

Procurement – Make Good Jobs the Norm.

Preamble

1. Congress believes that when it comes to supporting the creation of good jobs, the Australian Government can and must lead the way. Any entity that receives Government support should deliver Australian workers good quality jobs.
2. This is critical for restoring fairness at work, particularly given Australia's record of high levels of insecure work, and stagnant wage growth driven by outsourcing, undercutting and other corporate tactics.
3. While recent reforms have made significant progress in getting wages moving and addressing insecure work, such reforms need to be bedded in. Companies receiving Government support should be leading the way in this regard.
4. The fulfillment of this principle is critical for the prosperity, equality, and cohesion of Australian society as we embark on the net zero transformation, one of the most wide-ranging and profound economic shifts in the history of our country.
5. Under this transition many workers risk moving from jobs with good pay and conditions won over generations, into an emerging clean economy that already has a mixed record on respecting workers' rights. Done right, the net zero transformation holds the potential to create hundreds of thousands of good new jobs in Australia, locking in fair work and prosperity for generations. But those settings need to be in place early on. Without such conditions, good quality jobs cannot be guaranteed. With them, the community can have confidence in change and can look forward to an optimistic future.

Principles of Government Support

6. Congress calls for all forms of Government support to promote key principles. That support includes not only procurement, but also grants, loans, investments, tax incentives and other forms of assistance that the Government provides directly or indirectly to any entity, including businesses, public or not-for-profit.
7. Those principles should include:
 - a. Adherence to industrial laws, including workplace health and safety laws and the payment of superannuation;
 - b. Collective agreements with unions and good faith bargaining behaviour;
 - c. The right of workers to union representation in the workplace and freedom of association;
 - d. Stable, secure and ongoing employment for workers;
 - e. Workplace participation for Aboriginal and Torres Strait Islander peoples;
 - f. Participation of women and the achievement of gender equity goals;
 - g. Due diligence to identify and address any labour rights risks in a company's supply chain
 - h. Minimum targets for employing apprentices and trainees;
 - i. A security of payment framework;
 - j. Local content and employment plans and targets;
 - k. Participation in portable entitlement schemes, where appropriate.

- l. Preference for local suppliers, particularly when it is of the benefit to Small and Medium Enterprises and complementary to the objectives of satisfying a 'Buy Australian Plan' initiative.
 - m. Compliance with tax laws
 - n. Environmental outcomes (other than climate impacts, which were included in the July 2022 Update of the Rules);
8. To ensure their efficacy and enforceability, these principles must be paired with high levels of transparency, a quick and effective dispute resolution mechanism, remedy where a company breaches such principles, and rights for workers and their unions to raise complaints.

Specific Reforms Needed

9. Congress seeks for these Principles to be embedded in the following ways.

Secure Australian Jobs Code

10. Congress calls for the establishment of a Secure Australian Jobs Code (SAJC) that would apply to every Government dollar spent or invested across all projects, partnerships and funding arrangements.
11. Congress calls for it to have the following features:
- a. across-the-board minimum standards for labour and social benefit, (that would complement other industry-specific measures)
 - b. A two-gate tender process, requiring entities to initially secure a certificate to demonstrate compliance across their entire businesses and all subcontracting arrangements with the Principles of Support.
 - c. Submission of an Australian Industry Participation Plan that addresses skills and training plans, use of local content and local supply chains and environmental sustainability.
 - d. A specialist stream for public sector and not-for-profit procurement which has a pre-qualification process additionally looking at specific operational and governance requirements as well as indexation and potential wage increases factored into bids and contract funding, including ensuring that bidders paying above Award wages are not disadvantaged. More detail is provide below in paragraph 36.

Special Investment Vehicles (SIVs)

12. Congress notes that the Australian Government is also a large equity investor but has inconsistent and inadequate responsible investment policies and commitments across its Specialist Investment Vehicles (SIVs) including the National Reconstruction Fund and Clean Energy Finance Corporation among others. SIVs.
13. Congress calls for those Vehicles to adhere to the Principles of Support throughout their activities, and for this to be achieved through the SAJC.
14. Congress also calls the investment mandates of these vehicles being brought in line with the Principles of Support, and to support the work of Net Zero Economy Authority and its investment facilitation function.
15. In addition, the Government should consider how public ownership and equity stakes can be used to achieve the Principles of Support, as well as its emissions reduction and renewable energy goals.

Clean Energy Standards

16. To ensure fair and consistent wages and conditions in the emerging clean energy economy, Congress also call for the development and application of Clean Energy Standards.
17. These Standards would establish a schedule of core wages and conditions for a given industry—pegged against existing collective agreements in an industry — that would need to be met for developers' and

principals' contracts on projects over a certain dollar value receiving financial assistance from the Government. This is similar to the successful 'prevailing wage' model created under the U.S. Davis-Bacon Act.

18. Congress calls for the Standards to initially apply to all transmission projects in Australia and would potentially expand to various SIVs including the Capacity Investment Scheme and/or other applicable renewable sectors, particularly those subject to high wage instability.
19. The Standards would provide minimum industry level wage rates in specific clean energy sectors, that would be complemented by a floor in conditions supported by the SAJC.

Conditionalities on Tax Credits for Clean Energy and Industry

20. Congress welcomes the Government's push for Australia to become a 'renewable superpower', particularly as part of its proposed Future Made in Australia Act.
21. Congress notes that other countries have had significant success with using tax credits and conditionality to drive the creation of good jobs, including the Inflation Reduction Act in the United States
22. Congress supports a similar system here where there are baseline entry requirements for receiving a tax credit, e.g. adherence to all industrial laws, while the size of the tax credit can increase once other criteria are fulfilled, e.g. taking on transitioning employees as part of a net zero pooled redeployment scheme.

Commonwealth Procurement Rules

23. Congress welcomes some early progress in updating the Commonwealth Procurement Rules (CPRs) but more work needs to be done to bring them into line with the Principles of Support advanced here.
24. The rules must ensure overall economic benefits from tenders are considered when assessing value for money, rather than just an assessment of the cheapest cost.
25. Congress also supports removing most exemptions from the CPRs (excluding e.g., those with national security requirements), introducing certain sector-specific reforms, including ethical textile, clothing, and footwear sector procurement rules, rules around government procurement of call centre services and in the case of shipping, consideration of whether ships employ national or non-national seafarers.
26. The Australian Public Services should oversee all aspects of administering the commonwealth procurement, rather than these functions being outsourced.

Australian Industry Participation Plans and the Australian Jobs Act 2013.

27. Congress supports the fulfillment of the commitment made in the 2023 ALP National Conference platform to review the Australian Jobs Act, which was introduced by the federal Labor Government in 2013 but never fully implemented. This review would investigate, inter alia, the role and efficacy of the Australian Industry Participation Authority (AIP) and the AIP Advisory Board, the quality of Australian Industry Participation Plans to date, and the potential for lowering the threshold for the size of projects that come under the auspices of the Act. The goal of the review would be to realise the full intent of the Australian Jobs Act by identifying and overcoming barriers to implementation.
28. Congress calls on the Government to conduct a formal review of the Australian Jobs Act 2013 as committed to in the 2023 ALP National Conference Platform to overcome barriers to implementation.

Clean Energy Jobs Commissioner

29. Congress notes that the United States have established the Director of the Office of Energy Jobs in the US Department of Energy, to address the significant workforce challenges in the move to net zero.
30. Congress supports the appointment of a Clean Energy Jobs Commissioner tasked ensuring that the emerging clean energy economy gets the workers it needs, with the rewarding careers they deserve.
31. This role would be housed within the new Net Zero Economy Authority, to work closely with the Chair, and support engagement with industry, employers and trade unions, the training sector, and state and

commonwealth departments to drive improvements in career and training outcomes in the clean energy sector.

Commonwealth Cleaning Service Guidelines

32. Congress calls for a review and reintroduction of the Commonwealth Cleaning Services Guidelines that would include labour standards and certification scheme requirements set out in the multi-stakeholder industry initiative, the Cleaning Accountability Framework.

Defence Procurement

33. Congress acknowledges a focused and coordinated effort must be made to maximise the employment and technological spillovers from defence procurement. This must include specific mandated targets and timelines for domestic content in input purchases and final assembly.

Changing how Government procures services

34. The reforms outlined in this policy must apply equally to the procurement of services, such as social and community services, disability services or call centres, as they do the procurement of goods. However, Congress also calls on Government to implement reforms to address issues which specifically occur when services are being purchased. This includes:
 - a. The bidding/tender process should factor in potential wage increases, ensuring workers aren't locked into base classification rates or wages;
 - b. Ensure bids that pay above-Award wages aren't disadvantaged in tender processes (where EBAs exist, for example);
 - c. Indexation factored into long-term contracts/funding;
 - d. Attestation mechanisms to ensure that employers are held accountable to industrial standards;
 - e. Extension of SAJC pre-qualification requirements to services procurements;
 - f. Positive obligations for permanent or secure employment;
 - g. Longer minimum funding contract lengths;
 - h. Consideration of the bidders having an appropriately skilled and qualified workforce to meet future needs;
 - i. Contract management, adherence, and recourse.
 - j. Providers of insurance, superannuation and banking service to government should be required to ensure jobs are on-shore and barred from the off-shoring of any jobs linked to these services, in line with State government requirements in their contract provision.