

2025-26 Budget Consultation

ACT

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MASTER
ELECTRICIANS
AUSTRALIA

Master Electricians Australia (MEA) is a peak industry association representing electrical contractors and is recognised by industry, government and the community as a leading business partner, knowledge source and advocate. You can visit our website at www.masterelectricians.com.au

MEA appreciates the opportunity to provide a response to the **Act 2025-26 Budget** consultation. MEA advocates for budgetary commitments aimed at advancing the electrical industry, addressing enduring operational challenges, and promoting sustainable growth opportunities.

In particular, MEA is seeking the ACT Government to commit financial support towards the following –

1. **Security of Payment (SOP)** – Actively participate in a national overhaul of SOP to better protect small businesses. MEA seeks a harmonised approach by all jurisdictions, to include better protections for subcontractors including retention trusts or a central retention holding facility (like rental bond authorities). MEA also seeks participation in a federal fund akin to the ‘Fair Entitlements Guarantee’ providing for subcontractor payments following head contractor insolvency.
2. **Workforce Development** – Promote trades as a career of choice.
3. **Consumer Energy Resources (CER)** – Refine existing schemes to target electrification and battery storage.
4. **Small Business Support** – Support small businesses in meeting operational, administrative, and regulatory obligations and achieving best practice compliance.
5. **Access to Australian Standards** – Contribute funding towards free access of the Australian Standards including the electrical standards.

We believe that implementing these recommendations will not only enhance the electrical industry's resilience and productivity but also contribute to a more sustainable and equitable future for the ACT's residents.

1. Security of Payment

The Policy Issue

The construction industry is facing increasing insolvencies. Notably, “in Australia, subcontractors complete over 80 per cent of construction work, [asserted to be] the highest portion in the world to pass financial risk down the construction contracting chain.”¹ The flow-effects of failures are broad, impacting the completion of projects.

However, despite these significant risks to not only the subcontractors, but the wider economy, there is a real lack of legal security to protect the domino effect of failing construction contractors.

When the head contractor on a building project goes insolvent, it leaves a trail of destruction. Although many different stakeholders are affected in this scenario, one group who gets hit particularly hard is subcontractors who have worked on the project.

These businesses are either left waiting for a prolonged period to receive payment or, in some cases, left unpaid entirely for work conducted. This includes expenses for materials used, payment of staff, the earnings of the small business owner and the opportunity cost of other work foregone. This can easily lead into the tens of thousands of dollars, meaning when a head contractor goes bust it is not just inconvenient to the unpaid subcontractors but potentially fatal to their business and even their livelihood.



Budget Commitments Sought:

- **Harmonised Laws** – ACT agree to implement laws as part of nationally harmonised security of payment legislation, generally in accordance with recommendations from the *2017 Murray Review*.
- **Retention Fund** - Holding of retention money (and non-cash security) by a central authority, similar to government rental bond schemes, where the processes for lodging payments and receiving retentions (or security) back are very simple and available online. The establishment of the authority and governing legislation and online portals would be required.

¹ Department of Transport and Planning “Government Response to the Parliamentary Inquiry into employers and contractors who refuse to pay their subcontractors for completed work” *Victorian Government* [October 2024], at 3 <[attachment-2---government-response---final-revisions.pdf](#)>

- **Non-Cash Security** - Harmonised security of payment legislation should also include provisions that the contracted party (e.g. subcontractor) may at any time elect to substitute non-cash security (e.g. bank guarantee) with cash retention. Also, prohibit the linking of subcontractor practical completion to that of head contractor.
- **Payment Scheme** – Support the Federal Government in establishing a scheme for subcontractor payments following insolvency of the head contractor based on the Fair Entitlements Guarantee (FEG).

We invite you to read further details about MEA's proposed SOP framework [here](#).

2. Workforce development

The Policy Issue

Jobs and Skills Australia (JSA) has identified ‘electricians’ as an occupation experiencing a shortage below economy-wide average.² As the skilled trade responsible for installing and maintaining electrification assets, the current skills shortage will be exacerbated if we do not immediately address the issue. JSA’s “preliminary modelling shows we will need approximately 26,000 to 42,000 more electricians in the next seven years, and the clean energy supply workforce will likely need to grow from approximately 53,000 workers today to 84,000 by 2050.”³

While numerous factors contribute to the electrical industry skills shortage crisis, MEA has identified the following key issues which requires urgent action:

- **Diversity Issues** – Underrepresentation of diverse cohorts including women.
- **Perceptions** – There is a perception that Higher Education is the superior career path from post-secondary school.

Existing Government Schemes

ACT

- **Building and Construction Training Fund Authority (for employers)** - \$8,000 grant for employers of first year apprentices with additional loadings available.
- **Cost-of-Living Allowance** – “One-off \$250 payment for all ACT apprentices and trainees” living in the ACT who began their course before 1 July 2024 and were actively training.

FED

- **Priority Hiring Incentive (for employers)** - \$5,000 grants for employers of Australian Apprentices training towards an occupation and qualification at a Certificate level III or above listed on the Priority List.
- **Australian Apprenticeship Training Support Payment** - Up to \$5,000 for eligible Australian Apprentices in an occupation and linked qualification listed on the Priority List paid over 4 instalments.
- **New Energy Apprenticeship Scheme** – Up to \$10,000 paid over 4 instalments for eligible Australian Apprentices in a clean energy occupation and linked qualification listed on the Priority List and where their employer can provide meaningful exposure, experience, and work in the clean energy sector.
- **Australian Apprenticeship Support Loans** - \$10,000 incentive payment for apprentices training in Housing Construction Apprenticeships.

² Jobs and Skills Australia “Skills Priority List” *Australian Government* < [Skills Priority List | Jobs and Skills Australia](#)>

³ Jobs and Skills Australia “The Clean Energy Generation Workforce needs for a net zero economy” [3 October 2023] *Australian Government* <[the_clean_energy_generation.pdf](#)>

Budget Commitments Sought

- *Mature Age Apprenticeship Support* - Additional wage subsidies for mature age apprentices to encourage those considering a change of career, as well as rebates for employers who are required to pay an additional amount.
- *Amenities Funding* – Subsidise female toilet facilities on worksites.
- *ATAR* – Partner with state and territory Governments to implement an ATAR Electrotechnology Subject into the Secondary School curriculum that includes Cert II / Cert III Block 1A units.

3. Consumer Energy Resources (CER)

The Policy Issues

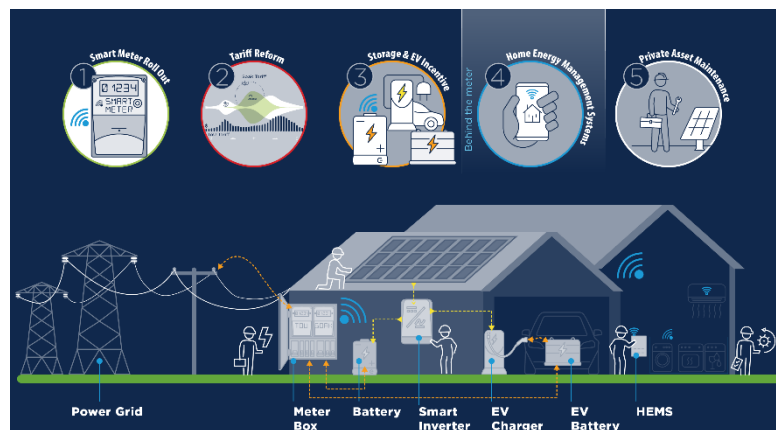
The ACT is increasingly taking advantage of its abundant sunlight with 60,359 solar small-generation units installed as of 31 December 2024.⁴ However, further steps need to be taken to fully embrace the opportunities within the consumer energy resource landscape.

Solar PV Panels

As an asset which allows households to generate clean energy, solar PV panels have become increasingly popular amongst energy consumers over the recent decade. It is important that Government seek to continue this momentum in enabling all households and businesses to equitably access private solar PV panels.

Batteries

It is widely recognised that increasing energy storage capacity within the NEM is essential for reliable renewable energy operations. This will improve consumer experiences with CER and help alleviate the hosting capacity constraints faced by Distributed Network Service Providers (DNSPs).



Achieving increased energy storage requires widespread adoption of Battery Energy Storage Systems (BESS) by households and businesses. These enable consumers to store self-generated energy (from Solar PVs) and either soak, be self-consumed during peak periods, or send excess BESS capacity back to the grid during peak demand times. This strategy allows households to optimise energy use throughout the day while batteries store excess energy during typically low-load periods. By taking pressure off the network, electricity costs should reduce for everyone, as less transmission upgrades would be required.

Electric Vehicle Bi-Directional Charging

MEA supports the enabling of EV bi-directional charging. Combined with CER, this will enable EV owners to charge vehicles using electricity generated from rooftop solar and then discharge the vehicle battery to the home or to appliances when needed or potentially to the grid at peak times. Enabling EV batteries to become part of CER assists in taking pressure off the electricity network, reducing power prices for all.

⁴ Clean Energy Regulator “Small-scale installation postcode data” Australian Government [26 September 2024] <Small-scale installation postcode data | Clean Energy Regulator (cer.gov.au)>

CER Benefits

- **Economy** – Increased solar and battery adoption lowers energy costs by 2-3% for all energy consumers⁵, as households and businesses can produce, store, and trade surplus energy during peak demand, boosting disposable income, net profits, and overall economic sustainability.
- **Grid Resilience and Security** - Private CER reduces traditional risks associated with the National Energy Grid including climate events and cyberattacks by enabling households and businesses to generate, store, and access energy independently, avoiding reliance on centralised hubs and transmission lines.
- **Grid Demand** –Rising population and EV adoption will increase grid demand and threaten stability, but CER can mitigate this by reducing peak demand, enabling consumers to supply excess energy during shortages or store it for later use.
- **Foster Co-Investment and Shared Responsibility** – When households and businesses have a financial stake in renewable energy, they're personally motivated to see these projects succeed. This sense of ownership creates a deeper commitment to renewable energy outcomes. On the other hand, when we rely solely on other forms of renewable energy, without that direct consumer involvement, the personal drive for success and engagement in these initiatives tends to diminish.
- **Environmental** - CER is a clean alternative to traditional fossil-fuel energy and has minimal impact on the land and environment when installing its infrastructure as it utilises pre-existing roof space.

Existing Government Schemes

ACT:

- **Sustainable Household Scheme** – \$15,000 zero interest loan repayable over 10 years which can be used to purchase energy efficient products including rooftop solar panels, household battery storage systems and EV charging infrastructure.
- **Home Energy Support: Rebates for Homeowners** – \$2,500 rebates for ACT homeowners with an Australian Pensioner Card, Department of Veterans' Affairs Gold Card or an Australian Government Health Care Card towards supply and installation of rooftop solar.
- **Solar for Apartments** – Body Corporates can apply for up to \$100,000 with 50% in the form of grant funds and the remaining 50% a zero-interest loan.
- **Sustainable Business Program** – “Eligible businesses may receive rebates of up to \$10,000 for energy and water efficiency upgrades”.
- **Business Electric Vehicle Charger Rebates** - Eligible businesses may receive rebates of up to 50% of the cost (capped at \$3,000 excluding GST) for the purchase and installation of EV charging infrastructure at their business premises.

⁵ "The Time is Now Getting smarter with the grid" *Energy Networks Australia* [6 August 2024], at 26 <[Leveraging the Distribution Grid in support of the Energy Transition \(energynetworks.com.au\)](#)>

FED:

- **Household energy Upgrades Fund** – Loans with interest to be repaid with instalments to “provide discounted finance products to help households upgrade their homes with battery-ready solar PV, modern appliances and other improvements”.
- **Small-Scale Technology (STC) Scheme** – “Eligible systems can claim small-scale technology certificates (STCs). Registered agents can help you get a discount on the purchase price of your system if you assign your right to claim STCs to them.
- **Social Housing Electrification** – “Funding upgrades to help social housing residents access the benefits of the energy transition”.

Budget Commitments Sought

- **Solar and Battery Grants or Rebates** – Incentivise installation of solar panels and battery installations simultaneously through grants or rebates to homeowners and small business owners. While the Sustainable Household Scheme benefits some households and businesses, for others, taking on a loan with a limited payback period is an unmanageable financial burden.
- **Battery Rebates** – Incentivise battery installation for properties with existing solar panels.

4. Small Business Support

The Policy Issue

SMEs often face significant challenges, including meeting complex regulatory requirements due to limited resources compared to larger firms. Regulatory requirements are increasing, adding to the administrative burden and reducing productivity. Additionally, in the event of an incident or claim, larger companies have more resources to cover the costs of legal defence, placing SMEs at a further disadvantage.

Budget Commitments Sought

- *Insurance Costs* – Reduce cost of insurance premiums for small businesses.
- *Subsidies and Grants* - Government to offer support to SMEs to assist in covering costs associated with compliance, such as investing in safety equipment, software, training, and other necessary resources. NSW's [SafeWork Small Business Rebate](#) is a good example of this.
- *Education and Training Programs* - Provide SMEs with access to subsidised or free education and training programs focused on safety compliance which can empower them to better understand and meet requirements. This could be delivered through online courses, workshops, or partnerships with industry experts.

5. Access to Australian Standards

The Policy Issue

As an electrical trade association, our members currently enjoy complimentary access to Australian Standards. However, the terms of this arrangement have been a point of contention between MEA and Standards Australia, with ongoing threats of its being removed.

There is no justification for a monopolised non-profit organisation to raise prices and limit access to Australian Standards, particularly when public safety is at stake. We also highlight that any additional costs associated with accessing Australian Standards will ultimately be passed on to consumers, which is especially concerning during a cost-of-living crisis

Budget Commitments Sought

- ACT Government to partner with Federal and other State Governments to fund the production of compulsory Australian Standards to enable its free access for the construction industry, including the electrical industry.

Conclusion

The electrical industry plays a critical role in Australia's economy particularly as the nation pursues its electrification goals. Immediate financial action by the ACT Government is crucial to address the persistent challenges facing the industry, as their ongoing impact could have significant repercussions for the wider Australian economy.

Security of Payment - Missed payments to subcontractors creates a domino effect, driving up construction costs and increasing liquidations across the industry, ultimately jeopardising the nation's economic stability. MEA calls for ACT Government's participation in a harmonised national SOP scheme to urgently establish a subcontractor payment safety net to provide greater protection for subcontractors.

Workforce Development - MEA advocates greater promotion of trades as a career of choice. This would likely increase the pool of talent available in the electrical industry, addressing the skills shortage crisis.

Consumer Energy Resources – The ACT is leveraging its abundant natural sunlight through the widespread adoption of solar PV panels. However, the limited uptake of private batteries has hindered grid stability and reduced consumers' ability to fully benefit from CER. MEA calls for enhanced subsidies and rebate schemes for bundled installations of private solar PV panels with batteries.

Small Businesses Support - Small businesses, the backbone of the ACT's economy, often operate with limited financial and administrative resources. MEA urges the government to provide targeted support to help small businesses operate efficiently and profitably. Subsidies and grants for essential expenses and investments such as software, training, and compliance, along with reduced insurance costs, would be particularly beneficial in ensuring their survival, especially during the ongoing cost-of-living crisis.

Access to Australian Standards - MEA urges the ACT Government to collaborate with other Australian Governments to fund free access to Australian Standards. These standards are essential for safety, and their free accessibility is especially vital for businesses facing financial pressures. Free access would support compliance, enhance safety, and benefit all Australians.

MEA remains committed to advancing the electrical industry by promoting improved operational, regulatory, and financial outcomes for electrical businesses, with benefits that will positively impact the broader ACT economy. We look forward to the release of the 2025-26 Budget and are available for further discussion.