TRANSPORT AUSTRALIA

Submission

Potential Commonwealth standards for the construction industry

October 2026

Introduction

Transport Australia welcomes the opportunity to provide this submission to the Federal Government's consultation on potential Commonwealth standards for the construction industry.

Transport Australia is the peak industry body for Australia's integrated transport system. Our members include all of Australia's transport agencies, road owners, major contractors and consultants, material suppliers, service and technology providers, and other relevant industry groups. This submission has been developed in consultation with our members.

We welcome the Federal Government's focus on this important topic and note that only by making this a priority of both government and industry can we effect meaningful change. As our submission notes, the system itself has many of the constituent parts needed. The primary issue remains the provision of resources, funding, and expectation to enforce and quickly resolve problems. The development of these standards is a positive step in setting such expectations for all.

There are several overarching principles any potential construction standards should adopt. First, any construction standards should be nationally consistent and practical.

Second, reforms should build upon and strengthen existing legislative, regulatory, procurement and funding frameworks rather than create duplicative or parallel compliance regimes.

Third, obligations should be proportionate, risk-based and aligned to each participant's role, level of control and capacity to influence outcomes.

Fourth, future construction standards should focus on improving transparency, coordination, consistency and enforcement of existing requirements while minimising unnecessary administrative burden for industry participants.

Any reforms should strengthen integrity, improve productivity, enhance workforce capability and promote fair and efficient project delivery outcomes across the construction industry.

Future standards should support collaboration, commercial fairness and accountability while preserving flexibility for project participants to deliver efficient and innovative outcomes.

Workforce capability and long-term industry sustainability are also central to a healthy construction sector. Future standards should focus on creating stronger career pathways, reducing duplication and supporting workforce continuity without prescribing specific employment models or reducing workforce flexibility.

Such an approach will help improve industry confidence, support better project outcomes and strengthen the construction sector's capacity to deliver the infrastructure required to meet Australia's long-term economic and community needs.

Below is a summary of recommendations followed by written responses to each of the 27 consultation questions.

Summary of recommendations

1. **Improve supply chain transparency** to increase visibility of subcontracting and labour hire arrangements as well as beneficial ownership, decision-makers and corporate structures to better identify conflicts of interest and integrity risks.
2. **Strengthen information sharing and regulatory coordination** to improve coordination and intelligence sharing between procurement agencies, workplace relations regulators, WHS regulators, ASIC, law enforcement and anti-corruption bodies.
3. **Establish centralised integrity information systems**, such as a national contractor and labour hire prequalification register that leverages existing regulator findings and licensing information, to improve access to verified information regarding licence suspensions, regulatory breaches and other integrity-related matters.
4. **Encourage early intervention and structured consultation** before disputes escalate to avoid entering lengthy disputes.
5. **Improve the speed of lawful dispute resolution** to ensure they are timely and accessible to reduce incentives for informal arrangements.
6. **Establish a nationally recognised fit and proper person requirements scheme for participants with material influence over project outcomes**, including head contractors, major subcontractors, labour hire providers, industry consultants and mediators, and relevant unions and employer representatives.
7. **Apply consistent assessment criteria across jurisdictions** that cover corruption and bribery offences, fraud and serious criminal convictions, director disqualifications, substantiated phoenix activity, repeated workplace relations and WHS contraventions, licence suspensions or cancellations, material procurement, labour hire or security of payment non-compliance, and unpaid penalties or court-ordered debts.
8. **Provide clear pathways for rehabilitation and remediation** to allow individuals and organisations to demonstrate corrective action, improved governance and behavioural change.
9. **Establish clear and accessible reporting pathways** to simplify reporting arrangements for workers, contractors, subcontractors and suppliers.
10. **Strengthen protections for whistleblowers** to protect individuals and businesses from workplace, industrial and commercial reprisals.
11. **Strengthen enterprise-level bargaining by linking it to improved productivity**, efficiency and workforce performance commitments.
12. **Strengthen early intervention mechanisms** to enable faster Fair Work Commission involvement in bargaining disputes and allegations of coercive conduct and provide clearer escalation pathways.
13. **Preserve merit-based subcontractor selection** to ensure subcontractor engagement decisions remain based on capability, safety, quality, capacity, compliance, value for money and project requirements.
14. **Improve regulators' operational enforcement power** by ensuring appropriate funding is provided and expectations are set for the timely use of regulatory mechanisms to investigate and respond to allegations of coercion or improper influence.
15. **Increase transparency of payment performance** for both government and industry clients to provide greater visibility and financial certainty.

16. **Adopt balanced risk allocation principles** that allocate risk to the party best placed to manage it and avoid transferring risks that parties cannot reasonably control or price.
17. **Ensure projects are adequately developed before procurement**, including design maturity, site investigations, interface management, and scope definition, to improve project readiness.
18. **Support skills portability** (i.e. through nationally recognised skills passport arrangements) to promote mutual recognition of training, inductions and competencies across projects and employers and reduce duplication of training and onboarding requirements.
19. **Provide greater long-term pipeline certainty** to improve coordination and sequencing of major projects to retain skilled workers within the industry and reduce workforce volatility.
20. **Develop a nationally consistent labour hire licensing framework** to improve workforce mobility and regulatory certainty and oversight of labour hire firms across jurisdictions. This could include the introduction of labour hire provider prequalification requirements on major projects.
21. **Support industry wellbeing partnerships, mental health initiatives and supervisor training** to improve wellbeing outcomes for workers in the construction industry.

Theme 1: Integrity and lawful conduct

Question 1: What gaps exist in current arrangements to prevent, identify, report and respond to unlawful conduct, corruption, bribery, inducements, coercion and improper influence on construction projects?

Australia's existing legislative and regulatory framework already provides a basis for addressing unlawful conduct, corruption, bribery and coercion in the construction industry. The key gaps relate to implementation, visibility, coordination and enforcement, rather than the absence of laws or offences.

Limited visibility across project supply chains, particularly within subcontracting and labour hire arrangements is a significant challenge. This lack of transparency can make it difficult to identify improper influence, conflicts of interest and emerging integrity risks. Information relevant to integrity and compliance is fragmented across multiple regulators and agencies, resulting in inconsistent enforcement, gaps in due diligence processes and delays in identifying or responding to misconduct.

There is a need for greater information sharing and coordination between regulators, procuring agencies and industry participants. There exist several shortcomings in current reporting arrangements, including industry's low confidence in existing reporting channels, uncertainty regarding how concerns should be raised and managed, and concerns about commercial consequences for parties reporting misconduct in good faith.

Practical measures to improve integrity outcomes are encouraged, including enhanced supply-chain transparency, standardised integrity declarations, improved due diligence processes, protected reporting pathways, cross-agency information sharing, and greater consistency in procurement and regulatory responses.

Transport Australia cautions against introducing additional offences or duplicative compliance requirements. Instead, we favour reforms that strengthen existing frameworks and improve their effectiveness.

Overall, any future Commonwealth construction standards should focus on improving transparency, information sharing, reporting confidence and enforcement consistency, rather than creating new regulatory obligations.

Recommendations

1. **Improve supply chain transparency** to increase visibility of subcontracting and labour hire arrangements as well as beneficial ownership, decision-makers and corporate structures to better identify conflicts of interest and integrity risks.
2. **Strengthen information sharing and regulatory coordination** to improve coordination and intelligence sharing between procurement agencies, workplace relations regulators, WHS regulators, ASIC, law enforcement and anti-corruption bodies.

3. **Establish centralised integrity information systems**, such as a national contractor and labour hire prequalification register that leverages existing regulator findings and licensing information, to improve access to verified information regarding licence suspensions, regulatory breaches and other integrity-related matters.

Question 2: What, if any, additional safeguards could strengthen existing frameworks to ensure industrial disputes and workplace issues are managed through lawful and transparent processes, rather than through unofficial intermediaries or arrangements outside established legal frameworks?

Australia's existing workplace relations framework provides an appropriate legal foundation for managing industrial disputes and workplace issues. Any reform efforts should focus on improving the effectiveness, transparency and timeliness of existing processes rather than creating new regulatory frameworks.

Ensuring workplace and industrial matters are addressed through formal, recognised processes involving authorised representatives is of crucial importance. Issues are often allowed to escalate before established dispute resolution mechanisms are utilised, creating conditions where informal arrangements can emerge. Therefore, measures that encourage early intervention, structured consultation and clear escalation pathways to resolve issues before they become entrenched should be prioritised.

Transport Australia supports greater transparency in dispute management, including clearer governance arrangements, formal documentation of agreements, transparent decision-making processes and clear accountability for those authorised to act on behalf of project participants. Lawful processes must be efficient and accessible if they are to be preferred over informal alternatives.

There is a role for stronger independent oversight and regulatory engagement to reinforce confidence in industrial relations processes, ensure lawful conduct, and reduce reliance on unofficial intermediaries or arrangements operating outside established legal frameworks.

Overall, Transport Australia supports stronger transparency, accountability and confidence in formal dispute resolution processes.

Recommendations

4. **Encourage early intervention and structured consultation** before disputes escalate to avoid entering lengthy disputes.
5. **Improve the speed of lawful dispute resolution** to ensure they are timely and accessible to reduce incentives for informal arrangements.

Question 3: Should parties be subject to fit and proper person requirements (for example, head contractors, subcontractors, officials of registered employee or employer organisations, industry consultants/mediators, labour hire providers)?

Transport Australia supports fit and proper person requirements applying to participants who have a material influence over project delivery, workforce decisions or commercial outcomes. Any such framework should be risk-based, proportionate and applied consistently across all relevant parties, rather than being limited to a particular segment of the industry.

Fit and proper person requirements should extend beyond head contractors to include major subcontractors, labour hire providers, consultants, mediators, unions and employer representatives where they have the capacity to influence project outcomes. A consistent framework would help strengthen industry integrity, improve transparency and increase confidence in the delivery of Commonwealth-funded projects.

Fit and proper person requirements should leverage existing procurement, prequalification, accreditation and licensing systems rather than creating a new standalone regulatory framework. It is important to minimise duplication, reduce administrative burden and ensure mutual recognition across projects and jurisdictions.

Fit and proper person requirements should support continuous improvement and good governance, allowing organisations to demonstrate remediation and behavioural change where appropriate, rather than functioning solely as an exclusion mechanism.

Recommendation

6. **Establish a nationally recognised fit and proper person requirements scheme for participants with material influence over project outcomes**, including head contractors, major subcontractors, labour hire providers, industry consultants and mediators, and relevant union and employer representatives.

Question 4: What criteria, including timeframes, should be applied to fit and proper requirements (for example, serious contraventions, phoenix activity indicators, criminal convictions)? Are there existing frameworks that should be leveraged, such as right of entry under the Fair Work Act, company director requirements, and legal practitioner admission requirements?

Fit and proper person requirements should focus on conduct that poses a genuine risk to project integrity, workforce outcomes and lawful project delivery. Any assessment framework should focus on proven misconduct rather than allegations, perceptions or unsubstantiated concerns.

Relevant criteria should include serious criminal conduct, corruption, bribery, fraud, phoenix activity, repeated workplace relations or safety breaches, licence suspensions, director disqualifications and significant regulatory non-compliance. Security of payment breaches, unpaid penalties and findings by courts or regulatory bodies are also relevant considerations.

Fit and proper person assessments should be proportionate and reflect both the seriousness and recency of conduct. Permanent exclusion should be avoided to support opportunities for individuals and organisations to demonstrate rehabilitation, remediation and governance improvements over time. The construction industry's role in providing employment opportunities, including for individuals re-entering the workforce, is noteworthy in this regard.

The Federal Government should leverage existing legislative, licensing and prequalification frameworks rather than creating an entirely new assessment regime. Existing mechanisms under the Fair Work Act, Corporations Act, labour hire licensing schemes, building and construction licensing schemes, WHS accreditation programs and procurement prequalification systems are appropriate frameworks to be leveraged.

In sum, any fit and proper person framework should be fair, risk-based and grounded in objective evidence, while avoiding unnecessary duplication and exclusion of persons.

Recommendations

7. **Apply consistent assessment criteria across jurisdictions** that cover corruption and bribery offences, fraud and serious criminal convictions, director disqualifications, substantiated phoenix activity, repeated workplace relations and WHS contraventions, licence suspensions or cancellations, material procurement, labour hire or security of payment non-compliance, and unpaid penalties or court-ordered debts.
8. **Provide clear pathways for rehabilitation and remediation** to allow individuals and organisations to demonstrate corrective action, improved governance and behavioural change.

Question 5: What reporting pathways, protections or accountability mechanisms would strengthen existing arrangements and improve confidence for workers, businesses and other industry participants to report unlawful conduct safely?

Transport Australia believes there is a need to improve confidence in reporting mechanisms for unlawful conduct through clearer reporting pathways, stronger protections and greater accountability for how reports are handled.

Shortcomings in the current reporting environment include fragmented reporting pathways that are difficult to navigate and often poorly understood by industry participants, particularly smaller businesses, subcontractors and labour hire providers. Simplifying reporting arrangements and improving coordination between regulators should be a priority to ensure concerns are directed efficiently to the appropriate agency.

There should be stronger protections for individuals and businesses that report misconduct in good faith. Reporting unlawful conduct can expose participants to commercial, industrial or workplace retaliation, creating a significant deterrent to reporting. Further, existing whistleblower protections

are generally focused on individuals and do not adequately address the commercial risks faced by contractors, subcontractors and suppliers.

Transport Australia supports more transparent handling of reports, including providing timely and regular feedback to reporters on the progress or outcome of investigations. This is important to build trust in the reporting system and encouraging future reporting.

Any reform should focus on improved information sharing between regulators and industry participants, greater industry education on reporting processes and protections, and better use of technology and data systems to support transparency and accountability.

Recommendations

9. **Establish clear and accessible reporting pathways** to simplify reporting arrangements for workers, contractors, subcontractors and suppliers.
10. **Strengthen protections for whistleblowers** to protect individuals and businesses from workplace, industrial and commercial reprisals.

Theme 2: Productivity, fairness and industrial practices

Question 6: How could existing bargaining systems and arrangements be strengthened to support genuine, good faith bargaining, mutual gains and productivity improvements for employers and employees in the construction industry?

Transport Australia supports enterprise bargaining arrangements that promote genuine engagement between employers, employees and their representatives while delivering productivity improvements, workforce development and commercial certainty. Bargaining systems should support enterprise-level flexibility, reflect the operational needs of individual projects and businesses, and maintain a clear connection between workplace outcomes and productivity performance.

Early engagement, transparent workforce planning and collaborative approaches are crucial to resolving issues before they escalate. Bargaining outcomes that deliver measurable performance improvements, including commitments relating to productivity, skills development, workforce planning and training, are strongly supported. Successful bargaining relies on consistent application of existing legal and contractual frameworks and avoiding unnecessary regulatory duplication.

One concern is the extent to which current bargaining arrangements can limit flexibility on major projects. Construction projects often involve multiple employers, subcontractors and labour hire providers operating under different enterprise agreements, creating complexity, increased costs and productivity challenges. Long project delivery timeframes can also create uncertainty where enterprise agreements are renegotiated during the life of a project. Preserving genuine enterprise-level flexibility should be a priority.

Overall, members supported reforms that strengthen genuine enterprise-level bargaining, improve alignment between bargaining outcomes and project productivity, and provide greater certainty for employers, employees and project owners.

Recommendation

11. **Strengthen enterprise-level bargaining by linking it to improved productivity**, efficiency and workforce performance commitments.

Question 7: Are there gaps in existing arrangements for ensuring enterprise bargaining occurs genuinely, in good faith, and free from unlawful coercion, intimidation, and threats to coerce or intimidate?

Transport Australia is of the view that the existing workplace relations framework already contains extensive legal protections against coercion, intimidation, threats and other forms of unlawful conduct during enterprise bargaining. The principal challenge lies not in the absence of legislative protections, but in the timely identification, enforcement and resolution of problematic behaviour when it occurs.

Early intervention, effective dispute resolution mechanisms and stronger enforcement of existing obligations are crucial. Concerns should be escalated promptly through established regulatory channels and dispute resolution processes should be more responsive before issues escalate into protracted disputes that undermine workforce confidence or project delivery.

Unlawful pressure can be difficult to detect and prove in practice, particularly where conduct occurs informally or indirectly. This creates challenges for employers seeking to respond to coercive behaviour while maintaining project schedules and commercial relationships. As a result, measures that improve transparency, documentation and oversight of bargaining processes without creating an additional industrial relations framework are encouraged.

Overall, Transport Australia supports strengthening existing institutions and processes, particularly through earlier intervention by regulators, improved bargaining protocols and greater support for dispute prevention and resolution.

Recommendation

12. **Strengthen early intervention mechanisms** to enable faster Fair Work Commission involvement in bargaining disputes and allegations of coercive conduct and provide clearer escalation pathways.

Question 8: How can existing dispute resolution pathways be strengthened or better used to resolve workplace, commercial and health and safety disputes fairly, effectively and in a timely way? What early intervention or dispute prevention mechanisms should be considered to minimise project disruption and limit productivity impacts?

Existing dispute resolution mechanisms are broadly adequate but are frequently engaged too late to prevent project disruption, productivity losses and escalating workplace, commercial or safety disputes. Early intervention, structured escalation processes and proactive dispute avoidance measures as the most effective means of improving project outcomes.

Strengthening governance and escalation arrangements at the project level would assist. Transport Australia supports the use of clear dispute resolution protocols, early mediation and facilitation, regular stakeholder engagement, and defined escalation pathways to ensure disputes are addressed before they become entrenched. Successful dispute management depends less on creating new forums and more on improving the timeliness and effectiveness of existing processes.

It is important to improve dispute prevention through better project planning, improved contract clarity, workforce engagement, proactive issue identification and stronger project governance. Collaborative mechanisms that bring clients, contractors, subcontractors and workforce representatives together to identify and resolve emerging issues early is essential.

Health and safety disputes require particular attention. While legitimate safety concerns must always be protected, some safety processes can occasionally become intertwined with broader industrial or commercial disputes, creating uncertainty and project delays. Access to rapid, independent assessment of contested safety issues could improve confidence and outcomes.

Overall, Transport Australia favours a preventative approach focused on early issue identification, structured escalation, independent facilitation and timely resolution, rather than creating additional dispute resolution frameworks or duplicating existing arrangements.

Question 9: What safeguards, if any, are needed to complement existing laws and commercial practices to ensure decisions about subcontractor engagement are transparent, merit-based, commercially appropriate and free from coercion or inappropriate influence?

Transport Australia is of the view that decisions regarding subcontractor engagement should remain merit-based, commercially driven and grounded in objective assessment criteria. Principal contractors must retain the ability to select subcontractors based on factors such as capability, safety performance, quality, capacity, value for money, compliance history and project-specific requirements.

It is essential to strengthen transparency and accountability within procurement processes through documented and auditable decision-making frameworks. Some measures to achieve this are through the use of procurement records, conflict of interest declarations, clear selection criteria and independent audit mechanisms to demonstrate that subcontractor engagement decisions are fair, transparent and based on legitimate commercial considerations.

There are some concerns regarding coercion or inappropriate influence over subcontractor selection. Transport Australia is of the view that no party should be able to direct, veto, endorse or otherwise influence subcontractor engagement decisions outside established procurement processes. Safeguards that prevent undue influence while preserving commercial flexibility and contractor accountability for project outcomes should be considered.

We note that across the sector, many of the regulatory powers to address such activity do exist, however regulators have limited funding and resources to enforce. This, in turn, sets expectations for the extent of enforcement by both government and industry. As such, ensuring the operational capability exists to enforce standards is a key part of this discussion.

It is important to protect parties that raise concerns about inappropriate influence or coercive behaviour. Confidential reporting mechanisms, protections against retaliation and stronger regulatory oversight are also critical supporting measures.

Overall, Transport Australia supports the underlying principles of transparency, merit-based procurement and protection from undue influence.

Recommendations

13. **Preserve merit-based subcontractor selection** to ensure subcontractor engagement decisions remain based on capability, safety, quality, capacity, compliance, value for money and project requirements.
14. **Improve regulators operational enforcement power** by ensuring appropriate funding is provided and expectations are set for the timely use of regulatory mechanisms to investigate and respond to allegations of coercion or improper influence.

Question 10: What measures would best support full and timely payment for subcontractors and suppliers without duplicating existing state and territory security of payment laws?

Transport Australia is of the view that the Federal Government should avoid establishing a separate Security of Payment regime. Existing state and territory Security of Payment frameworks are functioning effectively. Reform efforts should instead focus on improving payment practices, transparency and consistency across the supply chain rather than introducing additional legislative layers.

Payment delays often originate upstream through slow client approvals, variation assessments and certification processes. Improving payment performance throughout the contractual chain, including among government clients and funding agencies, would have a significant positive impact on subcontractor and supplier cash flow.

Transport Australia supports greater transparency around payment performance, including reporting of payment times, visibility of payment claim status and the use of existing reporting frameworks to improve accountability. Leveraging procurement processes to incentivise good payment behaviour and recognise contractors with strong payment performance records is encouraged.

Preference should be given to national consistency between existing state and territory Security of Payment regimes rather than creating new Commonwealth requirements. Additional practical measures to consider that improve certainty for subcontractors include clearer payment processes, prompt release of retentions and risk-based protections where insolvency risks exist.

Recommendation

15. **Increase transparency of payment performance** for both government and industry clients to provide greater visibility and financial certainty.

Question 11: What gaps in current arrangements could any construction standards address to improve quality, productivity and project delivery, while supporting mutually beneficial, lawful and cooperative behaviour across the construction industry?

There are several systemic and structural issues that continue to affect project productivity, quality and delivery outcomes, despite the existence of extensive regulatory and contractual frameworks. Any future Commonwealth construction standards should focus on improving collaboration and strengthening project delivery practices, rather than introducing additional regulatory layers or duplicative reporting obligations.

The Federal Government should prioritise balanced risk allocation, project readiness, pipeline certainty, collaborative delivery models and improved procurement practices to improve productivity, quality and project performance.

Construction standards should seek better risk allocation. Projects are often procured with risks allocated to parties that are not best placed to manage or influence them, leading to increased costs, disputes, reduced productivity and poorer project outcomes. Incomplete project scoping, inadequate design development, insufficient site investigations and unrealistic project budgets and schedules all impact project delivery.

Transport Australia supports measures that improve collaboration across the project lifecycle, including early contractor involvement, structured workforce planning, knowledge sharing, innovation adoption and greater supply-chain visibility. Long-term pipeline certainty is of critical importance to industry, as a visible and sustained program of infrastructure investment is essential to support workforce development, productivity improvements, skills retention and long-term industry capability.

In sum, procurement practices, risk allocation, project readiness and pipeline certainty are key influences on productivity and project outcomes.

Recommendations

16. **Adopt balanced risk allocation principles** that allocate risk to the party best placed to manage it and avoid transferring risks that parties cannot reasonably control or price.
17. **Ensure projects are adequately developed before procurement**, including design maturity, site investigations, interface management, and scope definition, to improve project readiness.

Theme 3: Workforce development and job quality

Question 12: How does project-based work impact the use of labour hire, workforce stability, skills development, job quality and productivity in practice? Could construction standards mitigate such impacts?

Project-based work is an inherent feature of the construction industry and creates both opportunities and challenges for workforce management. Labour hire plays a legitimate and important role in responding to fluctuating workforce demands, specialist skill requirements, regional workforce shortages and project delivery peaks. Transport Australia supports maintaining workforce flexibility and avoiding standards that unduly restrict legitimate labour hire arrangements.

At the same time, project-based delivery can contribute to workforce instability, fragmented career pathways, inconsistent training opportunities and the loss of skills and knowledge between projects. Frequent movement of workers between employers and projects can also result in duplicated inductions, fragmented training records and reduced continuity of workforce development.

There is a need for stronger workforce planning and greater portability of skills, training and competencies across projects. Measures that improve the transferability of qualifications, recognition of prior learning and workforce mobility while supporting long-term industry capability are encouraged.

Any construction standards should remain outcome-focused and support workforce capability without prescribing particular employment models. The emphasis should be on improving workforce continuity, training opportunities and skills retention while preserving the flexibility required to deliver projects efficiently.

One key underlying challenge is the absence of a coordinated and predictable project pipeline. Governments have a critical role in sequencing projects to retain skilled workers within the industry.

Recommendations

18. **Support skills portability** (i.e. through nationally recognised skills passport arrangements) to promote mutual recognition of training, inductions and competencies across projects and employers and reduce duplication of training and onboarding requirements.
19. **Provide greater long-term pipeline certainty** to improve coordination and sequencing of major projects to retain skilled workers within the industry and reduce workforce volatility.

Question 13: While recognising that there can be legitimate operational needs, in what circumstances is the use of labour hire appropriate? Are there gaps in existing regulatory or contractual arrangements that contribute to inappropriate use of labour hire?

Labour hire is a legitimate and necessary feature of the construction industry, particularly given the project-based nature of infrastructure delivery. Labour hire plays an important role in meeting short-term workforce peaks, accessing specialist skills, supporting project mobilisation and demobilisation, addressing regional and remote workforce shortages, and responding to changing project demands.

Labour hire provides essential workforce flexibility and should continue to be available as a legitimate operating model. Transport Australia cautions against prescriptive restrictions or blanket caps on labour hire usage, noting that such measures could reduce workforce flexibility, increase costs and create unintended consequences for project delivery, particularly on large infrastructure projects with fluctuating labour requirements.

A primary concern is not the use of labour hire itself, but inconsistencies in oversight, regulation and workforce management arrangements. There are gaps relating to workforce visibility, inconsistent labour hire licensing arrangements across jurisdictions, variable induction and competency verification processes, limited transparency of lower-tier labour supply chains, and unclear accountability for training and WHS obligations.

Transport Australia supports strengthening existing arrangements through nationally consistent regulation, improved workforce governance and greater transparency, rather than introducing additional restrictions on labour hire.

Overall, the main issues lie in inconsistent regulation and oversight rather than the legitimate use of labour hire itself.

Recommendation

20. **Develop a nationally consistent labour hire licensing framework** to improve workforce mobility and regulatory certainty and oversight of labour hire firms across jurisdictions. This could include the introduction of labour hire provider prequalification requirements on major projects.

Question 14: What factors affect apprentice and trainee attraction, engagement, completion and progression in construction, particularly in project-based and multi-employer environments? How could any construction standards complement existing skills and training initiatives to improve outcomes?

Workforce continuity, project certainty and access to meaningful training opportunities are critical factors influencing apprentice and trainee attraction, engagement, completion and progression. The project-based nature of construction creates unique challenges for apprentices and trainees, particularly where project durations do not align with the length of training programs, project pipelines are uncertain, or workers are required to move between employers and projects to complete their qualifications.

Maintaining continuity of employment, training and supervision throughout an apprentice or trainee's development is essential. Project transitions, fluctuating workloads and fragmented responsibilities between contractors, subcontractors, training providers and group training organisations can make it difficult for workers to complete training pathways and remain engaged in the industry.

Transport Australia supports greater portability of skills, competencies and training records to enable apprentices and trainees to move more easily between projects and employers while continuing their development. It is also important to have quality supervision, mentoring, workplace culture, clear career pathways and access to meaningful work experiences aligned to training requirements.

Government can play an important role in supporting workforce development through stable infrastructure pipelines, workforce planning, targeted funding arrangements and stronger collaboration between industry, training providers and government agencies. Any standards should focus on measurable workforce outcomes, including completion, progression and long-term retention within the industry, rather than simply increasing commencement numbers.

Overall, Transport Australia supports a flexible, outcomes-focused approach that complements existing skills and training initiatives while recognising the realities of project-based and multi-employer construction environments.

In sum, improving completion rates, workforce mobility and long-term industry retention should be prioritised over simply increasing apprenticeship commencements.

Question 15: What workforce outcomes could any construction standards seek to support, while recognising the need for workforce flexibility? (e.g. safe, secure, well-paid jobs, skills development, apprenticeships and traineeships, workforce diversity, safety and wellbeing.)

Construction standards should support a safe, skilled, productive and diverse workforce while recognising the project-based nature of the construction industry and the need for workforce flexibility. Standards should focus on measurable workforce outcomes rather than prescribing specific employment models, workforce structures or quotas. Every effort should be made to

preserve workforce flexibility, including the use of labour hire, Group Training Organisations and alternative workforce models.

Transport Australia backs workforce outcomes that improve safety, wellbeing, skills development, apprenticeship and traineeship completion, workforce diversity, leadership capability and long-term workforce retention. It is also essential to support workforce mobility and skills portability across projects to help workers maintain employment continuity and career progression.

Outcome-focused approaches are favoured that encourage investment in workforce capability, mental health and wellbeing, apprenticeships and leadership development, while allowing organisations flexibility to determine the most appropriate delivery model for their workforce and operational circumstances.

Overall, workforce measures should be focused on delivering sustainable industry capability and improving long-term workforce participation, retention and progression.

Question 16: What workplace practices and cultural reforms would most improve productivity and increase the attraction, retention and advancement of women and other under-represented and diverse workers in the construction industry?

Workplace culture is a critical factor in attracting and retaining women and other under-represented groups within the construction sector. Meaningful improvements will require sustained cultural change, supported by effective leadership, behavioural standards and workplace accountability.

Key reforms should focus on the prevention of bullying, harassment and discrimination, stronger psychosocial safety measures, improved mentoring and sponsorship opportunities, flexible working arrangements where operationally feasible, inclusive recruitment practices and transparent career development pathways.

Practical workplace improvements, including appropriate site amenities, properly fitted personal protective equipment, respectful workplace behaviour standards and leadership accountability for workplace culture, are all critical to attracting women and other under-represented and diverse workers to the construction sector.

Industry efforts should focus not only on attraction but also on retention and advancement, particularly for workers at mid-career stages where attrition rates are often highest. This could include structured mentoring, career development pathways, capability-building among supervisors and leaders, flexible working arrangements, and return-to-work pathways. One good example of this is Transport Australia's renowned Fellowship program, which is a national mentoring and leadership program for transport professionals that provides one-to-one mentoring with senior industry leaders as well as leadership and career development opportunities.

Question 17: How could any construction standards complement existing workplace health and safety and workplace relations frameworks to support better outcomes for mental health, fatigue, psychosocial safety and worker wellbeing in construction?

Existing workplace health and safety frameworks provide a strong legislative foundation for managing psychosocial risks, fatigue and worker wellbeing. A primary opportunity is to improve implementation and consistency rather than introduce additional regulatory obligations.

It is important to address fatigue and psychosocial risks earlier in the project lifecycle through realistic programming, appropriate workforce resourcing, effective roster management and improved project planning. Additional benefits will be derived from focusing on leadership capability development, workforce consultation, wellbeing programs and proactive management of psychosocial risks alongside physical safety risks.

Further, embedding wellbeing considerations throughout project planning, procurement and delivery processes, while maintaining alignment with existing workplace health and safety frameworks, will also support better outcomes for worker wellbeing. There is a role for the Federal Government to provide support for industry wellbeing partnerships, mental health initiatives and supervisor training.

Recommendation

21. **Support industry wellbeing partnerships, mental health initiatives and supervisor training** to improve wellbeing outcomes for workers in the construction industry.

Theme 4: Scope and application

Question 18: What construction activity should any construction standards apply to?

Construction standards should apply to construction activities where the Commonwealth has a material ability to influence outcomes, particularly through procurement, funding agreements or direct project delivery. Standards should be targeted towards Commonwealth-funded or Commonwealth-influenced construction projects.

Transport Australia favours a risk-based approach, with obligations scaled according to project risk, complexity, size and potential impact. It is important to clearly define what constitutes construction activity for the purposes of the standards and distinguish between major construction projects, routine maintenance, facilities management, professional services and supply-only arrangements.

It is essential to have nationally consistent definitions, guidance and applicability criteria to provide certainty for agencies and contractors and support consistent implementation across jurisdictions.

Question 19: Which entities should be covered by any construction standards, including clients, developers, funders, head contractors, subcontractors, labour hire providers, consultants, registered employee and employer organisations and how should coverage reflect each party's role, influence and obligations within existing construction supply chains?

Construction standards should apply to all parties that can materially influence project outcomes. This includes clients, funders, developers, delivery agencies, contractors, subcontractors, labour hire providers, consultants, unions and registered employer organisations where they exercise influence over project delivery, workforce outcomes or commercial decisions.

Obligations should be proportionate to each party's role, control and ability to influence outcomes. Accountability should sit with the party best placed to manage a particular risk, while avoiding duplication, overlapping responsibilities or unrealistic compliance obligations.

It is essential that standards do not focus solely on contractors. Clients, funders and project owners also influence project outcomes through procurement strategies, risk allocation, payment practices and project governance, and should therefore be subject to appropriate obligations.

Question 20: What considerations are relevant in determining whether any thresholds or scaling mechanisms are appropriate? How could proportionality be maintained across projects of different size, risk or complexity?

Transport Australia supports proportionality as a core principle of any future construction standards. Requirements should be scaled according to project size, value, complexity, workforce profile, delivery risk and the capacity of participants to comply.

Transport Australia cautions applying major project compliance obligations to lower-risk projects or small businesses where the administrative burden may outweigh any policy benefit. One approach is scalable compliance models that focus governance and assurance efforts on projects with the greatest risk and complexity.

It is recommended aligning thresholds with existing Commonwealth frameworks to minimise compliance complexity and avoid multiple overlapping trigger points.

Question 21: Are there particular types of projects, entities or activities that should be excluded from some or all requirements? If so, why?

Transport Australia supports targeted exclusions or modified obligations where the costs of compliance would outweigh the benefits. A risk-based approach that recognises the differing characteristics of construction activities, project types and delivery environments would be useful.

Emergency works, routine maintenance, minor works, supply-only arrangements and certain professional services should be considered for exclusion or reduced obligations. Consideration should also be given to transitional arrangements or specific treatment for emergency or disaster recovery works and projects already tendered or under contract when any new standards.

Question 22: What barriers could affect the development or implementation of nationally coherent construction standards?

Jurisdictional inconsistency, duplication of requirements and administrative burden are the principal barriers to developing nationally coherent construction standards. Existing differences in state and territory legislation, procurement frameworks, licensing requirements and reporting systems create complexity for industry participants operating across multiple jurisdictions.

Transport Australia supports mutual recognition, harmonisation and leveraging existing accreditation, prequalification and assurance frameworks wherever possible. Any new standards should simplify compliance rather than introduce a further layer of obligations.

There also exist implementation challenges associated with projects involving multiple funding sources, contractor capacity constraints and the practical need for adequate transition periods.

Question 23: Are there any elements in the draft Joint Construction Industry Charter that should inform minimum expectations in any construction standards?

Transport Australia supports using the draft Joint Construction Industry Charter as a source of behavioural principles that could inform future construction standards. The Charter's emphasis on lawful conduct, integrity, collaboration, workforce development, accountability, safety leadership and continuous improvement aligns with the objectives of a national standards framework.

However, the Charter should guide industry behaviours and project expectations rather than become a separate compliance framework. The Charter's principles could be reflected through practical mechanisms such as collaboration plans, workforce engagement plans, leadership accountability reviews, dispute prevention processes and continuous improvement initiatives – noting that behavioural expectations should apply consistently across clients, funders, contractors and representative organisations.

Theme 5: Governance and compliance

Question 24: How could existing legal, regulatory, procurement and funding arrangements be better leveraged and/or strengthened to ensure appropriate oversight of any new construction standards?

Any new construction standards should be implemented through, and build upon, existing procurement, funding, regulatory and contractual frameworks rather than creating a new standalone compliance regime. Commonwealth procurement and funding arrangements are the most effective lever available to drive behavioural and performance outcomes across the construction industry.

Transport Australia supports embedding standards into funding agreements, procurement frameworks, contract management processes, assurance systems and existing accreditation mechanisms. This would improve compliance, minimise duplication and allow government agencies to use established oversight mechanisms rather than creating new regulatory structures.

Central to this is the coordination between regulators, clients and procuring agencies to support consistent oversight. Effective oversight requires clearer accountability, stronger performance monitoring and better utilisation of information already collected by governments and regulators.

In sum, a practical, procurement-led approach that leverages existing frameworks, encourages continuous improvement and avoids creating unnecessary administrative burden is preferred.

Question 25: What powers, roles and information sharing arrangements could strengthen a joined-up compliance and enforcement approach by existing regulators and agencies?

Fragmented information, inconsistent enforcement and limited coordination between regulators are significant barriers to effective compliance oversight. Thus, Transport Australia supports stronger information sharing arrangements, clearer delineation of responsibilities and improved coordination between Commonwealth and state regulators, procurement agencies and enforcement bodies.

Integrity, workplace relations, safety and procurement information is currently dispersed across multiple agencies, making it difficult to identify patterns of misconduct and undertake effective risk-based oversight. A more coordinated and transparent compliance framework would improve both regulatory effectiveness and industry confidence.

Any reforms should improve information flows between regulators and industry participants, including greater access to verified information regarding compliance history, enforcement outcomes and accreditation status. Additionally, it would be good practice to establish common data-sharing arrangements and more coordinated compliance activities across agencies.

At the same time, it is important to uphold procedural fairness, privacy protections and mechanisms allowing organisations to respond to or correct compliance information before it affects procurement or regulatory decisions.

Question 26: What consequences for non-compliance with any construction standards would be appropriate, effective and proportionate, having regard to existing regulatory, contractual and funding remedies?

Transport Australia supports a graduated and proportionate approach to compliance and enforcement. Consequences should reflect the severity, frequency and impact of non-compliance, while distinguishing between deliberate misconduct, systemic failures and minor or administrative breaches.

Any reforms should opt for remediation and corrective action as the starting point for addressing non-compliance, particularly where breaches are minor or capable of being rectified. More serious or repeated breaches should attract stronger consequences, including procurement sanctions, funding consequences, suspension from prequalification arrangements or referral to relevant regulators.

It is important to avoid duplication with existing penalties and enforcement mechanisms available under workplace relations, WHS, anti-corruption, corporate and criminal law frameworks. Clear procedural fairness requirements, including opportunities to respond to alleged breaches before sanctions are applied, is also essential.

Overall, Transport Australia supports consequences that encourage behavioural improvement and compliance while preserving proportionality and fairness.

Question 27: How should any construction standards manage the flow-through of compliance obligations across contractual supply chains, including to subcontractors and smaller businesses, to ensure responsibilities are clear, commercially fair, proportionate and do not create unnecessary administrative burden?

Compliance obligations should be allocated according to each party's role, degree of control and ability to influence outcomes. Any reforms should avoid indiscriminate flow-down of obligations through supply chains where smaller businesses may lack the resources or influence to manage risks beyond their control.

Principal contractors have an important role in overseeing compliance across supply chains. However, consideration should be given to ensuring that liability obligations remain reasonable and appropriately scoped. One favourable approach is a risk-based approach where requirements are scaled appropriately for subcontractors, suppliers and SMEs, while maintaining accountability for parties with the greatest ability to influence project outcomes.

It is important to have clear contractual arrangements, standardised compliance requirements and alignment with existing procurement and regulatory obligations. Simplified compliance requirements, standard templates and common reporting mechanisms are practical ways to minimise administrative burden across supply chains in this regard.

Overall, a balanced framework that supports accountability and transparency while preserving commercial fairness and supply chain participation is encouraged.

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