



Australian Government
**Department of Employment
and Workplace Relations**

Australian Skills Guarantee Consultation Summary





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Introduction

Investing in skills and training is critical to building a pipeline of skilled workers, improving wellbeing, and driving future economic growth. The Australian Skills Guarantee (the Skills Guarantee) will use Government investment in major projects to help train the next generation of skilled workers.

The Skills Guarantee is a key commitment under the Government's *Secure Australian Jobs Plan* that 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 and in the 2022-23 Budget, the Government announced that the Skills Guarantee would be expanded to include targets to ensure more women benefit from the economic opportunities created by government investment; incorporate a focus on digital skills, acknowledging the numerous pathways into the digital and information technology sectors beyond apprenticeships and traineeships; and apply to social and affordable housing projects, as part of the National Housing Accord.

To help inform the design and implementation approach for the Skills Guarantee, the Department of Employment and Workplace Relations (the Department) commenced a public consultation process in October 2022, which began with targeted engagement with other Commonwealth agencies as well as state and territory governments.

The public consultation was expanded in November 2022 with the release of a discussion paper that raised key design considerations for feedback including the scope of the Skills Guarantee, such as the design of the targets, financial thresholds, and implementation approaches and timing. The discussion paper also sought views on opportunities to support future initiatives for women to achieve higher-paying, secure careers through VET.

As part of these consultations the Department held a series of roundtables and targeted meetings with over 100 organisations and professionals. This included industry representatives, unions, peak bodies, employers, training organisations, academics, organisations advocating for women, women engaged in the vocational education and training (VET) system, state and territory governments and Commonwealth agencies. A total of 49 written submissions were also received as part of this process.

Understanding the perspectives of those engaged in government funded projects, from the organisations tendering for contracts through to those delivering works on the ground, is critical to the success of the Skills Guarantee. The Department would like to thank those organisations and individuals who gave their time and insights to help shape the Skills Guarantee.

This paper provides an overview of these consultations. The Department will continue to engage with key stakeholders across Australia over the coming year as we refine and implement the Skills Guarantee.

What we heard: Design of the Skills Guarantee

Types of projects

The scope of the Skills Guarantee will be determined by the types of projects, financial thresholds, workforce targets and implementation approach. Chapter one of the discussion paper proposed the application of the Skills Guarantee to major building and construction and facilities management projects (major construction projects) as a first stage, to major IT projects as a second stage and expansion to other industries and sectors in future.

Stakeholders proposed the department consider different approaches for different industries. Employers and peak bodies in the digital sector noted a relatively low level of apprenticeship pathways, a need for more time to adopt any broad-based targets and further work to define paid cadet and learning worker pathways.

There was support from some stakeholders for expanding the Skills Guarantee in future stages to other industries and sectors including: health care and social assistance; mining; electricity and waste services; and renewable energy.

The financial threshold for major projects

The Skills Guarantee will apply to major, Australian Government funded projects and so a key design factor is the financial threshold for a 'major project'. Chapter 2 of the discussion paper outlined options for the financial threshold for the Skills Guarantee.

Two options were outlined for the financial threshold, \$7.5 million and \$20 million:

- A threshold of \$7.5 million would align with the Indigenous Procurement Policy¹ and the Indigenous Employment and Supplier-Use Infrastructure Framework in the Land Transport Infrastructure National Partnership Agreement (NPA),² and capture more projects in rural and regional areas.
- A threshold of \$20 million would align with the Australian Industry Participation (AIP) plans for Government procurement,³ reduce the administrative costs on employers and governments in implementing the Skills Guarantee and reduce the Skills Guarantee's application to projects in rural and regional areas.

Roughly equal support was expressed by stakeholders for the \$7.5 million and \$20 million thresholds, with stakeholders noting a range of advantages and disadvantages for each. Feedback indicated:

¹ National Indigenous Australians Agency, Indigenous Procurement Policy, December 2020. niaa.gov.au/sites/default/files/publications/ipp-guide_0.pdf

² 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

³ Department of Industry, Science and Resources, Australian industry participation. industry.gov.au/major-projects-and-procurement/australian-industry-participation

- A threshold of \$7.5 million may increase administrative burden; exclude smaller businesses from tendering out of concern about meeting the requirements; but would increase opportunities for apprentices and trainees on smaller projects, including in regional and rural areas.
- A threshold of \$20 million may alleviate administrative burden; allow smaller tenderers to be more agile and responsive when tendering; but would not cover as many projects as a lower threshold.

A number of stakeholders also recommended the consideration of an alternate threshold to those proposed; applying different thresholds to different projects; and a scaled approach with increasing thresholds for projects in major cities.

One in 10 target

The Skills Guarantee aims to ensure one in 10 workers on major, Australian Government funded projects are an apprentice, trainee, or paid cadet. Chapter 3 of the discussion paper outlined options for calculating the target.

For major construction projects, the discussion paper proposed the one in 10 target be calculated using total labour hours of the workforce for the contract, including sub-contractors. The discussion paper also raised the inclusion of paid cadets, learning workers and the allowance of greater flexibility for contracting agencies to determine targets on a project-by-project basis for consideration.

Stakeholders expressed strong support for calculating the one in 10 target using total labour hours of the workforce for the contract as this aligns with the approach taken in the existing state and territory government policies, provides more flexibility, aligns with the way industry works and captures both work and training hours undertaken by apprentices and trainees.

Similarly, stakeholders supported the inclusion of paid cadets and learning workers, particularly for ICT projects, sharing that this would assist in increasing and supporting women; acknowledges varying entry level pathways across industries and sectors; allow a broader range of qualifications and occupations to be captured; and gives access and opportunity to the most diverse set of workers.

The discussion paper sought feedback on the impacts of the Skills Guarantee on rural and regional Australia and the challenges or supports needed. Many stakeholders acknowledged rural and regional areas have thin labour markets, so can experience challenges finding suitable applicants for apprenticeships and traineeships and for supervisory roles and have difficulties accessing training locally. These challenges also point to the importance of providing more employment and training opportunities for people in regional and rural areas.

Targets for women

The Skills 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. Chapter 4 of the discussion paper outlined options for the design of the targets for women proposing three options:

- a percentage of apprentices, trainees and paid cadets being women;
- a percentage of the trades workforce of major projects being women;
- a percentage of the whole workforce for a project being women.

The chapter also explored the time horizon for implementing the targets and what level the targets for women should be set at.

While there was general support for setting targets for women, feedback on the level of targets was not specific. There was consensus that the current rate of women's participation should be a key consideration in designing the targets, while allowing for ambition towards a 'stretch' goal. Several stakeholders suggested that the targets for women be increased over time to allow the industry to adapt their workforces to better support women.

Some stakeholders highlighted the value of setting higher female participation targets for specific exemplar projects or designated sites, as has been applied in Queensland. Stakeholders noted that setting higher targets at exemplar sites can create a critical mass of women on site, supporting cultural change and worksite norms.

Many stakeholders supported multiple targets for women aimed at different cohorts in the workforce – such as specific targets for trade roles combined with broader targets across the apprenticeship and traineeship system. Some stakeholders also advocated for the expansion of the targets beyond apprentice and trainee roles. Stakeholders also recognised that the number of qualified and licensed women in the trades workforce needed to be built first through targets for apprentices and trainees.

Some employers raised concerns that they would not be able to meet targets for women under the Skills Guarantee because of the tight labour market. On the flip side, some employers, unions, and women's advocacy groups reported that many employers are more open to recruiting women and changing the hours and conditions of job roles (for example, accommodating requests for part-time hours) to attract and retain a more diverse workforce (which includes many men who may also be interested in changes to working conditions).

It was noted that reducing gender segregation required a greater focus from governments, including through procurement policies like the Skills Guarantee, as the participation of women in construction has not significantly increased in recent years despite persistent skills shortages in some trades.

Stakeholders noted that accountability against the targets is essential to changing business practices and reducing gender segregation in male-dominated industries and sectors. Some stakeholders noted that target levels that were highly ambitious but not supported by reporting or consistent engagement with suppliers could result in fewer women being hired, than targets that were lower but supported by ongoing engagement, accountability, and transparency.

The discussion paper also sought feedback on the supports needed to enable more women to enter, and thrive in workplaces, enabling businesses to meet the targets. Stakeholders raised the following supports: education campaigns explaining what is involved in different trades; packaged pre-vocational training for women not currently in the labour force; cultural change programs; respectful relationships and behavioural training; and support for employers to change workplace cultures.

In response to the Australian Apprenticeship Services and Supports Discussion Paper, stakeholder feedback largely centred around the need for existing wraparound supports to be more readily accessible and provided on a more regular basis to achieve better outcomes for women apprentices and trainees. Stakeholder feedback from women’s advocacy groups and women apprentices agreed that workplaces need to be welcoming, and safe, to attract and retain women.

Some stakeholders also took the opportunity to recommend the consideration of the inclusion of targets for other cohort groups, such as First Nations Australians or people with disability.

What we heard: Implementing the Skills Guarantee

Implementation approach

Chapter 5 of the discussion paper outlined that the Skills Guarantee could be implemented through a staged approach, proposing the Skills Guarantee apply:

- From July 2023 to major construction projects via a Procurement Connected Policy.
- From July 2024 to major ICT projects 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 as outlined in the Housing Accord.
- From July 2025 and onwards to additional industries via an expanded PCP, on a project-by-project basis, or other NPAs.

Many stakeholders noted that successful implementation of the Skills Guarantee will require sufficient lead times and ongoing engagement to ensure education, guidance material and support could be provided to industry and contracting agencies to understand the requirements and support compliance.

This is particularly important given the tender process timeline, as suppliers hoping to submit a tender application for a major project will often begin planning for and drafting their application 12 months prior to the tender process commencing.

Managing performance

Establishing appropriate reporting and performance management mechanisms is important to ensure the Skills Guarantee achieves its objectives. Chapter 6 of the discussion paper outlined options for reporting and performance management, proposing suppliers regularly report their performance against the targets at the project-level using a provided formula which reflects the methodology of calculating the targets.

Streamlined and easy-to-use reporting will be critical to the successful implementation of the Skills Guarantee, with many stakeholders echoing this. Some women’s advocacy groups stated that accountability and public reporting will be necessary to deliver the targets for women.

Many stakeholders recommended the consideration of a reporting system, including references to central portals; software templates; leveraging existing systems or data sources; and online reporting mechanisms. Feedback indicated the need to address how data can be best captured and reported

across the many projects, suppliers, and sub-contractors as well as the need to consider how any reporting solutions would integrate to the existing business tools used by major contractors.

Roles and responsibilities

Chapter 7 of the discussion paper outlined the possible roles for business, Australian Government contracting agencies and state and territory government contracting agencies in implementing the Skills Guarantee.

Echoing feedback around the need for education, guidance material and support, stakeholders recommended consideration of a community of practice, forum or working group to share learnings, discuss challenges and support, and ensure streamlined approaches.

The discussion paper also sought feedback on the additional costs associated with implementing the Skills Guarantee. Noting stakeholders indicated costs could not be easily determined until the policy and reporting requirements were settled, feedback raised potential additional costs surrounding resourcing; ensuring appropriate facilities; upskilling existing workers; support apprentices; tendering; supervision; recruitment and securing suitable candidates; and new procedures and policies.

Some state and territory governments asked for clear guidance on the interaction between the Skills Guarantee and existing state and territory government policies, raising the importance of ensuring industry are aware of the key differences. The importance of minimising duplication for reporting on joint Commonwealth-state projects was also raised.

What we heard: Initiatives to Support Women in VET

Supporting women to achieve careers via VET Pathways

Chapter 8 of the discussion paper sought views on the types of initiatives that could be considered in the future to support women in the VET system, drawing on experiences about what is most effective in attracting and retaining women in occupations that have low levels of women's participation.

Stakeholders agreed that societal, industry and workplace culture plays a key role in achieving more diverse and gender equal workforces. Stakeholders shared their experiences and views on this topic, and some considered the culture is changing, albeit very slowly. Some stakeholders encouraged taking 'bold and brave' solutions to quicken the pace of positive change for everyone, particularly women.

Feedback identified a number of barriers faced by women in the higher paying and historically non-traditional trade occupations, and proposed opportunities to improve settings and outcomes for women achieving careers via VET pathways.

Many stakeholders raised the prevalence of gendered discrimination, including bullying and harassment, as impacting outcomes for women in trade training and the recruitment and retention of women in historically male-dominated occupations. Several stakeholders indicated that perceptions of trade occupations and industries as unsafe and unsupportive environments impacts

the career choices of young women and girls and deters women from engaging in trades later in their careers as well.

Stakeholders noted that strategies to address these issues included providing networking and mentoring opportunities for women to improve the commencement and completion rates of women in trades and the retainment of women in trade dominant industries like construction. Stakeholders also encouraged mentorship programs to be run by tradeswomen for women, as well as employer and employee social awareness and unconscious bias training that outlines roles and obligations, including bystander responsibilities and preventative strategies.

Increasing the availability of pre-apprenticeship and preparatory programs, especially in schools, such as 'try-a-trade-days' and work experience specifically for women and girls were also suggested, as were targeted marketing campaigns and career advice to attract and recruit women to trade occupations that highlight the visibility of women in trades.

Workplace arrangements have a role in influencing workplace culture and several stakeholders acknowledged that access to more flexible workplace arrangements can be advantageous for both men and women workers, allowing a better balance of work and family roles. Stakeholders noted that where men are afforded more flexibility (for example later start times to enable school drop off), that supports more women into male dominated roles by enabling greater sharing of domestic roles.

Stakeholders noted success stories of businesses where they had instituted more flexibility or family friendly work arrangements on site – such as five-day work weeks on construction sites, flexible start and finish times to align with school pick-up and drop-off responsibilities, provision of onsite childcare and parents' rooms, flexible training options, and job share arrangements.

Access to adequate workplace amenities at worksites is important for everyone, but particularly presents a significant barrier for women. Stakeholders acknowledged that reliable access to safety equipment in the right size, gendered bathroom facilities, sanitary disposal bins, and secure change facilities is an issue that impacts women's participation in trade occupations and in more male-dominated industries. Stakeholders shared examples of how women often had to 'make do' in the absence of these facilities.

It was also noted that additional barriers are faced by mature-aged women, First Nations women, women in rural and regional areas, and women of culturally and linguistically diverse backgrounds. Improving diversity and inclusivity of highly gender segregated trade occupations and promoting the benefits of diverse and inclusive workplaces was generally noted as an area requiring further work and that more consultations on strategies to support these groups is likely to be required.

2023–24 Budget Announcement

The Australian Government will provide \$8.6 million over 4 years from 2023–24 to implement the Skills Guarantee. The Skills Guarantee will introduce new national targets for apprentices, trainees and paid cadets on Australian Government funded major projects. It will also introduce national targets for women to increase the proportion of women working on major projects and drive long-term sustainable change to reduce gender segregation in the apprenticeship system.

The Skills Guarantee will initially apply to major construction and information and communications technology (ICT) projects through an Australian Government Procurement Connected Policy, which will apply to tender processes commencing from 1 July 2024.

Major Construction Projects

Major construction projects will be defined as a Commonwealth procurement with a total contract value at or over \$10 million in the construction sector. Procurements in this category will be required to meet:

- **Overarching Apprentice/Trainee Targets:** A minimum of 10% of all labour hours to be undertaken by apprentices/trainees.
- **Apprentice/Trainee Target for Women:** A minimum of 6% of all apprentice/ trainee labour hours to be undertaken by women.
- **Trades Apprentice/Trainee Target for Women:** A minimum of 4% of trade apprentice/trainee labour hours to be undertaken by women.

To drive sustainable change, the targets for women will be increased annually by one percentage point, reaching a minimum of 12% for women in apprenticeships/traineeships and 10% for women in trade apprenticeships/traineeships in 2030.

The Government will also work with state and territory governments to apply the Skills Guarantee to jointly funded major construction projects under the National Housing Accord, the 2032 Olympic and Paralympic Games and the next National Partnership Agreement on Land Transport Infrastructure Projects.

Major ICT Projects

Supporting the pipeline of workers with digital skills, major ICT projects will be defined as a Commonwealth procurement with a total contract value at or over \$10 million in the ICT sector. Initially, targets for apprentices, trainees and paid cadets, and targets for women, will be negotiated with suppliers on a project-by-project basis.

Flagship Projects

There will be more ambitious targets for flagship construction projects, defined as a Commonwealth procurement with a total contract value at or over \$100 million in the construction sector. Procurements in this category would be required to meet the following requirements:

- Meet the baseline targets that apply to major construction projects.

- Propose higher targets for women.
- Prepare a Gender Equality Action Plan outlining how the targets will be achieved.

Next Steps

The department will continue to work with the sector and state and territory governments on the detailed program design, guidelines and other key documents ahead of targets applying to tender processes from 1 July 2024.

In the second half of 2023, the department will undertake:

- A public consultation process to seek stakeholder views on draft guidelines for the Procurement Connected Policy, providing an opportunity for stakeholders to inform the final guidelines ahead of the Skills Guarantee coming into effect.
- A discovery process to help inform the design and delivery of a robust and reliable reporting system in consultation with the sector.

The Department will also continue to meet with individuals and groups with interest in the design of future initiatives for women to achieve higher-paying careers through VET pathways.

More information

For information on the Skills Guarantee, please visit the [Australian Skills Guarantee page](#) on the Department's website.

Appendices

Appendix	Title
Appendix A	Summary of consultation questions

Appendix A: Summary of consultation questions

The following questions in the Australian Skills Guarantee Discussion Paper were aimed at developing a Skills Guarantee that can be applied across a range of projects and implementation approaches.

No.	Question
1	What are the benefits and barriers associated with applying the Skills Guarantee to major construction, IT, services contracts or new clean and renewable energy projects?
2	In addition to those listed in Chapter one of the discussion paper, are there any other types of projects or industries the Skills Guarantee should be applied to?
3	Of the two options, outlined in Chapter two of the discussion paper, for the financial threshold for the Skills 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 in the discussion paper on projects in rural and regional Australia?
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 Skills Guarantee? Do you agree with the proposed definition in the discussion paper?
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 Skills Guarantee apply to a broader definition of a 'learning worker'? What are the benefits and risks associated with allowing the Skills Guarantee to be applied differently on a project-by-project basis?
10	Of the options for targets for women in the discussion paper, which do you prefer and why? For your preferred option, what target percentage of women do you believe would be achievable and by when?
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?

No.	Question
13	What supports are needed to enable more women to enter, and thrive in these workplaces, enabling businesses to meet these targets?
14	Are there any barriers to the proposed implementation approach outlined in Table 2 of the discussion paper? 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 Skills Guarantee and why?
15	Do the implementation approaches explored in Chapter 5 of the discussion paper cover the greatest opportunities for delivering the Skills Guarantee?
16	What outcomes can be achieved through the Skills Guarantee and how do you think it will help build a skilled workforce?
17	If you are a potential supplier or sub-contractor, what would support you to implement the Skills Guarantee and to collect and report data on apprentices, trainees and paid cadets?
18	What are the additional costs that are likely to be incurred by business to meet the requirements under the Skills 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 Skills 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 Skills 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 Skills Guarantee?
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?

No.	Question
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?