

Q&As from joint DEWR/DCCEEW construction industry webinar on new PCPs (9 July 2024) – Australian Skills Guarantee session

| Theme | Questions | Answers |
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| <p>Scope of ASG policy/targets</p> | <p>1. Would you be able to clarify if these requirements are limited to construction delivery or if design firms (i.e. engineers) will be required to commit to same targets?</p> | <p>The Australian Skills Guarantee (Skills Guarantee) Procurement Connected Policy (PCP) applies to suppliers of direct Commonwealth construction and ICT procurements with an estimated individual value of \$10 million or more. For specific guidance on what procurements would be considered eligible projects please see Section 3 (definition of ‘eligible projects’) and Appendix C (the building and construction and maintenance services United Nations Standard Products and Services Codes (UNSPSC) in scope) of the Skills Guarantee PCP. As outlined at Appendix C, the building and construction and maintenance services codes within scope of the Skills Guarantee include services associated with the construction and maintenance of facilities, building, structures, roads and infrastructure. Commonwealth contracting agencies will identify if the Skills Guarantee requirements apply to a specific procurement and include the relevant requirements in the approach to market.</p> |
| | <p>2. Which projects are subject to the Skills Guarantee? Does the PCP apply only to new projects or also existing projects?</p> | <p>The Skills Guarantee applies to eligible Commonwealth construction and ICT procurements from 1 July 2024. Existing projects will not need to comply with the Skills Guarantee requirements prior to 1 July 2024 if they were not included in an approach to market or final contract. Approaches to market issued prior to 1 July 2024 may negotiate to include Skills Guarantee requirements in contract terms for contracts created from 1 July 2024.</p> |
| | <p>3. Can graduates, cadets, trainees etc be counted towards the apprenticeship targets on construction projects?</p> | <p>The Skills Guarantee sets targets for apprentices, trainees and paid cadets (referred to as ICT cadets). These terms are defined in the Skills Guarantee PCP. Whether the labour hours will count towards the targets also depends on the type of project. While apprentice and trainee hours will count towards targets for major construction projects, ICT cadet hours will only count towards targets for major ICT projects.</p> <p>Graduate hours will not count towards any of the targets unless they meet the definition of apprentice, trainee, or ICT cadet.</p> |

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| | 4. Under the other implementation arrangements i.e. Housing Accord, Federation Funding Agreements – are these 100% Australian Government projects only? | The delivery of the Skills Guarantee under other implementation approaches is a matter for the responsible departments, for example, Treasury or the Department of Infrastructure, Transport, Regional Development, Communications and the Arts. |
| | 5. Will there be training funding and incentives provided for target groups? | The Skills Guarantee PCP does not provide additional funding or financial incentives. There are targeted apprenticeship supports that be may available and for more information please visit the DEWR website: https://www.dewr.gov.au/australian-apprenticeships/apprenticeship-support . |
| | 6. Is there a definition of ‘trade’ (as many civil qualifications aren’t considered as ‘trades’)? | The Skills Guarantee PCP defines ‘trade’ as ‘sub-major occupations that are classified as Technicians and Trades Workers using Australian and New Zealand Standard Classification of Occupations (ANZSCO).’ |
| | 7. How will the Australian Skills Guarantee be applied under the Federation Funding Agreements and Housing Accord arrangements as the Australian Government is not the 100% funder i.e. which targets are applied – the Australian Government targets or the respective state and territory training policy requirements? | The delivery of the Skills Guarantee under other implementation approaches, such as the Housing Accord, is a matter for the responsible departments. |
| | 8. Can you please take some more time explaining if Commonwealth funded projects will be subject to the Australian Skills Guarantee? Alternatively, does it only apply to Commonwealth procured projects? | The Skills Guarantee PCP applies only to direct Commonwealth procurements in construction and information and communication technology (ICT) sectors with an estimated individual value of \$10 million or more. For more information see Section 3 of the Skills Guarantee PCP. |
| Reporting/ privacy | 9. Will the unique apprentice identifiers be visible on the read-only worksheet published on the website? | The read-only version of the reporting worksheet will not have any identifiable personal data in it. The read-only version is intended for suppliers to view a sample of reporting data fields that is required as part of Skills Guarantee reporting. |

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| | <p>10. Can you confirm if the online reporting portal allows suppliers and sub-contractors to report into a major construction project and link the data, resulting in streamlined reporting and elimination of duplicated reporting?</p> | <p>It is our intention that the online reporting system for the Skills Guarantee will be streamlined and eliminate duplicate reporting. Both suppliers and contracting agencies will be able to enter information directly into the system and link the data to the corresponding project. Suppliers are responsible for collecting information from sub-contractors and entering the collected data into the system.</p> <p>The system will allow us to verify participant information to avoid duplication. The online reporting system for the Skills Guarantee is currently in development.</p> |
| | <p>11. In many jurisdictions, Apprentice IDs are taking over six months to be generated by their State Training Authority (STA). Can reporting still be achieved without the State Apprentice ID?</p> | <p>Suppliers will still be able to report if the individual apprentice is waiting for an Apprentice ID to be generated. Suppliers should ensure that as much information as possible on the individual apprentice is provided for data matching purposes.</p> |
| | <p>12. Will there be a secure way to transmit personal information when reporting in the interim?</p> | <p>The department is undertaking a Privacy Impact Assessment to identify the impacts that the Skills Guarantee may have on the privacy of individuals when personal information is being disclosed to DEWR. This process identifies risks and makes recommendations to mitigate them.</p> <p>We recommend that any organisation involved in the collection of personal information review their processes to ensure the safety and security of data.</p> |
| | <p>13. Will the online reporting portal be user-friendly and intuitive, or will there be a need for training to learn how to use the system?</p> | <p>In 2023, the department undertook a targeted consultation process to understand user needs to inform the development of a stream-lined and easy-to-use reporting system.</p> <p>DEWR has also conducted useability testing, and feedback from that process is being considered to make the system as user-friendly as possible.</p> <p>The department has published a number of Skills Guarantee resources and further information will be published on our website as it becomes available. Closer to the launch of the online system, additional resources will be made available to assist users to access the system and undertake reporting.</p> |

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| | 14. Are third parties able to make reports to the department about non-compliance with the Skills Guarantee requirements for a procurement? Particularly if they are concerned with incorrect reporting? | The general public may contact the department through the ASG inbox if there are any queries or concerns about the Skills Guarantee policy (asg@dewr.gov.au). |
| Compliance | 15. If given an unfavourable compliance report, can you ask for a review? | The contracting agency for a procurement is responsible for assessing the performance of the supplier against the Skills Guarantee. If a supplier disagrees with a performance assessment, they should contact the contracting agency in the first instance. |
| | 16. What will the process be if a contracted construction company is unable to meet the Skills Guarantee requirements by the end of the project? The building and construction industry is currently facing chronic workforce shortages and there are only so many apprentices and female trades workers in the industry. If a company wins a tender, but part-way through cannot retain those required staff, what does that mean for their contract? | The contracting agency is ultimately responsible for determining whether compliance action will be taken and managing any contractual consequences of non-compliance. However, the compliance approach under the Skills Guarantee is intended to be flexible. The supplier is given the opportunity to provide mitigating factors for not meeting Skills Guarantee requirements in their quarterly reporting. We would expect contracting agencies to liaise with their supplier through normal contract management practices to work through issues impacting on performance. A contracting agency may consider mitigating factors affecting performance and efforts by the supplier to comply with the Skills Guarantee when undertaking compliance assessments. |
| | 17. Could you please explain what the impacts of non-compliance would be? | Contracting agencies are required to address non-compliance in accordance with the streams of non-compliance detailed in the Skills Guarantee PCP. There are four streams, ranging from applying an educative approach, through to stronger measures depending on the severity of the non-compliance. In undertaking assessments contracting agencies should consider the circumstances contributing to non-compliance to determine the appropriate action. Further information is available in Section 7 of the Skills Guarantee PCP. |
| | 18. Will there be an external auditing process to ensure that successful tenderers meet their contractual obligations under the tender? | There is no external auditing process for the Skills Guarantee. It is the responsibility of the contracting agency to ensure that successful tenderers are meeting their contractual obligations under the tender. |

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| Lack of participants/ other resources | 19. As you know, all apprentices need a tradesperson to supervise. Some civil construction projects do not have any tradespeople working on it, therefore no tradespeople to supervise. What should the contractor do if it can't meet the 10% target because it doesn't have the skilled workforce to supervise? | <p>The Skills Guarantee requires suppliers of major construction or flagship construction projects to ensure that 10% of the total estimated labour hours are undertaken by apprentices or trainees.</p> <p>If a supplier faces circumstances that make it difficult to achieve their targets, this could be raised with the relevant contracting agency as part of quarterly reporting.</p> |
| | 20. What is the proposal to increase the pipeline of women entering construction? Will the Australian Government provide other support/resources to support industry to understand the new requirements and help them achieve these targets? i.e. case studies, lessons learned from other projects etc? | <p>The Skills Guarantee aims to increase demand for women on eligible projects by encouraging suppliers to evaluate their recruitment and retention policies to attract more women apprentices and trainees.</p> <p>The Skills Guarantee is also supported by the Building Women's Careers program and the Women in Male-Dominated Trades Grant. These programs aim to drive structural and systemic change in training and work environments and provide support for women in male-dominated apprenticeships.</p> <p>Further resources and guidance material is also available on the Skills Guarantee website: https://www.dewr.gov.au/australian-skills-guarantee.</p> |
| | 21. I understand employer incentive payments for apprentices have been cut from the budget. Has this been considered when setting targets? | <p>No. The Skills Guarantee policy targets were set based on 2022 data including overarching apprentice participation rates and participation rates for women in apprenticeship and trade apprenticeships in the construction sector. Based on this data, targets were set with the aim to ensure they would both drive change but also be achievable.</p> |

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| | <p>22. Will there be support in upskilling our supervisors to ensure they have the required qualifications to support trainees and apprentices? e.g. Trade Pathways Program was a good initiative – will there be a similar successor of this program?</p> | <p>As part of the Australian Apprenticeship Support Services program, the Department of Employment and Workplace Relations contracts Apprentice Connect Australia Providers to support employers and apprentices throughout their journey.</p> <p>More information on this support can be found on the department’s website: https://www.dewr.gov.au/australian-apprenticeships/apprenticeship-support.</p> <p>For more information on supports, see question 20.</p> |
| <p>Commonwealth vs state-based targets</p> | <p>23. How does the Skills Guarantee interact with state training policies e.g. Qld Training Policy? Does the Skills Guarantee apply to State Government major infrastructure projects? Can both policies apply (Commonwealth and State Government) in major road and rail projects?</p> | <p>The Skills Guarantee is being implemented through two separate approaches. The Skills Guarantee Procurement Connected Policy (PCP) will be the key mechanism to implement the Skills Guarantee. The Skills Guarantee PCP only applies to direct Commonwealth procurements and is separate to state and territory training policies. Therefore, the Skills Guarantee PCP would not apply to a procurement funded in part or wholly by a state government.</p> <p>Many states and territories do have their own procurement-related targets for projects in the construction sector. These are separate policies that apply to different types of procurement.</p> <p>The Skills Guarantee also applies to a limited number of projects outside of the scope of the Skills Guarantee PCP. They are:</p> <ul style="list-style-type: none"> • the National Housing Accord (managed by Treasury) • the 2032 Olympic and Paralympic Games (managed by Department of Infrastructure, Transport, Regional Development, Communications and the Arts) • the Federation Funding Agreement Schedule (formerly the National Partnership Agreement on Land Transport Infrastructure Projects) (managed by Department of Infrastructure, Transport, Regional Development, Communications and the Arts) <p>For more information on these approaches, please contact the responsible department.</p> |

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| Consultation | 24. Have unions been consulted on the gathering, storage and disclosing of personal information? | <p>Union groups were involved in the three rounds of public consultation on the Skills Guarantee discussion paper and PCP and made valuable contributions to the development of the reporting and compliance framework.</p> <p>The department is undertaking a Privacy Impact Assessment to understand the risks and recommendations associated with the handling of personal information. Other Commonwealth agencies involved in handling personal information regarding the Skills Guarantee have been encouraged to seek advice through relevant areas within their agency.</p> |
| | 25. What consultation occurred with industry in the development of these policies to inform it's implementation in a pragmatic way? | <p>The department engaged with over 100 organisations and professionals through the discussion paper and a series of targeted consultations to help inform the design and implementation approach for the Skills Guarantee in late 2022 and January 2023.</p> <p>Since then, the department has undertaken two rounds of public consultations on the Procurement Connected Policy and engaged with representatives from industry, unions, employers, peak bodies, state and territory governments, women's organisations and academics.</p> <p>Feedback from consultations has informed the development of the policy, including defining who the targets should apply to, setting the level for targets based on current labour market information and designing a streamlined reporting process.</p> |
| Gender Equality action plan | 26. Thank you for the presentation. Could we please discuss the GEAP in further detail? Is this action plan applicable to companies and organisations who operate outside of \$10M procurements? | Per the Skills Guarantee PCP, suppliers of flagship construction projects are required to include a Gender Equality Action Plan (GEAP) in their tender submission. Major construction and ICT projects are also encouraged to complete a GEAP, but this is not a requirement. |

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| <p>ASG policy outcomes</p> | <p>27. Could you please advise:</p> <ul style="list-style-type: none"> - how the department will be reporting on the outcomes of the policy - how will the outcomes be evaluated - how will the outcomes be shared for learning and Improvement? | <p>Achievement of overarching apprenticeship or ICT targets will be calculated at the conclusion of the contract. However, suppliers will be required to provide quarterly reports on their progress towards meeting targets.</p> <p>Aggregated performance data will be released on Skills Guarantee outcomes when sufficient information has been returned through end of project reporting. The department is not intending to publish performance information at the contract level.</p> |
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