national electrical and communications association

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SUBMISSION TO THE TREASURY

Secure Australian Jobs Framework

Response to the Draft Framework and proposed amendments to the Commonwealth Supplier Code of Conduct

October 2026

About NECA

The National Electrical and Communications Association (NECA) is the peak national industry body representing more than 6,500 electrical and communications contracting businesses across Australia. NECA members design, install and maintain the electrical and communications systems that support homes, businesses, infrastructure, energy networks and critical national assets. The membership is overwhelmingly small and medium subcontracting businesses, none of which are reporting entities in their own right, but many of which will be reached indirectly through Scope 3 value-chain requests.

Executive Summary

NECA does not support the Secure Australian Jobs Framework or the proposed amendments to the Commonwealth Supplier Code of Conduct in their current form. The proposal would use Commonwealth procurement to assess suppliers against broad indicators extending beyond clear legal obligations, creating material uncertainty at the intersection of workplace relations, work health and safety, electrical licensing, technical competency, construction contracting and subcontracting.

The Draft Framework states it is not intended to apply to construction, yet the operative Code does not give effect to that intention. The exclusion must follow the work, not the label on the contract — covering electrical and communications construction, installation, commissioning, fit-out, alteration, repair and maintenance, including subcontracted and mixed-contract work, and preventing indirect application through head contracts, tender schedules, supplier declarations, audits or flow-down clauses.

If the Government proceeds with a revised framework outside construction, it should use objective legal compliance as the threshold rather than create a parallel workplace-relations or WHS regime. Any residual framework requires clear scope, regulator-based evidence, confidentiality protections, written reasons, independent review, proportionate remedies, prospective commencement and genuine security-of-payment protection for subcontractors.

Recommendations

1. That the Australian Government not proceed with the Secure Australian Jobs Framework or the proposed amendments to the Commonwealth Supplier Code of Conduct in their current form.

2. That the Australian Government insert an express, defined construction-industry exclusion into the Commonwealth Supplier Code of Conduct, covering electrical and communications construction, installation, commissioning, fit-out, alteration, testing, repair, maintenance, upgrades, replacement works, subcontracted and mixed-contract work, and expressly preventing the Framework being imposed indirectly through head contracts, tender schedules, flow-down clauses, supplier declarations, audits or project-specific procurement conditions.

3. That any procurement framework recognise and preserve existing electrical licensing, technical competency and supervision requirements, and require compliance with applicable work health and safety law only — without introducing parallel or inconsistent capability tests, or additional contractual duties that alter statutory roles, consultation arrangements or enforcement responsibilities.

4. That Commonwealth procurement remain neutral between lawful workplace arrangements, not advantaging or disadvantaging a supplier because of its employment model, bargaining status, labour-hire use or subcontracting arrangements, or because it has, or does not have, an enterprise agreement covered by a registered employee organisation; and that successor employment, labour hire and transfer-of-business matters continue to be governed exclusively by the Fair Work Act.

5. That, if the Government proceeds outside construction, adherence be measured against objective compliance with applicable Australian laws rather than aspirational indicators, supported by regulator-based findings, no duplicated reporting, confidentiality protection, written reasons, independent review, reasonable rectification, proportionate remedies and prospective operation; and that adverse procurement consequences arise only from a final judgment, binding order or legally effective determination, not untested allegations.

6. That no revised framework commence until the Australian Government has published binding scope rules, definitions, assessment criteria, evidence requirements, review arrangements and model contract clauses, confirming that any requirements are confined to the relevant Commonwealth contract and do not regulate unrelated workers, projects or business operations.

7. That the Australian Government prioritise nationally consistent security-of-payment reform, including enforceable payment times and stronger protection against delayed payments, unfair deductions, misuse of retention money and insolvency higher in the contracting chain; and that Framework compliance documents never become a precondition to payment for completed work.

8. That any supply-chain obligation be expressly limited by contractual tier, materiality, risk and the supplier's reasonable visibility and influence, and that suppliers not be held responsible for conduct they could not reasonably identify, prevent or control.

9. That the Australian Government undertake and publish a small-business, subcontractor and competition impact assessment before proceeding with any revised Framework, and that any revised Framework contain an effective exemption for small and medium-sized businesses that expressly prevents obligations being imposed indirectly on exempt subcontractors through head contracts, tender schedules, warranties, audit rights, indemnities or flow-down clauses.

10. That Commonwealth entities assess electrical and communications contractors primarily against their legal compliance, licensing, technical competency, safety systems, project capability and value for money rather than the size of their compliance infrastructure, using standard contract clauses and evidence requirements, accepting equivalent information already provided to government or the head contractor, and prohibiting agency-specific additions unless necessary and proportionate to an identified procurement risk.

Submission

Overview

NECA members are overwhelmingly small and medium businesses operating as specialist subcontractors across multiple projects and head contractors at once. The construction industry is structurally dependent on subcontracting: the Australian Bureau of Statistics reports that construction generated $116.6 billion in subcontracting income in 2023–24, compared with $71.4 billion in primary contracting income, with building installation services (including electrical) contributing $42.9 billion of that subcontracting income.

A reporting entity may sit several contractual tiers above the electrical contractor performing the work, and a single contractor may work for several head contractors and government clients in one year. Without a common, simple standard, one statutory disclosure obligation can multiply into dozens of uncoordinated private compliance exercises as it cascades down the value chain. Simplicity at the top of the chain is the single most effective way to minimise aggregate compliance burden across the economy.

Detailed Submission

Current Framework

NECA supports safe, lawful and secure jobs. However, the current proposal goes beyond what is needed for government purchasing. Existing workplace, work health and safety, anti-discrimination, electrical safety and licensing laws already set the rules and identify who enforces them. The proposed Code expects suppliers to meet a majority of relevant indicators, with corrective action or termination possible if they do not — turning examples of good practice into contract rules without clearly telling contractors what is mandatory. It is also unclear whether the majority is calculated across the whole Framework or separately within each principle, whether indicators are weighted, or how partial or disputed compliance is to be assessed.

Electrical contractor example — A tender may ask whether more than 80 per cent of the workforce is directly and permanently employed. A compliant contractor using specialist commissioning subcontractors could be marked down even though the work is lawful and properly licensed.

No regulatory gap has been identified, the compliance burden has not been quantified, and no Impact Analysis has been published addressing the effect on SMEs, tender prices, competition or project delivery. Electrical and communications contractors should not be required to restructure lawful business and workforce arrangements in response to a policy whose costs, benefits and practical operation have not been properly tested.

Recommendation 1: That the Australian Government not proceed with the Secure Australian Jobs Framework or the proposed amendments to the Commonwealth Supplier Code of Conduct in their current form.

A clear construction exclusion, with no flow-down

The Draft Framework says it is not intended to cover construction, but the Supplier Code does not say the same thing. Agencies and head contractors may interpret the scope differently when tendering, auditing or managing disputes. The exclusion must cover the full range of electrical and communications work connected with construction — not limited to new builds or contracts labelled

"construction" — and must remain excluded where that work sits inside facilities management, asset services or design-and-construct packages.

Electrical contractor example — A contractor installs switchboards and cabling during a fit-out, then returns under a maintenance contract to test protection equipment and replace failed components. The same licensed work should not move in and out of the Framework simply because the contract name changed.

A construction exclusion will fail if a head contractor can reimpose the same requirements through subcontract conditions. A small subcontractor could be asked to complete separate workforce declarations for the agency, builder and facilities manager, and accept broad audit rights designed for the prime contractor, carrying the cost and risk despite having no control over the head contractor's systems. The Code must stop this direct and indirect flow-down while preserving normal legal and genuine project safety obligations.

Recommendation 2: That the Australian Government insert an express, defined construction-industry exclusion into the Commonwealth Supplier Code of Conduct, covering electrical and communications construction, installation, commissioning, fit-out, alteration, testing, repair, maintenance, upgrades, replacement works, subcontracted and mixed-contract work, and expressly preventing the Framework being imposed indirectly through head contracts, tender schedules, flow-down clauses, supplier declarations, audits or project-specific procurement conditions.

Licensing, competency and work health and safety

Employment-practice indicators do not prove that a contractor can safely and correctly perform electrical work. Procurement attention should remain on the licences, competencies, authorisations, supervision and technical systems required for the job, and on genuine training and exposure for apprentices rather than a simple workforce ratio. Equally, the Supplier Code should require compliance with work health and safety law without creating a second safety enforcement process through contract management: adverse procurement action should normally rely on a final or legally effective finding by the proper regulator, court or tribunal, and should describe worker consultation accurately rather than mandate one structure for every workplace.

Electrical contractor example — A site incident may involve the client, principal contractor, electrical subcontractor and workers. A government buyer should not decide legal responsibility before the safety regulator has completed its process, except where immediate action is needed to control a serious risk.

Recommendation 3: That any procurement framework recognise and preserve existing electrical licensing, technical competency and supervision requirements, and require compliance with applicable work health and safety law only — without introducing parallel or inconsistent capability tests, or additional contractual duties that alter statutory roles, consultation arrangements or enforcement responsibilities.

Neutral procurement between lawful workforce models

Electrical contracting is project-based: crew size, skills and location change across installation, shutdown, commissioning and maintenance stages, and contractors lawfully use employees, apprentices, specialist subcontractors and labour hire to deliver the work. Government purchasing should not reward or penalise a supplier for using one lawful employment, bargaining or

subcontracting model over another, or for having (or not having) an enterprise agreement covered by a registered employee organisation. Compliance with the applicable award, enterprise agreement, workplace laws and licence conditions should remain the test.

The successor employment indicator presents a related risk: an incoming contractor may be expected to preserve an incumbent workforce and conditions it did not negotiate and cannot verify before tender, extending beyond the transfer-of-business rules in the Fair Work Act and making the incumbent's cost structure a barrier to competitive entry. A new contractor cannot responsibly accept open-ended employment liabilities without pricing that uncertainty into its bid or declining to tender, resulting in higher prices and less genuine competition.

Recommendation 4: That Commonwealth procurement remain neutral between lawful workplace arrangements, not advantaging or disadvantaging a supplier because of its employment model, bargaining status, labour-hire use or subcontracting arrangements, or because it has, or does not have, an enterprise agreement covered by a registered employee organisation; and that successor employment, labour hire and transfer-of-business matters continue to be governed exclusively by the Fair Work Act.

Objective compliance and due process if a revised Framework proceeds

If the Government proceeds outside construction, the mandatory test should be compliance with Australian law and clear contract obligations, with better-practice guidance remaining voluntary and separate from contract penalties. Any adverse assessment should be based on reliable evidence and include notice, written reasons, confidentiality and review rights, with penalties matching the seriousness of the issue and new requirements applied only to future tenders.

Electrical contractor example — An agency could ask for evidence that workers are paid under the correct award or enterprise agreement. It should not mark a contractor down merely because the contractor does not use the agency's preferred industrial arrangement.

Procurement action should not be based on untested allegations, disputed complaints or tactical claims made in the course of an industrial or commercial dispute. Where alleged conduct may breach the law, it should be referred to the regulator with statutory authority to investigate it, and adverse procurement consequences should ordinarily arise only from a final judgment, binding order or legally effective determination.

Recommendation 5: That, if the Government proceeds outside construction, adherence be measured against objective compliance with applicable Australian laws rather than aspirational indicators, supported by regulator-based findings, no duplicated reporting, confidentiality protection, written reasons, independent review, reasonable rectification, proportionate remedies and prospective operation; and that adverse procurement consequences arise only from a final judgment, binding order or legally effective determination, not untested allegations.

Publish the complete scope rules before commencement

Contractors cannot price and manage requirements that have not been published. Before commencement, the Government should release the scope, definitions, evidence rules, assessment method, review process and model contract clauses, and agencies should then apply those rules consistently. The Framework must also distinguish between contract-level and enterprise-level application: a contractor performing a limited amount of Commonwealth work

should not be required to alter employment, remuneration or reporting arrangements across the rest of its business.

Electrical contractor example — A contractor pricing a three-year maintenance contract must know before tender whether the Framework applies, which workforce records will be required, who may audit them and what happens if the agency disagrees.

Recommendation 6: That no revised framework commence until the Australian Government has published binding scope rules, definitions, assessment criteria, evidence requirements, review arrangements and model contract clauses, confirming that any requirements are confined to the relevant Commonwealth contract and do not regulate unrelated workers, projects or business operations.

Security of payment

The proposed Framework does not create security-of-payment protections for construction subcontractors: it does not set payment timeframes, protect retention money, create statutory trusts or project bank accounts, or provide a new adjudication process. It must not become another reason to delay payment — a head contractor should not withhold a valid progress payment because a separate workforce declaration or Framework document is outstanding.

Electrical contractor example — An electrical subcontractor completes an agreed installation stage and submits a valid progress claim. The head contractor should not withhold payment because a separate workforce declaration, audit response or Framework document remains outstanding.

Recommendation 7: That the Australian Government prioritise nationally consistent security-of-payment reform, including enforceable payment times and stronger protection against delayed payments, unfair deductions, misuse of retention money and insolvency higher in the contracting chain; and that Framework compliance documents never become a precondition to payment for completed work.

Supply-chain responsibility must be proportionate

Any residual supply-chain obligation must be risk-based and proportionate, limited to entities materially connected with the Commonwealth contract and to matters over which the supplier has reasonable visibility and influence. An electrical contractor should not face an adverse procurement consequence because of conduct by a remote supplier or another entity with which it has no contractual relationship and no practical capacity to monitor or control.

Recommendation 8: That any supply-chain obligation be expressly limited by contractual tier, materiality, risk and the supplier's reasonable visibility and influence, and that suppliers not be held responsible for conduct they could not reasonably identify, prevent or control.

SMEs, competition and value for money

Small and medium-sized electrical contractors are central to construction, infrastructure, maintenance and communications work across Australia, but typically operate with small management teams and no dedicated legal, HR, industrial relations or compliance staff. Time spent completing repeated questionnaires, benchmarking, accreditation and audits is time taken away from estimating, supervision, safety, training and project delivery.

Electrical contractor example — A 15-person electrical business may be fully licensed, pay its workers correctly, meet its WHS duties and have the technical capability to deliver a government maintenance contract. It may still decide not to tender because it cannot confidently assess the cost and risk of satisfying the Framework's indicators, reporting requirements and audit processes.

A direct SME exemption will be ineffective unless it also prevents head contractors from reimposing the same requirements indirectly through subcontract warranties, workforce declarations, audit rights, indemnities, tender schedules and termination clauses. The practical result is that compliance capacity, not technical capability, becomes the deciding factor — favouring large incumbents with established accreditation and procurement histories over specialist contractors who compete on expertise, local knowledge, responsiveness and price.

Contractors facing uncertain and unpriceable obligations will respond by adding compliance allowances and risk contingencies to tender prices, qualifying bids, or declining to tender altogether. Government buyers managing numerous undefined indicators are, in turn, likely to favour suppliers that present the lowest compliance risk rather than the best technical capability, innovation or price. For electrical work, the right priorities are the licences required, demonstrated technical competency, safe systems of work, properly trained apprentices, and overall value for money — not the size or sophistication of a supplier's compliance function. The likely consequences otherwise are fewer contractors tendering, greater concentration of work among large incumbents, higher tender prices, and less opportunity for regional and specialist businesses.

Recommendation 9: That the Australian Government undertake and publish a small-business, subcontractor and competition impact assessment before proceeding with any revised Framework, and that any revised Framework contain an effective exemption for small and medium-sized businesses that expressly prevents obligations being imposed indirectly on exempt subcontractors through head contracts, tender schedules, warranties, audit rights, indemnities or flow-down clauses.

Assessment standards and avoiding duplicated evidence

Commonwealth entities should use standard contract clauses, declarations and evidence requirements, accept equivalent information already provided to government or the head contractor, and prohibit agency-specific additions unless necessary and proportionate to an identified procurement risk. Contractors should not be required to repeatedly provide the same licences, training records, payroll evidence and insurance details across multiple government and client portals; doing so does not improve the electrical work or site safety, but it does add cost that falls hardest on smaller businesses.

Recommendation 10: That Commonwealth entities assess electrical and communications contractors primarily against their legal compliance, licensing, technical competency, safety systems, project capability and value for money rather than the size of their compliance infrastructure, using standard contract clauses and evidence requirements, accepting equivalent information already provided to government or the head contractor, and prohibiting agency-specific additions unless necessary and proportionate to an identified procurement risk.

Conclusion

In its current form, the Secure Australian Jobs Framework and the proposed amendments to the Commonwealth Supplier Code of Conduct represent costly policy overreach, not sound procurement policy. No regulatory gap has been identified, no cost to business or taxpayers has been quantified, and no case has been made that dozens of largely undefined indicators, assessed by non-specialist procurement officials, will improve outcomes already comprehensively regulated under Australian law.

NECA rejects the premise that this proposal secures jobs. For electrical and communications contractors, it does the opposite. Capable, fully licensed and law-abiding small and medium businesses will face a choice between absorbing unpriced compliance risk and walking away from Commonwealth work, while opportunities consolidate among larger incumbents best resourced to navigate the paperwork, not necessarily best placed to deliver safe, licensed and value-for-money electrical work.

Higher compliance costs and reduced competition will flow directly into Commonwealth tender prices and ultimately be borne by taxpayers, making the proposal inflationary in practice. It would also damage productivity by redirecting time and resources away from estimating, supervision, training, safety and project delivery towards duplicative declarations, audits and compliance systems that add no technical value.

The Framework should not proceed in its current form. At minimum, the Supplier Code must clearly exclude construction and the full range of connected electrical and communications work, including subcontractors and mixed contracts, and prevent indirect flow-down through head contracts. Without these safeguards and a published, evidence-based case for intervention, the Government should not impose a measure that will raise costs, weaken competition, reduce productivity and threaten the contractors and Australian jobs it claims to secure.

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To arrange a meeting or discuss this submission further, please contact:
Kent Johns
Head of Government Relations and Regulatory Affairs
NECA National

E kent.johns@neca.asn.au **W** www.neca.asn.au