



Targets for Major ICT Projects

Australian Skills Guarantee guidance for relevant entities

The Commonwealth Government has introduced the Australian Skills Guarantee (Skills Guarantee) to leverage its significant purchasing power to help address skills shortages and gender segregation in the construction and Information and Communication Technology (ICT) sectors.

This resource is for relevant entities and outlines what to consider when undertaking a procurement that meets the eligibility requirements of a major ICT project as defined in the Skills Guarantee Procurement Connected Policy (PCP). This resource should be read in conjunction with the Skills Guarantee PCP.

Overview

Recognising the numerous entry-level pathways into digital roles, and that apprenticeship pathways are less common, targets for major ICT projects can be based on any combination of apprentice or ICT cadet labour hours. Where relevant entities have determined that it is reasonable to apply targets to the project, targets will be negotiated on a project-by-project basis with the preferred 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). If any component of the procurement will be delivered overseas, refer to Overseas guidance.

Step one: Relevant entity to determine eligibility

Prior to approaching the market, relevant entities will need to determine if a procurement meets the criteria for a *Major ICT project* (see section 3.1 of the Skills Guarantee PCP or the [eligibility checklist](#) available on the Skills Guarantee website).

Step two: Relevant entity to consider if reasonable to apply targets

If the relevant entity has determined the procurement meets the Skills Guarantee eligibility criteria, the relevant entity then needs to consider the type of services being procured and whether it is reasonable to apply targets to the procurement. See *Proposing ICT Targets* section below for further details.

For example, a procurement that requires highly specialised and experienced people will have minimal opportunity for apprentices and ICT cadets. Therefore, the relevant entity could determine that it is not reasonable for targets to apply. Another example where the relevant entity may determine that it is not reasonable to apply the Skills Guarantee targets is where software is being procured that has already been developed and where minimal labour hours will be involved to deliver the outcome. If a relevant entity determines it is not appropriate to apply the Skills Guarantee to a major ICT project, it should document the reasons and maintain appropriate records.

Step three: Include requirements in approach to market

Once a relevant entity determines it is appropriate for ICT targets to apply to a procurement, it should request information from potential suppliers in the approach to market (refer to 4.3.3 of the Skills Guarantee PCP). Skills Guarantee model clauses are available on the DEWR website and the Department of Finance's Clause Bank.

Step four: Evaluating submissions

When evaluating submissions, relevant entities should consider the ICT target information provided by potential suppliers and determine if it meets the requirements outlined in section 5.4 of the PCP, in conjunction with other assessment criteria, to determine the submission that demonstrates the most value for money, in accordance with the *Commonwealth Procurement Rules*. Relevant entities should also have regard to the extent to which a potential supplier is able to demonstrate a genuine and meaningful increase in the proportion of apprentices and ICT cadets engaged in the workforce and adjust the potential supplier's scores against the relevant evaluation criteria accordingly.

The ICT targets will then be agreed between the relevant entity and successful supplier during the contract negotiation stage and included in the contract.

For information on how potential suppliers can determine their proposed targets, refer to *Targets for Major ICT Projects – ASG guidance for potential suppliers* on the Skills Guarantee website.

Example showing how to work out if a supplier has met their proposed 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 ($30,000 \times 0.1 = 3,000$) 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 ($3,000 \times 0.3 = 900$) to be undertaken by women apprentices and ICT cadets

Need more information?

- Visit the Australian Skills Guarantee website for more resources: www.dewr.gov.au/australian-skills-guarantee
- Read the Australian Skills Guarantee Procurement Connected Policy
- Email ASG@dewr.gov.au