



Australian Skills Guarantee

Frequently asked questions

Introduction

The Australian Skills Guarantee (Skills Guarantee) introduced national targets for apprentices, trainees, paid cadets, and women on eligible Australian Government funded major projects. Since 1 July 2024, Skills Guarantee targets apply to new building and construction and maintenance services (construction) and information and communications technology (ICT) procurements that have an estimated individual value of \$10 million or more (GST inclusive).

The [Skills Guarantee Procurement Connected Policy \(PCP\)](#) provides high-level instructions to parties engaging in relevant Australian Government-funded procurements. The Skills Guarantee PCP is available to access on the DEWR website and should be the first point of reference for the Skills Guarantee.

This document is intended to complement the Skills Guarantee PCP and supplementary guidance. It will be reviewed and updated as required.

To ensure that the most recent version of the document is consulted, please check the Skills Guarantee website when required and refer to the date on the document:

<https://www.dewr.gov.au/australian-skills-guarantee>

For further information on the Skills Guarantee please contact DEWR via: ASG@dewr.gov.au

Eligible Projects

1. Do Skills Guarantee thresholds apply to projects as a whole or individual procurements?

- The Skills Guarantee financial thresholds apply to each individual procurement.

2. Which procurements does the Skills Guarantee PCP apply to?

- The Skills Guarantee PCP applies to construction and ICT procurements, which are referred to as 'eligible projects' in the Skills Guarantee PCP. The [Skills Guarantee PCP](#) provides definitions for each type of project in the **Glossary**, including the relevant financial threshold:
 - **Flagship construction projects** are those procurements with an estimated individual value of \$100 million and above (GST inclusive). *United Nations Standard Products and Services Codes (UNSPSCs)* that fall within the scope of *construction services* for the Skills Guarantee are specified in **Appendix C**.
 - **Major construction projects** are those procurements with an estimated individual value of \$10 million and above (GST inclusive). *UNSPSCs* that fall within the scope of *construction services* for the Skills Guarantee are specified in **Appendix C**.
 - **Major ICT projects** are those procurements with an estimated individual value of \$10 million and above (GST inclusive) in the *UNSPSCs* specified in **Appendix D**.

3. Does the Skills Guarantee apply to sub-contractors?

- The Skills Guarantee PCP applies to the contract between the Commonwealth agency (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 project. However, suppliers and relevant entities can enable sub-contractors to report labour hours directly into the Skills Guarantee online reporting system (accessed through the Apprenticeship Data Management System (ADMS)).
- Suppliers will need to ensure sub-contractors have access to the online reporting system 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.

4. How will the Skills Guarantee apply to contract variations?

- Skills Guarantee requirements do not apply to a contract variation if the original contract was executed prior to 1 July 2024.
- Where a contract variation increases the estimated value of a contract and it meets the definition of an eligible project, the relevant entity (contracting agency) will negotiate with suppliers to apply Skills Guarantee requirements if it presents an opportunity for greater participation of apprentices/ ICT cadets and women in the delivery of the remainder of the contract.
- There will be circumstances where it is not appropriate for Skills Guarantee requirements to be applied, for example, where almost all of the contract has been completed.

Apprentices and ICT cadets

5. What is an apprentice?

- The Skills Guarantee PCP Glossary, defines 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.

6. What is an ICT cadet?

- The Skills Guarantee PCP **Glossary**, defines an ICT cadet as 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.

Skills Guarantee Targets

7. How are hours off-site for apprentices and trainees treated when calculating targets under the Skills Guarantee?

- Labour hours worked off-site to deliver inputs for an eligible project can be counted towards the Skills Guarantee targets e.g., hours worked by a cabinet maker to manufacture cabinets for use on an eligible project will count towards the target.
- 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 Skills Guarantee targets. However, these hours can only be counted once towards the eligible project.
 - If these hours are to be split between multiple projects, the sum of the reported hours must not be greater than the total hours the apprentice worked off-site.

8. How are part-time hours treated under the Skills Guarantee?

- All labour hours, including part-time labour hours, that an apprentice or ICT cadet has worked on an eligible project will count towards Skills Guarantee targets.

9. Can more than one apprentice, trainee or ICT cadet contribute to the labour hour targets?

- It does not matter how many different employees contribute to the targets, as the Skills Guarantee targets are based on Labour Hours rather than head count. Suppliers will be asked to supply total Labour Hours worked on the project, rather than the number of employees that are working on the project.

10. Can non-binary employee's hours be attributed towards the women's Skills Guarantee targets?

- The Skills Guarantee includes targets for women apprentices and trainees, as well as an overarching target for apprentices and trainees.
- The targets for women include anyone who identifies as a woman.
- The overarching target is not gender specific, so people who identify as non-binary can be included in the overarching target.

Reporting and Compliance

11. What is the frequency of reporting under the Skills Guarantee?

- Suppliers are required to report at the end of every quarter and financial year, as well as the end of the contract.
- Suppliers are also responsible for providing Skills Guarantee reporting information on behalf of their sub-contractors, though suppliers and relevant entities can allow sub-contractors to enter reporting information directly into the online reporting system.
- Relevant entities need to report every six months on the progress of all eligible projects towards Skills Guarantee targets, any compliance activity undertaken, as well as final end of contract assessments for each project.

12. How will suppliers report on Skills Guarantee targets?

- Suppliers submit Skills Guarantee quarterly reports to relevant entities through ADMS.
- Suppliers should contact their relevant entities in the first instance for information on how to access and use ADMS for Skills Guarantee reporting purposes.
- Further information for suppliers on ADMS can be found via the [Australian Skills Guarantee reporting for suppliers and subcontractors webpage](#).

13. The PCP and other materials refer to a reporting worksheet instead of the online reporting system – what does this mean?

- The Skills Guarantee Reporting Worksheet was the interim reporting solution in place while the online reporting system was being built.
- From 8 May 2025, relevant entities and their suppliers are required to use ADMS to report on Skills Guarantee projects. The Reporting Worksheet is no longer available for use.
- Relevant entities should remove references to the Reporting Worksheet in relevant procurement and contract documents (Approach to Market documentation and contract clauses should refer to 'Skills Guarantee online reporting system' **instead of** 'Skills Guarantee Reporting Worksheet').
- References to the Reporting Worksheet in the PCP and other reference material will be updated to refer to the online reporting system in upcoming revisions.

14. Will a supplier's performance be publicly available?

- No, supplier reports will not be shared publicly. However, a supplier's compliance history with the Skills Guarantee will be available for relevant entities to view after a project has been completed.

15. How will compliance be monitored under the Skills Guarantee?

- 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 have in place mechanisms to discuss performance with suppliers.

16. What are the consequences of non-compliance?

- Relevant entities are required to undertake six-monthly assessments and a final (end-contract) assessment for contracts with Skills Guarantee targets.
- There are four streams of non-compliance, ranging from applying an educative approach, 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 PCP.
- 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.
- DEWR will support relevant entities to understand their obligations under the Australian Skills Guarantee and ensure there are comprehensive operational materials to support implementation.

17. Are there financial penalties for non-compliance with Skills Guarantee PCP and targets?

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

18. 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 the online reporting system 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 Skills Guarantee 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 Skills Guarantee PCP.