Australian Government
Department of Employment and Workplace Relations

Supplementary Guidance for the Skills Guarantee PCP Version 1

Guidance for Relevant entities

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Actions for Relevant entities Summary

Before Approach to Market release

- confirm procurement eligibility for the PCP and applicable targets
- include PCP requirements and GEAP obligations in procurement documentation using Skills Guarantee Model Clauses

Submission Assessment

- ensure Potential Suppliers declare their ability to meet targets
- assess GEAPs for Flagship Construction Projects
- assess GEAPs for Major Construction Projects and Major ICT Projects, as required
- confirm proposed targets for Women exceed minimums for Flagship Construction Projects

Contract Negotiation

- incorporate agreed PCP requirements, applicable targets including negotiated ICT targets and privacy provisions for consent to collect personal information using Skills Guarantee Model Clauses in the Contract
- remind Suppliers to distribute the Privacy Notice to Apprentices and ICT cadets

Contract Management

- create and manage Contracts in ADMS
- monitor Supplier reporting in ADMS
- assess Supplier compliance in ADMS
- address Supplier non-compliance
- provide support to Suppliers to help meet contractual obligations

Reporting and compliance

- six-monthly and end of project performance reports in ADMS
- undertake appropriate assurance activities, as required

Introduction

The Australian Skills Guarantee (Skills Guarantee) sets national targets for the participation of Apprentices, ICT Cadets and women on eligible Australian Government-funded major projects. These targets apply to building and construction, maintenance services (Construction), and information and communications technology (ICT) procurements with an estimated individual value of $10 million or more. Targets for women on Major ICT projects are negotiated with Suppliers on a project-by-project basis.

This supplementary guidance supports Relevant entities in understanding and implementing the Skills Guarantee Procurement Connected Policy (PCP) Version 1 from 1 July 2024. It should be read alongside the PCP and provides practical advice on determining project eligibility, incorporating model clauses, meeting reporting requirements, and supporting compliance.

Important to note: For new Approaches to Market for Eligible Projects issued from 1 October 2025, please refer to the Skills Guarantee PCP Version 1.2 and Supplementary Guidance for the Skills Guarantee PCP Version 1.2 available on the DEWR website.

Procurements in scope

Actions for Relevant entities

To determine whether a procurement falls within scope, Relevant entities must ensure that the procurement:

- meets the definition of an Eligible project,
- meets the financial threshold,
- uses an eligible United Nations Standard Products and Services Code (UNSPSC), and
- satisfies all other eligibility criteria.

Construction procurement

Major construction project: Procurement with an estimated individual value of $10 million or more (GST inclusive) using a UNSPSC listed in Appendix C of the PCP.

Flagship construction project: Procurement with an estimated individual value of $100 million or more (GST inclusive) using a UNSPSC listed in Appendix C of the PCP.

ICT procurement

Major ICT project: Procurement with an estimated individual value of $10 million or more (GST inclusive) using a UNSPSC listed in Appendix D of the PCP.

Table 1 – Overview of procurements in scope of the PCP

Procurement Type	Eligible project	Value Threshold (GST inc.)	Eligible UNSPSC Code
Construction	Major construction project	$10 million or more	Appendix C of the PCP
	Flagship construction project	$100 million or more	
ICT	Major ICT project	$10 million or more	Appendix D of the PCP

Exemptions

Actions for Relevant entities

Before releasing procurement documentation and during the Submission assessment process, Relevant entities must determine whether the procurement is:

- eligible under the PCP,
- exempt from the PCP requirements.

Formal exemptions

Some procurements may be formally exempt under **Section 2.4** of the PCP, including applying paragraph 2.6 of the Commonwealth Procurement Rules (CPRs) and when the Eligible project is delivered wholly overseas. In such cases:

- PCP requirements must be excluded from procurement documentation,
- targets will not be considered during the Submission assessment.

Determining eligibility and reasonableness

If an ICT procurement meets the eligibility criteria, Relevant entities must assess whether it is reasonable to apply the targets and consider the nature of the services being procured.

Examples where targets may not be reasonable:

- highly specialised services requiring experienced personnel, with limited scope for Apprentices or ICT cadets.
- procurement of pre-developed software requiring minimal Labour hours.
- extensions of software licensing arrangements with no substantial delivery component.

If it is determined that applying targets is not reasonable, the procurement should be marked as not reportable in the Apprenticeship Data Management System (ADMS), with documented justification. Records must be maintained to support this decision.

ADMS notifications and reporting

When ADMS identifies a new contract that meets the PCP eligibility criteria, it will notify the Relevant entity. The Relevant entity must:

- log in to ADMS,
- review the contract, and
- record whether the contract is reportable under the PCP, noting this does not require action in ADMS if the new contract is exempt under Section 2.4 of the PCP.

If the procurement is reportable, this must be confirmed in ADMS when creating the project record.

ADMS will also notify the Relevant entity when an existing contract is varied, including contracts previously below the Skills Guarantee $10 million threshold. The Relevant entity should log in to ADMS and review these contracts for ongoing or new Skills Guarantee eligibility.

If the contract was previously below $10 million and a variation means it now meets Skills Guarantee eligibility, you should follow the steps for creating a new project.

If there is a variation to an existing contract, which had previously been assessed for Skills Guarantee reporting, you will need to confirm the project's reporting status, including for projects previously not reportable.

Additional reporting guidance is available on GovTEAMS – Australian Skills Guarantee Operational Resources and Stakeholder Engagement Community.

Gender Equality Action Plan (GEAP)

GEAPs are **mandatory** for Potential suppliers to include with their Submissions for Flagship construction projects (≥ $100 million).

For Major construction projects (≥ $10 million) and Major ICT projects (≥ $10 million), GEAPs are **voluntary**, but Potential suppliers are strongly **encouraged** to include them with their Submissions.

GEAPs outline how Potential suppliers will meet and sustain targets for women, including:

- recruitment and retention strategies that will be put in place or continue to operate to ensure the targets for women are achieved and sustained,
- workplace culture improvements,
- commitments to safe, respectful, and equitable environments.

GEAPs may include:

- Organisation-wide policies,
- procurement-specific actions,
- how the Supplier aims to drive both short and long-term outcomes, and
- how the Supplier's broader policies will apply to the specific project.

A GEAP template for Potential suppliers is available in the Supplementary Guidance for Suppliers on the DEWR website.

Actions for Relevant entities

- Ensure GEAPs are submitted by Potential suppliers, where required.
- Assess whether the GEAP aligns with the project type and its applicable targets.
- Approve the Suppliers GEAP.
- Remind the Supplier to share the GEAP with any Sub-contractors.
- Monitor Supplier compliance and performance against gender equality targets outlined in their GEAP throughout the project lifecycle.
- Encourage Suppliers to pursue both short and long-term outcomes.
- Recognise that cultural change takes time and sustained effort.

Construction targets

Table 2 – PCP requirements for Construction procurements

Project Type	Value Threshold	Overarching apprentice target	Overarching apprentice targets for women	Trade-specific apprentice target for women	Gender Equality Action Plan
Major construction project	$10 million or more	Minimum 10% of all estimated Labour hours by Apprentices	Minimum 7%* of Apprentice Labour hours undertaken by women	Minimum 5%* of Trade Apprentice Labour hours undertaken by women	Voluntary with Submission
Flagship construction project	$100 million or more	Minimum 10% of all Labour hours	Must meet targets for women for Major construction projects and set and meet more ambitious targets for women	Must meet targets for women for Major construction projects and set and meet more ambitious targets for women	Mandatory with Submission

*Targets for women listed in Table 2 are for 1 July 2025 to 30 June 2026 and increase one percentage point every financial year until 2030 as outlined in Table 3.

Targets for women are based on the project's contract start date and increase each financial year for multi-year projects; **Table 3** provides more information on the increases.

Table 3 - Annual increases of targets for women working on construction projects

Targets apply	Overarching apprentice target for women	Trade-specific apprentice target for women
1 July 2024 to 30 June 2025	6%	4%
1 July 2025 to 30 June 2026	7%	5%
1 July 2026 to 30 June 2027	8%	6%
1 July 2027 to 30 June 2028	9%	7%
1 July 2028 to 30 June 2029	10%	8%
1 July 2029 to 30 June 2030	11%	9%
1 July 2030 onwards	12%	10%

Construction target examples

Overarching apprentice target

- *Chapman & Louey Construction* has estimated that their **Major construction project** will require 8,000 Labour hours.
- The Overarching apprentice target is calculated using the 8,000 estimated Labour hours.
- 800 Labour hours must be undertaken by Apprentices (10% of the Major construction project's total estimated Labour hours).
- All reported Apprentice Labour hours are counted towards the 10% target in the reporting system.

Overarching apprentice target for women

- *Chapman & Louey Construction's* **Major construction project** has a contract start date of 1 August 2025 and an end date of 30 June 2026.
- The project is subject to the 2025–26 financial year targets, requiring 7% of Apprentice Labour hours to be undertaken by Women.
- If 800 Apprentice Labour hours are reported, then 56 Labour hours must be undertaken by women Apprentices (7% of 800).

Trade-specific apprentice target for women

- *Chapman & Louey Construction* estimates that 600 Labour hours will be worked by Trade Apprentices.
- The 2025–26 financial year target requires 5% of Trade Apprentice Labour hours to be undertaken by women.
- 30 Labour hours must be undertaken by women Trade Apprentices (5% of 600).

ICT targets

Table 4 – PCP requirement for ICT procurement

Project Type	Value Threshold	Negotiated Target on project-by project basis	Gender Equality Action Plan
Major ICT project	$10 million or more	Negotiated and agreed Labour hours undertaken by ICT cadets, Apprentices and women, based on workforce information provided by Potential suppliers.	Voluntary with Submission

If the Relevant entity has determined it is reasonable for ICT targets to be applied to a Major ICT project, the Potential supplier should include the following information in their Submission:

- proposed targets for the life of the contract that demonstrate an increase in the proportion of apprentices and ICT cadets engaged in the workforce,
- up-to-date workforce data on which the proposed targets are based,
- an outline of why the targets have been set at the proposed level,
- propose a target specifying the number of Labour hours that will be undertaken by Apprentices and ICT cadets, and
- propose a target specifying the number of Labour hours that will be undertaken by women Apprentices and ICT cadets.

Example showing how to work out if a Supplier has met their proposed ICT targets

Company B proposed an overarching Apprentice and ICT cadet target of 10% and an Apprentice and ICT cadet target for Women of 30%.

- Company B estimated the total Labour hours for their Major ICT project would be 30,000.
- To meet their overarching 10% target, Company B would need 3,000 Labour hours (30,000 x 0.1 = 3,000) to be undertaken by Apprentices and ICT cadets.
- To meet their apprentice and ICT cadet target for women of 30%, Company B would need 900 Labour hours (3,000 x 0.3 = 900) to be undertaken by women Apprentices and ICT cadets.

Skills Guarantee Model Clauses

The Skills Guarantee Model Clauses are designed to help non-Corporate Commonwealth Entities and prescribed corporate Commonwealth entities listed in Section 30 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA) meet both:

- Mandatory requirements, and
- Optional provisions outlined in the PCP.

The Skills Guarantee Model Clauses are the mechanism to give effect to the PCP by applying to:

- Approach to market (ATM) documentation,
- panel and standing offer documentation, and
- contracts where the procurement has been determined as an Eligible project for the PCP.

Actions for Relevant entities

For further guidance, refer to the Guidance for Using Model Clauses for Commonwealth Contracting Agencies Version 1.3, available on GovTEAMS.

Privacy

Consent Requirements and Privacy Considerations

Contracts within scope of PCP must include either:

- relevant Australian Skills Guarantee Model Clauses, or
- equivalent terms and conditions that secure the necessary consents.

These consents enable the Department of Employment and Workplace Relations (DEWR) to collect, use, and store personal information of Apprentices and ICT cadets for verification and administration purposes.

Collection of Personal Information

The collection of personal information supports DEWR in verifying reported data through ADMS. This includes confirming that individuals are:

- real and identifiable,
- actively engaged in their roles, and
- undertaking a recognised trade or qualification, where applicable.

Suppliers must distribute the Australian Skills Guarantee Privacy Notice (available on the DEWR website) to Apprentices and ICT cadets working on Eligible projects. This notice explains how DEWR will handle personal information under the PCP.

Using Skills Guarantee Model Clauses to Secure Consent

The Skills Guarantee Model Clauses contain provisions which require the Supplier to obtain all necessary consents from its Apprentices and ICT cadets for the handling of their personal information as set out in the Australian Skills Guarantee Privacy Notice.

Actions for Relevant entities

- Include suitable terms and conditions to obtain consent from Apprentices and ICT cadets are prescribed allowing DEWR to collect, use, and disclose personal information to comply with the Privacy Act 1988 and other relevant laws ATM, contract, or panel/standing offer documentation.
- Ensure any modifications still meet PCP requirements.
- Be aware that changes may affect DEWR's ability to manage personal information effectively.
- Remind Suppliers to distribute the Australian Skills Guarantee Privacy Notice to Apprentices and ICT cadets, that is available on the DEWR website.

Contract variations

Relevant entities should consider **Section 3.2** of the PCP when a contract variation causes a procurement to become an Eligible project under the PCP from changes to an existing contract.

The PCP requirements should have already been applied to a procurement if the original estimated procurement value is $10 million (GST inclusive) or more.

Relevant entities must ensure contract variations are reported in ADMS as soon as practicable. As contract variations may not be published in AusTender in a timely way, it is important for Relevant entities to report any new Eligible projects, including procurements where the PCP requirements were not applied and noting the reasons why.

ADMS reporting for Contract variations

ADMS will notify the Relevant entity when an existing contract is varied, including contracts previously below the Skills Guarantee $10 million threshold. The Relevant entity should log in to ADMS and review these contracts for ongoing or new Skills Guarantee eligibility.

If the contract was previously below $10 million and a variation means it now meets Skills Guarantee eligibility, you should follow the steps for creating a new project detailed above at the ADMS notifications and reviewing a new Contract section on Pg 6.

If there is a contract variation to an existing contract, which had previously been assessed for Skills Guarantee reporting, you will need to confirm the project's reporting status, including for projects previously not reportable.

Please refer to the additional reporting guidance is available on GovTEAMS – Australian Skills Guarantee Operational Resources and Stakeholder Engagement Community.

Panel or standing offer arrangements

Lead agencies for existing panel or standing offer arrangements may vary the standard contract terms of their deed of standing offer, indicating that the PCP requirements will apply to Eligible projects procured from that panel or standing offer arrangement.

The assessment and reporting for the PCP requirements will occur when a new contract is created for an Eligible project under a panel or standing offer arrangement, or where a contract under that panel or standing offer arrangement is varied making it an Eligible project.

Relevant entities will take the same approach to negotiating the inclusion of PCP requirements in a contract variation for an Eligible project under a panel or standing offer arrangement, as for contract variations for Eligible projects not under a panel or standing offer arrangement.

Actions for Relevant entities

Relevant entities should negotiate the application of the PCP with Suppliers considering:

- if the contract variation presents an opportunity to enhance the participation of Apprentices, ICT cadets, and women in delivering the remainder of the contract, supporting the PCP intent,
- sufficient time remaining on the contract to ensure Apprentices or ICT cadets receive an adequate training experience,
- sufficient work to be completed within Australia,
- remaining contract deliverables requiring Labour hours,
- sufficient work available that align with the Apprentice or ICT cadet pathways,
- a change in the type of Eligible project creates an opportunity to negotiate higher targets for women and the provision of a GEAP,
- if the provision of a GEAP is agreed, ensure the Supplier provides a GEAP before their next quarterly report and include in the next six-monthly reporting in ADMS or earlier,
- update the targets and Labour hours remaining in the contract,
- exercise discretion to apply PCP requirements where a contract is varied for reasons including, but not limited to:
    - insufficient time to offer Apprentices or ICT cadets a meaningful training experience, e.g., there is only one month remaining on the contract.
    - the majority of the remaining contract deliverables are scheduled to be completed overseas.
    - the majority of the remaining contract deliverables do not require Labour hours
    - there are no suitable pathways for Apprentices or ICT cadets in the remaining scope of work to be delivered.
    - document the reasons and maintain appropriate records where PCP requirements are not included as part of the contract variation.

Checklist for Relevant entities

When a contract is varied, consider the following actions:

1. **Risk Management**

☐ Update the **Procurement Risk Plan** to reflect any new or altered risks.

2. Systems and Records

☐ Update **ADMS** including any changes to Supplier contact details and reporting status.

- guidance on accessing and using ADMS is available on the Australian Skills Guarantee GovTeams SharePoint.

☐ Ensure **Records Management** of:

- the updated contract.
- supporting documentation and decisions related to the variation.

3. Reporting Obligations

☐ Report the contract variation on **AusTender** within **42 days**, if the updated contract value is **$10,000 or more**.

4. Privacy Compliance

☐ Send the **Privacy Notice** to the Supplier, if required under the variation.

5. GEAP Requirements

☐ Request a **GEAP** from the Supplier if the procurement has changed classification:

- from a **Major construction project** to a **Flagship construction project**

☐ Provide a copy of the GEAP to **DEWR** as part of your **six-monthly reporting**.

Contract variation examples

Scenario 1 (a) – Supplier agrees to include PCP requirements

The *Department of Example Scenarios* has contracted *Construction Company A* to deliver construction services.

The contract start date is 30 September 2024 and the contract end date is 30 September 2026. The contract has an estimated value of $9,800,000. The UNSPSC code listed for the Approach to market and subsequent contract notice on AusTender is *UNSPSC 72100000 – Building construction and support and maintenance and repair services*.

In April 2025, the department identifies that more work is required to achieve the objective of the procurement and seeks to vary the contract. The contract variation will extend the contract to end on 30 October 2026 and will result in the estimated procurement value increasing to $10,500,000.

As the UNSPSC is captured by the PCP and the procurement has met the estimated individual value of $10 million and above (GST inclusive), the procurement meets the requirements of an Eligible project, and the department seeks to include the PCP requirements for the remainder of the contract term. Before negotiating with *Construction Company A*, the department assesses that:

- there is sufficient time to provide relevant Apprentices with an adequate training experience
- there is sufficient work to be completed in Australia
- the remaining contract deliverables require Labour hours
- there is sufficient work to be completed in areas which have an Apprentice pathway.

Construction Company A **agrees** to include the PCP requirements as part of the contract variation which takes effect on 1 May 2025.

As the Overarching Apprentice Target does not change between financial years, *Construction Company A* will be required to ensure a minimum of 10% of all Labour hours spent on the remainder of the contract are undertaken by Apprentices.

As the contract variation takes effect on 1 May 2025, *Construction Company A* will initially be required to ensure that 6% of Apprentice Labour hours are undertaken by Women in Apprenticeships, and 4% of Trade Apprentice Labour hours are undertaken by Women in Trade Apprenticeships. On 1 July 2025, these targets will increase to 7% and 5% respectively (see **Table 3** above) for the remaining period of the contract.

The estimated Labour hours and associated targets are included in the contract.

The department's contract manager for this contract will need to create a project in the ADMS to commence reporting on this project.

Scenario 1 (b) – Supplier does not agree to include PCP requirements

In the above example, if *Construction Company A* did not agree to include PCP requirements as part of the contract variation, the *Department of Example Scenarios* would document the reasons why the PCP was not included and would maintain appropriate records.

The department's contract manager for this contract would need to record this project as 'not reporting' in the ADMS.

Scenario 2 –PCP requirements not considered appropriate

The *Department of Procurements* has contracted *Construction Company B* under a construction procurement.

The contract start date is 15 October 2024 and the contract end date is 15 October 2025. The contract has an estimated value of $9,995,000. The UNSPSC listed for the Approach to market and subsequent contract notice on AusTender is *UNSPSC 72101500 – Building support services*.

In September 2025, the department identifies that the contract will need to be extended to finalise the work and seeks to vary the contract. The contract variation will extend the contract to end on 30 October 2025 and will result in the estimated procurement value increasing to $10,200,000.

As the UNSPSC is captured by the PCP and the procurement has met the estimated individual value of $10 million and above (GST inclusive), the procurement meets the requirements of an Eligible project. The department assesses there is insufficient time remaining on the contract to provide Apprentices with suitable work and training experience. The department decides not to include PCP requirements in the contract variation.

The *Department of Procurements* documents the reasons why PCP requirements were not included and maintains appropriate records.

The record for this contract in the ADMS may need to be reviewed, with the project continuing to be marked as 'Not reporting'.

Submission Assessment

If the PCP is applied to the ATM documentation, Potential suppliers must declare in their Submission whether they can comply with the PCP requirements. Relevant entities are responsible for ensuring this declaration has been included in the Submission. While the PCP does not prescribe a specific format for this declaration, Relevant entities should outline the requirement to include a declaration clearly in the relevant ATM clauses.

It is a matter for Relevant entities to determine how to evaluate the PCP requirements during the Submission assessment process. Regardless of how the PCP requirements are framed, Relevant entities must ensure that the assessment process includes consideration of the PCP requirements, as outlined in the PCP, **Section 5.** However, if an exemption is identified during the Submission assessment, such as the Potential supplier proposes to deliver the entire procurement overseas, Relevant entities are not required to consider the PCP requirements.

When assessing Submissions, Relevant entities should check that the Potential supplier's GEAP refers to the correct Eligible project type and identifies the appropriate Skills Guarantee targets that will apply to the procurement.

Relevant entities should consider the past performance and reporting under the PCP of Potential suppliers in the evaluation of the Submission. Supplier performance data for all completed Skills Guarantee projects will be available to all Relevant entities.

Please also refer the Assessing Submissions Guidance Version 1.1 on GovTEAMS for further information and a checklist.

Reporting and compliance

Suppliers must report quarterly to Relevant entities on their progress against targets in ADMS.

Sub-contractors may also be asked by their Supplier to record the hours worked by Apprentices and ICT cadets in ADMS.

Actions for Relevant entities

Relevant entities are required to:

- monitor Supplier reporting and address Supplier non-compliance (where necessary) over the life of the contract,
- undertake appropriate assurance activities, as required,
- complete compliance assessments for each quarterly reporting period in ADMS (this data will be sent through to DEWR every six months),
- assess the Supplier's performance against targets for women in ADMS at the end of each financial year,
- provide an end of project report to DEWR in ADMS at the end of each contract.

Please refer to the further reporting guidance on GovTEAMS for more information.

Frequently Asked Questions

Eligible projects

Do PCP thresholds apply to projects as a whole or individual procurements?

- The PCP financial thresholds apply to each individual procurement.

Does the PCP apply to Sub-contractors?

- The PCP applies to the contract between the Relevant entity and the lead contractor (the Supplier).
- This means that while it does not apply to Sub-contractors directly, Suppliers are expected to report on all Labour hours on the Eligible project. However, Suppliers and Relevant entities can enable Sub-contractors to report Labour hours directly into ADMS. If Relevant entities or Suppliers intend to permit Sub-contractors to submit data for a project, they will need to enable Sub-contractor access when the project is created in ADMS.
- Suppliers will need to ensure Sub-contractors have access to ADMS and provide accurate and timely reporting against the targets to the Supplier, to enable the Supplier to meet their reporting obligations to the Relevant Entity.

How do I calculate the estimated individual value of a procurement to determine whether my procurement is subject to the PCP?

- A Relevant Entity will need to determine the 'estimated individual value' of the procurement.
- This should include options, extensions, renewals or other mechanisms that may be executed over the life of the contract, in line with **Section 9.2** of the Commonwealth Procurement Rules (CPRs) definition of 'expected value of a procurement'.
- For example, where the initial contract for a procurement has a value of $9 million but includes an option to extend the contract, worth an additional $1.5 million, the estimated individual value of the procurement would be $10.5 million. Therefore, this procurement would meet the $10 million threshold for Major construction projects and Major ICT projects.

Does the PCP apply to a procurement where the estimated individual value is less than $10 million but the successful Submission is $10 million or more?

- The PCP applies to eligible procurements with an estimated individual value of $10 million or more (including options, extensions, renewals or other mechanisms that may be executed over the life of the contract).
- Where a procurements estimated individual value is less than $10 million, Relevant entities are not required to include Skills Guarantee requirements in the ATM.
- However, if the successful contract value is $10 million or more, the Relevant entities can negotiate with the successful Supplier to include the PCP requirements in the contract.

Does the PCP apply to a procurement where the estimated individual value is $10 million or more but the successful Submission is less than $10 million?

- If the procurements estimated individual value is $10 million or more, PCP requirements must be included in the ATM.

- As the requirements are in the ATM, the final contract should also contain PCP requirements, even if the successful contract value is under $10 million.

Apprentices and ICT cadets

What is an Apprentice?

- An Apprentice (also known as a *trainee or Australian* Apprentice) as a person who is:
    - employed under a Training Contract 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 Supplier or Sub-contractors or indirectly employed through a Group Training Organisation to work on an Eligible project.

What is an ICT cadet?

- An ICT cadet is a paid employee who is working on a Major ICT project 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.

PCP targets

How are Apprentice or ICT cadet off-site Labour hours treated to calculate meeting the targets under the PCP?

- Off-site refers to Labour hours undertaken not at the physical location/s of the Eligible project to deliver inputs for the Eligible project, or to undertake Apprentice or ICT cadet education and training contributing to their qualification and the Eligible project.
- Labour hours worked off-site to deliver inputs for an Eligible project to count towards meeting the target could be for example the hours worked by a cabinet maker to manufacture cabinets for use on an Eligible project.
- Hours spent off-site for formal Apprentice or ICT cadet training and education, including hours spent at a Registered Training Organisation or university, can be counted towards the PCP targets. However, these hours can only be counted once towards the Eligible project. For example, if an Apprentice spends 10 hours in training, the total claimed hours must not exceed the actual hours spent off-site. If these hours are split between multiple projects, the sum of the reported Labour hours must not be greater than the total hours the Apprentice or ICT cadet has worked off-site. For example, if the Apprentice did 10 hours of training and 5 hours are allocated to Project A and 5 hours to Project B, that's allowable. You would not be able to claim more than 10 hours in total across all projects.

How are part-time hours treated under the PCP?

- All Labour hours, including part-time Labour hours, that an Apprentice or ICT cadet has worked on an Eligible project will count towards PCP targets.

Can more than one Apprentice or ICT cadet contribute to the Labour hour targets?

- It does not matter how many different employees contribute to the targets, as the targets are based on Labour hours, rather than head count. Suppliers will be asked to provide the total Labour hours worked on the Eligible project in ADMS, rather than the number of employees that are working on the Eligible project.

Reporting and compliance

How will Suppliers report on PCP targets?

- Suppliers must submit quarterly reports in ADMS to Relevant entities.
- Further guidance for Suppliers on this process is available on the Apprenticeships.gov.au website: Australian Skills Guarantee reporting for suppliers and subcontractors | Australian Apprenticeships.

Will a Supplier's performance be publicly available?

- Suppliers' performance history with the PCP will be available for Relevant entities to view after an Eligible project has been completed. Supplier reports will not be shared publicly.

How will compliance be monitored under the PCP?

- Relevant entities are required to monitor Supplier performance based on their quarterly reporting. When required, Relevant entities will need to address non-compliance with Suppliers in accordance with the streams of non-compliance detailed in the PCP.
- It is expected that Relevant entities will utilise their own procurement processes and contract management mechanisms to discuss performance with Suppliers.

Are there financial penalties for non-compliance with PCP targets?

- No, there is no requirement for financial penalties to be imposed under the PCP. However, this does not preclude Relevant entities from imposing financial penalties for non-compliance where these have been agreed under the relevant contract.

Will mitigating factors be considered when assessing a Supplier's compliance with the Skills Guarantee?

- Where performance is below expectations, mitigating factors should be considered by Relevant entities. There are fields in ADMS for Suppliers to provide reasons for non-compliance.
- For example, if the Eligible project is being delivered in a regional or remote area, and the Supplier has not met PCP targets despite demonstrating reasonable efforts to do so, Suppliers could indicate this as a mitigating factor in reporting. Relevant entities should consider these factors when determining the appropriate compliance action to undertake, noting that Suppliers are expected to continue working with Sub-contractors in regional and remote areas who may have limited access to Apprentices as per **Section 4.1.4** of the PCP.

Further resources

- Australian Government Contract Management Guide, Sections 2.12-2.13 – https://www.finance.gov.au/sites/default/files/2023-07/australian-government-contract-management-guide-july-2023.pdf
- Australian Government Procurement BuyRight, Contract Variations – https://www.finance.gov.au/government/procurement/buyright/contract-variations.
- WGEA Action Planning Tool – https://www.wgea.gov.au/take-action/action-planning-tool
- WGEA Employer guidance on developing policies and strategies for the six Gender Equality Indicators – https://www.wgea.gov.au/take-action/policy-and-strategy-guidance
- WGEA Policy and strategy guidance: Gender composition of the workforce – https://www.wgea.gov.au/sites/default/files/documents/Policy-and-strategy-guidance-gender-composition-of-the-workforce.pdf
- WGEA Policy and strategy guidance: Sexual harassment, harassment on the grounds of sex or discrimination – https://www.wgea.gov.au/sites/default/files/documents/6-Policy-and-strategy-guidance-Sexual-harassment-harassment-on-the-ground-of-sex-and-discrimination.pdf
- WGEA Gender Pay Gap Analysis Guide – https://www.wgea.gov.au/take-action/gender-pay-gap/employer-gender-pay-gap-analysis-guide
- WGEA Gender equitable recruitment and promotion guide - https://www.wgea.gov.au/tools/recruitment-and-promotion-guide
- Prime Minister and Cabinet (PM&C), Office for Women - Working for Women: A Strategy for Gender Equality - https://genderequality.gov.au/sites/default/files/2024-03/working-for-women-a-strategy-for-gender-equality.pdf