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NECA Feedback on the NCIF Joint Construction Industry Charter

October 2026

NECA supports the Joint Construction Industry Charter as a high-level statement of principles intended to improve safety, culture, productivity and sustainability across Australia's construction industry. The Charter is broadly aligned with NECA's policy approach, particularly its emphasis on lawful and respectful workplaces, improved safety outcomes, fair commercial practices, and stronger project planning.

As a principal document, the Charter appropriately establishes a common direction rather than attempting to prescribe detailed regulatory or contractual requirements. Its four themes are interdependent and reflect the reality that poor commercial practices, weak planning and adversarial relationships can undermine the core pillars outlined in the Charter, safety, workforce wellbeing, productivity and business sustainability.

NECA's believes outlining principles through the charter will assist in enabling practical changes in procurement, contracting, project delivery and workplace conduct.

Recognition of the contracting supply chain

The Charter recognises that the industry includes businesses of different sizes and that roles and responsibilities vary.

NECA would support an explicit principle that responsibility and risk should rest with the party best able to control or manage it. Obligations should not be pushed down the contractual chain to businesses that lack the authority, information or financial capacity to manage project-wide risks. This is particularly important for small and medium-sized contractors, which make up a substantial part of the electrical contracting sector.

Safety and culture

The safety principles are strongly aligned with NECA's longstanding emphasis on safe work, supervision and clear accountability.

The Charter should recognise that electrical safety depends on appropriately licensed, qualified and competent workers. National consistency can reduce duplication, but must not weaken electrical licensing, competency, safety or supervision standards.

The Charter's culture principles are also consistent with NECA's support for professional, inclusive and lawful workplaces. NECA strongly supports freedom of association, including the right of employees, contractors and employers to join or not join registered organisations. It also supports a zero-tolerance approach to intimidation, coercion, corruption, violence, bullying, harassment, sham contracting and worker exploitation. Reporting mechanisms must protect individuals and businesses from retaliation, including commercial exclusion from future work.

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Productivity and workforce capability

NECA supports the Charter's view that productivity is achieved through better planning, coordination, capability and innovation. Productivity should not be equated simply with reducing labour costs or shortening construction programs. Reliable delivery depends realistic scheduling as a result of early specialist contractor involvement, and coordination across the project lifecycle.

The commitments to pipeline transparency and investment in skills are particularly relevant to the electrical sector. Contractors require credible information about future demand to recruit apprentices, retain skilled workers to plan for investment in equipment and technology. NECA strongly supports structured training, mentoring, supervision and pastoral care for apprentices and trainees. However, the Charter should acknowledge the significant costs borne by employers that train apprentices, particularly small businesses and Group Training Organisations.

Workforce objectives should be supported by practical employer incentives, quality training provision and measures that improve apprenticeship completion and retention.

The reference to direct employment should not imply that one workforce model is appropriate in every circumstance. Direct employment, subcontracting, labour hire and group training can all play legitimate roles when they are lawful and properly managed. The focus should remain on competency and sustainable workforce development.

The Charter should also recognise the impact on subcontractors of delays and disruption beyond their control, including restricted site access, incomplete preceding works, design changes and poor project coordination. These events can leave workers and equipment idle, disrupt planned work and increase costs, even where the subcontractor has met its obligations. Affected subcontractors should receive fair extensions of time and appropriate compensation for demonstrable additional costs, with claims assessed promptly. They should not be expected to absorb these costs or accelerate work at their own expense to recover delays caused by others.

Commercial sustainability

The sustainability principles have strong alignment with NECA policy. NECA supports fair and transparent tendering, value-based procurement, balanced risk allocation, local capability and timely payment. These principles respond directly to practices that have weakened the financial resilience of specialist contractors.

Contracts should accurately reflect scope, program, site conditions and known risks. Unquantifiable or uninsurable risks should not be transferred to parties solely because they have less bargaining power.

The principle of timely payment should extend expressly to security of payment throughout the contractual chain. This includes prompt assessment of claims and variations and protection against insolvency and phoenixing. Where a head contractor receives upstream relief for delay, disruption or changed conditions, corresponding relief should flow to affected subcontractors.

For electrical contractors, timely payment means being paid promptly for work completed and costs properly incurred, so they can pay their workers, suppliers and other business expenses. Payment arrangements should also recognise substantial upfront commitments for materials, equipment and specialist items that must be ordered or manufactured well before installation. Contracts should

provide appropriate deposits, staged payments or payment for verified offsite materials, with reasonable safeguards, rather than requiring contractors to finance these commitments until the relevant work is performed months later.

Implementation and accountability

NECA supports the Charter remaining a high-level, provided it is supported by other practical implementation tools and reforms. These could include model procurement clauses and balanced contract principles.

Success should be measured through outcomes rather than endorsements. Relevant indicators could include payment times, variation resolution, safety performance, apprentice and commencements and completions.

The Charter should recognise and support the majority of industry participants who operate lawfully and responsibly, while establishing clear expectations of accountability for those who do not. NECA considers that commitments to fair contracting, security of payment, workplace safety and lawful employment practices must be backed by effective enforcement and meaningful consequences for unlawful conduct. This requires timely investigation, coordinated regulatory action and penalties proportionate to the seriousness and persistence of breaches. Particular attention should be given to illegal phoenixing and directors who deliberately evade their obligations, including financial penalties, disqualification and prosecution where warranted. A credible enforcement framework is essential to protect businesses and workers, uphold the Charter's principles and prevent unlawful behaviour from becoming a competitive advantage.

Overall position

Overall, the Charter is substantially aligned with NECA's policy direction and provides a credible foundation for constructive industry reform. NECA supports its continuing development in principle and looks forward to working with Government on reforms that deliver more concrete commitments on fair contracting and security of payment.

While NECA acknowledges that security of payment is recognised as a priority, we believe it requires greater emphasis, clearer implementation timeframes and more urgent action to resolve longstanding payment issues. This should be accompanied by a stronger focus on illegal phoenixing and more rigorous enforcement of directors' duties, with effective consequences for unlawful conduct that leaves subcontractors, workers and suppliers unpaid.

The Charter's value will ultimately depend on whether governments, clients, head contractors, unions, employers and workers apply its principles consistently. Practical implementation, transparent measurement and genuine accountability will be essential to delivering a safer, more productive, lawful and sustainable construction sector.

NECA recognises that most industry participants act responsibly and meet their legal and commercial obligations. Meaningful penalties and enforceable consequences are nevertheless essential to address those who deliberately disregard these obligations, whether through unlawful payment practices, illegal phoenixing, breaches of directors' duties, unfair contracting, unsafe work practices or breaches of workplace laws. The Charter's broader commitments to fair treatment, safety, productivity and lawful conduct must be supported by timely investigation, effective enforcement and genuine accountability.

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To arrange a meeting or discuss this submission further, please contact:

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