



Transport and Resources Committee
Parliament of Queensland
Inquiry into the Building and Other Legislation Amendment Bill 2022

19th April 2022

Dear Committee Members,

The building and construction sector is one of the biggest drivers of Australia and Queensland's economy, generating over \$360bn in revenue nationally, or approximately 9% of gross domestic product (GDP). It also employs more than 1.2 million people in its constituent industries.

Electrotechnology is a key industry within both the Australian and Queensland economies, providing services to homes, offices, schools, hospitals, mining, agriculture, manufacturing: indeed to all major sectors of the economy.

The National Electrical and Communications Association (NECA) is the peak body throughout Australia for the electrical and communications sector. We represent almost 6,000 businesses performing works including the design, installation and maintenance of electrical and electronic equipment in the building, construction, mining, air conditioning, refrigeration, manufacturing, communications and renewables sectors.

As the peak body for our industry, NECA is pleased to be able to provide comment to the Transport and Resources Committee on the Inquiry into the Building and Other Legislation Amendment Bill 2022.

“Ban the Banners”

In regard to the “Ban the Banners” provisions that amend s.246 of the *Building Act 1975*, NECA supports the proposed changes to ensure that developers and body corporate by-laws do not inhibit the installation of solar panels and solar hot water systems, by restricting where they are located on the basis of aesthetics.

Electricians undertake a 4-year apprenticeship in order to learn their trade and many also undertake post-trade training to further enhance their skills and knowledge. This often involves comprehensive training in the design and installation of solar panels and solar hot water systems.

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It is these electricians and electrical contracting businesses that are best trained to identify where solar panels will provide the most optimum result. It would highly compromise the in-depth knowledge of these electricians and contracting businesses, to be restricted in placing solar panels where they produce the best results, particularly where aesthetics is the denying influence. NECA therefore considers that the proposed changes provided in the *Building and Other Legislation Amendment Bill 2022* to be both sensible and pragmatic.

Enhancing the transparency of the Building Industry Fairness (Security of Payment) Act 2017

As a finishing trade, electrical contractors are involved in the latter stages of the building and construction cycle. Further, the electrical equipment and labour involved in modern buildings is often highly sophisticated and expensive. In the event a builder falls into receivership, electrical contractors can be at a disadvantage in terms of being recompensed when compared to all other trades who contribute to the project and have been fully recompensed at an earlier stage in the project.

The current system of payment security penalises sub-contractors by effectively rendering them de-facto underwriters to unscrupulous or inefficient head/principal contractors. Of all sub-contractors, electrical contractors provide the highest value inputs by way of fixtures, fittings and labour towards the latter stages of the construction cycle. In other words, electrical contractors are more disproportionately disadvantaged than any other sub-contractor.

The current Security of Payment legislation in Queensland, does not adequately protect contractors and subcontractors against insolvency and NECA is concerned that loopholes exist in the current legislation that allows head contractors to dodge their contractual chain responsibilities.

NECA therefore supports the proposed amendments to s.32 of the *Building Industry Fairness (Security of Payments) Act 2017* as contained in the *Building and Other Legislation Amendment Bill 2022*, to insert a head of power into the legislation to allow regulations to specify additional categories of contracts and subcontracts as being required to meet the retention trust arrangements within the intent of the legislation.

While NECA understands it is not within the remit of the Transport and Resources Committee or the draft Bill being considered, NECA would like to take this opportunity to voice its view that the current transitional provisions relating to retention trusts in the *Building Industry Fairness (Security of Payments) Act 2017* is too slow to adequately afford protection for private sector contracts. It is only fair that when sub-contractors do a job that they receive pay for that job. NECA would like to see the pace of implementation sped up so that all government, local government, statutory authority, government owned corporation and private sector contracts valued at \$1 million to enable all parties to the contracting chain to have the same level of protection.



Thank you for the opportunity to provide these comments.

Yours faithfully

A handwritten signature in black ink, appearing to read 'O Judd', is written over a light blue horizontal line.

Oliver Judd
Chief Executive Officer



About NECA

The National Electrical and Communications Association (NECA) is the peak body for Australia's electrical and communications sector, which employs 170,000 workers¹ and turns over more than \$23bn annually.² We represent almost 6,000 businesses performing works including the design, installation and maintenance of electrical and electronic equipment in the building, construction, mining, air conditioning, refrigeration, manufacturing, communications and renewables sectors.

NECA has advocated on behalf of the electrotechnology industry for over 100 years. We help members and our industry operate their businesses more effectively, and represent their interests to all levels of government, regulators, and within other bodies such as the Australian Chamber of Commerce and Industry (ACCI) and Standards Australia.

NECA members make an essential economic contribution – connecting businesses, homes and infrastructure – encouraging investment, improving reliability and energy security, and delivering affordable, environmentally sustainable outcomes. The safety and reputation of our industry is critical to all tradespeople, consumers, and the community.

NECA is integral to the next generation of electrical contractors. Through its Registered Training Organisations (RTOs) and Group Training Organisations (GTOs), it offers employment and skills development to some 4,800 apprentices nationally. Its success is clear: we proudly boast 90% completion rates across our courses, with roughly one in three licensed electrical workers starting their career as a NECA apprentice.

NECA helps attract entrants to our industry through holistic, high-quality, industry-relevant programs including our scholarship program, the NECA Foundation, and the Women in Electrical Trades Roadmap. We proactively seek diverse workforces, supporting female, indigenous and mature aged apprentices, and promoting career paths for school students and school leavers. We also operate the industry-wide NECA Annual Excellence Awards, which acknowledge and celebrate achievements and distinguished electrotechnology projects, and NECA's Apprentice Awards, recognising future leaders in our industry.

NECA continues to monitor and respond to the Coronavirus (COVID-19) crisis on behalf of our members and the electrotechnology sector, and is working with industry, government and the community to achieve a COVID-19 safe economy and swift national recovery.

¹ Australian Government 'Job Outlook'. (July 2020) (Telecommunications Trades Workers) <https://joboutlook.gov.au/Occupation?search=alpha&code=3424> and (Electricians) <https://joboutlook.gov.au/Occupation?search=alpha&code=3411>

² Ibis World 'Electrical services in Australia Industry Statistics (May 2020) <https://www.ibisworld.com/au/industry/electrical-services/325/>