

Q&As from DEWR webinar for ICT suppliers on the Australian Skills Guarantee (29 August 2024)

Questions	Response
<p>1. What happens if the supplier/relevant entity doesn't report? What if the supplier doesn't meet the targets?</p>	<p>Suppliers with contracts subject to the Australian Skills Guarantee (Skills Guarantee) targets are required to report quarterly to their contracting agency (relevant entity). Relevant entities are required to undertake six-monthly assessments and a final (end contract) assessment for contracts with Skills Guarantee targets.</p> <p>Where the supplier fails to satisfactorily complete and/or submit required reporting to meet the requirements of the contract, the relevant entity will work with the supplier to remedy this.</p> <p>There are four streams of non-compliance action that may be taken against a supplier if they do not meet the targets. These range from applying an educative approach for minor non-compliance, through to stronger compliance measures, depending on the severity of the non-compliance. In undertaking assessments, relevant entities should consider the circumstances contributing to non-compliance to determine the appropriate action. Further information is available in the Skills Guarantee Procurement Connected Policy (PCP).</p> <p>A supplier's compliance history with the Skills Guarantee will be available for relevant entities to view after a project has been completed. If a supplier demonstrates extreme non-compliance, this will be taken into consideration in the assessment of future procurement activities.</p> <p>The Department of Employment and Workplace Relations (DEWR) will support relevant entities to understand their obligations under the Skills Guarantee and ensure there are comprehensive operational materials to support implementation.</p>

<p>2. How does the Skills Guarantee apply to panels? Will Skills Guarantee only apply to new panels?</p>	<p>The Skills Guarantee PCP applies to eligible procurements with an estimated individual value of \$10 million and above (GST inclusive).</p> <p>The definitions of ‘Major construction project’, ‘Flagship construction project’ or ‘Major ICT project’ (including associated value thresholds) apply at the individual work order level, rather than to an overarching panel arrangement/standing offer.</p> <p>The Skills Guarantee is not applied at the panel deed-level as it may result in the Skills Guarantee being applied to all procurements under the panel, including procurements/work orders that are under \$10 million. Applying the Skills Guarantee at the procurement/work order-level means the responsibility of reporting and compliance monitoring is with the contracting agency, who will be most familiar with the details of the procurement and holds the direct relationship with the supplier.</p> <p>DEWR has provided model clauses that Commonwealth entities can include in approach to market, contract and panel arrangement documentation, as relevant. For panel arrangements, clauses may be inserted in the relevant schedule of the Deed of Standing Offer that sets out the standard contract terms for contracts made under the Deed of Standing Offer. These model clauses are available on the website: www.dewr.gov.au/resources/australian-skills-guarantee</p>
<p>3. We note the department is collecting personal information. How is the department ensuring this data is handled correctly both by sub-contractors, suppliers, contracting agencies and the department?</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. 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>Once ready, the online reporting system will ensure that all information will be submitted directly and securely to the department.</p>
<p>4. When will the online reporting system be ready for use?</p>	<p>The online system is expected to be ready for use by 1 July 2025.</p>

<p>5. Do trainees in the ICT industry need to be employed directly by the organisation or can they be engaged through a third party such as a Group Training Organisation?</p>	<p>Per the Skills Guarantee PCP glossary, a trainee (encompassed in the definition of ‘apprentice’) can be ‘either directly employed by the supplier or sub-contractors, or indirectly employed through a group training organisation to work on an eligible project.’</p>
<p>6. Are you able to explain the difference between an IT trainee and an ICT cadet?</p>	<p>For the purpose of the Skills Guarantee PCP, an ‘ICT cadet refers to a paid employee who is working on a <i>major ICT project</i> and who is employed in an entry-level role and undertaking academic study through either the VET or higher education system towards a qualification under the Australian Qualification Framework, where the employer has formally committed to providing the employee with on-the-job training and support to complete the specific course of academic study.’</p> <p>While a Trainee in the Skills Guarantee PCP is an Apprentice (also known as a <i>trainee</i> or an <i>Australian Apprentice</i>) is a person who is:</p> <ul style="list-style-type: none"> • employed under a <i>training contract</i> that has been registered with, and validated by, their State/Territory Training Authority; • undertaking paid work and structured training which comprises both on and off the job training; • undertaking a negotiated training program that involves obtaining a nationally recognised qualification; and • either directly employed by the <i>supplier</i> or <i>sub-contractors</i>, or indirectly employed through a <i>group training organisation</i> to work on an <i>eligible project</i>. <p>An ICT Cadet may also include undertaking Higher Education towards a qualification. A Trainee would have a registered training contract, validated by the relevant State/Territory Training Authority.</p>
<p>7. How does this work with the Indigenous Procurement Policy (IPP) if an Indigenous business may not be able to obtain the targeted number of women. Which policy prevails?</p>	<p>If a supplier is unable to meet the Skills Guarantee PCP targets, an explanation should be provided to the relevant entity through the quarterly report/s.</p>

<p>8. What sort of cadetship targets are you estimating for ICT projects? I can see the ICT policy doesn't specify any numbers while it does for construction.</p>	<p>Targets for Major ICT projects are negotiated on a project-by-project basis by the contracting Commonwealth agency and the supplier, based on workforce information provided by the supplier during the procurement process. The agreed targets should achieve a genuine and meaningful increase in the proportion of Apprentices and ICT Cadets engaged in the supplier's workforce (including subcontractors).</p>
<p>9. What measures are being implemented within the ASG framework to ensure that the training and development of apprentices and ICT cadets contribute to long-term sustainability in the ICT sector?</p>	<p>By setting national targets on Commonwealth-funded eligible projects, the Skills Guarantee aims to drive sustained demand for entry level workers on eligible major projects. These targets will increase the number of skilled workers, especially women, entering the construction and ICT sectors.</p> <p>The national targets for women aim to increase the proportion of women working on eligible projects and drive long term sustainable change to increase gender equality and participation of women in the apprenticeship system. The targets for women will be increased annually.</p>
<p>10. Is any guidance being provided to agencies about how they should be assessing targets for ICT projects in their procurement decisions (noting there is no set overarching target for ICT at this stage)? Or is this being left to agencies to determine?</p>	<p>Please refer to the Australian Skills Guarantee Targets for Major ICT Projects guidance on the DEWR website for more information.</p> <p>Assessing submissions guidance will also be published on the DEWR website shortly to provide guidance for Relevant entities on what may be considered as part of the tender assessment process for an Eligible project against the requirements of the Skills Guarantee PCP.</p>

<p>11. What has the industry and government response been to these targets?</p>	<p>The Skills Guarantee PCP does not currently have targets for Major ICT projects and these are negotiated between the supplier and relevant entity in recognition of limited data and skills shortages in the ICT industry.</p> <p>In general, government and industry feedback on the Skills Guarantee PCP has been positive. While some concerns have been noted, such as having enough participants on projects to meet targets, there is recognition that this policy will play an important role in increasing the pool of skilled workers in the ICT and construction industries.</p>
<p>12. Has consideration been given to the potential risk that on completion of a cadetship, an individual may not be retained because more cadets are needed to continue to meet the policy?</p>	<p>Australia is currently experiencing persistent and critical skills shortages in many key sectors, including ICT. Digital skills are one of the most rapidly growing and sought-after skills in the economy with demand expected to rise further in the future.¹ Across all ICT professional occupations assessed for the 2023 Skills Priority List, 69% were found to be in shortage compared with 36% across all occupations.²</p> <p>Given current skills shortages, DEWR expects Suppliers to continue to employ apprentices and ICT Cadets on completion of their study, even where more apprentices or ICT Cadets are needed to meet Skills Guarantee targets. However, DEWR will actively manage, monitor, and evaluate the Skills Guarantee to ensure the objectives are being achieved and there are no unintended consequences.</p>
<p>13. Does the PCP apply to State/Territory government procurements?</p>	<p>The Skills Guarantee PCP applies to direct Commonwealth procurements by relevant entities (non-corporate Commonwealth entities and prescribed corporate Commonwealth entities) with an estimated individual value of \$10 million or more in the construction and ICT sectors. A project funded by a state/territory, or jointly by a state/territory and the Commonwealth, is not a direct Commonwealth procurement and would therefore not be subject to the Skills Guarantee PCP.</p>

¹Jobs and Skills Australia, Digital skills in the Australian and International economies. [National Skills Commission Annual Report 2020-2021 \(jobsandskills.gov.au\)](https://www.jobsandskills.gov.au/data/digital-skills)

²Jobs and Skills Australia, Skills Priority List 2023. <https://www.jobsandskills.gov.au/data/skills-priority-list>

<p>14. Will the data collected through the ASG reporting system be shared with other entities, such as the Australian Bureau of Statistics (ABS), to inform broader workforce and economic analyses. If so, how will this data sharing be managed to ensure compliance with privacy and confidentiality standards?</p>	<p>Reporting provisions of the Skills Guarantee PCP have been designed to support annual reviews of the Skills Guarantee targets and financial thresholds.</p> <p>Reporting data will also be used in annual reviews to assess the overall success of eligible projects in meeting Skills Guarantee targets and assess the appropriateness of targets and thresholds.</p> <p>Public reporting of Skills Guarantee performance will be at the program level and will be aggregated and de-identified data, with no personal information shared.</p> <p>Aggregated and de-identified data may be shared with third parties including but not limited to:</p> <ul style="list-style-type: none"> • the Australian Government department which holds the contract for the eligible project subject to Skills Guarantee reporting, and has reported personal information to the department • suppliers of eligible Australian Government projects • relevant Ministers, and • the Department of Finance. <p>More information on the collection and disclosure of personal information under the Skills Guarantee is available on DEWR’s website: www.dewr.gov.au/australian-skills-guarantee/resources/australian-skills-guarantee-privacy-notice</p>
<p>15. Do you know how many contracts per year maybe impacted by the ICT policy?</p>	<p>In the 2023–24 financial year, AusTender data showed that 50 ICT procurements were valued at \$10 million or more and would have been eligible for the Skills Guarantee PCP if it were in place. However, it should be noted that the nature of the procurement and exemptions in the Skills Guarantee PCP may mean certain procurements would not have been captured.</p>

<p>16. In relation to the ASG PCP, the Fact Sheet refers to 'eligible Commonwealth-funded major projects'. Does this mean, if the funding of the procurement is not from the Commonwealth, that this PCP doesn't apply?</p>	<p>The Skills Guarantee PCP only applies to direct Commonwealth procurements in the construction and ICT sectors. The Skills Guarantee PCP would therefore not apply to a procurement funded in part or wholly by a state government. For more information see Section 3 of the Skills Guarantee PCP.</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).
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