Please find below questions on notice from Senator Andrew Bragg in relation to your organisation's appearance yesterday at the public hearing into the National Reconstruction Fund Corporation Bill:

1) The ACTU was consulted in the formal drafting of the NRF legislation. Could you please outline what advice you provided through that process?

The advice the ACTU gave then was consistent with our submission to this Senate Inquiry but not in as much detail.

2) In your submissions you note that the ACTU should nominate two positions on the Board. Has this proposal been raised at any of your meetings with the Minister for Industry or his Office?

The ACTU did not raise this exact proposal at any of our meetings with the Minister for Industry. We did raise the importance of having a best practice model of representative governance for the National Reconstruction Fund which includes union voices. We later met with the Minister's Office where this proposal was raised.

3) If so, when and how many occasions?

The only meeting where the proposal for the ACTU to nominate two positions for the Board has been discussed with the Minister's Office occurred on 23 February 2023.

4) The ACTU note that the Bill does not have a test for solely Australian based. How could this create challenges or be misused?

The Bill lets the Board determine, by policy, how the test for "solely or mainly Australian based" could be determined. The concern the ACTU has is that the Board could decide on a weak definition, meaning that, for example, 49% of a company receiving Fund support was not Australian-based. It would be better to place a robust definition in the legislation.

The following questions have been posed to all unions which appeared at the hearing:

1) Did you make any recommendations to the Minister during the legislative drafting phase? If so, what were they?

The ACTU provided our feedback on the proposed Bill during an earlier consultation to the Department, and shared with the Minister's office, in similar terms to the issues outline in our submission.

2) The Australian Workers Union note in their submission to Departmental consultation that "the NRF will require a commercial rate of return … [meaning that] short-term technology upgrades which increase costs without increasing revenue or profit are not eligible". Is it also the view of your organisations that grants could be helpful in this regard?

The AWU raises an important point, but the ACTU has not developed a view on this issue.

3) Consistently you have called for a 'Secure Jobs Code' to apply to the NRF. You've stipulated enterprise agreement with unions as a precondition of tender, [that] the recipient must not have engaged in conduct that treated workers 'unfairly'. Companies must commit to direct employment … contractors and indirect workforce must be employed on the same conditions as the direct workforce. Has the government responded to these demands?

The stated position of the ACTU, which is included in our submission, is different in several ways from how it is described in this question. Nevertheless, we understand that the government is considering our position, along with that of other stakeholders.

4) ACTU has noted that the Bill "places almost complete control into the hands of the Minister of the day," you call it a "significant risk". What measures would you put in place to avoid this? Would you support legislating the priority areas of the Corporation?

As outlined in our submission and at the Senate hearing, we think including clear Objects in the Bill, reflecting the Government's stated goals of the NRF, would reduce this risk.

We did not put forward a position on legislating all of the priority areas of the Corporation. This might be helpful, especially where priority areas need long term support and policy certainty.

If this was done, however, it would be sensible to allow the responsible Minister to potentially add to the list of priority areas, if they were consistent with the Objects of the Bill, and a strong case was made for their inclusion.