

Australia's Electrical Contractors

Charge Out Rates

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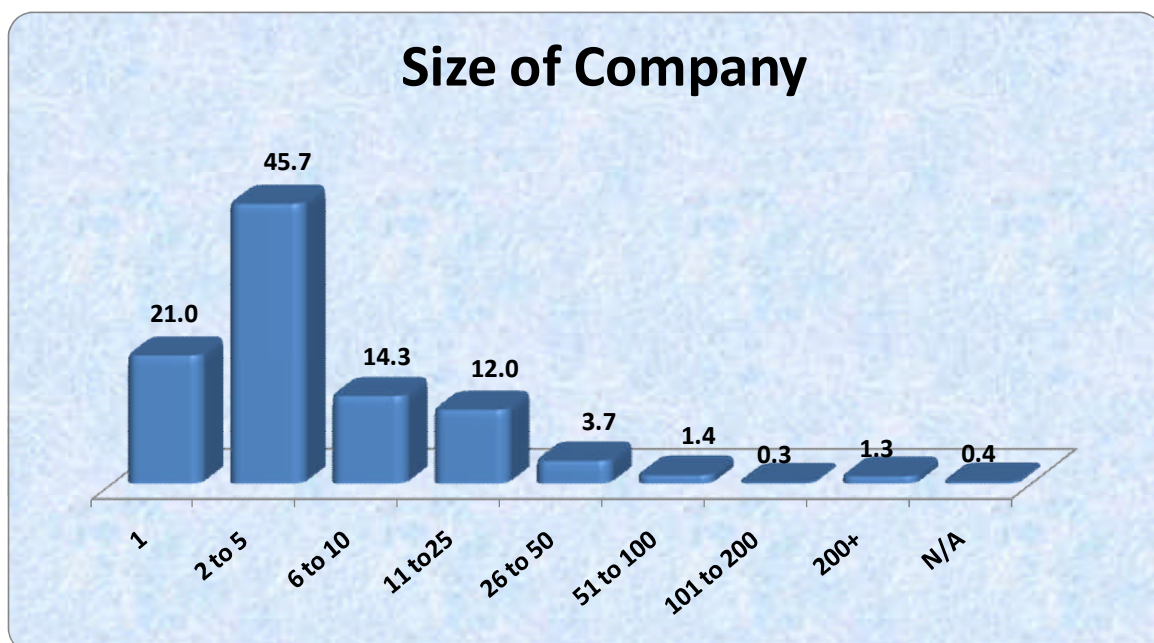
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INTRODUCTION

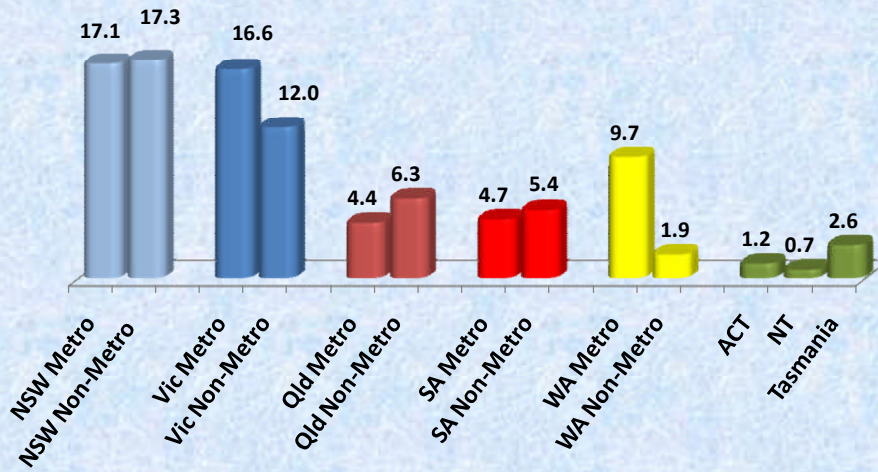
In September and October 2009 NECA conducted a survey of Australia's electrical contractors. The survey was conducted by post and internet, with 1107 respondents. All respondents were offered a summary of the results on the series of questions about charge-out rates. This report is that summary. It contains details of responses on charging methods and hourly charge out rates for tradespeople and apprentices, and compares these for the metro and non-metro regions of the five mainland states.

Note that survey respondent numbers in Tasmania, ACT and the Northern Territory are much lower than those in other areas, with statistical margins for error that are too high for that data to be included in the comparison.

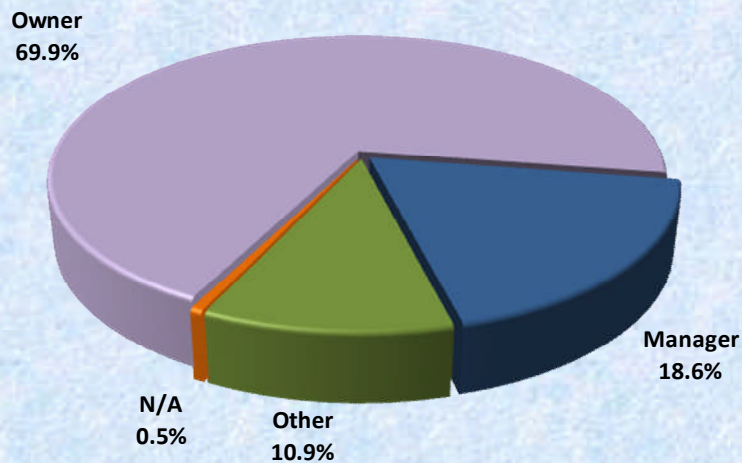
The chart below shows the respondent breakdown by size of company (number of employees, including respondent). The charts on the next page show the respondent breakdown by location of HQ, the job function of the respondent, and whether they are a NECA member or not. Note that the great majority of respondents are owners or managers of their company.



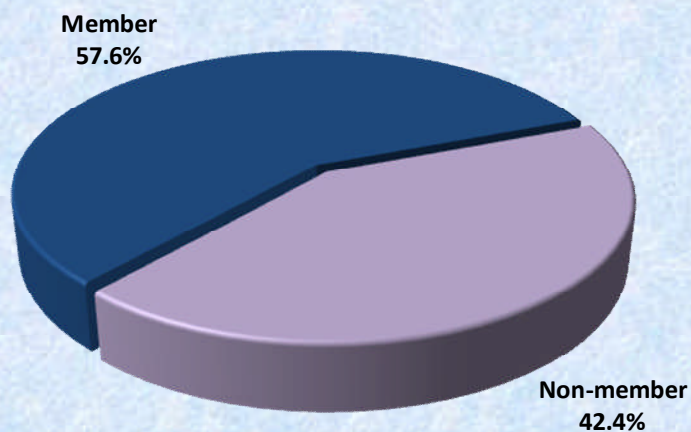
Location (HQ by Region)



Job Function of Respondents



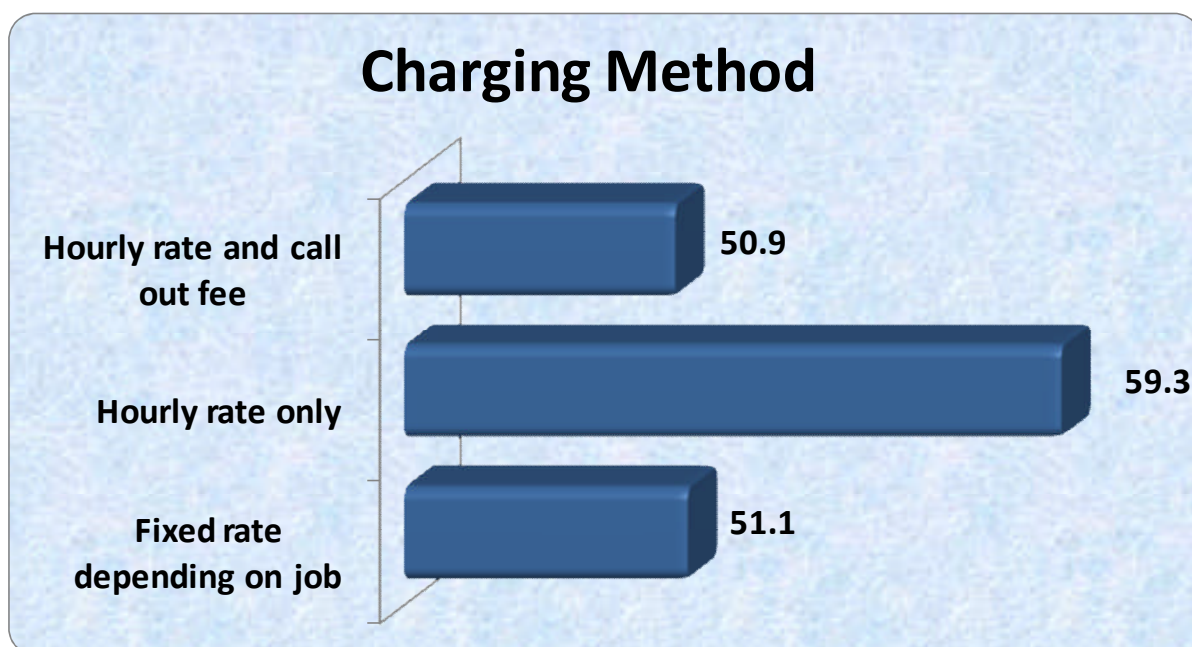
NECA Member vs Non-Member



FIXED CHARGES AND CALL-OUT FEES

Australia-wide, just over half of electrical contractors charge a call out fee. A similar number charge an hourly rate only, or work on a fixed rate, depending on the job. Numbers do not add up to 100%, as respondents could answer more than one option – some electricians use a variety of methods.

The results indicate that there is no standard method of charging. In the full survey, in which an open-ended question was asked about key concerns, many respondents complained about this lack of standardisation in the industry. Collusive pricing is however a serious legal offence

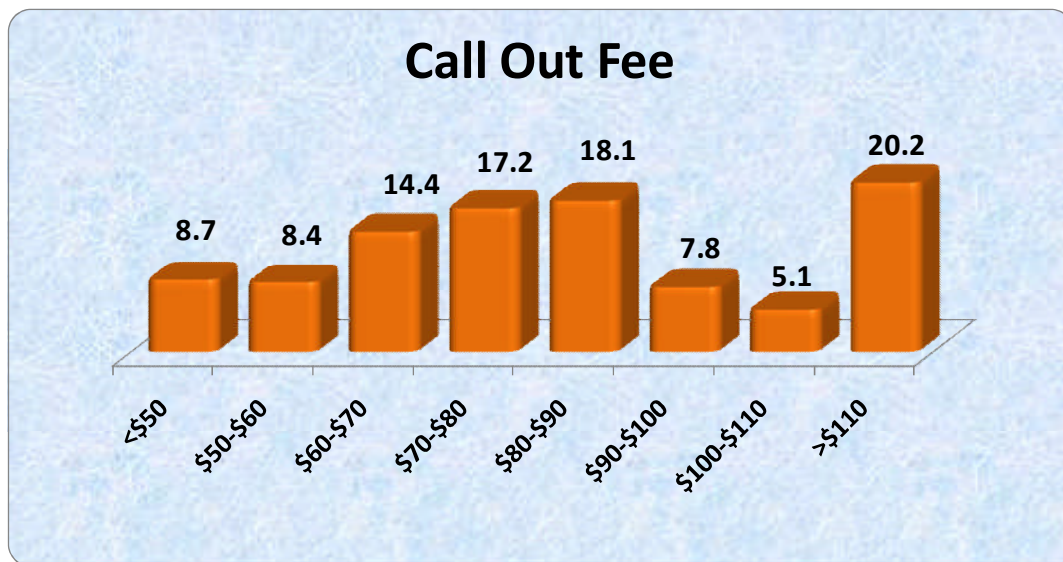


Methods differ by region, but in most cases they are not major differences. What differences there are give a further indication of the lack of standardisation in charging methods across Australia.

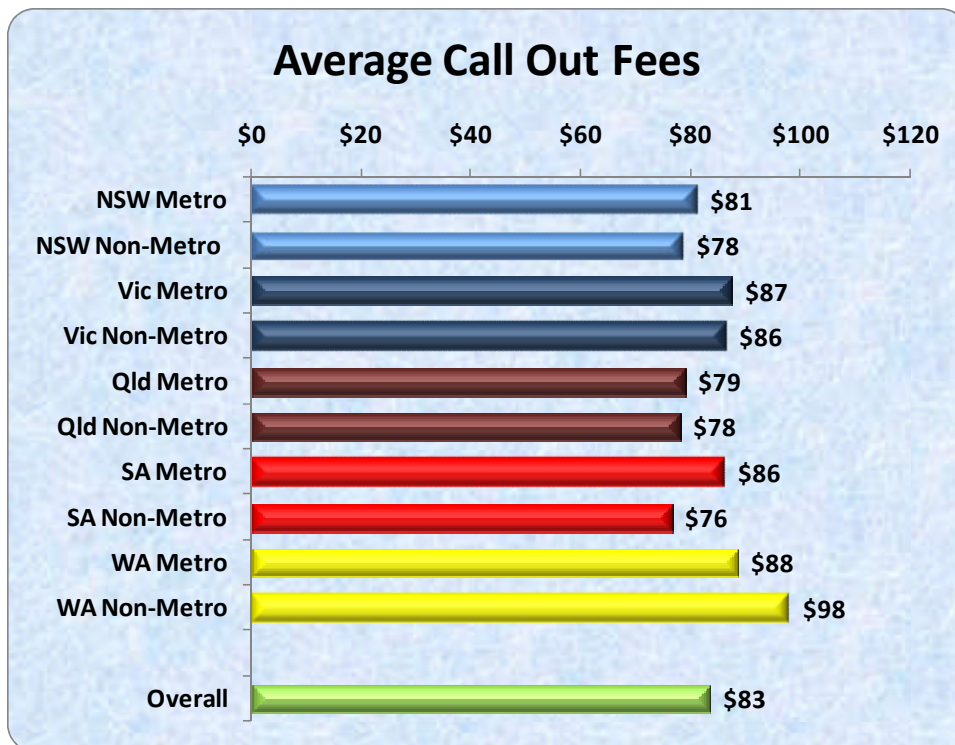
Charging Method	Hourly rate & call out fee	Hourly rate only	Fixed rate depending on job
NSW Metro	60.3	47.6	57.1
NSW Non-Metro	47.9	63.5	47.4
Vic Metro	56.0	50.5	49.5
Vic Non-Metro	48.9	65.4	42.1
Qld Metro	59.2	57.1	61.2
Qld Non-Metro	41.4	60.0	41.4
SA Metro	55.8	67.3	46.2
SA Non-Metro	30.0	76.7	33.3
WA Metro	49.5	57.9	70.1
WA Non-Metro	52.4	61.9	66.7
Overall	50.9	59.3	51.1

CALL OUT FEE

The average call out fee (including GST) across Australia is \$83.30. Half of all electrical contractors that use a call out fee charge between \$60 and \$90. One third charge \$90 or more, with most of that group (20.2%) charging \$110 or more.

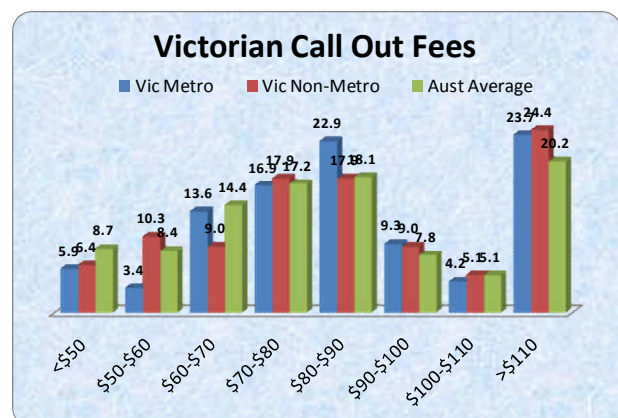
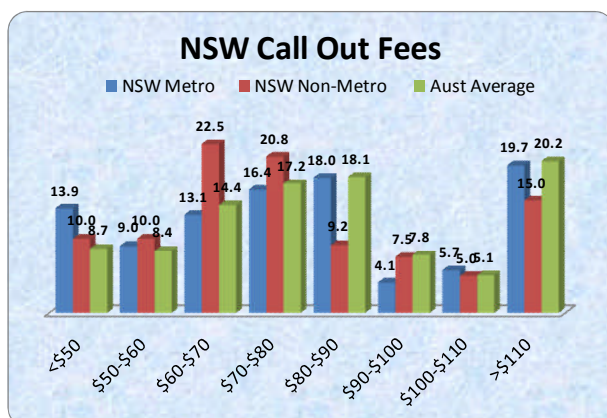


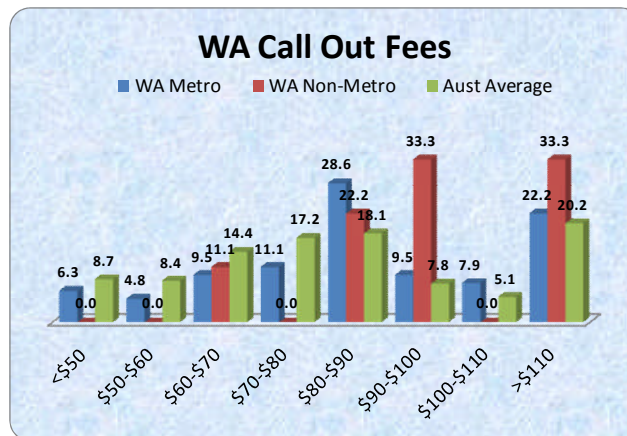
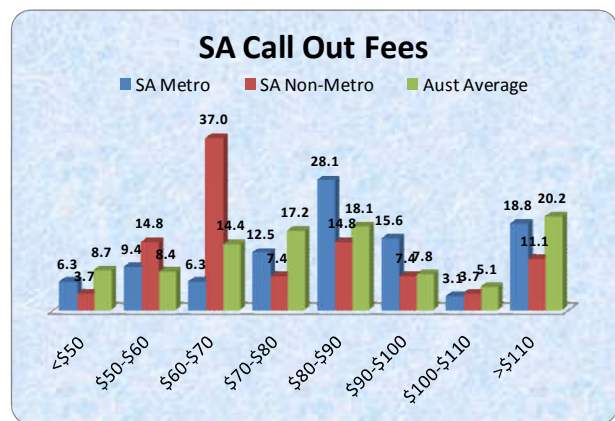
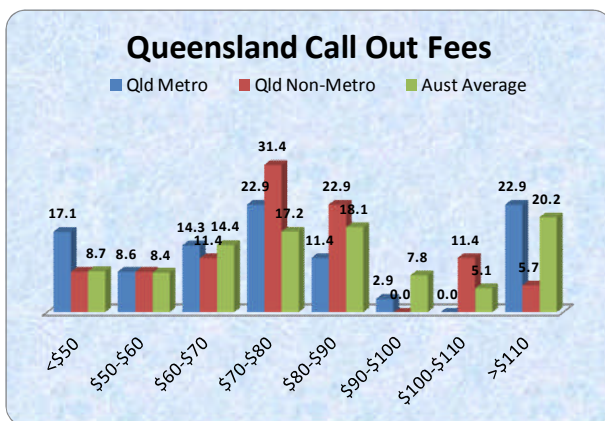
Average call out fees differ significantly by region. NSW and Queensland are lowest, and Western Australia the highest. Fees in metro areas tend to be higher than those in non-metro areas, with the exception of Western Australia.



The table and charts below show the breakdown of percentages for each band by region, with comparisons to the Australian average.

Call Out Fee	NSW Metro	NSW Non-Metro	Vic Metro	Vic Non-Metro	Qld Metro	Qld Non-Metro	SA Metro	SA Non-Metro	WA Metro	WA Non-Metro	Aust Average
<\$50	13.9	10.0	5.9	6.4	17.1	8.6	6.3	3.7	6.3	0.0	8.7
\$50-\$60	9.0	10.0	3.4	10.3	8.6	8.6	9.4	14.8	4.8	0.0	8.4
\$60-\$70	13.1	22.5	13.6	9.0	14.3	11.4	6.3	37.0	9.5	11.1	14.4
\$70-\$80	16.4	20.8	16.9	17.9	22.9	31.4	12.5	7.4	11.1	0.0	17.2
\$80-\$90	18.0	9.2	22.9	17.9	11.4	22.9	28.1	14.8	28.6	22.2	18.1
\$90-\$100	4.1	7.5	9.3	9.0	2.9	0.0	15.6	7.4	9.5	33.3	7.8
\$100-\$110	5.7	5.0	4.2	5.1	0.0	11.4	3.1	3.7	7.9	0.0	5.1
\$110 and above	19.7	15.0	23.7	24.4	22.9	5.7	18.8	11.1	22.2	33.3	20.2

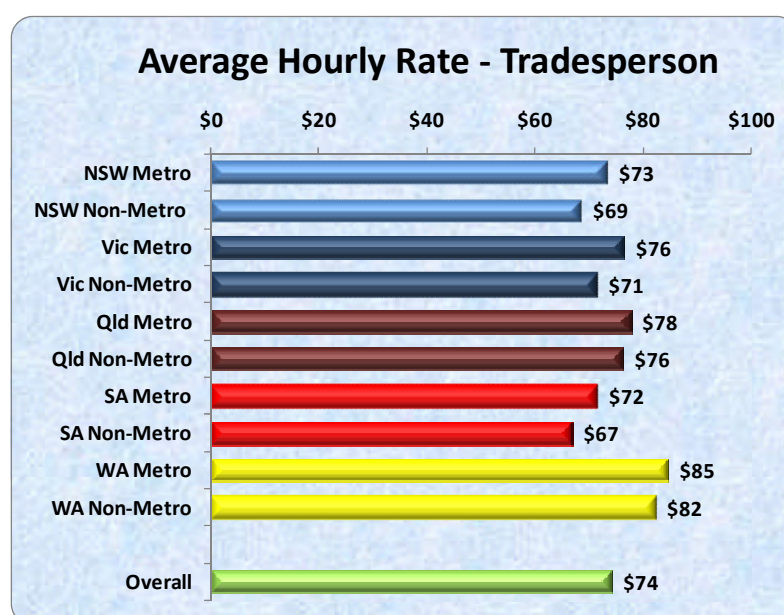
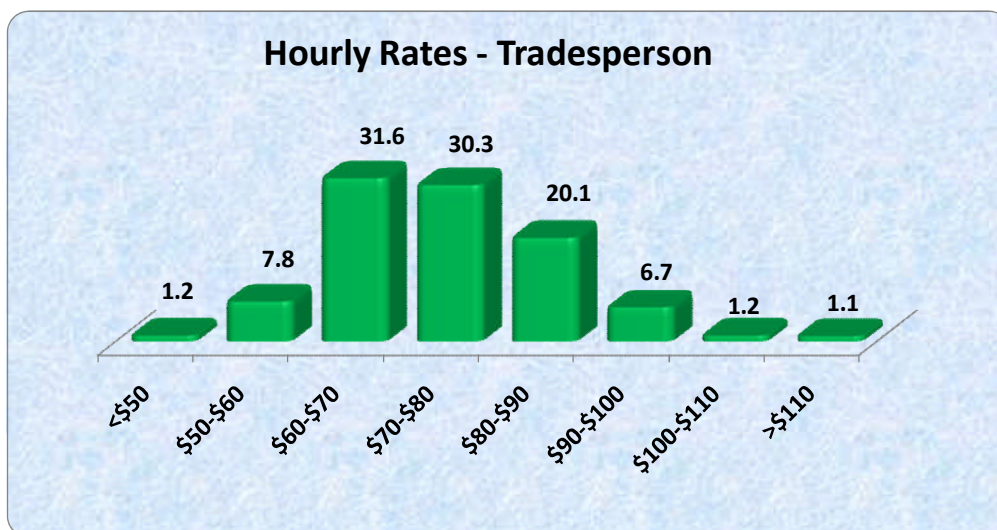




HOURLY RATE – TRADESPEOPLE

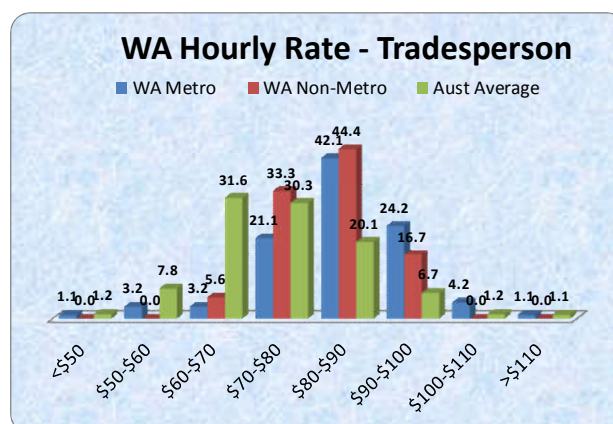
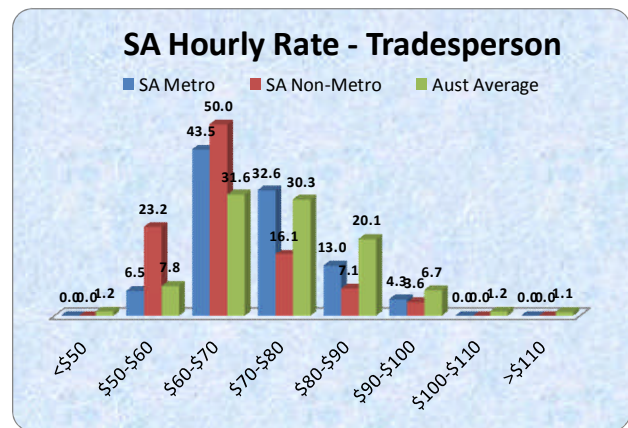
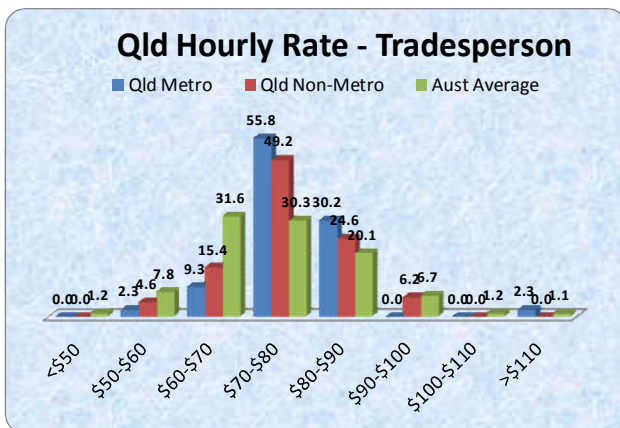
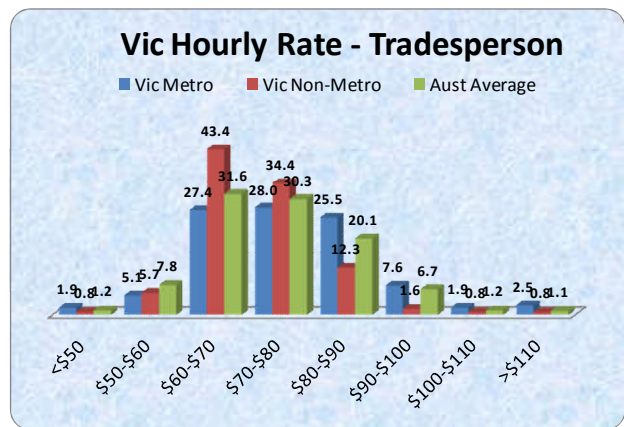
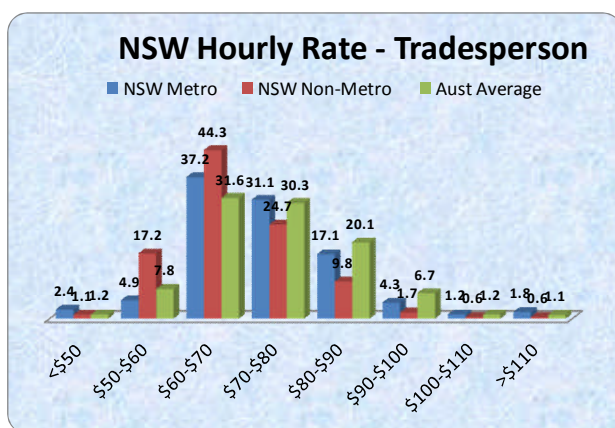
The average hourly charge out rate for an electrical tradesperson in Australia is \$74, but there are wide variations above and below this figure. Again, the great disparity and lack of uniformity leads to many claims of undercutting and unprofessionalism in the industry. The most common rate (used by 31.6% of respondents) is between \$60 and \$70, but nearly as many (30.3%) charge between \$70 and \$80. Very few charge more than \$100.

Western Australia has by far the highest overall average (\$85 metro, \$82 non-metro) and South Australia the lowest (\$72 metro, \$67 non-metro).



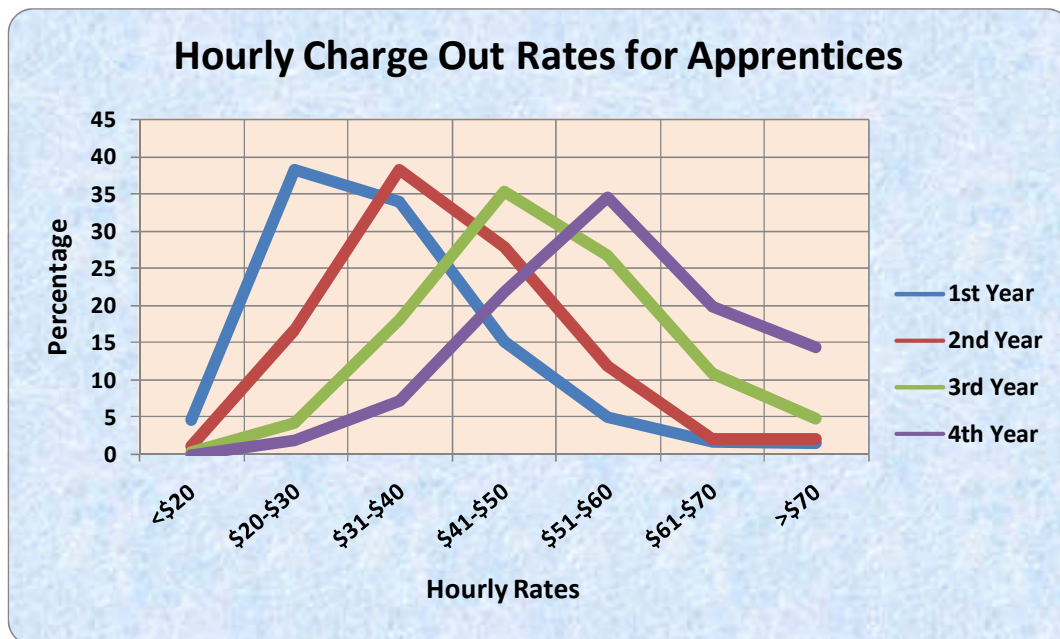
The table and charts below show the breakdown of percentages for each band by region, with comparisons to the Australian average.

Hourly Rate - Tradesperson	NSW Metro	NSW Non-Metro	Vic Metro	Vic Non-Metro	Qld Metro	Qld Non-Metro	SA Metro	SA Non-Metro	WA Metro	WA Non-Metro	Aust Average
<\$50	2.4	1.1	1.9	0.8	0.0	0.0	0.0	0.0	1.1	0.0	1.2
\$50-\$60	4.9	17.2	5.1	5.7	2.3	4.6	6.5	23.2	3.2	0.0	7.8
\$60-\$70	37.2	44.3	27.4	43.4	9.3	15.4	43.5	50.0	3.2	5.6	31.6
\$70-\$80	31.1	24.7	28.0	34.4	55.8	49.2	32.6	16.1	21.1	33.3	30.3
\$80-\$90	17.1	9.8	25.5	12.3	30.2	24.6	13.0	7.1	42.1	44.4	20.1
\$90-\$100	4.3	1.7	7.6	1.6	0.0	6.2	4.3	3.6	24.2	16.7	6.7
\$100-\$110	1.2	0.6	1.9	0.8	0.0	0.0	0.0	0.0	4.2	0.0	1.2
>\$110	1.8	0.6	2.5	0.8	2.3	0.0	0.0	0.0	1.1	0.0	1.1



APPRENTICE RATES

Hourly charge out rates for apprentices vary significantly, but by year of apprenticeship, rather than region. The overall average is \$34 for the first year, \$40 for the second year, \$49 for the third year and \$56 for the fourth year.



Hourly Charge-Out Rates for Apprentices	1st Year	2nd Year	3rd Year	4th Year
<\$20	4.5	1.2	0.2	0.0
\$20-\$30	38.3	16.7	4.2	1.9
\$31-\$40	34.0	38.3	18.0	7.2
\$41-\$50	15.1	27.8	35.3	21.9
\$51-\$60	5.0	11.8	26.7	34.6
\$61-\$70	1.7	2.1	10.9	20.0
>\$70	1.4	2.1	4.7	14.4

Average Hourly Charge Out Rates for Apprentices by Region	1st Year	2nd Year	3rd Year	4th Year
NSW Metro	\$36	\$41	\$50	\$55
NSW Non-Metro	\$34	\$39	\$47	\$54
Vic Metro	\$35	\$41	\$50	\$60
Vic Non-Metro	\$30	\$36	\$45	\$54
Qld Metro	\$34	\$42	\$53	\$61
Qld Non-Metro	\$30	\$37	\$44	\$51
SA Metro	\$33	\$39	\$47	\$57
SA Non-Metro	\$29	\$33	\$44	\$51
WA Metro	\$36	\$43	\$54	\$60
WA Non-Metro	\$40	\$41	\$50	\$60
Australian Average	\$34	\$40	\$49	\$56

The tables below show the breakdown of percentages for each band by region, with comparisons to the Australian average.

Hourly Charge Out Rates for Apprentices 1st year	NSW Metro	NSW Non-Metro	Vic Metro	Vic Non-Metro	Qld Metro	Qld Non-Metro	SA Metro	SA Non-Metro	WA Metro	WA Non-Metro	Aust Average
<\$20	4.8	3.1	1.4	1.6	3.2	21.4	4.8	13.3	4.5	0.0	4.5
\$20-\$30	29.0	35.4	38.0	61.3	32.3	32.1	38.1	46.7	34.1	40.0	38.3
\$31-\$40	41.9	35.4	35.2	25.8	45.2	28.6	33.3	26.7	31.8	10.0	34.0
\$41-\$50	14.5	23.1	16.9	9.7	12.9	10.7	23.8	13.3	9.1	10.0	15.1
\$51-\$60	3.2	1.5	5.6	1.6	0.0	7.1	0.0	0.0	13.6	40.0	5.0
\$61-\$70	0.0	0.0	1.4	0.0	6.5	0.0	0.0	0.0	6.8	0.0	1.7
>\$70	6.5	1.5	1.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4

Hourly Charge Out Rates for Apprentices 2nd year	NSW Metro	NSW Non-Metro	Vic Metro	Vic Non-Metro	Qld Metro	Qld Non-Metro	SA Metro	SA Non-Metro	WA Metro	WA Non-Metro	Aust Average
<\$20	3.2	1.5	0.0	0.0	0.0	0.0	4.8	0.0	2.1	0.0	1.2
\$20-\$30	9.7	16.4	15.1	26.7	10.0	34.6	0.0	31.3	14.9	27.3	16.7
\$31-\$40	43.5	40.3	38.4	43.3	33.3	26.9	57.1	56.3	25.5	27.3	38.3
\$41-\$50	29.0	32.8	24.7	25.0	36.7	23.1	23.8	12.5	31.9	0.0	27.8
\$51-\$60	8.1	7.5	17.8	5.0	13.3	15.4	14.3	0.0	12.8	45.5	11.8
\$61-\$70	0.0	0.0	2.7	0.0	6.7	0.0	0.0	0.0	8.5	0.0	2.1
>\$70	6.5	1.5	1.4	0.0	0.0	0.0	0.0	0.0	4.3	0.0	2.1

Hourly Charge Out Rates for Apprentices 3rd year	NSW Metro	NSW Non-Metro	Vic Metro	Vic Non-Metro	Qld Metro	Qld Non-Metro	SA Metro	SA Non-Metro	WA Metro	WA Non-Metro	Aust Average
<\$20	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
\$20-\$30	3.2	4.8	5.9	1.8	0.0	10.7	5.0	7.7	4.8	0.0	4.2
\$31-\$40	19.4	17.5	14.7	23.6	10.7	35.7	20.0	23.1	9.5	20.0	18.0
\$41-\$50	30.6	46.0	30.9	45.5	35.7	17.9	40.0	46.2	28.6	30.0	35.3
\$51-\$60	25.8	23.8	26.5	27.3	28.6	28.6	20.0	15.4	28.6	30.0	26.7
\$61-\$70	11.3	6.3	17.6	1.8	17.9	7.1	15.0	7.7	11.9	20.0	10.9
>\$70	8.1	1.6	4.4	0.0	7.1	0.0	0.0	0.0	16.7	0.0	4.7

Hourly Charge Out Rates for Apprentices 4th year	NSW Metro	NSW Non-Metro	Vic Metro	Vic Non-Metro	Qld Metro	Qld Non-Metro	SA Metro	SA Non-Metro	WA Metro	WA Non-Metro	Aust Average
<\$20	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
\$20-\$30	3.3	0.0	0.0	0.0	0.0	4.0	4.3	5.9	4.7	0.0	1.9
\$31-\$40	13.3	7.8	7.0	10.5	0.0	12.0	4.3	0.0	2.3	9.1	7.2
\$41-\$50	18.3	31.3	15.5	15.8	14.3	44.0	17.4	58.8	14.0	9.1	21.9
\$51-\$60	30.0	40.6	29.6	50.9	39.3	16.0	47.8	11.8	30.2	36.4	34.6
\$61-\$70	21.7	12.5	25.4	21.1	25.0	16.0	4.3	11.8	23.3	27.3	20.0
>\$70	13.3	7.8	22.5	1.8	21.4	8.0	21.7	11.8	25.6	18.2	14.4

NECA gratefully acknowledges the support of our research partners:

