

# Federal Budget 2025-26

## Foreword



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CEO, NECA

The 2025/26 Budget presented by the Albanese Government was presented tonight. Of significance is the priorities that have been advocated by NECA for a National Licencing Scheme, addressing Unfair Contract Terms and Unfair Trading practices occurring in our industry. Further the budget focuses in our sector five key initiatives:

- **National Licensing Scheme:** Introduction of a national licensing scheme for electrical tradespeople to cut red tape and save time and money.
- **Supporting Australian Construction:** Commitment of \$900 million to the National Productivity Fund to enhance infrastructure development.
- **Workforce Development:** Focus on training and upskilling to tackle workforce shortages and ensure our industry can meet increasing demands.
- **Housing Affordability:** Strategies to ease workforce shortages that are limiting the construction of new homes, thus supporting overall housing affordability.
- **Energy Initiatives:** Investments in sustainable energy practices and modernisation of the energy sector to promote a greener economy.

These initiatives are designed to empower NECA members and strengthen our role in the evolving landscape of Australian industry.

## More Information

*The Federal Budget 2025-26 Budget Papers can be accessed via [www.budget.gov.au](http://www.budget.gov.au)*

*If you have any questions relating to how the budget impacts you and your business, please contact us at [policy@neca.asn.au](mailto:policy@neca.asn.au).*

*NECA welcomes suggestions and feedback as it continues to advocate on issues that affect and shape the electrotechnology sector in Australia.*



## Overall Economic Outlook

### GDP Growth

- GDP rose by 0.6% in the December quarter 2024
- Total GDP increase of 1.3% since December 2023

### Cost of Living

- New tax cuts for all Australian taxpayers
- \$150 energy rebate for households and small businesses
- Reduction of PBS co-payment for cheaper medicines

### Household Saving

- Household saving to income ratio increased to 3.8%

### Terms of Trade

- Increased by 1.7%

### Public Demand

- Domestic final demand contributed 0.5 percentage points to GDP growth

### Household Consumption

- Grew by 0.4%, driven by discretionary spending

### Government Spending

- Government consumption increased by 0.7%; state and local governments led the growth

### Fiscal Management

- Budget position improved by \$207 billion since 2028-29
- Projected deficit for 2025-26 at \$42.1 billion

## 2025-26 Budget Priorities

- Tax Cuts: Up to \$536 for 14 million taxpayers in 2027-28; average savings of \$2,548.
- Energy Relief: \$1.8 billion for extended energy bill rebates and a \$150 rebate for households/small businesses.

- Wage Support: \$2.6 billion for aged care wage increases and banning non-compete clauses.
- Medicine Price Reduction: PBS price cap lowered to \$25 with \$1.8 billion for new listings.
- Student Debt: 20% cut in student debt and increased repayment thresholds.
- Medicare Strengthening: \$8.5 billion for more bulk-billed GP visits and 50 new clinics.
- Homeownership Aid: Increased Help to Buy caps and construction apprentice incentives.
- Fee Free TAFE: 100,000 places available annually.
- Childcare Accessibility: 3-Day Guarantee for subsidised childcare.
- Green Metals Investment: \$3 billion for local production.
- Clean Energy: \$2 billion to unlock \$6 billion in private investment.
- Infrastructure Funding: \$17.1 billion for roads and rail over 10 years.
- Tax Stability: Tax to GDP ratio to remain stable through 2029-30.

## National Licensing for Electrical Trades

- The Federal Government will collaborate with states, territories, businesses, and unions to create a national licensing scheme for electrical tradespeople.
- Aims to cut unnecessary regulations, saving time and money for tradies, while improving productivity and competitiveness.
- The 2025–26 Budget allocates \$900 million to the National Productivity Fund, with potential boosts to economic output of up to \$10.3 billion.

## Small Business

- Over \$2 billion in targeted support, including tax cuts for 1.5 million sole traders.
- Extended energy bill relief; initiatives for prompt payment; support for hospitality sector.
- Investments in business registers; national licensing; mentoring for First Nations entrepreneurs.
- Protections against Unfair Trading Practices; funding for the ACCC; support for fresh produce suppliers.
- Enhanced funding for ASIC to tackle illegal phoenixing in the construction sector.

## Industrial Relations

- Non-compete clauses will be banned for most workers to enhance job mobility and wage growth.
- Reforms may boost wages by up to 4% (\$2,500 annually for median wage workers) and add \$5 billion to GDP.
- Changes aim to foster a fairer job market and support entrepreneurship, effective from 2027.

## Unfair Contracts and Security of Payments

- Government to promote 20-day payment times for contractors and subcontractors working for Commonwealth entities on major construction projects.
- Combatting Illegal Phoenix Operators: Additional funding provided to the Australian Securities and Investments Commission (ASIC) to enhance enforcement against illegal phoenixing, especially in the construction sector.
- Funding for the stabilization of business registers and linking Director Identification Numbers to the Company

Register, improving information quality for investors and creditors.

- Extended Protections for Small Businesses by collaboration with states and territories to protect small businesses from Unfair Trading Practices.
- Strengthening the Franchising Sector by funding for the Australian Competition and Consumer Commission (ACCC) to enforce the Franchising Code of Conduct, aiming to deliver better outcomes for small businesses in this sector.
- Consultation on Unfair Contract Terms with plans to extend protections from Unfair Contract Terms and Unfair Trading Practices to businesses regulated by the Franchising Code, pending further consultation.

## Skills, Training and Apprenticeships

- The Australian government will provide a \$10,000 cash boost to tradie apprentices to encourage retention in training, distributed in instalments over four years.
- Approximately \$630 million is allocated for the Key Apprentice Program, supporting entry into trades related to housing construction.
- The budget includes \$161 million for the Apprenticeship Support Loans scheme and a commitment to continue fee-free TAFE placements.
- The budget allocates over \$120 billion for infrastructure, including \$17.1 billion for road and rail projects, and \$50 million for prefabricated housing growth.
- Plans to implement a national licensing scheme for electricians, streamlining regulations and enhancing labour mobility across states.
- \$626.9 million to expand the New Energy Apprenticeships Program into the Key Apprenticeship Program, including critical construction roles.

## Housing

- \$33 Billion Investment - Major funding to address the housing crisis and accelerate home building.
- Increased income and property price caps to support more first home buyers.
- \$54 million for prefabricated and modular homes, reducing build time by 50%.
- Two-year moratorium on foreign purchases of existing homes to ease market pressure.
- Target to construct 1.2 million new homes in five years.

## Energy Bill Relief

- \$150 rebate for households and small businesses starting July 1, 2025.
- Will lower inflation by 0.5% and household bills by 7.5%.
- Prior rebates led to a 25.2% decrease in electricity prices.
- Extended ACCC Inquiry to ensure fair pricing and simplify energy plan changes.

For full details on the 2025-26 Federal Budget please [click here](#).