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**Department of Employment
and Workplace Relations**

Australian Skills Guarantee

Discussion Paper



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The document must be attributed as the *Australian Government Australian Skills Guarantee Discussion Paper*.

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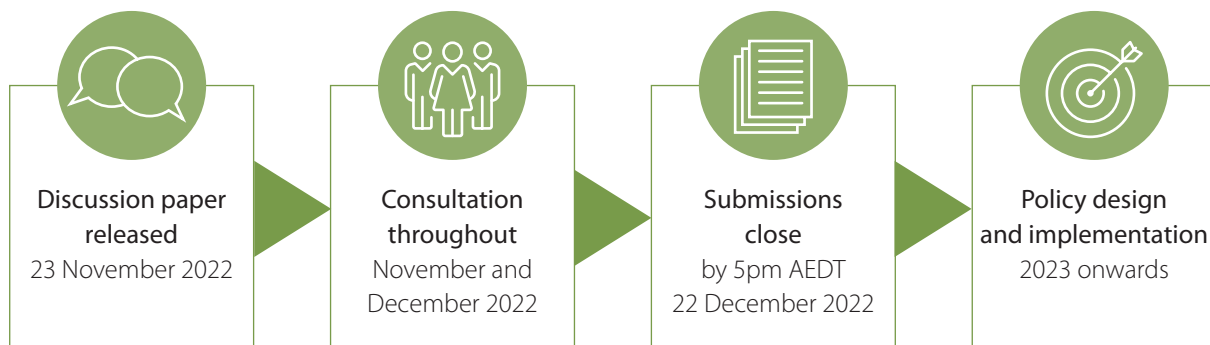
Acknowledgement of Country

The Department of Employment and Workplace Relations (the department) acknowledges the traditional owners of Country throughout Australia on which we gather, live, work and stand. We acknowledge all traditional custodians, their Elders past and present, and we pay our respects to their continuing connection to their culture, community, land, sea and water.

Have your say

Public consultation on this discussion paper is an opportunity to work together on options to achieve the Australian Government's (the Government's) Australian Skills Guarantee (the Guarantee). The discussion paper reflects the department's preliminary views and is not Government policy. Responses to this discussion paper will help the department understand what is important for the design and implementation of the Guarantee. All views and comments are welcome.

Key dates



How to make a submission

The department welcomes feedback on the discussion paper from interested parties by 5pm AEDT, Thursday 22 December. The discussion paper includes questions to guide your response. You may also wish to respond to the discussion paper more generally.

Please send submissions to the email or postal address in the table below. Electronic lodgement is preferred.

IMPORTANT: The department may publish your feedback on its website or cite your feedback in future reports. If you do not wish your feedback to be made public, please indicate this clearly.

Key contacts

Submissions and general enquiries can be made to the department via the below methods.

Method	Details
Email:	asg@dewr.gov.au
Post:	Australian Skills Guarantee team Department of Employment and Workplace Relations GPO Box 9880 Canberra ACT 2601
Website:	www.dewr.gov.au/australian-skills-guarantee

Introduction

Investing in skills and training is critical to building a pipeline of skilled workers, improving wellbeing and driving future economic growth. The Guarantee aims to use Government investment in major projects to help train the next generation of skilled workers. The Guarantee is a key commitment under the Government's *Secure Australian Jobs Plan*.

The Guarantee will ensure that one in 10 workers on major, Australian Government funded projects are an apprentice, trainee or paid cadet. At the Jobs and Skills Summit, the Government announced the Guarantee will include targets for women and a focus on the need for digital skills.¹

This discussion paper raises key design considerations for feedback, including the scope of the Guarantee, the targets and how the Guarantee will be implemented. The preliminary views in this discussion paper have been informed by experiences with existing state and territory government and Australian Government workforce policies.

Getting the design right is critical to ensuring the Guarantee delivers on the promise of supporting opportunities for apprentices, trainees and paid cadets.

In addition, this discussion paper identifies barriers for women in Vocational Education and Training (VET) and seeks responses on what supports could be provided to enable more women moving into higher paying careers through VET.

A glossary of terms is at [Appendix A](#), and a summary of key existing state and territory government policies is at [Appendix B](#).

Out of scope

There is work underway on a range of new procurement policies across the Australian Government, including the commitments under the *Buy Australian Plan* such as the *Secure Australian Jobs Code*.² More information about this can be found at www.finance.gov.au/business/buyaustrianplan.

As announced at the Jobs and Skills Summit, the Government has committed to work in partnership with states, territories and stakeholders to explore options to improve the apprenticeship support system and drive-up completions.³ A discussion paper has been published tracking the journey of an apprentice and seeks views on how key issues can be addressed at every stage of the apprenticeship life-cycle. While closely linked to successful implementation of the Guarantee, feedback on the apprenticeship support system is being sought separately and can be provided at www.dewr.gov.au/australian-apprenticeships.

The case for change

The Guarantee aims to support opportunities for apprentices, trainees and paid cadets, including women, and support businesses to train skilled workers by using Government investment in major projects.

1 Australian Government, Jobs and Skills Summit Outcomes, 1–2 September 2022. treasury.gov.au/sites/default/files/inline-files/Jobs-and-Skills-Summit-Outcomes-Document.pdf

2 The Future Made in Australia Office (fmiao@finance.gov.au) in the Department of Finance is coordinating delivery of the *Buy Australian Plan*.

3 The department is leading on this consultation. Australian Government, Jobs and Skills Summit Outcomes, 1–2 September 2022. treasury.gov.au/sites/default/files/inline-files/Jobs-and-Skills-Summit-Outcomes-Document.pdf

Employers play a central role, partnering with governments and the education sector, to secure a pipeline of workers and avoid future skills shortages

The tight labour market in Australia and the challenges many businesses are facing with recruitment has highlighted the importance of skills and training. Data from the Organisation for Economic Cooperation and Development (OECD) shows that Australia is experiencing the second most severe labour shortages in the developed world.⁴ According to the National Skills Commission, 31% of all occupations and 47% of occupations within the Technician and Trades Workers group are in shortage⁵ and in September 2022, 67% of recruiting employers reported difficulty hiring staff.⁶ These challenges are acute in vital sectors that rely on VET graduates, such as infrastructure investment projects.⁷ Skills shortages in key sectors can have wider impacts on productivity and output, and greater investment by employers in training is important in addressing these shortages.

The VET system is a partnership between the education sector, employers and governments, working together effectively to deliver on-the-job and off-the-job training that will set students up for successful, secure careers. Nowhere is this more critical than for apprenticeships and traineeships, where employers sign a Training Contract committing to provide workers with on-the-job training in a safe and supervised work environment, and release them to attend off-the-job training. This provides the apprentice with valuable, lived experience in the industry and delivers a pipeline of highly skilled workers. In return, employers can hire apprentices and trainees at the lower training pay rates and employers, apprentices and trainees are supported through financial and non-financial supports provided by government.

Paid cadetships also provide an opportunity to combine study, work and on-the-job training through a range of higher education and VET pathways.

Implementing the Guarantee will use the Government's investment to encourage businesses to train the next generation of skilled workers by providing a guaranteed stream of demand for apprentices, trainees and paid cadets.

The Guarantee can support a more diverse workforce

There is an important opportunity to use the Guarantee to increase the strength and diversity of the workforce for major projects, including to reduce gender segregation in occupations and industries and increase the participation of women in industries with a low level of female participation.

Currently, women make up 13.5% of the Australian construction workforce.⁸ While the number of women in apprenticeships has been gradually increasing in recent years, women are still very under-represented in "non-traditional" trade occupations, making up only 8.2% of current non-traditional trade apprentices (excluding hairdressers, animal attendants and trainers, and veterinary nurses).⁹ Only 4.9% of apprentices in training in construction are women.¹⁰

We need to build a skilled, agile and diverse workforce to maximise the opportunities presented by the structural transformations underway in Australia's economy, including increasing digitalisation, and to support the recovery from the COVID-19 pandemic. When employers invest in training, they build a skilled and diverse workforce which can help address skills shortages and support emerging industries.

4 Causa, O., et al. (2022), "The post-COVID-19 rise in labour shortages", *OECD Economics Department Working Papers*, No. 1721, OECD Publishing, Paris. doi.org/10.1787/e60c2d1c-en

5 National Skills Commission, Skills Priority List 2022. nationalskillscommission.gov.au/skills-priority-list

6 National Skills Commission, Recruitment Insights Report – September 2022. nationalskillscommission.gov.au/sites/default/files/2022-10/Recruitment%20Insights%20Report%20%20-%20September%202022.pdf

7 Reserve Bank of Australia, Statement on Monetary Policy – August 2022. rba.gov.au/publications/smp/2022/aug/domestic-economic-conditions.html

8 Departmental analysis of data from Australian Bureau of Statistics, Labour Force, Detailed, Quarterly, cat no. 6291.0.55.001, August 2022 release. abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/aug-2022

9 National Centre for Vocational Education Research (NCVER) 2022, Australian vocational education and training statistics: apprentices and trainees 2022 – March quarter. ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2022-march-quarter

10 NCVER 2022, Australian vocational education and training statistics: apprentices and trainees 2022, March quarter. ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2022-march-quarter

Discussion Topics

A. Design of the Guarantee

Chapter 1

Types of projects

The scope of the Guarantee will be determined by the types of projects, financial thresholds, workforce targets and the implementation approach. This chapter outlines a staged approach to the type of projects in scope, with the Guarantee first applied to major construction projects, followed by information technology (IT) projects.

Chapter 2

The financial threshold for major projects

The Guarantee will apply to major, Australian Government funded projects and so a key design factor is the financial threshold for a 'major project'. This chapter outlines options for the financial threshold for the Guarantee.

Chapter 3

One in 10 target

The Guarantee aims to ensure one in 10 workers on major, Australian Government funded projects are an apprentice, trainee or paid cadet. This chapter outlines options for calculating the target.

Chapter 4

Targets for women

The Guarantee offers an important opportunity to increase the diversity of the workforce for major projects, particularly in industries that have historically had a low level of participation by women. This chapter outlines options for the design of the targets for women.

B. Implementation of the Guarantee

Chapter 5

Implementation approach

The Guarantee could be implemented through a staged approach. This chapter outlines options for implementing the Guarantee through procurement policy, housing policy and national partnership agreements with state and territory governments.

Chapter 6

Managing performance

Establishing appropriate reporting and performance management mechanisms is important to ensure the Guarantee achieves its objectives. This chapter outlines options for collecting data on the impacts of the Guarantee.

Chapter 7

Roles and responsibilities

This chapter outlines the possible roles for business, Government agencies and state and territory government contracting agencies in implementing the Guarantee.

C. Initiatives to support women in VET

Chapter 8

Supporting women to achieve careers via VET pathways

The Government is considering initiatives to support women to achieve higher paying careers via VET pathways. This chapter seeks views on the design of future initiatives, drawing on experiences about what is most effective in attracting and retaining women in occupations that have low levels of women's participation.

A. Design of the Guarantee

Chapter 1: Types of projects

The scope of the Guarantee will be determined by the types of projects, financial thresholds, workforce targets and implementation approach.

Applying the Guarantee to major construction and facilities management projects as a first step

Initially, the Guarantee could be applied to major construction and facilities management projects. Most state and territory governments have already implemented similar targets for apprentices and trainees on major construction projects (see [Appendix B](#)). As a result, many suppliers and sub-contractors on major construction projects have experience managing workforce targets. This means that implementation in the construction sector could occur in a first phase of implementation of the Guarantee.

Available data indicates the construction industry is well positioned to meet the one in 10 target. In construction, it is estimated around one in 10 workers may already be an apprentice or trainee in 2022, which reflects that apprenticeship pathways are key pathways for trade occupations.¹¹ The implementation of the Guarantee in this environment would effectively set a floor for the construction industry, ensuring that apprenticeships and traineeships remain a critical entry pathway, in the face of a tight labour market.

The Guarantee could be applied to major construction projects funded through Australian Government procurement (for example, contracts for building construction and support and maintenance services), major social and affordable housing projects, and the National Partnership Agreement on Land Transport Infrastructure Projects (Land Transport Infrastructure NPA) (see [Chapter 5](#)).

In 2021–22, the Government committed around \$8.3 billion through direct procurement on Construction Services, representing around 10.3% of total value of all the contracts.¹² This includes the Government's procurement for services associated with the construction and maintenance of facilities, buildings, structures, roads and infrastructure.¹³ In addition, over the last 3 years, the Government has spent an average of over \$7 billion each year on land transport infrastructure through the Land Transport Infrastructure NPA.¹⁴

The Guarantee will not apply to contracts delivered overseas in whole or in part. Entities can consider voluntarily applying the Guarantee to contracts that include an overseas delivery component, as is the case in the Indigenous Procurement Policy.¹⁵

11 The rate is derived by calculating the number of apprentices and trainees in-training as at Q1 2022 as a percentage of employed persons as at February 2022. Australian Bureau of Statistics, Labour Force, Detailed, Quarterly, cat no. 6291.0.55.001, August 2022 release.

abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/aug-2022 NCVER 2022, Australian vocational education and training statistics: apprentices and trainees 2022 – March quarter. ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2022-march-quarter

12 Departmental analysis of data from AusTender 2021–22 (as at 12 August 2022). help.tenders.gov.au/getting-started-with-austender/information-made-easy/what-the-government-buys/. 'Construction Services' include those from 'Building and Construction and Maintenance Services' as per the United Nations Standard Product and Services Category Codes (UNSPSC). AusTender uses the UNSPSC to categorise contracts that have been awarded.

13 Departmental analysis of data from AusTender customised UNSPSC codeset May 2021 (updated 29/03/2022). data.gov.au/dataset/ds-dga-5c7fa69b-b0e9-4553-b8df-2a022dd2e982/details?q=austender

14 Data from the Department of Infrastructure, Transport, Regional Development, Communications and the Arts.

15 National Indigenous Australians Agency, Indigenous Procurement Policy, December 2020. niaa.gov.au/sites/default/files/publications/ipp-guide_0.pdf

Expanding the Guarantee to other industries and sectors

As a second stage, the Guarantee could be applied to major IT projects. This could include applying the Guarantee to a broader range of services contracts to support digital skills development, for example major Australian Government services contracts in skills and employment.

Over time, it is proposed that the Guarantee be expanded to apply to other industries and sectors. The Guarantee could also have an important role in supporting skill development in emerging industries, such as new clean and renewable energy projects funded by the Government.

In setting the scope of the Guarantee, as well as the timeline for implementation, it is important that current workforce metrics are considered, and this varies depending on the industry and occupation. Participation rates of apprentices and trainees for industries outside of construction range from less than 1% to around 10%.¹⁶ VET pathways are less common in the IT sector than in the construction industry. For example, in Computer System Design and Related Services, the participation rate of apprentices and trainees is estimated to be less than 1%.¹⁷

Data on participation rates for paid cadetships is not easily available, as there is no current national mechanism, standard or framework for recording and registering cadets.

Where the Guarantee is applied to projects outside of construction, alternative targets or timeframes may need to be considered (see [Chapters 3 and 4](#)).

Key questions for discussion:

1. What are the benefits and barriers associated with applying the Guarantee to major construction, IT, services contracts or new clean and renewable energy projects?
2. Are there any other types of projects or industries the Guarantee should be applied to?

¹⁶ The rate is derived by calculating the number of apprentices and trainees in-training as at Q1 2022 as a percentage of employed persons as at February 2022. Australian Bureau of Statistics, Labour Force, Detailed, Quarterly, cat no. 6291.0.55.001, August 2022 release. abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/aug-2022; NCVET 2022, Australian vocational education and training statistics: apprentices and trainees 2022 – March quarter. ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2022-march-quarter

¹⁷ Australian Bureau of Statistics, Labour Force, Detailed, Quarterly, cat no. 6291.0.55.001, August 2022 release. abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/aug-2022; NCVET 2022, Australian vocational education and training statistics: apprentices and trainees 2022 – March quarter. ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2022-march-quarter. It is important to note that it is more challenging to provide comprehensive data on the IT workforce given the workforce is split across and within industries, compared with data on construction workers who are within one industry.

Chapter 2: The financial threshold for major projects

The Guarantee will apply to major, Australian Government funded projects. The minimum financial threshold is a key design factor which will determine which projects are in scope for the Guarantee.

Construction Services is one of the largest categories in Australian Government procurement contracts by value, and includes the construction and maintenance of facilities, buildings, structures, roads and infrastructure. Within the Australian Government procurements for Construction Services in 2021–22, half of the total value of all contracts in this category (4,732 contracts) were captured by the largest 20 contracts, all of which were valued at \$50 million and more.¹⁸

The Australian Government committed around \$3.9 billion through procurement on Computer Services in 2021–22, representing around 4.8% of total value of all the contracts.¹⁹ In contrast to the construction industry, those projects were delivered through much smaller contracts. There were only 55 contracts with an individual value of \$7.5 million and above, and 17 contracts valued at \$20 million and above (see Table 1).²⁰

Two options are outlined for the financial threshold for the Guarantee in Table 1. The estimated coverage of each option is based on Australian Government procurement data from AusTender as per 2021–22 procurement contracts.

Table 1. Options for the financial threshold for the Guarantee and estimated coverage²¹

	Option 1 – \$7.5 million and above	Option 2 – \$20 million and above
Percentage of Australian Government contracts by value and by type	~74% in Construction Services ~35% in Computer Services	~66% in Construction Services ~24% in Computer Services
Number of Australian Government contracts	120 in Construction Services 55 in Computer Services	60 in Construction Services 17 in Computer Services

Option 1 would align with the threshold for Indigenous Procurement Policy²² and the Indigenous Employment and Supplier-Use Infrastructure Framework in the Land Transport Infrastructure NPA,²³ both of which apply certain Indigenous participation targets to contracts valued at \$7.5 million and above. This lower threshold would capture more projects in rural and regional areas. A \$7.5 million threshold also aligns with the threshold for requirements in the Commonwealth Procurement Rules for procurements for construction services, including the requirement to consider the broader benefit of the procurement to the Australian economy.²⁴

18 Departmental analysis of data from AusTender, 2021–22 (as at 12 August 2022). help.tenders.gov.au/getting-started-with-austender/information-made-easy/what-the-government-buys/. Only contracts from 'Building and Construction and Maintenance Services' as per the United Nations Standard Product and Services Category Codes (UNSPSC) are included. AusTender uses the UNSPSC to categorise contracts that have been awarded.

19 Departmental analysis of data from AusTender, 2021–22 (as at 12 August 2022). help.tenders.gov.au/getting-started-with-austender/information-made-easy/what-the-government-buys/

20 Departmental analysis of data from AusTender, 2021–22 (as at 12 August 2022). help.tenders.gov.au/getting-started-with-austender/information-made-easy/what-the-government-buys/

21 Departmental analysis of data from AusTender, 2021–22 (as at 12 August 2022). help.tenders.gov.au/getting-started-with-austender/information-made-easy/what-the-government-buys/

22 National Indigenous Australians Agency, Indigenous Procurement Policy, December 2020. niaa.gov.au/sites/default/files/publications/ipp-guide_0.pdf

23 The Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Indigenous Employment and Supplier-Use Infrastructure Framework, February 2019. investment.infrastructure.gov.au/files/Indigenous_Employment_and_Supplier-use_Infrastructure_Framework.pdf

24 Department of Finance, Commonwealth Procurement Rules – 1 July 2022. finance.gov.au/government/procurement/commonwealth-procurement-rules

Option 2 would align with the \$20 million procurement threshold in the Australian Industry Participation (AIP) plans for Government procurement.²⁵ In addition, Option 2 would reduce the administrative costs on employers and governments in implementing the Guarantee, by focusing effort on a smaller group of projects.

Option 2 would also reduce the Guarantee's application to projects in rural and regional areas, when compared with Option 1. This could have the benefit of providing employers with greater hiring flexibility, in the face of tight local labour market conditions, but would also reduce the stream of demand for apprentices and trainees in these areas, which often have higher youth unemployment.

Financial thresholds for projects with targets for apprentices, trainees and cadets vary in existing state and territory government policies, with minimum thresholds ranging from \$250,000 to \$50 million (see [Appendix B](#)). Only South Australia applies a threshold higher than \$20 million, which applies targets to projects valued at \$50 million or more.

For ease of administration, one threshold is proposed for all types of major projects, including construction and IT projects. Most state and territory governments have the same thresholds for all types of construction projects, while Queensland and Tasmania apply different thresholds to civil construction and building construction contracts.

Key questions for discussion:

3. Of the two options for the financial threshold for the Guarantee, which is preferable and why? Do you agree with the proposal for one financial threshold across a range of types of projects, including construction and IT projects?
4. What has been your experience of achieving workforce targets set in existing procurement policies? What is the size of the project and/or business?
5. What are the possible impacts of the financial thresholds proposed on projects in rural and regional Australia?

Chapter 3: One in 10 target

The Guarantee seeks to ensure one in 10 workers on major, Australian Government funded projects is an apprentice, trainee, or paid cadet. This chapter proposes options on how to calculate the target.

Calculating the one in 10 target for major construction and facilities management projects

For construction and facilities management projects, the one in 10 target could be calculated using total labour hours of the workforce for the contract, including sub-contractors. This aligns with the approach taken in the existing state and territory government policies – all initiatives allow for or require sub-contractors to contribute to targets, and the majority calculate their targets using total labour hours (see [Appendix B](#)).

Calculating targets using labour hours (instead of headcount) would support an accurate reflection of participation on major projects, for example where an apprentice is on site for only a few hours or days. Applying the target to total labour hours automatically considers varying ratios of project costs for labour and materials, for example for civil constructions projects which may have a lower ratio of costs for labour.

²⁵ Department of Industry, Science and Resources, Australian industry participation. industry.gov.au/major-projects-and-procurement/australian-industry-participation

It is not proposed to impose a requirement to hire local or in-state apprentices, trainees or cadets, to ensure employers with a mobile workforce are able to retain recruitment flexibility. Not imposing a 'hire local' requirement would also simplify administration and better support cross-border employers (such as those working around the Australian Capital Territory or in cities such as Albury-Wodonga).

Regarding sub-contractors, consideration will be given to whether manufacturers and suppliers of materials used in the delivery of goods and services under the contract are in scope for the Guarantee. In some states and territories, manufacturers and suppliers of materials are exempt from workforce targets.

Inclusion of paid cadets

Apprenticeships and traineeships are a regulated employment arrangement, delivered through the VET system and based on a Training Contract that is agreed between the apprentice/trainee and the employer and approved by the State Training Authority²⁶. These arrangements are then reported to the Government via the Apprenticeship Data Management System (ADMS), making tracking and reporting simpler. Modern awards and enterprise agreements may also provide minimum standards and conditions of employment for apprentices and trainees.

Cadetships are not regulated or reported in the same way as apprentices and trainees and there is no single definition or legal arrangement used when employers take on a cadet.

Often cadetships are defined through role descriptions and cadetship programs. Some modern awards have specific definitions, classifications and/or rates of pay for cadets. However, most modern awards do not contain specific definitions of cadets but they may still be relevant in terms of setting minimum terms and conditions of employment. Enterprise agreements may also provide terms and conditions for cadets.

The construction industry offers cadetships for a range of tertiary level qualifications, including roles in site management, engineering, architecture, surveying and supply chain, advisory and engagement. As such, including paid cadets in the Guarantee would support the inclusion of construction industry students in non-trade roles and those completing tertiary level qualifications. Including cadets would also support suppliers for projects outside of construction to meet targets for the Guarantee, as a broader range of qualifications and occupations could be captured by cadetships.

To incorporate paid cadetships within the scope of the Guarantee, it will be essential to define a cadetship to manage the scope of the targets and to establish arrangements to enable reporting of cadetships (see [Chapter 6](#)).

For the purpose of the Guarantee, it is proposed that a paid cadet be defined as:

A paid employee who is employed in an entry-level role and undertaking academic study through either the VET or higher education system towards a recognised qualification, where the employer has committed to providing the employee with on-the-job training and support to complete the specified course of academic study.

Alternative targets or flexibility for contracting agencies could support applying the Guarantee to projects outside of construction

For projects outside of construction, where apprenticeship and traineeship pathways are typically less common, it may be necessary to apply the Guarantee in a different way. We are interested in hearing from contracting agencies, industry and current and potential suppliers on how to apply the Guarantee to projects outside of construction. This could be through:

- **Option 1:** applying the target beyond apprentices, trainees or paid cadets to 'learning workers'; or
- **Option 2:** allowing greater flexibility for contracting agencies to determine targets on a project-by-project basis.

²⁶ Australian Apprenticeships Pathways, How does Employment Work. aapathways.com.au/about/employment

Learning workers

Under Option 1, the target could be met through a broader 'learning worker' definition, that would allow employers to count employees who are undertaking accredited VET or higher education training outside of an apprenticeship, traineeship or cadetship arrangement that is formally supported by the employer. For example, New South Wales has a higher target for learning workers on major construction projects than the target for apprentices and trainees (see [Appendix B](#)), and this could help to support suppliers to upskill employees on projects outside of construction where apprenticeship and traineeship pathways are less common.

This would support lifelong learning and upskilling of workers throughout their career. It may be of particular use in relation to digital skills, to ensure workers continue to gain new skills in emerging technology. If this approach were adopted, careful consideration is needed to ensure appropriate protections for individuals and quality of training, and there would need to be a system to report additional details on learning workers, like the approach to reporting on paid cadets (see [Chapter 6](#)).

Flexibility to determine targets on a project-by-project basis

Option 2 would allow flexibility in the way contracting agencies establish targets. This could allow for the consideration of the current rates of apprentices, trainees and paid cadets in an industry or type of project during the tender process and allow application of the policy to be tailored to local conditions. If this approach were adopted, procurement officials would need to be supported with a set of principles outlining how targets could be applied. This approach could then be reviewed after an initial implementation period.

Across all existing state and territory government initiatives, contracting agencies are required to ensure compliance and manage reporting requirements. Variations to targets are allowed in New South Wales, Queensland, Western Australia, South Australia and Tasmania, and for initiatives within the Australian Capital Territory, targets are determined on a case-by-case basis.

Key questions for discussion:

6. For major construction projects, what are the benefits and barriers of the one in 10 target being calculated using the total labour hours of the workforce, including sub-contractors? Are there any alternative approaches to calculating the one in 10 target that would address the barriers you have identified?
7. How should paid cadets be included in the Guarantee? Do you agree with the proposed definition?
8. What are the challenges or support needed to meet the one in 10 target for major projects by small to medium enterprises and/or in rural and regional areas?
9. For projects outside of construction, should the Guarantee apply to a broader definition of a 'learning worker' (Option 1)? What are the benefits and risks associated with allowing the Guarantee to be applied differently on a project-by-project basis (Option 2)?



Skills shortages are anticipated to peak at 19,000 project management professionals; 70,000 engineers, scientists, and architects; 16,000 structural and civil trades and labour; and 14,000 finishing trades and labour at different points across the next 3 years.²⁷

²⁷ Infrastructure Australia, Infrastructure workforce and skills supply report, 2021. infrastructureaustralia.gov.au/sites/default/files/2021-11/Infrastructure%20Workforce%20and%20Skills%20Supply%20report%20211117.pdf

Chapter 4: Targets for women

The Guarantee offers an important opportunity to increase the diversity of the workforce for major projects, particularly in roles in industries that have a low level of participation by women.

At the Jobs and Skills Summit, the Government announced that the Guarantee will include specific targets for women and a focus on the need for digital skills.²⁸ The Guarantee's targets for women aim to build on the work already undertaken by some state and territory governments and businesses to increase the number of women working on major projects. This chapter outlines options for the targets for women.

As at September 2022, women's workforce participation was 62.3%, and the female unemployment rate was 3.6%.²⁹ However, Australia's labour market remains highly gender segregated, with little change to this trend over the past 20 years.³⁰ In addition to gender segregation, other challenges for women's workforce participation include gender pay gaps and gender discrimination³¹. The Workplace Gender Equality Agency reports that the construction industry has the largest gender pay gap of all industries in Australia, with women in the construction industry earning, on average, 30.6% less than men.³²

The construction industry remains male-dominated. Women make up only 13.5% of workers in the Australian construction industry, despite women making up almost half of the paid workforce.³³ Only 4.9% of apprentices in-training in construction are women, which is significantly below the 29.5% of apprentices across all industries who are women.³⁴ And within the IT sector, currently only 26.8% of workers in the Computer System Design and Related Services subdivision are women.³⁵

Targets for women on major projects align with broader initiatives to improve the diversity of workplaces. The Government is implementing the 2021 Review of the *Workplace Gender Equality Act 2012*, which will require individual companies with 500 or more employees to set targets to improve gender equality within their organisations.

Options to implement targets for women

The targets for women aim to increase women's access to more opportunities and support employers to address skills shortages. Including paid cadets in the Guarantee would support work to increase the participation of women in non-trade occupations in major projects, for example engineering cadets.

Options for the targets of the Guarantee include a percentage of the following being women:

- **Option 1:** apprentices, trainees and paid cadets;
- **Option 2:** the trades workforce of major projects; or
- **Option 3:** the whole workforce for a project.

Each of these options have benefits and disadvantages and a combination may be appropriate.

28 Australian Government, Jobs and Skills Summit Outcomes, 1–2 September 2022.

treasury.gov.au/sites/default/files/inline-files/Jobs-and-Skills-Summit-Outcomes-Document.pdf

29 Australian Bureau of Statistics, Labour Force, September 2022 – Participation rate, seasonally adjusted, and unemployment rate. abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/sep-2022

30 Workplace Gender Equality Agency, Gender segregation in Australia's workforce, April 2019. wgea.gov.au/publications/gender-segregation-in-australias-workforce

31 Australian Government, Women's Budget Statement, October 2022–23 Budget. budget.gov.au/2022-23-october/content/womens-statement/download/womens_budget_statement_2022-23.pdf

32 Workplace Gender Equality Agency, Australia's gender equality scorecard, February 2022. wgea.gov.au/sites/default/files/documents/2020-21_WGEA_SCORECARD.pdf

33 Australian Bureau of Statistics, Labour Force, Australia, Detailed August 2022. abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/aug-2022 Australian Bureau of Statistics, Changing female employment over time, February 2021. abs.gov.au/articles/changing-female-employment-over-time

34 NCVER 2022, Australian vocational education and training statistics: apprentices and trainees 2022, March quarter. ncver.edu.au/research-and-statistics/publications/all-publications/apprentices-and-trainees-2022-march-quarter

35 Australian Bureau of Statistics, Labour Force, Australia, Detailed August 2022. abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/aug-2022

Applying targets to apprentices, trainees and paid cadets (in Option 1) would focus attention on the pipeline for women into major projects, for example for trade pathways in construction. This is the approach for one of the targets in Victoria, where 4% of contract work must be undertaken by women in an apprenticeship or traineeship (see [Appendix B](#)).

Applying the target to only the trades workforce (in Option 2) would create a stronger incentive for employers to take on women in trade roles, providing female supervisors and role models for women in an apprenticeship or traineeship. Encouraging women into more highly paid trade roles could also have a greater impact on the gender pay gap. However, given the small number of women working in the trades, it may be challenging for employers to meet this requirement. Option 2 would not be well suited for industries outside of construction, for example for IT projects, where apprenticeship and traineeship pathways are less common. Therefore, this target would need to reflect what is achievable for different industries. New South Wales and Victoria both have targets for women in the trades workforce, at 2% and 3% respectively (see [Appendix B](#)).

Applying the target to the workforce as a whole (in Option 3) would provide suppliers and sub-contractors with the greatest flexibility. This approach may mean that it is possible to set a higher target initially than if Option 1 or 2 is selected. It would encourage the hiring of women into a range of jobs including managerial positions and not only apprenticeships, traineeships and paid cadetships. However, this option may have a limited impact addressing occupation gender segregation, and by extension the gender pay gap, as it does not specifically encourage women into higher paid roles such as trade roles.

Setting the targets

There is a wide range in the rate at which women are participating in different industries and occupations, indicating that there is a need to set different targets by industry as part of the Guarantee. The aim is to ensure that the targets drive a change in behaviour, but that they are also achievable.

The targets could vary either by percentage level or by the time period over which employers are expected to meet them. For example:

- a lower set of targets could be set with the expectation that employers meet it within one year of the Guarantee being announced; or
- higher targets could be set, with a transition period of 2 years, giving suppliers time to prepare to meet the targets. Targets could then continue to ratchet up further over time.

Furthermore, there is the potential for further targets to be considered at a later stage including targets for other cohorts such as people with disability and First Nations people. In considering additional targets, it is important to avoid duplicating existing policies, for example the targets for First Nations people in the Indigenous Procurement Policy and the Indigenous Employment and Supplier-Use Infrastructure Framework in the Land Transport Infrastructure NPA.

Key questions for discussion:

10. Of the options for targets for women, which do you prefer and why? For your preferred option, what target percentage of women do you believe would be achievable and by when? *For example, in 2 years' time 10% of all apprentices, trainees and paid cadets on construction projects should be women.*
11. If your state/territory government or business sets any targets for women working on major projects, what has been your experience implementing the targets? What worked well and what did not work?
12. What will incentivise you to meet these targets and integrate gender equality strategies within your organisation, and what do you see as potential barriers to these targets being met?
13. What supports are needed to enable more women to enter, and thrive in these workplaces, enabling businesses to meet these targets?

B. Implementing the Guarantee

Chapter 5: Implementation approach

The Guarantee could be implemented through a staged approach, such as along the following lines in Table 2.

Table 2. Proposed approach to implementation

Timeframe	Guarantee applied to:
From July 2023	The Guarantee is required to be reflected in Requests for Tender for major construction projects and facilities management contracts funded through Australian Government procurement via a Procurement Connected Policy (PCP).
From July 2024	The Guarantee is required to be reflected in Requests for Tender for: <ul style="list-style-type: none"> ■ major IT projects funded through Australian Government procurement via a PCP; ■ joint major construction projects with state and territory governments under the next Land Transport Infrastructure NPA; and ■ major social and affordable housing construction projects funded by the Australian Government, as outlined in the Housing Accord.
From July 2025 and onwards	The Guarantee is required to be reflected in Requests for Tender for projects in additional industries through an expanded PCP, on a project-by-project basis, or other National Partnership Agreements.

Under a staged approach, feedback on the design considerations for the Guarantee (outlined in [Chapters 1 to 4](#)) would inform the development of the initial PCP, with other approaches to follow and review points built in.

Implementing the Guarantee through a Procurement Connected Policy to capture major Government procurements

The Guarantee could be applied to certain projects delivered directly by the Commonwealth, through the development of a new PCP. PCPs are Commonwealth policies that the Australian Government has agreed to connect to the Commonwealth Procurement Rules. These policies seek to support Government to deliver wider policy goals. A new PCP could require relevant Commonwealth agency staff to request suppliers meet participation requirements for apprentices, trainees and paid cadets in the workforce on certain major projects.

The PCP would initially apply to major projects on construction that meet the relevant financial threshold (see [Chapters 1 and 2](#)) and then be expanded to include major IT projects. There is a requirement to annually review PCPs, providing an opportunity to consider any changes, such as expanding the Guarantee to other industries.

Implementing the Guarantee through the next Land Transport Infrastructure NPA to capture significant investments in road and rail infrastructure

To apply the Guarantee to major land infrastructure projects, the Guarantee could be delivered through the next Land Transport Infrastructure NPA. The Land Transport Infrastructure NPA is the vehicle for providing funding to the states and territories to deliver land transport infrastructure. The next Land Transport Infrastructure NPA starts on 1 July 2024.

The department will work with the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, which will lead on negotiations with state and territory governments as part of their responsibility for the Land Transport Infrastructure NPA.

Implementing the Guarantee to major social and affordable housing projects

As announced as part of the Housing Accord on 25 October 2022, the Guarantee will also be applied to major social and affordable housing projects funded by the Australian Government.

The department will work with the Department of the Treasury, which will lead on the implementation of the Housing Accord.

Implementing the Guarantee through other approaches as part of an expansion of the Guarantee

Consideration could be given to expanding the Guarantee further. This may include expanding the PCP, applying the Guarantee on a project-by-project basis (for example, to new clean and renewable energy projects or to major Government contracts in skills or employment) or applying the Guarantee to other National Partnership Agreements. In addition, Government Business Enterprises could be encouraged to voluntarily apply the Guarantee to their investments – it is not mandatory for most Government Business Enterprises to meet requirements under a PCP.

Key questions for discussion:

14. Are there any barriers to the proposed implementation approach outlined in Table 2? For sectors where an apprenticeship, traineeship or paid cadetship is not a typical entry pathway, what lead time would be required to adjust to the application of the Guarantee and why?
15. Do the implementation approaches explored in this chapter cover the greatest opportunities for delivering the Guarantee?
16. What outcomes can be achieved through the Guarantee and how do you think the Guarantee will help build a skilled workforce?

Chapter 6: Managing performance

Establishing appropriate reporting and performance management mechanisms is important to ensure the Guarantee achieves its objectives. This chapter outlines options for collecting data on the impacts of the Guarantee.

Reporting is key to understanding the impact of the Guarantee

It is important that suppliers for major projects take the lead role in monitoring their performance against the Guarantee and reporting outcomes. It is proposed that suppliers regularly report their performance, for example quarterly or annually, against the targets at the project-level using a provided formula which reflects the methodology of calculating the targets.

To support more detailed reporting, as well as compliance activities, a range of information could be collected about the apprentices, trainees and paid cadets.

What information will need to be reported?

The aim is to minimise the regulatory burden on suppliers and sub-contractors by only requiring the collection of key data for reporting and compliance, and to leverage existing systems as much as possible.

Currently, the Government collects a range of data on apprenticeships and traineeships through the ADMS, including Training Contract IDs and Australian Business Numbers of employers.³⁶ Further work is required to identify how this information could be drawn upon to reduce reporting requirements for suppliers and sub-contractors.

Additional data may need to be collected on paid cadets to support reporting and compliance, as cadets are not regulated or reported on through the ADMS. In addition, if the 'learning worker' approach were to be adopted for some contracts, additional data would also need to be collected.

Reporting method

Several options are being considered to support suppliers to report performance against the targets.

A proactive approach to reporting will support implementation of the Guarantee. For example, the Land Transport Infrastructure NPA requires public reporting on agreed targets. Public reporting encourages compliance, provides public accountability and promotes collaboration with contracting agencies without imposing consequences that put projects at risk of non-completion.

Supporting suppliers

Existing state and territory government policies emphasise the importance of education for successful implementation and promote supporting suppliers to meet targets as much as possible. The contracting agency acts as the first point of contact and is encouraged to work with the supplier to address any compliance or reporting concerns. It is important to link suppliers to existing supports for recruiting and retaining apprentices, trainees and paid cadets. The Guarantee will be supported by the Australian Apprenticeships Incentive System which supports businesses and individuals to take on an apprenticeship, including through financial incentives to help employers with the costs of hiring, training and retaining an apprentice.

Consequences for not meeting targets will depend on the implementation approach. For example, past performance against the Guarantee may be considered in future tender processes.

³⁶ Training Contract IDs are also known as a Tracking Code in the Training Contract which is signed by the employer and apprentice.

The Guarantee should complement existing state and territory government policies

There are a range of existing state and territory government policies with targets for apprentices, trainees and cadets on major construction projects (see [Appendix B](#)). The aim is to design and implement the Guarantee to complement existing policies and to support a national approach to building a skilled workforce.

To minimise duplication, a similar approach can be adopted for joint projects under the Guarantee as occurs for joint projects in the Land Transport Infrastructure NPA. Under the Land Transport Infrastructure NPA, where existing state and territory government policies that meet or exceed the Australian Government's requirements, the relevant Australian Government agency will consider accepting the state's plan on a case-by-case basis.³⁷ It will still be important that suppliers meet the reporting requirements of the Guarantee to ensure there is national data on performance.

Key question for discussion:

17. If you are a potential supplier or sub-contractor, what would support you to implement the Guarantee and to collect and report data on apprentices, trainees and paid cadets?

Chapter 7: Roles and responsibilities

Engagement from businesses and contracting agencies is essential to implementing the Guarantee. This chapter outlines the likely roles for business and Australian Government and state and territory government contracting agencies in implementing the Guarantee. Feedback on the costs of implementing, reporting and administering the Guarantee is welcome.

The Guarantee will place obligations on several parties, including businesses, contracting agencies, and the department. The Guarantee will require:

- Businesses to play an essential role in delivering the Guarantee, with:
 - tenderers to provide all required information and address necessary criteria associated with the Guarantee;
 - additional recruitment processes to find suitable apprentices, trainees or paid cadets;
 - supervision of apprentices, trainees and paid cadets on-the-job and paying for the cost of off-the-job training fees and textbooks for apprentices and trainees; and
 - collection of information and keeping record on apprentices, trainees or paid cadets and reporting to the contracting agency.

³⁷ Department of Infrastructure, Transport, Regional Development, Communications and the Arts, Notes on Administration for Land Transport Infrastructure Projects 2019 – 2024, January 2021.
investment.infrastructure.gov.au/files/notes_on_administration/notes-on-administration-january-2021.pdf

- Contracting agencies to play the lead role in managing the day-to-day implementation of the Guarantee, including:
 - incorporating the Guarantee requirements into the Approach to Market – this would include consideration of work specifications, evaluation criteria, and tender response templates;
 - following responses from tenderers, evaluating responses and clarifying information where required – this would include consideration of those able to meet the requirements of the Guarantee;
 - after the tender is awarded (contracts signed), monitoring and managing performance of suppliers against targets; and
 - working with the department, ensuring suppliers report performance against targets and that collection of information is complete and timely.
- State and territory government agencies to liaise with the relevant Australian Government agency on how the targets under the Guarantee will be met for joint projects.
- The department to continue to be the policy lead for the Guarantee, including:
 - developing guidance and policy documentation for contracting agencies and businesses, including model Approach to Market and contractual clauses;
 - monitoring implementation at whole of government level;
 - facilitating reporting by leveraging the ADMS; and
 - evaluating through post-implementation reviews.

Key question for discussion:

- 18.** What are the additional costs that are likely to be incurred by business to meet the requirements under the Guarantee, including the need to provide a safe and supportive workplace for women?
- 19.** For potential tenderers, what are the likely costs associated with increased time and resources for you to complete tendering requirements?
- 20.** For potential suppliers, will you need to change your recruitment practices to meet the targets under the Guarantee and if so, how and what are the likely additional costs of recruitment? What are the likely additional costs of supervising an apprentice, trainee or paid cadet and reporting on progress against the targets in the Guarantee? Could a community of practice, or similar, provide a useful forum to share learnings on how to support more women to thrive in workplaces in heavily male dominated industries?
- 21.** For contracting agencies, what are the likely additional costs of monitoring performance against the targets or providing support to suppliers to understand the Guarantee?

C. Initiatives to support women in VET

Chapter 8: Supporting women to achieve careers via VET pathways

When more women are in paid work, economies grow.³⁸

Women are well represented in VET and VET can provide a pathway to enhance the economic security and equality of women. The Government is considering initiatives to support women to access and participate in higher paying careers via VET pathways.

Studies and research from Australia and abroad indicate a positive link between education and training attainment, and higher wages.³⁹ It's accepted that education and training leads to increased employment opportunities and earning potential. Generally speaking, attainment of additional and/or increased qualifications and skills signals a greater capacity to be productive, it also increases opportunities for employment and career and wage progression. Women report improved employment outcomes following completion of VET.

VET supports attainment of practical skills-based qualifications to:

- Support job readiness – whether entering or re-entering the workforce.
- Enhance and expand your skillset – whether looking for a new or different career, or to progress in a current one.
- Achieve a higher paying career – whether looking for a career with greater employment and pay prospects (for example, traditionally male-dominated trades and industries) or to advance in a current area of expertise via executive and management opportunities.

We know that gender segregation is significant. It is seen in the training system and remains persistent in some industries and occupations⁴⁰. Generally, male dominated occupations and industries experience higher pay (for example, trade workers in the mining and construction industries) than those working in female dominated industries and occupations (for instance, care workers in the health care and social assistance industry).

There are a range of factors that contribute to the gender occupational segregation, particularly in the traditional trades, ranging from gender norms set very early in children's lives through to the nature of career advice provided to school aged women and the culture, physical and emotional safety, work settings and the broader work environment on site.

Not only do organisations in male-dominated industries struggle to attract women to consider and apply for jobs, they also face challenges in retaining women⁴¹. Additionally, the Respect@Work: National Inquiry into Sexual Harassment in Australian Workplaces heard that while not the only factor to drive sexual harassment in the workplace, gender inequality is an underlying condition for sexual harassment to occur and there is a higher risk of experiencing sexual harassment in male-dominated workplaces⁴².

38 United Nations Women, Facts and Figures: Economic Empowerment, July 2018. unwomen.org/en/what-we-do/economic-empowerment/facts-and-figures

39 L. Wheelahan, G. Moodie, Gig qualifications for the gig economy: micro-credentials and the 'hungry mile', Higher Education, 83, 1279–1295, 2022. link.springer.com/article/10.1007/s10734-021-00742-3; G. Psacharopoulos, H. A. Patrinos, Returns to investment in education: a decennial review of the global literature, Education Economics, volume 26, 2018, issue 5. doi.org/10.1080/09645292.2018.1484426; World Bank, Skills Development, 21 July 2021. worldbank.org/en/topic/skillsdevelopment

40 Workplace Gender Equality Agency, Gender Segregation in Australia's Workforce, April 2019. wgea.gov.au/publications/gender-segregation-in-australias-workforce#remuneration-gender-segregation

41 Donna Bridges et al. (2022), Girls in Trades, Tokenism and Sexual Harassment inside the VET classroom, Journal of Vocational Education and Training. [tandfonline.com/doi/full/10.1080/13636820.2022.2084768?casa_token=Dnqafilr160AAAAA%3AKWj1Z8EhkSEvXwJsCa71b_bqgxMvb2TQk6KJbPEAkYO4zrJVg-AB3a9xqJuCzFTsdG9Ec2xy2hCIHQ](https://doi.org/10.1080/13636820.2022.2084768?casa_token=Dnqafilr160AAAAA%3AKWj1Z8EhkSEvXwJsCa71b_bqgxMvb2TQk6KJbPEAkYO4zrJVg-AB3a9xqJuCzFTsdG9Ec2xy2hCIHQ)

42 AHRC (2020) Respect@Work: National Inquiry into Sexual Harassment in Australian Workplaces. humanrights.gov.au/sites/default/files/document/publication/ahrc_respectwork_community_guide_2020.pdf

Key questions for discussion:

- 22. How can we encourage and support more women to consider a career in and undertake trade occupations?
- 23. What do you consider to be the most effective programs or policies in supporting women to commence and complete a trade apprenticeship?
- 24. What could we do to make the culture of male-dominated trades more inclusive?
- 25. How can we support the retention of women working in major projects and support them to stay in industries over the longer-term?

Women returning to the workforce following a break can face significant obstacles. Rebuilding confidence, building up a new professional network, updating existing skills and learning new ones, and the availability of flexible and inclusive employment opportunities are just some of the challenges women can encounter.

Key question for discussion:

- 26. What can we do to better support women to successfully remain, re-enter and advance in the workforce?

Australia is experiencing a critical shortage of skilled workers across a range of industries. Women are well represented in VET and VET provides an opportunity for women to quickly learn practical and accredited skills to secure employment in occupations in demand. VET also offers an effective and flexible career pathway.

Key questions for discussion:

- 27. What can we do to support and encourage women to seek a career via a VET pathway?
- 28. Is there an initiative or mechanism that you consider has been successful in supporting and encouraging women to pursue a career via a VET pathway?

Next steps

You are invited to provide a submission by 5pm AEDT, Thursday 22 December. More information is available at www.dewr.gov.au/australian-skills-guarantee and if you have any further questions about this discussion paper, please contact the department at asg@dewr.gov.au.

Summary of discussion questions

When answering the following questions, we ask that you do so from the perspective of needing to develop a Guarantee that can be applied generally across a range of projects and implementation approaches.

Chapter 1 – Types of projects

1. What are the benefits and barriers associated with applying the Guarantee to major construction, IT, services contracts or new clean and renewable energy projects?
2. In addition to those listed in Chapter 1, are there any other types of projects or industries the Guarantee should be applied to?

Chapter 2 – The financial thresholds for major projects

3. Of the two options, outlined in Chapter 2, for the financial threshold for the Guarantee, which is preferable and why? Do you agree with the proposal for one financial threshold across a range of types of projects, including construction and IT projects?
4. What has been your experience of achieving workforce targets set in existing procurement policies? What is the size of the project and/or business?
5. What are the possible impacts of the financial thresholds proposed on projects in rural and regional Australia?

Chapter 3 – One in 10 target

6. For major construction projects, what are the benefits and barriers of the one in 10 target being calculated using the total labour hours of the workforce, including sub-contractors? Are there any alternative approaches to calculating the one in 10 target that would address the barriers you have identified?
7. How should paid cadets be included in the Guarantee? Do you agree with the proposed definition?
8. What are the challenges or support needed to meet the one in 10 target for major projects by small to medium enterprises and/or in rural and regional areas?
9. For projects outside of construction, should the Guarantee apply to a broader definition of a 'learning worker' (Option 1)? What are the benefits and risks associated with allowing the Guarantee to be applied differently on a project-by-project basis (Option 2)?

Chapter 4 – Targets for women

10. Of the options for targets for women, which do you prefer and why? For your preferred option, what target percentage of women do you believe would be achievable and by when? *For example, in 2 years' time 10% of all apprentices, trainees and paid cadets on construction projects should be women.*
11. If your state/territory government or business sets any targets for women working on major projects, what has been your experience implementing the targets? What worked well and what did not work?
12. What will incentivise you to meet these targets and integrate gender equality strategies within your organisation, and what do you see as potential barriers to these targets being met?
13. What supports are needed to enable more women to enter, and thrive in these workplaces, enabling businesses to meet these targets?

Chapter 5 – Implementation approach


14. Are there any barriers to the proposed implementation approach outlined in Table 2? For sectors where an apprenticeship, traineeship or paid cadetship is not a typical entry pathway, what lead time would be required to adjust to the application of the Guarantee and why?
15. Do the implementation approaches explored in Chapter 5 cover the greatest opportunities for delivering the Guarantee?
16. What outcomes can be achieved through the Guarantee and how do you think the Guarantee will help build a skilled workforce?

Chapter 6 – Managing performance

17. If you are a potential supplier or sub-contractor, what would support you to implement the Guarantee and to collect and report data on apprentices, trainees and paid cadets?

Chapter 7 – Roles and responsibilities

18. What are the additional costs that are likely to be incurred by business to meet the requirements under the Guarantee, including the need to provide a safe and supportive workplace for women?
19. For potential tenderers, what are the likely costs associated with increased time and resources for you to complete tendering requirements?
20. For potential suppliers, will you need to change your recruitment practices to meet the targets under the Guarantee and if so, how and what are the likely additional costs of recruitment? What are the likely additional costs of supervising an apprentice, trainee or paid cadet and reporting on progress against the targets in the Guarantee? Could a community of practice, or similar, provide a useful forum to share learnings on how to support more women to thrive in workplaces in heavily male dominated industries?
21. For contracting agencies, what are the likely additional costs of monitoring performance against the targets or providing support to suppliers to understand the Guarantee?



Chapter 8 – Initiatives to support women in VET

- 22.** How can we encourage and support more women to consider a career in and undertake trade occupations?
- 23.** What do you consider to be the most effective programs or policies in supporting women to commence and complete a trade apprenticeship?
- 24.** What could we do to make the culture of male-dominated trades more inclusive?
- 25.** How can we support the retention of women working in major projects and support them to stay in industries over the longer-term?
- 26.** What can we do to better support women to successfully remain, re-enter and advance in the workforce?
- 27.** What can we do to support and encourage women to seek a career via a VET pathway?
- 28.** Is there an initiative or mechanism that you consider has been successful in supporting and encouraging women to pursue a career via a VET pathway?

Appendices


Appendix	Title
Appendix A	Glossary of terms
Appendix B	Existing state and territory government targets for apprentices, trainees and cadets


Appendix A: Glossary of terms


Term	Definition in the Australian Skills Guarantee context
Apprentice/ trainee	Refers to a person undertaking an Australian Apprenticeship that combines a formal qualification with paid employment. It is vocational training underpinned by a training contract approved by the relevant State Training Authority involving on-the-job and off-the-job training.
Construction Services (as a procurement category)	Refers to Building and Construction and Maintenance Services as per United Nations Standard Product and Services Category Codes customised for AusTender. This procurement category includes services associated with the construction and maintenance of facilities, buildings, structures, roads and infrastructure. It also includes trades such as general contractors, electricians, plumbers, carpenters, painters, and roofing, landscaping, gardening and pest control. See definition for Procurement category.
Contracting agency	The government 'buyer' developing and managing the tender process and establishing a contract with a supplier.
Higher/Tertiary Education	Higher/Tertiary Education consists of awards spanning <i>Australian Qualification Framework</i> levels 5–10, which include: diplomas; advanced diplomas; associate degrees; bachelor degrees (including honours); graduate certificates; graduate diplomas; masters degrees; doctoral degrees; and higher doctoral degrees. It is mostly theory-based learning and some courses include practical elements.
Learning worker	A paid employee undertaking accredited VET or higher education training (full or part qualification), outside of an apprenticeship, traineeship or cadetship arrangement, relevant to the employment and skills needs of the employer.
Paid cadet	A paid employee who is employed in an entry-level role and undertaking academic study through either the VET or higher education system towards a recognised qualification, where the employer has committed to providing the employee with on-the-job training and support to complete the specified course of academic study.
Procurement category	AusTender uses the United Nations Standard Product and Services Category Codes (UNSPSC) to categorise contracts that have been awarded. A full list of UNSPSC Codes used by AusTender can be found on data.gov.au .


Term	Definition in the Australian Skills Guarantee context
Sub-contractor	An individual or business firm contracting to perform part or all of another's contract.
Supplier	A person or entity that has entered into a contract with the Commonwealth to provide a product or service.
Trades	Occupations that are classified as technicians and trade workers. Occupations are classified using the Australian and New Zealand Standard Classification of Occupations (ANZSCO), First edition, Revision 2.
Vocational Education and Training (VET)	VET delivers competency-based, nationally-recognised, industry-endorsed training. VET offers qualifications across Certificate I to a postgraduate degree.


Appendix B: Existing state and territory government targets for apprentices, trainees and cadets


State	Program	Start Date	Overview	 Targets
NSW	Infrastructure Skills Legacy Program	2016	<p>Mandatory since 2020, this program sets minimum targets for employment of apprentices, trainees, learning workers, women, and First Nations people across eligible projects.</p> <p>It requires sub-contractors to comply with targets on eligible projects and allows suppliers to consider their capacity to do so.</p> <p>Reporting must include headcount and hours worked to support various reporting needs.</p>	<p>Targets are calculated using formulas based on the number of hours worked. Target thresholds vary depending on the size of the project.</p> <p>Over \$7.5 million:</p> <ul style="list-style-type: none"> Must apply the relevant Aboriginal Procurement Policy targets. <p>Over \$10 million:</p> <ul style="list-style-type: none"> 20% of the trades workforce to be apprentices. <p>Over \$100 million:</p> <ul style="list-style-type: none"> 2% of the trades workforce to be women* 20% of the project workforce to be learning workers 8% of total project workforce to be young people (aged less than 25 years) Report local employment outcomes. <p>* It was announced in the NSW 2022–23 Budget that this target will be doubled to 4%, with a target of 15% women in trades and non-traditional roles in the construction industry by 2030.</p>
VIC	Major Projects Skills Guarantee	2016	<p>Legislated under the <i>Local Jobs First Act 2003</i> in 2018, this initiative provides opportunities for Victorian apprentices, trainees and cadets (ATCs) to work on high value construction projects.</p> <p>ATCs may be directly employed by the principal contractor, by sub-contractors or indirectly employed through group training organisations.</p>	<p>Applies to all government construction projects at \$20 million or more.</p> <p>Contractors must utilise Victorian registered apprentices, trainees, or cadets for at least 10% of the project's total estimated labour hours. This is based on estimated labour hours provided in the tender process.</p>

State	Program	Start Date	Overview	 Targets
VIC	Building Equality Policy	2022	<p>Applies to all publicly funded construction projects valued at \$20 million or more to create training and employment opportunities for women on building, infrastructure, civil engineering, and any other capital works projects.</p> <p>Under the Building Equality Policy, suppliers are required to:</p> <ul style="list-style-type: none"> ■ Action 1 – meet specific gender equality targets; ■ Action 2 – engage women as apprentices and trainees; and ■ Action 3 – implement Gender Equality Action Plans. 	<p>Action 1 targets:</p> <ul style="list-style-type: none"> ■ Trade covered labour: women are required to perform at least 3% of the contract works' total estimated labour hours for each trade position. ■ Management/supervisory and specialist labour (staff): women are required to perform at least 35% of the contract works' total estimated labour hours for each staff position. ■ Non-trade Construction Award covered labour: women are required to perform at least 7% of the contract works' total estimated labour hours for each non-trade Construction Award covered labour position. <p>Action 2 target: Engaging women who are registered apprentices or trainees to perform building and construction work for at least 4% of the contract works' total estimated labour hours.</p>
QLD	Building and Construction Training Policy	2014	<p>This policy requires a minimum target for apprentices, trainees, and workforce training on eligible projects. It also mandates sub-targets to ensure focus on apprentices and trainees.</p> <p>It requires suppliers to consider sub-contractors' capacity to comply with targets.</p> <p>The minimum target is applied to total labour hours.</p>	<p>Public private partnerships – Eligible projects are Queensland Government building and construction projects with a contract sum of \$500,000 or more, and civil construction projects with a contract sum of \$3 million or more.</p> <p>Government owned corporations – projects above \$20 million for building and/or civil construction.</p> <p>Minimum 10% of the total labour hours on eligible projects be undertaken by apprentices and/or trainees and through other workforce training.</p> <p>Minimum 15% of the total labour hours applied for projects with a contract sum of \$100 million or greater.</p>

State	Program	Start Date	Overview	 Targets
QLD	National Association for Women in Construction	2014	The Queensland Government Department of Energy and Public Works has committed to the National Association for Women in Construction (NAWIC) target and is pursuing initiatives to exceed this target for construction projects.	The NAWIC commitment is a minimum 11% female trades on all government funded projects.
WA	Priority Start Policy	2019	<p>This policy applies to construction and maintenance tenders issued from 1 April 2019. This policy uses the awarding of government building, construction, and maintenance contracts to increase training rates for apprentices and trainees in the building and constructions sector.</p> <p>Head contractors and the sub-contractors used for these contracts are required to meet the industry target training rate, based on their combined WA construction trades workforce.</p>	<p>State Government building construction, civil construction and maintenance contracts with a total value over \$5 million (inclusive of GST) are in scope of the policy.</p> <p>The following targets apply:</p> <ul style="list-style-type: none"> ■ 11.5% training rate for general building construction and maintenance contracts; and ■ 5% training rate for civil construction. <p>The target training rate is the required percentage of construction trades workers who are apprentices and trainees in the occupations in scope of the policy, working in WA, as a proportion of the total number construction trades workers for the head contractor and the sub-contractors used for the contract. The target training rate is the benchmark head contractors have to meet for each 12 month reporting period and at the end of the contract.</p>

State	Program	Start Date	Overview	 Targets
SA	The South Australian Industry Participation Policy	2018	<p>Replacing the 2010 Workforce Participation Policy, this policy requires a minimum target for nominated groups in eligible construction projects. It allows the South Australian Government to alter targets and include target groups, including cadets and upskilling workers.</p> <p>It sets a base target for the total labour force hours of a project. Contracting agencies have responsibility for managing performance measures.</p> <p>The minimum target is applied to total labour hours.</p>	<p>Applies to Government construction projects above \$50 million.</p> <p>15% of the labour force hours need to be performed by nominated groups as set out in the Industry Participation Plan.</p> <p>Nominated groups are set out in the Industry Participation Plan. Apprentices are a focus but the 'nominated groups' also include cadets; upskilling; long-term unemployed with training needs; people with barriers to employment; First Nations jobseekers; and graduates.</p>
TAS	Building and Construction Training Policy Statement	2002	<p>This policy mandates a minimum target for engagement of apprentices and trainees on eligible building and construction projects.</p> <p>It allows for the inclusion of hours worked by apprentices employed by sub-contractors.</p> <p>The minimum target is applied to total labour hours.</p>	<p>Applies to building and construction projects valued at \$250,000 or more and civil construction projects (since 2022) valued at \$5 million or more.</p> <p>Minimum of 20% of the total labour hours worked be undertaken by one or more apprentices or trainees.</p> <p>Minimum of 10% of the total labour hours worked on an eligible civil constructions project be undertaken by one or more apprentices under a contract of training in a vocation or people engaged on the project undertaking other workplace training.</p>

State	Program	Start Date	Overview	 Targets
ACT	Inclusive apprenticeships under the Skilled to Succeed Policy	2019	<p>The Australian Capital Territory Government sets dedicated targets for apprentices and trainees on each major infrastructure project. This policy features dedicated targets for apprentice employment on major infrastructure projects. It sets targets for employing and supporting apprentices and trainees, with identified focus groups for each.</p> <p>This policy requires targets to be met by the total workforce/labour spend. For one project it has identified a specific target for sub-contractors.</p> <p>Key indicators measure and track benefits outlined in project business cases. Economic analysis identifies benefits.</p>	<p>There is no minimum threshold for major projects that are in scope.</p> <p>Raising London Circuit and light rail Stage 2A</p> <ul style="list-style-type: none"> Minimum 10% of labour spend on employing and supporting apprentices and trainees, and an additional focus on supporting women in trades and Aboriginal and Torres Strait Islander apprentices. <p>The Canberra Hospital Expansion project</p> <ul style="list-style-type: none"> 30% ratio of apprentices, trainees and cadets across its total workforce. 10% of total subcontracted trades budget on the employment of Aboriginal and Torres Strait Islander people. <p>The construction of CIT Woden</p> <ul style="list-style-type: none"> Minimum requirements for the employment of women in construction roles. A minimum of 10% of work on the project is to be undertaken by apprentices and trainees.

State	Program	Start Date	Overview	 Targets
NT	Indigenous Participation on Construction Projects Policy	2017	<p><i>The Northern Territory Government does not have overarching targets for apprentices and trainees, so this section focuses on the Indigenous Participation on Construction Projects Policy, which is construction focused and applies to Department of Infrastructure, Planning and Logistics only.</i></p> <p>Indigenous participation is a mandatory requirement for all tenders for Northern Territory Government construction procurements with an estimated value of over \$500,000.</p> <p>The Northern Territory procurement framework allows for the assessment of First Nations apprentices and trainees, including those employed by sub-contractors, under the Local Content assessment criteria.</p> <p>Participation anticipated in the tender response is tracked in hours worked directly on each project.</p>	<p>Applies to Tier 4 (\$500,000 but less than \$2 million) and Tier 5 (\$2 million and more) procurement activities.</p> <p>Contractors are required to provide proposals in the tender response schedule to allow for assessment of:</p> <ul style="list-style-type: none"> ■ Indigenous employees, including apprentices/trainees directly employed on the works; ■ the intended use of group training schemes or recognised Territory Indigenous community organisations to deliver the proposed works; and ■ nominated sub-contractor usage of Indigenous employees, including registered Indigenous apprentices or trainees.

Information correct as at 14 October 2022.