extend Unfair Contract protections legislation by increasing the business size definition to 100 employees and the upfront, payable threshold from \$300,000 to \$3 million for contracts less than 12 months in scope, and for contracts of longer than 12 months in scope, from \$1 million to \$9 million;



- 3.8 greater scrutiny and accountability in relation to Enterprise Bargaining negotiations. All representatives should be advocating in good faith and not be seeking to delay or draw out negotiations. Employers should not be hindered from directly taking proposals to union members, as is their right under the Fair Work Act;
- 3.9 introduce legislation in relation to a low-cost, Retention Money Trust Account scheme. This 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; and
- 3.10 align key business reporting timeframes such as BAS and PAYG tax, FBT and WGEA compliance, as well as an alignment of these thresholds to reduce unnecessary red tape and burdens.

## 4. Electrical Safety and Energy Efficiency

### 4.1. Home Energy Audits

Ageing residential housing stock presents serious challenges and safety risks to home owners or renters, as existing electrical wiring including associated equipment may be non-compliant with current industry standards under the Australian Building Code and/or degrading and/or deteriorating requiring remedial action.

NECA advocates in support of regular routine electrical safety checks in residential, mixed use and commercial property to provide a clear signal to property owners with respect to safety/standards adequacy. Such a signal should then give rise to property owners who will act to improve the wiring (and safety) standards of their property. NECA strongly supports Home Safety Electrical Audits are carried out at all times by a qualified and licensed electrician.

Home electrical safety checks are encouraged but not enforced across Australian States and Territories. These checks should extend across all forms of housing stock from low-density housing i.e. dwelling houses, medium/high density housing i.e. Boarding Houses, Group Homes, Residential Flat Buildings and mixed-use developments in both the private and public sectors.

NECA believes it is critical that all residential (and commercial) property purchasers are made aware of any wiring or electrical safety concerns upon the purchase of a property. Similarly, that all renters are made aware of any wiring or electrical safety concerns upon entering into a rental agreement. This proposition, which would provide the purchaser or renter with a list of safety awareness issues along with possible remedies and costs, is considered an essential investment in both consumer safety and energy standards of residential (and commercial) stock.

Safety Electrical Audits would be supplementary to a pest and building inspection and would enable the purchaser to budget for any required remedial works.

As part of the proposed improvements to the current wiring and electrical safety arrangements, NECA also argues that when insurance premiums on homes, residential complexes and buildings are calculated, actuaries should also factor in the age and quality of building cabling or wiring. This insurance would then attract a premium discount for owners who continue to ensure that their property's wiring is safe and fully compliant.

Following each inspection, a report is provided to the installation owner that identifies electrical safety risks to be managed and resolved. It is proposed that a pilot scheme be developed in consultation with the Government and NECA.

NECA proposes two approaches to improve consumer awareness and understanding of energy use and consumption:

- Home Energy Audits - these will enable property purchasers to undertake an energy efficiency test that provides them with information to help make informed decisions about energy usage, as well as reduce costs by replacing energy intensive and/or inefficient products such as air-conditioning units, pool pumps, hot water systems, washing machines and dryers.
- Education and information - to increase the community's understanding of energy use and consumption within their home, and opportunities to better utilise and minimise energy which in turn will save money for households. NECA proposes to undertake a new education and information campaign in partnership with and funded by the Government.

NECA's proposals seek to ensure the community is better placed to understand their homes and make informed choices and decisions that could save hundreds of dollars on their energy bills, as well as increase their understanding of their carbon footprint.

## 4.2. Solar and battery

Small-scale Solar photovoltaic panels (PV) and battery storage units, in addition to being a reliable and efficient energy use for consumers, can assist to smooth out the peaks in energy use through offering control of the solar energy that a consumer has generated, helping to reduce the energy load drawn from the network.

Solar subsidy schemes have had some success in Australia - which has one of the largest up-take of roof-top solar photovoltaic systems in the world. The NSW Solar Bonus Scheme was successful in adding more than 342MW of renewable energy capacity to the grid – more than three times the capacity of Australia's largest solar farm, whilst many State Governments, including Queensland and South Australia have previously or continue to offer subsidies for solar PV schemes.

Australia has one of the largest penetrations of roof-top, small-scale Solar PVs across the world and companies such as Schneider Electric have called upon Government to consider subsidies to encourage households to adopt home battery storage units.

NECA believes that the Federal Government should consider providing incentives to encourage households and small businesses to take-up small-scale Solar PV and home battery storage units taking advantage of our nation's sunny climate.

## **Recommendations**

NECA calls upon the Australian Government in the 2020-21 Budget to:

- 4.1 encourage property owners to undertake Electrical Safety Audits, at the point of sale or prior to entering into a new rental arrangement, on all residential and commercial properties;
- 4.2 partner with NECA to undertake a new education and information campaign as funded by the Australian Government; and
- 4.3 encourage consumers and business to take-up small-scale solar PV and battery storage units through grants, subsidies or other incentives.

