

Submission to the Department of Employment and Workplace Relations

Secure Australian Jobs Framework

21 October 2026



WHO WE ARE

Master Builders is the nation's peak building and construction industry association, which was federated on a national basis in 1890. Master Builders' members are the Master Builder State and Territory Associations. Over 130 years, the Master Builders network has grown to more than 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association representing all three sectors: residential, commercial, and civil construction.

The Master Builders network also delivers vocational education and training through its network of registered and group training organisations across Australia. This includes trade qualifications in building and carpentry as well as ongoing professional development training.

Membership with Master Builders is a stamp of quality, demonstrating that a builder values high standards of skill, integrity, and responsibility to their clients.

Master Builders' vision is for a profitable and sustainable building and construction industry.

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Executive Summary

On 23 September the Department of Employment and Workplace Relations released the Secure Australian Jobs Framework (SAJF) and amendments to the Commonwealth Supplier Code of Conduct (Supplier Code) to incorporate the SAJF for consultation.

Master Builders Australia (Master Builders) takes this opportunity to respond.

Master Builders opposes the SAJF on the basis that:

- ▶ In a number of respects, it simply restates the law or triggers legal requirements that would otherwise only apply in certain circumstances.
- ▶ The indicators are ambiguous requiring significant discretion leaving those seeking to tender for federally funded work in the unenviable situation of a lack of certainty with respect to compliance.
- ▶ The requirements are overly burdensome.
- ▶ The requirements ignore the practical realities of commercial arrangements and business operations.
- ▶ The requirements have the potential to add cost and regulatory burden which is at odds with government securing the best value for money in government tendering.

Master Builders acknowledges the Government's stated intention to exempt the building and construction industry from the SAJF and instead apply the proposed Commonwealth Standards also currently out for consultation. Should the Government proceed with the SAJF a carve out for the building and construction industry must be applied in recognition of unique nature of the industry and the challenges it currently faces.

However, the exemption must be clearly reflected in legislation and implemented consistently across all Commonwealth procurement instruments. In its current form, the obligations derived from the SAJF are also being imposed directly through amendments to the Supplier Code and contractual requirements and has the potential to be applied indirectly through procurement policies, or other administrative mechanisms.

This undermines the Government's stated policy intent, creates uncertainty for industry participants and results in additional compliance costs without delivering corresponding policy benefits.

Recommendations

- ▶ Reconsider the need for the proposed SAJF and associated amendments to the Supplier Code
Commonwealth procurement should prioritise value for money, open competition and timely delivery. Introducing additional workplace expectations risks increasing compliance costs without demonstrating a corresponding improvement in procurement outcomes.

- ▶ Expressly legislate the construction industry exemption

The exclusion of building and construction work from the SAJF should be expressly provided for in legislation to ensure the Government's stated policy intention is reflected in law and applied consistently across Commonwealth procurement processes.

- ▶ Apply the construction industry exemption to all SAJF-derived obligations

The exemption should apply to all obligations arising from, referencing, incorporating or otherwise giving effect to the SAJF, regardless of whether those obligations are imposed through legislation, the

Commonwealth Supplier Code of Conduct, procurement policies, tender requirements, contractual provisions or other Commonwealth procurement instruments.

- ▶ Expressly reflect the exemption in the Commonwealth Supplier Code of Conduct

The Supplier Code should clearly provide that building and construction businesses are not subject to requirements derived from the SAJF, ensuring the exemption cannot be undermined through application of Framework obligations.

- ▶ Adopt a broad definition of building and construction work to support the legislated exemption

The legislation should include a comprehensive definition of building and construction work that captures the full construction supply chain, including principal contractors, subcontractors, consultants and entities undertaking work connected with the delivery, maintenance, upgrade and operation of building, civil and infrastructure projects.

- ▶ Commonwealth procurement documentation should explicitly recognise the construction industry exemption

All Commonwealth procurement policies, guidance materials, tender documentation, evaluation criteria, contract templates and supplier assurance processes relating to building and construction work should expressly state that the SAJF and any associated Supplier Code obligations do not apply where the construction industry exemption is intended to operate.

Building and Construction Industry Exemption

Government Policy Intention Should Be Reflected in Legislation

Master Builders opposes the SAJF. However, if the SAJF is to be made, as per its stated policy intention, the Government should exempt the building and construction industry through legislation. While a public commitment can indicate intent, industry remains anxious as to this commitment's longevity without the force of law.

An exemption for the building and construction industry should operate effectively in practice.

As currently proposed, there is insufficient certainty that businesses undertaking building and construction work will remain exempt where SAJF requirements are incorporated through the Supplier Code, procurement policies, tender requirements or contractual mechanisms.

The following sections outline the areas where further legislative and administrative clarification is required.

Application of the Exemption to the Supplier Code

Risk of direct Application of Framework Requirements

While the SAJF currently contains an industry carve-out, the proposed amendments to the Supplier Code incorporate a number of the Framework's principles, indicators and reporting expectations. However, the Supplier Code does not currently provide any certainty regarding the application of the stated construction industry exemption to it.

As a result, there is a risk that businesses undertaking building and construction work may still be required to satisfy elements of the SAJF through obligations imposed under the Supplier Code.

This creates ambiguity as to whether businesses that are intended to be excluded from the SAJF may nevertheless be required to demonstrate compliance with Framework-derived requirements as a condition of participating in Commonwealth procurement.

The result would be a significant inconsistency between policy intent and legislative operation.

An exemption that applies to the SAJF but not to Framework-derived obligations incorporated into the Supplier Code would effectively undermine the purpose of the carve-out and would be inconsistent with the Government's stated policy intention and would undermine the practical effectiveness of the exemption.

Regulatory Duplication

The building and construction industry already operates within one of the most heavily regulated sectors of the Australian economy and is subject to extensive Commonwealth, state and territory obligations relating to workplace relations, work health and safety, licensing, skills and training, procurement and contractor management. Applying SAJF requirements through the Supplier Code would introduce an additional layer of compliance, evidentiary and reporting requirements without addressing a demonstrated regulatory gap.

In practice, this would create uncertainty regarding procurement compliance expectations, contractual obligations, subcontractor management arrangements, supply chain assurance processes and reporting requirements associated with Commonwealth-funded projects. Such uncertainty is particularly problematic in an industry characterised by complex project delivery

models, extensive subcontracting arrangements and multi-tiered supply chains. The result is likely to be increased administrative costs and compliance burdens for businesses seeking to participate in Commonwealth procurement.

Need for Legislative and Administrative Consistency

For the exemption to operate effectively, it must be implemented consistently across the Commonwealth procurement framework. An exemption contained in the SAJF alone will not provide certainty if associated procurement instruments continue to reference or require compliance with Framework-derived obligations.

The exemption should therefore apply wherever SAJF requirements are incorporated, referenced, adopted or otherwise relied upon, including through the Supplier Code, procurement policies, guidance materials, tender documentation, contract conditions and supplier assurance processes. A consistent approach across all procurement instruments will ensure that the Government's policy intent is reflected in practice and will provide greater certainty for procuring entities, contractors and subcontractors.

Definition of Building and Construction Work

Need for a Broad and Clear Definition

The effectiveness of any exemption will depend on the definition of building and construction work.

A narrow or technical definition risks capturing parts of the construction supply chain that the Government intends to exclude. To provide certainty, the exemption should apply broadly to principal contractors, subcontractors, consultants engaged in construction projects, civil and infrastructure works, maintenance and upgrade activities, and other entities undertaking work connected with the delivery of building and construction projects. A comprehensive definition will reduce compliance uncertainty and support consistent application across Commonwealth agencies and procurement processes.

Building and construction work should include:

- ▶ the construction, alteration, extension, restoration, repair, demolition or dismantling of buildings, structures or works that form, or are to form, part of land, whether or not they are permanent;
- ▶ the construction, alteration, extension, restoration, repair, demolition or dismantling of railways (excluding rolling stock) or docks;
- ▶ the installation of fittings that form part of a building, structure or works, including heating, lighting, air-conditioning, ventilation, power supply, drainage, sanitation, water supply, fire protection, security and communications systems;
- ▶ work that is part of, preparatory to, or for rendering complete such work, including site clearance, earthworks, excavation, tunnelling, boring, foundations, scaffolding, prefabrication of made-to-order components (on-site or off-site), landscaping and access works; and
- ▶ transporting or supplying goods directly to a building site where they are to be used in construction work.

Commonwealth Procurement Policies

Legislative certainty alone may not be sufficient to ensure the effective operation of the construction industry exemption. In practice, Commonwealth entities often implement procurement requirements through guidance materials, tender documentation, evaluation criteria, contract conditions and supplier due diligence processes. Unless these procurement instruments are aligned with the

exemption, there remains a risk that agencies may continue to seek information or assurances relating to SAJF requirements from construction businesses.

This would create uncertainty for tenderers, increase compliance costs and undermine the Government's stated intention to exclude the construction industry from the Framework.

To avoid inconsistent application between Commonwealth entities, procurement policies, guidance materials, tender documentation, evaluation criteria and standard form contracts should expressly state where the construction industry exemption applies and confirm that exempt entities are not required to demonstrate compliance with SAJF obligations or Framework-derived Supplier Code requirements.

Response to Framework obligations

While Master Builders supports the Government's decision to exempt the building and construction industry from the SAJF, it also has significant concerns regarding the proposed content of the SAJF.

Many of the principles and indicators either duplicate existing legal obligations, trigger requirements that would otherwise apply only in specific circumstances, rely on subjective and ambiguous assessment criteria, or fail to reflect the practical realities of commercial arrangements and business operations. If made, the SAJF would add cost, create significant compliance burdens and procurement uncertainty across industry without delivering commensurate policy benefits.

Principle 1: Secure Work

Master Builders does not support Principle 1 in its current form.

While compliance with workplace laws and the prevention of labour exploitation are important objectives, these matters are already extensively regulated through Australia's workplace relations, work health and safety, and modern slavery frameworks.

The principle goes beyond requiring legal compliance and instead promotes particular employment models, industrial arrangements and workforce structures through procurement policy.

This risks the use of Government procurement to advance broader workplace relations objectives that have not been established as general legal obligations.

Principle 1.1

Principle 1.1 looks to preference direct and permanent employment over other forms of engagement.

Master Builders opposes this approach in its entirety, as it fails to recognise the project-based nature of a range of industries including the building and construction industry and other legitimate workforce arrangements necessary to deliver construction projects.

The construction industry relies on a mix of permanent employees, apprentices, daily hire, fixed-term employees, labour hire workers, specialist trades and independent contractors. These long standing arrangements are essential to respond to changing project demands, specialist skill requirements and the finite nature of construction projects.

The indicators associated with this principle are ambiguous and require subjective assessment regarding what constitutes "secure work". This creates uncertainty for tenderers and procuring entities and risks penalising legitimate business arrangements that are already lawful and necessary for project delivery.

The principle also fails to recognise the practical realities of construction workforce management and could impose additional compliance and reporting obligations without improving employment outcomes.

Although Master Builders recommends that Principle 1 be deleted in its entirety, the indicators of good practice in Principle 1 are particularly concerning as they risk promoting preferred employment models that do not adequately recognise legitimate operational requirements or worker preferences.

The example of 80 percent of the workforce being employed on a direct and permanent basis raises significant practical concerns in building and construction where labour requirements may fluctuate.

Principle 1.2

This appears to duplicate a range of existing requirements and goes beyond those in some instances.

The right of unions and workplace delegates to hold discussions with employees is provided for under the Fair Work Act. Although reproducing requirements in existing laws risks unnecessary duplication, requiring additional obligations that go beyond the Fair Work Act should not be included. Instead of developing separate indicators, the principles when referencing existing laws should only require a supplier to demonstrate compliance with applicable laws.

Principle 1.3

Master Builders is concerned that indicators 1.3(a) to 1.3(d) create an unnecessary and duplicative compliance framework.

In particular, indicator 1.3(a) extends beyond existing Australian legislative obligations by requiring suppliers to adhere to international labour standards and, where applicable, the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

While these instruments may inform policy development, they are not designed to operate as procurement compliance standards. Their inclusion creates uncertainty regarding the obligations suppliers are expected to meet, how compliance will be assessed, and whether compliance with Australian law remains the relevant benchmark.

Master Builders is further concerned that indicators 1.3(b), 1.3(c) and 1.3(d) substantially overlap with one another and duplicate obligations already addressed through the *Modern Slavery Act 2018 (Cth)*. Should the Government proceed with the SAJF, it should ensure that references to the *Modern Slavery Act 2018 (Cth)* do not circumvent the relevant reporting threshold or impose equivalent reporting obligations on suppliers outside of its statutory scope.

If Principle 1 is retained indicators 1.3(a) to 1.3(d) should be replaced with a single requirement that suppliers comply with all applicable laws relating to labour exploitation, human rights and modern slavery, including the *Modern Slavery Act 2018 (Cth)* in cases where it would usually apply. The relevant thresholds associated with these obligations must be retained. This approach would achieve the intended policy outcome, improve clarity and avoid the creation of a parallel procurement compliance regime.

By converting existing legislative requirements and associated risk management processes into multiple procurement compliance indicators, the proposed drafting risks creating a parallel compliance framework that adds complexity without delivering additional policy benefits.

Principle 2: Fair Wages and Conditions

Master Builders does not support Principle 2 in its current form.

The building and construction industry and workplaces generally, are already subject to extensive regulation governing wages and employment conditions through the Fair Work Act, modern awards, enterprise agreements, superannuation laws, long service leave arrangements and workplace compliance obligations.

To a significant extent, this principle simply restates existing legal obligations that employers are already required to meet. In other respects, it appears to require suppliers to demonstrate compliance with matters that are already regulated through established legislative and enforcement frameworks.

Rather than addressing a demonstrated regulatory gap, the proposed indicators create an additional procurement-based layer of obligations regarding matters already administered by specialist workplace regulators.

Master Builders is particularly concerned by the ambiguity of several indicators and the absence of clear guidance regarding how compliance will be assessed. This creates uncertainty for suppliers and procuring entities alike and may result in inconsistent application across Commonwealth procurements.

This principle may activate procurement consequences in circumstances where existing workplace laws already provide compliance, enforcement and dispute resolution mechanisms. This creates unnecessary duplication and additional administrative burden without addressing any demonstrated regulatory deficiency.

Indicator 2.1(a)

Master Builders does not support a requirement that suppliers and their employees be covered by an enterprise agreement.

Australia's workplace relations framework provides multiple lawful mechanisms for setting wages and conditions, including modern awards, enterprise agreements, individual flexibility arrangements and common law contracts. Businesses should remain free to determine the most appropriate employment arrangements for their circumstances, provided they comply with applicable workplace laws.

Requiring suppliers to be covered by an enterprise agreement negotiated with a registered employee organisation is inconsistent with the principle of freedom of association. Employees have the right to choose whether they wish to be represented by a union and whether enterprise bargaining is the appropriate mechanism for regulating their terms and conditions. Government procurement policies should not indirectly encourage or discourage the exercise of those rights.

Further the indicator refers to "accessible enterprise bargaining" without defining the concept or explaining how it will be assessed.

Enterprise bargaining is already governed by a comprehensive legislative framework under the Fair Work Act. The proposed wording creates uncertainty as to whether the indicator is intended to require compliance with existing legal obligations or promote outcomes beyond those required by legislation. The indicator should either be removed or amended to clearly reference compliance with applicable enterprise bargaining obligations under Australian law.

Indicator 2.1(b)

As drafted this indicator may duplicate existing legislative obligations relating to employee representation, consultation or workplace participation. The interaction between the proposed requirement and existing workplace relations laws is unclear.

The SAJF should avoid establishing parallel requirements where equivalent obligations already exist under legislation.

For example the indicator appears to require suppliers to issue a Notice of Employee Representational Rights whenever requested by workers or a registered employee organisation. This may compel suppliers to commence bargaining processes outside the circumstances contemplated by the Fair Work Act, including where the relevant threshold requirements for bargaining have not been met.

The indicator also risks favouring enterprise bargaining and union involvement over other lawful workplace arrangements. Government procurement requirements should not create incentives or pressures that alter the operation of Australia's workplace relations framework or interfere with the ability of employers and employees to determine whether enterprise bargaining is appropriate for their circumstances.

Indicator 2.1(d)

Master Builders has significant concerns regarding references to pay benchmarks, wage benchmarks or 'prevailing relevant industry standards'.

The proposed indicator does not identify the relevant benchmark, the basis on which it is to be determined, or how compliance will be assessed. The absence of clear and objective criteria creates considerable uncertainty for suppliers and introduces a high degree of discretion into procurement decision-making.

The indicator also appears to preference enterprise agreements over other lawful workplace arrangements. Australia's workplace relations system recognises a range of mechanisms for establishing wages and conditions, including modern awards and enterprise agreements. The existence of an enterprise agreement is not, of itself, evidence of superior employment practices or outcomes.

Requiring suppliers without an enterprise agreement to demonstrate wages and conditions that exceed modern award requirements and prevailing industry standards imposes an additional and potentially subjective compliance burden that does not apply to suppliers operating under enterprise agreements. This risks distorting competition and creating a procurement preference for one form of workplace arrangement over another.

Master Builders recommends that this indicator be removed.

Indicator 2.1(f)

This indicator appears to inappropriately overlap with existing provisions in the *Fair Work Act 2009* (Cth) regarding regulated labour hire arrangement orders.

Master Builders is concerned that indicator 2.1(f) could circumvent threshold requirements for such orders e.g. that the Fair Work Commission be satisfied that such an order would be fair and reasonable, and the employer is not a small business. The extension of what may amount to 'same job, same pay' requirements without Commission oversight and for small business that would not otherwise be covered is inappropriate and should not be included in the SAJF.

Indicator 2.1(i)

Master Builders fundamentally disagrees with this indicator. A new supplier should not be required by a procurement code to engage workers of the outgoing contractor.

If this was applied, it is unclear how this indicator would operate in practice and how compliance would be objectively assessed.

The indicator appears to require suppliers to demonstrate outcomes or practices that may be difficult to measure consistently across different industries, business models and workforce arrangements.

Further guidance would be required to explain the practical operation of the indicator, the evidence that suppliers would be expected to provide, and the manner in which procuring entities would

evaluate compliance. It is also unclear if a supplier would have to indicate that they intend to engage the former suppliers workforce. Although employees may discuss pay and conditions, it is unclear how a potential supplier would obtain information of the pay and conditions of the employees of a competitor.

Principle 3: Safe and Healthy Workplaces

Master Builders does not support Principle 3 in its current form.

If it is to be retained, it should be limited to compliance with applicable work health and safety legislation and avoid creating additional procurement-based management schemes, certification requirements or assessment criteria that duplicate existing regulatory obligations.

Where indicators are retained, they should be aligned with existing legislative concepts and terminology to ensure clarity, consistency and enforceability.

The construction industry operates under one of Australia's most comprehensive work health and safety regulatory frameworks. Construction businesses are subject to extensive statutory obligations, licensing requirements, principal contractor duties, site-specific safety systems and regulatory oversight by work health and safety regulators.

Many of the indicators under this principle either replicate existing legal responsibilities or require businesses to provide additional evidence of compliance with obligations they are already legally required to meet. As a consequence, the principle risks creating a parallel procurement compliance framework in relation to matters that are already comprehensively regulated under existing work health and safety laws.

Master Builders is particularly concerned with references to work health and safety accreditation scheme which may include the Office of the Federal Safety Commissions (OFSC) WHS Accreditation Scheme required for federally funded building and construction work.

This reference causes significant anxiety given that any such reference would indicate that the SAJF is to apply to the building and construction industry.

If this indicator is to be retained it must expressly exclude OFSC WHS Accreditation.

Indicator 3.1(d)

Master Builders is concerned that indicator 3.1(d) appears to establish a procurement-based expectation regarding worker choice that may differ from, or extend beyond, existing legislative requirements. Master Builders recommended that worker choice is removed from this indicator.

It is unclear how worker choice in this instance improves work health and safety practices. The focus should be on relevant training rather than adopting a subjective approach.

To ensure consistency and avoid uncertainty, any requirements relating to Health and Safety Representative training should align directly with existing state and territory work health and safety legislation as appropriate.

Principle 4: Gender Equality and Diversity

Master Builders does not support Principle 4 in its current form.

While supporting increased workforce participation and diversity is an important objective, the proposed indicators go beyond existing legal requirements and fail to account for the differing circumstances of industries, business sizes and labour markets.

In particular, the framework gives no consideration to the threshold requirements under the *Workplace Gender Equality Act 2012*, which only applies reporting obligations to employers with 100 or more employees. By contrast, the proposed indicators could impose equivalent or broader expectations on suppliers regardless of size, creating additional compliance burdens for small and medium-sized businesses that are not subject to the Act.

Further, indicator 4.1 (c) risks unhelpful overlap with existing statutory provisions governing requests for flexible working arrangements, while promoting employer-funded parental leave. Should the Government proceed with the SAJF, it should not make employer-funded parental leave a de facto procurement requirement.

The principle also seeks to impose prescriptive targets and performance measures through procurement policy, including workforce participation targets and gender pay gap benchmarks, despite these matters being influenced by factors outside an individual employer's control, such as occupational preferences, labour availability and regional workforce characteristics.

Commonwealth procurement should focus on compliance with applicable Australian laws and the capability of suppliers to deliver value for money, rather than creating additional reporting and workforce composition requirements that duplicate or extend beyond existing legislative frameworks.

Principle 5: Local Jobs, Skills and Industry Capability

Master Builders does not support Principle 5 in its current form.

Principle 5 imposes vague and subjective obligations that extend beyond procurement objectives and create uncertainty for suppliers regarding how compliance will be assessed.

The building and construction industry already plays a significant role in supporting apprenticeships, traineeships, local employment, Indigenous participation and Australian supply chains.

Commonwealth and state procurement frameworks already include numerous requirements relating to workforce development, training, local participation and social procurement outcomes. As a result, many elements of this principle duplicate existing procurement obligations that already apply to construction projects.

Master Builders is concerned that Principle 5 introduces highly subjective and potentially unworkable requirements that create significant uncertainty for suppliers.

In particular, indicator 5.1 (a) requires suppliers to take steps to provide a "significant economic benefit" to both the local economy and the broader Australian economy yet provides no guidance on how this would be measured, assessed or demonstrated.

Economic benefits can take many forms and may be influenced by factors well beyond a supplier's control. It is inappropriate for Commonwealth procurement requirements to impose such broad and indeterminate obligations on businesses, particularly where compliance may ultimately depend on subjective assessments rather than clear and measurable criteria.

Similar concerns arise in relation to indicator 5.1 (e), which provides that FIFO and DIDO arrangements should only be used where "genuinely necessary".

In the building and construction industry, FIFO and DIDO arrangements are often essential to the delivery of projects in regional, remote and resource-dependent areas where local labour is unavailable, insufficient, or lacks the required skills and experience.

The proposed requirement provides no clarity as to how "genuine necessity" would be determined and risks second-guessing legitimate workforce decisions made by employers in response to labour market conditions, project requirements and commercial realities.

The SAJF should not operate in such a way as to impose vague requirements that may restrict access to proven workforce models necessary for project delivery.

Response to the Supplier Code

The Supplier Code should expressly provide that the building and construction industry is exempt from any requirements derived from, incorporated from, or intended to give effect to the SAJF. The exemption should apply to all tender, evaluation, contracting and contract management activities undertaken by Commonwealth entities.

Master Builders does not support the proposed amendments to the Supplier Code.

The proposed amendments would significantly expand the scope of the Code by incorporating the SAJF and requiring suppliers to demonstrate alignment with a broad range of workplace, social and economic policy objectives that extend beyond established legal obligations and the traditional purpose of procurement policy.

This would introduce additional compliance burdens, uncertainty and subjectivity into Commonwealth procurement processes, while duplicating matters already regulated through workplace relations, work health and safety, anti-discrimination and modern slavery legislation.

Procurement frameworks should focus on value for money, capability and compliance with applicable Australian laws, rather than creating new quasi-regulatory obligations through contractual procurement requirements.

Amendments to add Secure Australian Jobs Framework Principles

Duplication and Regulatory Burden

The proposed amendments would introduce additional compliance, reporting and evidentiary obligations for businesses tendering for Commonwealth work despite those businesses already being subject to extensive regulation under workplace relations, work health and safety, anti-discrimination, procurement and contracting laws.

In many instances, the proposed requirements merely restate existing legislative obligations. In others, they seek to assess matters that are already governed by comprehensive compliance and enforcement frameworks administered by relevant regulators.

Master Builders is concerned that the Supplier Code would establish an additional layer of procurement-based regulation that duplicates existing legal obligations without addressing any identified regulatory gap.

Replication of SAJF in the Supplier Code

The proposed amendments to the Supplier Code effectively incorporate and operationalise key elements of the SAJF, particularly through Principle 3 and the associated supplier expectations and assessment criteria.

While the Government has publicly indicated that the building and construction industry will be exempt from the application of the SAJF, the proposed amendments to the Supplier Code create a pathway through which substantially the same requirements could be imposed on construction businesses participating in Commonwealth procurement.

As a result, exempting the construction industry from the SAJF while simultaneously incorporating equivalent requirements into the Supplier Code risks rendering the exemption ineffective in practice.

Inconsistency with the Government's Stated Policy Intent

Master Builders considers there is a fundamental inconsistency between the Government's stated intention to exempt the building and construction industry from the SAJF and the incorporation of SAJF principles and expectations into the Supplier Code.

If the Government intends for the construction industry to remain exempt from the SAJF, that exemption must extend to all obligations derived from, incorporated into, or otherwise giving effect to the Framework, including those contained within the Supplier Code.

Failure to do so would create uncertainty for procuring entities and suppliers while exposing construction businesses to the very obligations from which the Government has indicated they should be excluded.

Subjective and Uncertain Assessment Criteria

Master Builders is also concerned that a number of the proposed requirements rely on broad and subjective indicators that require significant discretion by procuring entities.

This creates uncertainty for suppliers seeking to tender for Commonwealth work, as businesses may be required to demonstrate compliance against concepts that are not clearly defined, objectively measurable or consistently applied.

The resulting uncertainty is particularly problematic in the construction industry, where project delivery often involves complex contractual arrangements, multi-tiered subcontracting structures, joint ventures, labour hire arrangements and specialist trades engaged for specific stages of a project.

Without clear and objective assessment criteria, suppliers may face inconsistent procurement outcomes despite complying with all applicable legislative requirements.