



Secure Australian Jobs Framework

Submission to the Department of
Employment and Workplace Relations

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Executive Summary

Thank you for the opportunity for the Housing Industry Association (HIA) to provide a submission to the Secure Australian Jobs Framework (the Framework) and associated amendments to the Commonwealth Supplier Code of Conduct.

HIA represents Australia's residential building industry and the businesses responsible for constructing more than 85 per cent of Australia's homes.

While HIA supports policies that strengthen Australian businesses, improve workforce participation and promote safe, fair and productive workplaces, the Framework represents a significant expansion of workplace regulation through government procurement processes, as such we are strongly opposed to the proposed Framework and associated documents in their current form.

We are concerned the proposals duplicate existing workplace laws, increase compliance costs, undermine procurement neutrality and risk negatively impacting housing supply objectives.

At the core of our concerns is the absence of a clearly identified policy problem. Australia already operates under a comprehensive workplace relations system comprising the Fair Work Act, National Employment Standards, modern awards, enterprise agreements and extensive work health and safety legislation.

Where identified issues or shortcomings, may exist regarding worker protections or compliance outcomes, these should be addressed through existing legislative and regulatory mechanisms rather than through procurement policy.

Particular concern arises from the precedent the Framework may establish for the construction sector.

While residential construction is currently identified as being outside the Framework's intended scope, uncertainty remains regarding the future interaction between the Framework and any industry-specific standards proposed for construction.

The proposed "indicators" in the Framework are presented as examples of good practice, yet suppliers are effectively required to demonstrate alignment with and satisfy most indicators, while the Code provides for remedial action or termination where compliance is not achieved. In practical terms, these indicators would operate as a de facto mandatory compliance framework with potentially serious commercial consequences for suppliers.

The claimed construction carve-out also lacks sufficient certainty. The Framework's statement that construction is not intended to be covered appears only in the preamble and not within the operative provisions of the Supplier Code of Conduct. Furthermore, references to "eligible construction/ICT projects" within the indicators call into question whether construction activities are truly excluded.

Regardless of the mechanism ultimately adopted, procurement-linked industrial obligations should not be extended to residential building.



Residential construction relies on flexible networks of independent contractors, subcontractors, specialist trades and casual workers. These workforce models are lawful, productive and essential to managing fluctuating workloads, project-based activity, weather interruptions and ongoing skills shortages.

Policies that discourage these arrangements risk undermining the flexibility that enables the industry to efficiently deliver new housing.

The Framework's emphasis on "secure work" is misaligned with the operating realities of residential construction. Imposing rigid employment preferences would increase labour costs, create additional compliance obligations, reduce participation by small businesses and ultimately constrain housing supply.

Additional procurement-linked workplace obligations would further increase compliance complexity for businesses already operating in a heavily regulated environment.

Small and medium-sized builders, which form the backbone of the Australian economy, are particularly vulnerable to these impacts due to limited administrative resources and narrow operating margins.

There is also significant concern regarding procurement practices that may favour businesses operating under particular bargaining arrangements or employment models.

Government procurement processes should remain neutral and assess businesses on value for money, capability, demonstrated performance and compliance with existing laws rather than preferred industrial arrangements.

While supporting the objectives of maintaining safe and healthy workplaces, increasing workforce diversity and strengthening workforce capability, the Framework adopts a one-size-fits-all approach that fails to recognise the operational realities of building and related businesses.

The industry is dominated by small businesses and subcontracting arrangements that cannot reasonably absorb extensive reporting requirements, audits, targets and compliance obligations designed primarily for large corporate employers.

Accordingly, residential building and its associated supply chains should remain exempt from the Framework and related procurement obligations.

Government efforts would be better directed towards improving productivity, reducing unnecessary regulatory burden, strengthening workforce capability and accelerating housing delivery.

Furthermore, if the Government intends to proceed with these reform, it should first identify the specific regulatory deficiency being addressed, publish a comprehensive Impact Analysis demonstrating a net public benefit, consult further with affected industries, and ensure that any procurement requirements are limited to objective compliance with applicable Australian laws rather than subjective assessments of workplace practices.

Government should also clearly define the interaction between the Framework, the Supplier Code and any proposed construction-specific standards to provide certainty for suppliers and maintain confidence in Commonwealth procurement processes.



Introduction

While residential construction is not currently identified as falling within the intended scope of the Framework, the concurrent consideration of industry-specific standards for construction creates significant uncertainty regarding the future application of these principles to the sector.

Further uncertainty arises from the fact that the Framework states it is "not intended" to apply to construction, yet this exclusion is not reflected in the operative provisions of the proposed Supplier Code of Conduct, which would prevail in the event of any inconsistency.

It is within this context that we make this submission and provide detailed comments on:

- Secure Australian Jobs Framework Draft, September 2026 (the Framework); and
- Amendments to the Commonwealth Supplier Code of Conduct to implement the Secure Australian Jobs Framework in procurement processes (the Supplier Code of Conduct).

Safe workplaces, fair employment practices, workforce participation and skills development are important objectives that contribute to a productive economy and a strong construction sector.

However, the Framework and the proposed amendments to the Supplier Code of Conduct are opposed in their current form.

The proposals represent a significant expansion of workplace regulation through government procurement processes without demonstrating a clear policy rationale, identifying a genuine regulatory gap, or establishing deficiencies in Australia's existing workplace relations framework.

They would create additional compliance obligations, increase costs and establish a parallel workplace relations regime operating through procurement policy rather than through established workplace relations and safety laws.

Regardless of whether these obligations are imposed through the Framework itself or through future construction-specific standards, there remains significant concern about the precedent being established and the potential impacts on housing affordability, productivity, workforce flexibility and business participation in government procurement.

Residential building relies on highly flexible workforce arrangements, including independent contracting, subcontracting, labour hire and casual employment. These arrangements are lawful, productive and essential to managing project-based work, skills shortages and changing market conditions. Procurement settings should not disadvantage businesses operating under legitimate workforce models that comply with Australian law.

The cumulative impact of recent workplace relations reforms, including the Secure Jobs, Better Pay Act and Closing Loopholes reforms, is already creating significant compliance challenges across the sector.

Additional procurement-linked workplace obligations will further increase the regulatory burden on businesses at a time when governments are seeking to increase housing supply, improve productivity and address affordability pressures.



The documents also fail to clearly define the scope of the construction sector, including whether related professional services, engineering, design, fit-out, maintenance, civil works or mixed-service providers are intended to be captured.

Key concerns with the Framework are that it:

- Fails to clearly identify the policy problem, regulatory gap or market failure it seeks to address.
- Duplicates existing workplace relations, safety and employment laws that already regulate employer conduct.
- Creates a parallel workplace relations framework through procurement policy.
- Effectively establishes a mandatory compliance regime through indicators described as voluntary good practice measures.
- Undermines legitimate and productive workforce arrangements that are critical to residential construction.
- Increases compliance, reporting and administrative costs, particularly for small and medium-sized businesses.
- Creates uncertainty regarding the future application of workplace obligations to the construction industry.
- Risks reducing industry participation, productivity, competition and housing supply.
- Compromises procurement neutrality by favouring particular workplace arrangements and bargaining structures.

These issues are further elaborated on in the detailed comments to this submission and in HIA's recommendations provided below.



Recommendations

To protect housing supply, workforce flexibility and small business participation, the following measures are recommended:

1. Maintain Permanent Exemptions for Residential Construction

Residential building, residential building supply chains and associated housing construction activities should remain permanently exempt from the Framework and any associated procurement obligations.

Any extension of the Framework into residential construction would increase costs, reduce workforce flexibility and constrain housing supply at a time when governments are seeking to accelerate housing delivery and improve affordability outcomes.

2. Protect Independent Contracting and Flexible Workforce Arrangements

Independent contracting, subcontracting and lawful casual employment should be explicitly recognised as legitimate and productive business models that are critical to residential construction.

Procurement settings should not disadvantage businesses operating under these lawful workforce arrangements.

3. Preserve Procurement Neutrality

Government procurement processes should remain neutral regarding bargaining structures, industrial arrangements and employment models.

Businesses should be assessed on capability, value for money, performance and compliance with existing laws rather than preferred workplace arrangements.

4. Remove Duplicative Compliance Requirements

Reporting obligations should be streamlined and duplication with existing workplace, safety and employment laws eliminated.

Where compliance is already demonstrated through existing legislative frameworks, additional reporting requirements should not be imposed through procurement processes.

5. Focus on Workforce Capability Measures

Workforce capability initiatives should prioritise:

- Apprenticeship incentives;
- Employer support programs;
- Skills recognition reforms;
- Skilled migration pathways;
- Training and upskilling opportunities; and
- Measures that increase workforce participation.



Detailed feedback on the Framework

1.1 Principle 1: Secure work and fair Framework principles

The residential construction industry relies on flexible employment, contracting and subcontracting arrangements to respond to changing workloads, project timelines, weather interruptions, specialist trade requirements and economic conditions. These arrangements are lawful, productive and essential to the efficient delivery of housing.

The Framework's approach to "secure work" risks imposing a rigid workforce model that is incompatible with the structure of residential construction. It would increase compliance and workforce costs, reduce business flexibility, discourage participation by small businesses and ultimately constrain housing supply.

In particular, this principle:

- Undermines independent contracting and subcontracting arrangements.
- Increases compliance and workforce costs.
- Risks exacerbating housing supply constraints.
- Adds a further layer of workplace regulation.
- Reduces competition, productivity and industry participation.

Undermines Independent Contracting and Subcontracting

Residential building has long operated through project-based workforce models involving builders, trade contractors, specialist subcontractors and suppliers.

These arrangements provide important flexibility for businesses to respond to changing market conditions and project demands. Restricting or discouraging such arrangements would undermine workforce models that have supported housing delivery across a wide range of economic cycles and conditions.

Increases Compliance and Workforce Costs

The introduction of additional procurement-linked workplace obligations would create a substantial administrative burden, particularly for small businesses.

Additional reporting, compliance and certification requirements increase the cost of participating in procurement processes without improving existing worker protections. Small businesses often lack the administrative resources available to larger organisations and may find participation in procurement opportunities increasingly difficult as regulatory complexity expands.

Risks Exacerbating Housing Supply Constraints

Australia is currently facing significant housing supply and affordability challenges.

Restricting flexible workforce arrangements reduces the operational agility required to efficiently deliver housing. Measures that increase costs, discourage business growth or reduce workforce participation risk constraining the industry's capacity to contribute to national housing targets.

Workforce policies should be assessed against a simple test: whether they increase the industry's ability to deliver more homes. This principle risks achieving the opposite outcome.

Creates Further Regulatory Duplication

Australia already operates under a comprehensive workplace relations framework through the Fair Work Act, National Employment Standards, modern awards, enterprise agreements and work health and safety legislation.



The Framework introduces a parallel workplace relations regime through procurement policy without identifying a clear deficiency in existing laws. Where compliance concerns exist, they should be addressed through existing regulatory and enforcement mechanisms rather than through additional procurement obligations.

Reduces Competition and Productivity

Complex procurement requirements can create significant barriers to participation for small and medium-sized businesses.

Extensive reporting requirements, certifications, documentation and compliance obligations are often disproportionate to project risk and discourage businesses from participating in procurement opportunities. Reduced competition ultimately impacts value for money, productivity and project delivery outcomes.

1.2 Principle 2: Fair Wages and Conditions

Fair wages and conditions are already established through Australia's workplace relations framework.

However, procurement-linked wage and employment requirements that go beyond existing legislative obligations risk increasing compliance costs while providing limited additional benefit.

This principle:

- Places a disproportionate burden on small businesses.
- Risks undermining housing supply objectives.
- Creates uncertainty through premature implementation.
- Reduces workforce flexibility while increasing compliance costs.

Disproportionate Impact on Small Businesses

Small and medium-sized residential builders operate in an environment characterised by rising material costs, higher financing costs, increasing regulatory obligations and workforce shortages.

Additional workplace requirements imposed through procurement arrangements would add further costs and administrative obligations that disproportionately affect smaller operators.

Risks Undermining Housing Supply Objectives

Australia's housing ambitions require a significant increase in construction activity over coming years.

Additional compliance obligations, workplace complexity and procurement requirements reduce industry capacity and divert resources away from productive building activity. Policies that increase the cost and complexity of delivering housing will make it more difficult to achieve national housing targets.

Concerns Regarding Premature Implementation

The introduction of procurement-linked workplace requirements while broader policy settings remain under consultation creates uncertainty for businesses and risks unintended consequences.

Consultation should be completed and impacts thoroughly assessed before new obligations are introduced.

Reduces Flexibility and Increases Compliance Costs

Residential construction operates under unique commercial conditions that require flexibility in workforce engagement and project delivery.



Prescriptive employment requirements reduce that flexibility while increasing compliance and administrative costs. The cumulative effect of workplace regulation must be considered, particularly for industries already subject to extensive legislative obligations.

1.3 Principle 3: Safe and Healthy Workplaces

Safe and healthy workplaces are fundamental to a productive construction industry, and strong safety outcomes are fully supported.

However, significant concerns arise where additional procurement requirements duplicate existing work health and safety obligations or seek to link safety outcomes to particular industrial arrangements.

This principle:

- Adopts a one-size-fits-all approach that does not reflect the realities of residential construction.
- Creates additional regulatory burdens that may constrain industry participation and housing supply.

One Size Does Not Fit All

The residential building industry is dominated by small businesses, trade contractors and subcontracting arrangements.

Frameworks developed with large commercial construction projects in mind do not necessarily translate effectively to residential building. Compliance structures designed for large corporations can impose disproportionate burdens on smaller businesses without improving safety outcomes.

Safety obligations should be proportionate, practical and focused on demonstrated compliance with existing WHS requirements.

Regulatory Burden and Housing Supply Impacts

Australia already maintains extensive work health and safety legislation across all jurisdictions.

Additional reporting, auditing or certification requirements risk duplicating existing obligations and diverting resources away from productive activity. As cumulative regulatory obligations continue to increase, businesses face higher operating costs and reduced capacity to deliver housing.

Workplace safety outcomes should be assessed on demonstrated performance and compliance, not on the presence of particular industrial arrangements, bargaining structures or third-party representatives.

1.4 Principle 4: Promote Gender Equality and Diversity

Building a more diverse and inclusive workforce is critical to the future of the construction industry. Attracting and retaining more women and underrepresented groups will help address workforce shortages, strengthen industry capability and support housing delivery outcomes.

The objective of this principle is supported. However, the proposed implementation raises concerns for residential construction because it relies heavily on quotas, reporting obligations and administrative requirements that do not reflect the structure of the industry.

This principle:

- Disproportionately affects small businesses and subcontractors.
- Risks increasing project costs and impacting housing supply.

Disproportionate Impact on Small Businesses and Subcontractors

Residential construction relies on a decentralised network of specialised trade contractors and small businesses.



Many businesses employ only a small number of workers and do not maintain dedicated human resources functions. Compliance requirements involving workforce reporting, quotas or demographic targets may be difficult to administer and disproportionate to the size of the workforce involved.

Risks to Project Viability and Housing Supply

Government policy should focus on increasing workforce participation and removing barriers to housing delivery.

Where diversity initiatives are implemented through rigid procurement requirements, there is a risk of narrowing the pool of eligible contractors, increasing administrative costs and delaying project delivery.

Greater workforce diversity is best achieved through education, mentoring, skills pathways and practical industry support rather than compliance-driven procurement requirements.

1.5 Principle 5: Support for Local Industry Workforce Capability and Capacity Development

Building workforce capability and capacity is essential if Australia is to meet housing supply targets and address ongoing skills shortages.

This principle is broadly supported. However, implementation must focus on practical measures that genuinely increase workforce capacity rather than create additional compliance obligations.

Particular priorities include:

- Support for apprenticeships and traineeships.
- Skilled migration reform.
- Skills recognition and transferability.
- Upskilling and micro-credential pathways.
- Measures that encourage workforce participation.

Local Training Must Be Supported by Practical Assistance

Small businesses play a critical role in training apprentices but often face significant financial and supervisory costs in doing so.

Any workforce development obligations should be accompanied by practical support measures such as wage subsidies, mentoring programs and apprentice incentives to ensure participation remains economically viable.

Skilled Migration Remains Essential

Domestic training pathways alone will not be sufficient to address workforce shortages in the timeframe required to meet housing targets.

Workforce capability strategies should incorporate skilled migration measures, streamlined visa pathways and greater opportunities for skills transfer.

Compliance Requirements Should Support Capability Rather than Reduce It

Workforce capability policies should increase productive capacity, not divert resources into unnecessary administration.

Complex reporting requirements and compliance measures can reduce productivity and impose costs without contributing directly to workforce growth or skills development.

Any reporting requirements contained within the Supplier Code should remain streamlined, proportionate and focused on practical outcomes.



Preserving Workforce Flexibility

Workforce development should not be linked to particular bargaining structures or employment models.

Supporting local industry capability requires recognition of the vital role played by independent contractors, subcontractors and specialist trades. These workforce models underpin residential construction and should not be disadvantaged through procurement policy.



2. Feedback on Amendments to the Supplier Code of Conduct

The proposed amendments to the Supplier Code of Conduct would extend workplace regulation into procurement processes without demonstrating a clear policy need.

The amendments risk creating structural barriers to participation, increasing costs and reducing competition within sectors that are already facing significant workforce and productivity challenges.

A fundamental concern remains that the amendments do not clearly identify the policy problem they are intended to address. Existing workplace, safety and employment laws already create extensive obligations for businesses and protections for workers.

2.1 Disproportionate Impact on Small Businesses

The amendments adopt a one-size-fits-all approach that fails to recognise the structure of the residential building industry.

Small builders and trade contractors typically operate with limited administrative resources. Complex reporting requirements, workforce metrics and supply-chain compliance obligations create additional costs and administrative burdens that many smaller businesses will struggle to absorb.

2.2 Undermining Independent Contracting

The proposed procurement settings risk favouring particular workplace arrangements and bargaining structures.

This may disadvantage independent contractors, subcontractors and other lawful workforce models that are widely used throughout residential construction and have historically supported productivity, flexibility and efficient project delivery.

Government procurement should remain neutral and assess businesses on capability, value for money, compliance and performance rather than preferred industrial arrangements.

2.3 Reduced Competition and Procurement Neutrality

Using procurement criteria to preference particular workplace arrangements risks reducing the pool of eligible suppliers.

Reduced competition ultimately impacts procurement outcomes, limits market participation and may increase costs to government and taxpayers.

Competitive neutrality should remain a central principle of procurement policy.

2.4 Increased Costs and Project Delays

The construction industry continues to face workforce shortages, supply chain pressures and increased regulatory obligations.

Additional procurement compliance requirements will increase project costs, delay procurement processes and further burden businesses already operating in a challenging environment.

These impacts are likely to be ultimately reflected in higher project costs and reduced delivery capacity.

2.5 Duplication of Existing Workplace Laws

Australian businesses are already subject to extensive obligations under workplace relations and work health and safety legislation.



The proposed amendments effectively create a parallel workplace relations regime operating through procurement policy. Rather than strengthening compliance, they duplicate existing obligations and create additional layers of regulation.

Procurement policy should focus on value for money, capability, project delivery and legal compliance rather than becoming a mechanism for pursuing industrial relations objectives that are already addressed through existing legislative frameworks.



Conclusion

Safe workplaces, fair employment conditions and investment in workforce capability are important objectives.

However, the proposed Secure Australian Jobs Framework and associated amendments to the Supplier Code of Conduct represent a significant and unnecessary expansion of workplace regulation through Commonwealth procurement processes.

The Framework does not clearly identify a policy problem that is not already addressed, or able to be addressed through Australia's existing workplace relations and work health and safety frameworks.

Instead, it introduces a parallel workplace relations regime operating through procurement policy, increasing compliance burdens while duplicating existing legal obligations.

Particular concern arises from the implications for residential building. Residential construction relies on flexible workforce arrangements, including subcontracting, labour hire, independent contracting and casual employment, which are lawful, productive and essential to managing project-based work, fluctuating workloads and ongoing skills shortages. These arrangements play a critical role in supporting housing delivery across Australia.

At a time when governments are pursuing ambitious housing targets and seeking to address affordability pressures, policy settings should support productivity, workforce participation and business investment. Measures that increase administrative burden and compliance costs without expanding workforce capacity risk reducing industry participation and constraining housing supply.

Government procurement should remain focused on value for money, capability, performance and compliance with existing laws. It should not be used as a mechanism to preference particular employment models, bargaining structures or workplace arrangements where businesses are already operating lawfully within Australia's workplace relations framework.

Accordingly, HIA opposes the proposed Framework and associated amendments in their current form.

Residential building and its associated supply chains should remain exempt from the Framework and any related procurement obligations. Government efforts would be better directed towards improving productivity, reducing unnecessary regulatory burden, strengthening enforcement of existing workplace laws and supporting practical workforce initiatives that increase housing supply and workforce capacity.

Such an approach would deliver better outcomes for workers, businesses and the broader Australian community while preserving the industry's ability to deliver the homes Australia needs.