neca
national
electrical and
communications
association

Senate Economics Legislation Committee

Submission to the Senate Economics Legislation Committee

Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025

November 2025

Executive Summary

The National Electrical and Communications Association (NECA) welcomes the opportunity to comment on the Treasury Laws Amendment (Strengthening Financial Systems and Other Measures) Bill 2025. We represent more than 6,500 electrical and communications contracting businesses employing over 340,000 Australians and contributing $82 billion annually to the economy.

NECA supports the intent of Schedule 7 to extend the instant-asset write-off (IAWO) for small businesses to 30 June 2026 but submits that the $20,000 threshold is inadequate for the electrotechnology industry. Due to rapid technological change, regulatory compliance, and the high cost of modern electrical tools and diagnostic equipment, NECA proposes that the IAWO threshold be raised to $50,000 for the electrotechnology sector.

Submission

The Case for a $50,000 Instant-Asset Write-Off

Rapid technological change and compliance requirements

The electrotechnology sector faces accelerated innovation cycles in areas such as renewable energy systems, electric-vehicle charging, energy storage, automation, and data-driven monitoring. Electrical contractors are now required to maintain testing equipment compliant with AS/NZS 3000, AS/NZS 5139, TS 5398 and other emerging safety standards. These compliance-critical tools, vehicles, and test systems routinely exceed the current $20,000 threshold.

A $50,000 write-off would better reflect real-world costs and support continuous upgrading to meet new regulatory, safety, and digital-integration requirements. The pace of change in energy and communications technologies has made smaller write-offs obsolete for many contractors.

Productivity, training, and workforce development

Higher thresholds will increase capital investment in advanced tools, vehicles, and test equipment. This in turn improves workplace productivity, quality, and safety, while providing apprentices and post-trade electricians with exposure to current-generation technologies.

As Australia transitions to a decarbonised economy, electrotechnology trades are central to the installation of EV charging networks, solar and battery systems, data centres, and smart-grid technologies. These national priorities require better-equipped and better-trained workers, and that means supporting firms to invest through stronger tax incentives.

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Alignment with national policy objectives

Raising the threshold to $50,000 would directly support the Federal Government's Future Made in Australia strategy, Energy Transition Plans, and National Skills Agreement, all of which depend on accelerated electrification and domestic capability. It will also offset capital costs associated with meeting Work Health and Safety (WHS) requirements, including personal protective equipment and high-voltage isolation devices.

Fiscal impact and proportionality

This measure is fiscally modest when targeted to businesses in the electrotechnology sector. The expected benefit per enterprise is outweighed by downstream revenue gains from increased employment, safety compliance, and taxable business activity.

Recommended Amendment

In Schedule 7, amend the Income Tax (Transitional Provisions) Act 1997 to include:

"For business entities whose principal activity falls within ANZSIC 3232 (Electrical Installation) or other electrotechnology classifications prescribed by regulation, the instant-asset write-off threshold is $50,000 for the 2025-26- and 2026-27-income years."

A consequential regulation could provide transitional rules and ATO guidance.

Conclusion

Raising the instant-asset write-off threshold to $50,000 for the electrotechnology sector, will ensure that small and medium electrical contractors remain competitive, safe, and equipped to deliver the infrastructure Australia's future depends upon.

To discuss details outlined in this submission, please contact NECA's Head of Government Relations and Regulatory Affairs, Mr Kent Johns