



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

Australian Skills Guarantee

Procurement Connected Policy

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Acknowledgement of country

The Australian Government Department of Employment and Workplace Relations acknowledges the Traditional Owners and Custodians of Country throughout Australia and acknowledges their continuing connection to land, waters, and community. We pay our respects to the people, the cultures, and the Elders past, present.

1 Glossary

The following defined terms are used in this document:

Accredited VET for the purpose of this PCP refers to vocational education and training developed when a training need is not covered by a Training Package Qualification, that is:

- nationally recognised and delivered by a Registered Training Organisation following independent assessment by the Australian Skills Quality Authority (ASQA) or a state/territory regulator; or
- is listed on the National Training Register.

Apprentice (also known as a Trainee or an Australian Apprentice) is 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.

Approach to Market has the same meaning as in the *Commonwealth Procurement Rules*.

Australian and New Zealand Standard Classification of Occupations (ANZSCO) is a list of standard occupations developed for use in Australia and New Zealand. Further information is on the Australian Bureau of Statistics website. It is used in this document to define what is considered a Trade role.

AusTender has the same meaning as in the *Commonwealth Procurement Rules*.

Australian Skills Quality Authority (ASQA) refers to the national regulator for Australia's vocational education and training sector as established under the *National Vocational Education and Training Regulator Act 2011* (Cth). ASQA regulates courses and training providers to ensure national approved quality standards are met.

Australian Qualifications Framework (AQF) is the national policy for regulated qualifications in Australia's Higher Education, vocational education and training and school education. It provides for national recognition and consistent understanding of what defines each qualification type.

Commonwealth Procurement Rules mean the rules issued by the Minister for Finance under section 105B (1) of the *Public Governance, Performance and Accountability Act 2013* (Cth).

Construction refers to the building and construction and maintenance services under the United Nations Standard Products and Services Codes (UNSPSC) subset codes specified in **Appendix C** in scope for the Skills Guarantee PCP.

Contract has the same meaning as in the *Commonwealth Procurement Rules*.

DEWR refers to the Department of Employment and Workplace Relations.

Eligible Projects are projects listed in **Section 3** of this Policy, which are undertaken by Relevant Entities.

Flagship Construction Projects are those procurements with an estimated individual value of \$100 million and above (GST inclusive) using one of the UNSPSC subset codes specified in **Appendix C**.

Flagship Construction Target requires Suppliers to set and meet higher, more ambitious targets for Women and provide a Gender Equality Action Plan, in addition to meeting the Overarching Apprentice Target and Overarching Apprentice Target for Women as outlined in **Section 4.4.3**.

Gender Equality Action Plan is a requirement for all Flagship Construction Projects and High-Value ICT Projects to outline Supplier recruitment and retention strategies that will be put in place to ensure the targets for Women are achieved and sustained as outlined in **Sections 4.4 and 4.6**. While not required, Suppliers are also encouraged to develop a Gender Equality Action Plan for Major Construction Projects and Major ICT Projects.

Group Training Organisation is an organisation that employs Apprentices under a Training Contract and places them with a Host Employer. The Group Training Organisation undertakes the employer responsibilities for the quality and continuation of the Apprentices' employment and training, including payment of Apprentices' wages. The Group Training Organisation also manages the additional care and support necessary to achieve the successful completion of the Training Contract.

Higher Education also known as tertiary education, refers to the AQF levels of education and training ranging from level 5-10, including diplomas, advanced diplomas, associate degrees, bachelor's degrees (including honours), graduate certificates, graduate diplomas, master's degrees, doctoral degrees and higher doctoral degrees.

High-Value ICT Projects are those procurements with an estimated individual value of \$50 million and above (GST inclusive) using one of the UNSPSC subset codes specified in **Appendix D**.

Host Employer is an employer who hires an Apprentice through a Group Training Organisation.

ICT refers to the information and communication technology services under the UNSPSC subset codes specified in **Appendix D** in scope for the Skills Guarantee PCP.

ICT Cadet refers to a person working on a Major ICT Project or High-Value ICT Project, who is in paid employment in an entry-level role and undertaking academic study through either Accredited VET or Higher Education towards a qualification under the AQF, 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.

Labour Hours are the number of hours a person worked on an Eligible Project. This can include full-time or part-time hours and may include hours worked On-Site and Off-Site training and education. See **Section 4.2** for further detail on what Labour Hours worked by Apprentices and Learning Workers can be counted towards relevant targets.

Learning Worker/s refers to:

- a person who, while employed on a Major ICT Project or High-Value ICT Project, is an Apprentice or an ICT Cadet; or
- a Worker who, while employed on a Major ICT Project or High-Value ICT Project, is currently undertaking Accredited VET and/or Higher Education relevant to the employment and skills needs of the employer while employed on the relevant Eligible Project; or
- a Worker who, while employed on a Major ICT Project or High-Value ICT Project, is currently undertaking or successfully completes a Microcredential relevant to the employment and skills needs of the employer while employed on the relevant Eligible Project.

Learning Worker High-Value Target requires Suppliers to set and meet higher, more ambitious targets for Women and provide a Gender Equality Action Plan in addition to meeting the Learning Worker Target and Learning Worker Target for Women as outlined in **Section 4.6.2**.

Learning Worker Target for Women is a target for Suppliers of Major ICT Projects that requires a minimum percentage of all Learning Worker Labour Hours spent on the Eligible Project to be undertaken by Women. See **Table 2** at **Section 4.5.8** for further information on the level of the target and the annual increase.

Learning Worker Target is a target for Suppliers of Major ICT Projects that requires a minimum of 5% of all estimated Labour Hours spent on the Eligible Project to be undertaken by Learning Workers.

Major Construction Projects are those procurements with an estimated individual value of \$10 million and above (GST inclusive) using one of UNSPSC subset codes specified in **Appendix C**.

Major ICT Projects are those procurements with an estimated individual value of \$10 million and above (GST inclusive) using one of the UNSPSC subset codes specified in **Appendix D**.

Microcredentials for the purpose of this PCP refers to:

- a certification of assessed learning or competency with an AQF award qualification, that is additional, alternate, complementary to or a component part of an AQF qualification and is listed on the National Training Register; or
- an industry or vendor certification which is recognised within the ICT industry.

Microcredentials may be delivered as a stand-alone qualification, or they can complement vocational education and training or Higher Education. The Microcredential must have clear learning outcomes. It must also stipulate the industry or vendor certification, or credit recognition certified by a Registered Training Organisation, education institution or professional body.

Model Clauses refer to draft clauses that can be included by Relevant Entities in Approach to Market, Contract or Standing Offer or panel arrangement documentation, as relevant, to give effect to the requirements of the Australian Skills Guarantee Procurement Connected Policy, available at: [www.dewr.gov.au/Australian Skills Guarantee](http://www.dewr.gov.au/Australian_Skills_Guarantee).

National Training Register refers to Australia's national training register at [Training.gov.au](https://www.training.gov.au) that includes nationally recognised training and Registered Training Organisations approved to deliver nationally recognised training, referred to in section 216 of the *National Vocational Education and Training Regulator Act 2011* (Cth).

On-Site refers to Labour Hours undertaken face-to-face by an Apprentice or Learning Worker at the physical location/s of the Eligible Project.

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 Learning Worker education and training contributing to their qualification and the Eligible Project.

Overarching Apprentice Target is a target for Suppliers of Major Construction Projects that requires a minimum of 10% of all Labour Hours spent on the Eligible Project are undertaken by Apprentices. Performance against this target will be calculated using Labour Hours, not headcount.

Overarching Apprentice Target for Women is a target for Suppliers of Major Construction Projects that requires a minimum percentage of all Apprentice Labour Hours spent on the Eligible Project be undertaken by Women. Both Trade and non-trade Apprentices can be counted towards this target. Performance against this target will be calculated using Labour Hours, not headcount. See **Table 1** at **Section 4.3.11** for further information on the level of the target and the annual increase.

Potential Supplier has the same meaning as in the *Commonwealth Procurement Rules*.

Registered Training Organisation means a training organisation that is listed as a Registered Training Organisation on the National Training Register.

Relevant Entity/Entities are non-corporate Commonwealth entities and prescribed corporate Commonwealth entities listed in **Section 30** of the *Public Governance, Performance and Accountability Rule 2014*.

Standing Offer has the same meaning as in the *Commonwealth Procurement Rules*.

State/Territory Training Authority refers to the state and territory government departments responsible for apprenticeships and traineeships within their states or territories. This includes overseeing Training Contracts, Group Training Organisations and providing information and support throughout the apprenticeship process.

Sub-contractor/s means another party contracted by the Supplier for the provision of goods and services for the purposes of the Contract.

Submission has the same meaning as in the *Commonwealth Procurement Rules*.

Supplier/s has the same meaning as in the *Commonwealth Procurement Rules*.

Training Package Qualifications are the occupational skills standards against which training delivery and assessment of competency take place and are developed through a process of national consultation with industry.

Trade refers to sub-major occupations that are classified as ‘Technicians and Trades Workers’ using *ANZSCO*.

Trade Apprentice (also known as trade trainee) is a person who:

- is classified as an Apprentice (see definition of Apprentice)
- works in a role that is classified as a Trade (see definition of Trade).

Trade-specific Apprentice Target for Women is a target for Suppliers of Major Construction Projects that requires a minimum percentage of Trade Apprentice Labour Hours spent on the Major Construction Project must be undertaken by Women (see definition of Trade in the Glossary for more information). Women working in a Trade would be eligible to be counted towards both targets for Women. Performance against this target will be calculated using Labour Hours, not headcount. See **Table 1** at **Section 4.3.11** for further information on the level of the target and the annual increase.

Trainee see definition of Apprentice.

Training Contract is a legally binding agreement between an employer and Apprentice administered under state/territory legislation.

United Nations Standard Products and Services Codes (UNSPSCs) are used by *AusTender* to categorise Australian Government procurement activities. The list of *UNSPSCs* used by *AusTender* can be found on data.gov.au.

Woman is a person, who regardless of their sex assigned at birth, identifies as a *woman* irrespective of age. **Women** has a corresponding meaning.

Worker (also known as an employee) is a person who is paid to work for an organisation for more than one hour in a week.

2 Introduction to the Australian Skills Guarantee

2.1 The Australian Skills Guarantee

- 2.1.1 The Australian 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 building and construction and maintenance services and Information and Communication Technology (ICT) sectors. The Skills Guarantee seeks to address ongoing acute skills shortages by providing opportunities for apprentices and trainees (referred to as Apprentices in this document), and Learning Workers across the country. The Skills Guarantee also aims to drive long term sustainable change to tackle gender imbalance in historically male dominated industries and increase gender diversity in the apprenticeship system by setting targets for Women.
- 2.1.2 The key mechanism to implement the Skills Guarantee is through the introduction of the Skills Guarantee Procurement Connected Policy (PCP). The Skills Guarantee PCP provides instructions for relevant parties engaging in Commonwealth procurements in the Construction and ICT sectors. For the Skills Guarantee PCP to apply, the Commonwealth procurement must meet the definition of an Eligible Project (see **Section 3** for more information on what is an Eligible Project).

2.2 Procurement Context

- 2.2.1 The Skills Guarantee PCP seeks to support government policy objectives through the Commonwealth's use of procurement activities, as outlined in the *Commonwealth Procurement Rules* administered by the Department of Finance.
- 2.2.2 Non-corporate Commonwealth entities and prescribed corporate Commonwealth entities listed in Section 30 of the *Public Governance, Performance and Accountability Rule 2014* (referred to in this document as Relevant Entities) must comply with the Skills Guarantee PCP.
- 2.2.3 Under the Commonwealth procurement framework, individual Relevant Entities are responsible for ensuring their own compliance with a procurement connected policy.

2.3 Application of the Skills Guarantee PCP

- 2.3.1 This Skills Guarantee PCP only applies to Australian Government Construction and ICT procurements for Eligible Projects procured by Relevant Entities.
- 2.3.2 The original Skills Guarantee PCP (Skills Guarantee PCP Version 1) commenced on 1 July 2024.
- 2.3.3 This revised Skills Guarantee PCP Version 1.2 applies to new Approaches to Market for Eligible Projects issued from 1 October 2025.
- 2.3.4 Where an Approach to Market is issued prior to 1 October 2025, the Skills Guarantee PCP Version 1, will apply.

- 2.3.5 For Standing Offer arrangements established prior to 1 October 2025, Relevant Entities should seek to negotiate for the inclusion of appropriate Model Clauses to give effect to this Skills Guarantee PCP, including targets in accordance with **Section 4.3 – Section 4.6** as applicable, in any new Contracts for Eligible Projects to be made under the Standing Offer from 1 October 2025.
- 2.3.6 Prior to applying the Skills Guarantee PCP to new Approaches to Market for Major ICT Projects and High-Value ICT Projects, Relevant Entities will need to determine whether it is reasonable to apply targets to Major ICT Projects and High-Value ICT Projects based on the nature of the services being procured. For example, where minimal Labour Hours are involved (e.g., procuring software) it may not be feasible to apply the Skills Guarantee PCP targets. **Sections 4.5 – 4.6** only apply to Eligible Projects where the Relevant Entity has determined it is appropriate to apply the targets.
- 2.3.7 Sub-contractors for an Eligible Project do not have any standalone or separate obligations under the Skills Guarantee PCP but should report to Suppliers to enable Suppliers to comply with their Skills Guarantee PCP obligations (see **Section 7**). See also outline of roles and responsibilities at **Appendix A**.

2.4 Exemptions

- 2.4.1 The Skills Guarantee PCP does not apply to a procurement where paragraph 2.6 of the *Commonwealth Procurement Rules* has been applied.
- 2.4.2 The Skills Guarantee PCP does not apply to an Approach to Market for an Eligible Project delivered wholly overseas.
- 2.4.3 If an Eligible Project is partially delivered overseas, the Skills Guarantee PCP applies only to the domestic components that are delivered in Australia.
- 2.4.4 Where an Eligible Project has onshore and offshore components, it will be considered to be partially delivered overseas if any labour aspect of the project is proposed to be delivered at or from an overseas location. For example, if a Potential Supplier is proposing to sub-contract part of the build of an ICT system to a company whose workers are based overseas.
- 2.4.5 For further information on evaluating Submissions that propose to be partially delivered overseas, please see **Section 5.4**.

2.5 Accountability

- 2.5.1 The Australian Government publicly holds itself to account for performance under the Skills Guarantee PCP.
- 2.5.2 Program level performance against the Skills Guarantee PCP will be aggregated and de-identified data published on the [DEWR](#) website.

2.6 Supplementary guidance material

- 2.6.1 Supplementary guidance material on the Skills Guarantee PCP can be found on the DEWR website.

- 2.6.2 If you have any questions regarding the Skills Guarantee PCP, please contact DEWR at:
ASG@dewr.gov.au.

3 Eligible Projects

3.1 Introduction

3.1.1 The following are Eligible Projects:

- Major Construction Projects
- Major ICT Projects
- Flagship Construction Projects
- High-Value ICT Projects

3.1.2 The Skills Guarantee PCP should be applied to a procurement that meets the definition of an Eligible Project.

3.1.3 In determining the estimated individual value of a procurement, Relevant Entities should refer to paragraph 9.2 of the *Commonwealth Procurement Rules* and include the maximum value (including GST) of the proposed Contract, including options, extensions, renewals or other mechanisms that may be executed over the life of the Contract.

3.1.4 Where an Approach to Market for a Major ICT Project was issued prior to 1 October 2025, Relevant Entities may seek to negotiate the inclusion of the new requirements under Skills Guarantee PCP Version 1.2 in a Contract executed on or after 1 October 2025.

3.1.5 For a Contract for a Major ICT Project executed prior to 1 October 2025, the negotiated and agreed targets will remain in place for the duration of the Contract.

3.1.6 For a Contract executed on or after 1 October 2025 where an Approach to Market was issued on or after 1 October 2025, the revised Skills Guarantee PCP will apply.

3.1.7 If the Skills Guarantee PCP applies to a procurement, but the relevant Skills Guarantee PCP requirements are not included as part of the Contract, the Relevant Entity will be required to document the reasons and provide to DEWR in their next six-monthly reports required under **Section 7.1.4**.

3.1.8 **Example: Application of the Skills Guarantee PCP estimated procurement value.**

The Relevant Entity has determined their Construction procurement is in scope for the Skills Guarantee PCP and has identified the procurement is a Major Construction Project in the Approach to Market documentation.

The procurement has an estimated individual value of \$9 million (GST inclusive) and includes an option to extend the Contract worth an additional \$1.5 million (GST inclusive), making the estimated individual value of the procurement of \$10.5 million (GST inclusive), including options to extend.

The Skills Guarantee PCP has been appropriately applied to the procurement in the Approach to Market and reflected in the Contract.

3.2 Contract Variations

3.2.1 Where a Contract variation increases the estimated individual value of a Contract and it meets the definition of an Eligible Project (where it previously did not), the Relevant Entity will negotiate with Suppliers to apply the Skills Guarantee PCP taking into consideration if there is sufficient:

- time remaining on the Contract to provide an opportunity for greater participation of Apprentices, Learning Workers and Women in the delivery of the remainder of the Contract
- work remaining to be completed in Australia that has an Apprentice or Learning Worker pathway
- Contract deliverables that require Labour Hours.

3.2.2 It may not be appropriate for Relevant Entities to seek to apply Skills Guarantee PCP requirements in circumstances where one of the following applies:

- the Contract does not allow enough time to provide Apprentices, or Learning Workers with an adequate training experience, for example, a Contract may only have one month remaining
- almost all of the remaining Contract deliverables are to be delivered overseas
- almost all of the remaining Contract deliverables do not require Labour Hours
- there are no Apprentice or Learning Worker pathways in the remaining work to be delivered.

3.2.3 The list at **Section 3.2.2** is not exhaustive, and Relevant Entities may determine it is not appropriate for Skills Guarantee PCP to be applied when a Contract is varied for other reasons.

3.2.4 If a Contract variation changes the type of Eligible Project from a 'Major Construction Project' to a 'Flagship Construction Project', or a 'Major ICT Project' to a 'High-Value ICT Project', Relevant Entities should consider **Section 3.2.1** and **Section 3.2.2** and if it is appropriate to negotiate and calculate higher targets for Women and negotiate the provision of a Gender Equality Action Plan.

3.2.5 If as a result of a variation, a Contract is in scope for the Skills Guarantee PCP, or the type of Eligible Project changes, but the relevant Skills Guarantee PCP requirements are not included as part of a Contract variation, the Relevant Entity will be required to document the reasons and provide to DEWR in their next six-monthly reports required under **Section 7.1.4**.

- 3.2.6 If a Contract subject to the Skills Guarantee PCP is varied, the Supplier may provide updated information, (including Labour Hours), which should be reflected in the Contract.
- 3.2.7 If the Contract is varied to include the Skills Guarantee PCP provisions, ongoing Skills Guarantee reporting requirements would apply, as outlined in **Section 7**.
- 3.2.8 **Example: Supplier agrees to include Skills Guarantee PCP requirements.**

The *Department of Example Scenarios* (the Department) has contracted *Construction Company A* to deliver a Construction project.

The Contract start date is 30 September 2025 and the Contract end date is 30 September 2027. The Contract has an estimated value of \$9,800,000. The UNSPSC subset 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 2027, 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 2027 and will result in the procurement value increasing to \$10,500,000.

As the selected UNSPSC subset code for the procurement is captured by the Skills Guarantee PCP (see **Appendix C**) and the procurement now meets the \$10 million and above (GST inclusive) threshold, the procurement meets the requirements of an Eligible Project, and the Department seeks to include the Skills Guarantee 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 Skills Guarantee PCP requirements as part of the Contract variation which takes effect on 1 May 2027.

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 2027, *Construction Company A* will initially be required to ensure that 8% of Apprentice Labour Hours are undertaken by Women in apprenticeships, and 6% of Trade Apprentice Labour Hours are undertaken by Women in Trade apprenticeships. On 1 July 2027, these targets will increase to 9% and 7% respectively (see **Table 1** at **Section 4.3.11**) for the remaining period of the Contract.

The estimated Labour Hours and associated targets are included in the Contract.

- 3.2.9 **Example: Supplier does not agree to include Skills Guarantee PCP requirements.**

In the above example, if *Construction Company A* did not agree to include Skills Guarantee PCP provisions as part of the Contract variation, the *Department of Example Scenarios* would document the reasons why the Skills Guarantee PCP was not included and would maintain appropriate records. The Department would also be required to report the reasons why to DEWR in its six-monthly reports.

3.2.10 Example: Relevant Entity determined Skills Guarantee PCP requirements not considered appropriate in the Contract Variation.

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

The Contract start date is 15 October 2025 and the Contract end date is 15 October 2026. The Contract has an estimated value of \$9,995,000. The UNSPSC subset code for the Approach to Market and subsequent Contract notice on AusTender is *UNSPSC 72101500 – Building support services*.

In September 2026, 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 2026 and will result in the estimated procurement value increasing to \$10,200,000.

As the UNSPSC subset code is captured by the Skills Guarantee PCP (see **Appendix C**) and the procurement has met the procurement value threshold of \$10 million and above (GST inclusive), the procurement meets the requirements of an Eligible Project (being a Major Construction Project), and the Department assesses whether to include the Skills Guarantee PCP requirements for the remainder of the Contract term. The Department determines the contract variation does not allow enough time to provide Apprentices with an adequate training experience and therefore decides not to include Skills Guarantee PCP requirements.

The *Department of Procurements* documents the reasons why Skills Guarantee PCP requirements were not included and maintains appropriate records. The Department would also be required to report the reasons why to DEWR in its six-monthly reports.

4 Skills Guarantee PCP targets

4.1 Introduction

- 4.1.1 The Skills Guarantee will lead to an increase of skilled Workers, especially Women, entering the Construction and ICT sectors by setting national targets on Australian Government funded Eligible Projects. 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 workforce.
- 4.1.2 The Skills Guarantee PCP introduces different targets or requirements depending on the type of Eligible Project.
- 4.1.3 Suppliers of Major Construction Projects and Major ICT Projects will be required to ensure that a set percentage of Labour Hours are undertaken by Apprentices, Learning Workers and Women (see **Section 4.3** and **Section 4.5** for more details).
- 4.1.4 Suppliers of Flagship Construction Projects and High-Value ICT Projects will be required to set and meet higher, more ambitious targets for Women and prepare a Gender Equality Action Plan (see **Sections 4.4, Section 4.6 and Section 4.7** for more details). Performance against the targets for Women will be calculated using reported Labour Hours for each financial year. As the targets for Women will increase every financial year, Relevant Entities will need to assess compliance every financial year, not at the conclusion of the Contract.
- 4.1.5 For examples on how Labour Hours will apply to the various targets, see **Appendix B**.
- 4.1.6 Suppliers are expected to continue working with Sub-contractors in regional and remote areas who may have limited access to Apprentices, Learning Workers and Women to meet relevant targets.

4.2 Labour Hours that contribute to the Skills Guarantee PCP targets

- 4.2.1 To be counted towards the Skills Guarantee PCP targets, hours worked by an Apprentice, Woman or Learning Worker must meet the definition of Labour Hours.
- 4.2.2 Any hours undertaken by Apprentices, ICT Cadets, or Workers in Accredited VET and/or Higher Education after completing or terminating their apprenticeship, traineeship, ICT cadetship or training during a Major ICT Project or High-Value ICT Project will not be counted as Labour Hours towards targets.
- 4.2.3 Any hours undertaken by Workers who during the Major ICT Project or High-Value ICT Project are undertaking or have successfully completed a Microcredential will be counted as Labour Hours to meet targets after commencing, during and following the completion of the Microcredential.
- 4.2.4 Labour Hours worked Off-Site to deliver inputs to an Eligible Project can be counted towards the targets. This includes where the Apprentice, or Learning Worker is employed by a Sub-contractor under the Supplier. For example, the hours worked by a cabinet maker to manufacture cabinets for use on an Eligible Project can be counted towards the targets for

that Eligible Project. Off-Site work not contributing inputs to an Eligible Project will not be counted.

- 4.2.5 Labour Hours spent Off-Site for formal Apprentice, or Learning Worker training and education can be counted towards the Eligible Project. For example, hours an Apprentice or Learning Worker spends away from the project at a Registered Training Organisation or university can be counted. However, these hours can only be counted once towards an Eligible Project. If the Off-Site hours are to be split between multiple projects, the sum of the reported hours must not be greater than the total hours the Apprentice, or Learning Worker worked Off-Site.
- 4.2.6 A maximum of 20% of the Learning Worker Labour Hours counted in meeting the Learning Worker Target, Learning Worker Target for Women and the Learning Worker High-Value Target can be undertaken by Learning Workers who are currently undertaking, or have undertaken Microcredentials during the Eligible Project.
- 4.2.7 Any hours delivered by Workers based overseas will not count towards Labour Hours.
- 4.2.8 Further rules as to calculating Labour Hours for specific targets are outlined at **Section 8.2**.
- 4.2.9 **Example: Off-Site Labour Hours that can contribute to targets**

If an Apprentice working on 2 Eligible Projects (project A and B) worked 20 hours Off-Site in one week for both projects, then project A and B cannot both report that the Off-Site hours the Apprentice worked on their project was 20 hours. This would add up to 40 Off-Site hours, which is more than the Apprentice worked that week Off-Site.

If a Learning Worker is undertaking Higher Education Off-Site while working on the Eligible Project, the hours attending the education can be counted towards meeting the Learning Worker Target. If the Learning Worker is a Woman, these Off-Site Labour Hours can be used to meet the Learning Worker Target for Women and Learning Worker High-Value Target, if applicable.

4.3 Major Construction Projects Target

- 4.3.1 Suppliers of Major Construction Projects will be required to meet the following targets:
- Overarching Apprentice Target
 - Overarching Apprentice Target for Women
 - Trade-specific Apprentice Target for Women.
- 4.3.2 These targets set a minimum percentage of the Labour Hours that must be completed by target groups (Apprentices, Women, and Women in Trade roles) every financial year. Further details are provided below.

Overarching apprentice target

- 4.3.3 The Skills Guarantee PCP requires Suppliers of Major Construction Projects to ensure a minimum of 10% of all Labour Hours spent on the project are undertaken by Apprentices. Performance against this target will be calculated using Labour Hours, not headcount.

4.3.4 For Major Construction Projects, Learning Worker Labour Hours cannot be included in meeting the target.

4.3.5 **Example: Overarching Apprentice Target**

If *Chapman & Louey Construction* has estimated that their Major Construction Project will require 8,000 Labour Hours, a minimum of 800 Labour Hours must be undertaken by Apprentices.

Overarching Apprentice Target for Women

4.3.6 The Overarching Apprentice Target for Women requires Suppliers of Major Construction Projects to ensure that a minimum percentage of all Apprentice Labour Hours spent on the project must be undertaken by Women. Both Trade and non-trade Apprentices can be counted towards this target. See **Table 1 at Section 4.3.11** for further information on the level of the target.

Trade-specific Apprentice Target for Women

4.3.7 The Trade-specific Apprentice Target for Women requires Suppliers of Major Construction Projects to ensure a minimum percentage of Trade Apprentice Labour Hours spent on the Major Construction Project must be undertaken by Women (see definition of Trade in the Glossary for more information). Women working in a Trade would be eligible to be counted towards both targets for Women. See **Table 1 at Section 4.3.11** for further information on the level of the target.

Annual increase in targets for Women in Major Construction Projects

4.3.8 The targets for Women working on Major Construction Projects will increase annually, as shown in **Table 1 at Section 4.3.11**.

4.3.9 Where an Eligible Project spans a single financial year, the level of the targets for Women that Suppliers of Major Construction Projects must meet will be based on the project's Contract start date.

4.3.10 Where an Eligible Project spans multiple financial years, the minimum percentage of Women Apprentices and Trade Apprentices required on the project will initially be set based on the project's Contract start date and will increase each financial year (per **Table 1**).

4.3.11 **Table 1: Annual increases of targets for Women working on Major Construction Projects**

Targets apply	Overarching Apprentice Target for Women	Trade-specific Apprentice Target for Women
1 July 2024 to 30 June 2025	6.0%	4.0%
1 July 2025 to 30 June 2026	7.0%	5.0%
1 July 2026 to 30 June 2027	8.0%	6.0%
1 July 2027 to 30 June 2028	9.0%	7.0%

Targets apply	Overarching Apprentice Target for Women	Trade-specific Apprentice Target for Women
1 July 2028 to 30 June 2029	10.0%	8.0%
1 July 2029 to 30 June 2030	11.0%	9.0%
1 July 2030 onwards	12.0%	10.0%

4.3.12 Example: Estimating Labour Hours to meet Major Construction Project targets

Overarching Apprentice Target

Brown & Smith Construction has estimated that their Major Construction Project will require 10,000 Labour Hours. The Overarching Apprentice Target is calculated using **estimated** Labour Hours. Therefore, *Brown & Smith Construction* will be required to ensure:

- 1,000 Labour Hours are undertaken by Apprentices (10% the Major Construction Project's total estimated Labour Hours)

Estimating targets for Women

Brown & Smith Construction's Major Construction Project:

- estimates that 900 Labour Hours will be worked by Trade Apprentices.

Brown & Smith Construction's Major Construction Project has a Contract start date of 1 September 2024 and has a Contract end date of 16 May 2025. Therefore, the project will be subject to targets for Women for the 2024–25 financial year (6% Overarching Apprentice Target for Women and 4% Trade-specific Apprentice Target for Women).

To determine whether targets for Women have been met, **reported** Apprentice Labour Hours and **reported** Trade Apprentice Labour Hours will be used. However, before the project starts, *Brown & Smith Construction* can **estimate** that they will need a minimum of:

- 60 Labour Hours (6% of 1,000 Apprentice Labour Hours*) to be undertaken by Women Apprentices, and
- 36 Labour Hours (4% of 900 Trade Apprentice Labour Hours*) to be undertaken by Women Trade Apprentices.

*Depending on how many Apprentice and Trade Apprentice Labour Hours are **reported**, the number of Labour Hours that will need to be undertaken by Women Apprentices and Women Trade Apprentices to meet the targets may change. For example, if *Brown & Smith Construction* report 1,100 Apprentice Labour Hours then they will be required to ensure a minimum of 66 Apprentice Labour Hours (6% of 1,100 Apprentice Labour Hours) are undertaken by Women in apprenticeships.

For further information on calculating targets, see **Section 8.2**.

4.3.13 **Example: Targets for Women are determined based on the project's Contract start date and increase each financial year**

A Major Construction Project has a Contract start date of 31 July 2025 and a Contract end date of 14 May 2027. This project would be subject to the following targets:

- for the duration of the 2025–26 financial year, a 7% target for Women Apprentices and a 5% target for Women Trade Apprentices
- for the duration of the 2026–27 financial year, an 8% target for Women Apprentices and a 6% target for Women Trade Apprentices.

4.4 Flagship Construction Projects Target

4.4.1 Flagship Construction Projects must meet all Major Construction Project targets and the Flagship Construction Target.

4.4.2 Recognising the increased scale, Potential Suppliers of Flagship Construction Projects will be required to propose higher, more ambitious targets for Women. This may help work towards a critical mass of Women on site to help shift cultures on individual projects, and act as exemplars across the sector.

4.4.3 Suppliers of Flagship Construction Projects are required to:

- Ensure a minimum of 10% of all Labour Hours spent on the project are undertaken by Apprentices (see **Section 4.3.3**).
- Ensure they meet the minimum targets for Women applying to Major Construction Projects for the length of the project (see **Section 4.3.6**).
- Set and meet higher, more ambitious targets for Women. These must exceed the annual minimum targets set for Major Construction Projects (see **Section 4.3.11**).
- Provide a Gender Equality Action Plan outlining how targets will be achieved as outlined in **Sections 4.7**.

4.4.4 **Example: Flagship Construction Targets**

Best Construction is tendering for a Flagship Construction Project. The tender documentation posted on AusTender indicates a Contract start date of 30 September 2025 and a Contract end date of 15 June 2026. *Best Construction* must propose higher targets for Women than those applying to Major Construction Projects on 30 September 2025. Therefore, the targets for Women for this project must be:

- above 7% of Apprentice Labour Hours and
- above 5% of Trade Apprentice Labour Hours.

Where a Flagship Construction Project spans multiple financial years, Potential Suppliers will need to propose higher targets for Women than those applying to Major Construction Projects for each financial year.

4.5 Major ICT Projects Target

4.5.1 Suppliers of Major ICT Projects will be required to meet the following targets:

- Learning Worker Target
- Learning Worker Target for Women

4.5.2 The targets set a minimum percentage of the total estimated Labour Hours that must be completed by Learning Workers and Women.

4.5.3 The Learning Worker Target can be made up of any combination of Labour Hours by Learning Workers and Apprentice Labour Hours.

4.5.4 Potential Suppliers will be required to supply the information specified at **Section 5.3** during the Submission stage.

4.5.5 See Reporting and Compliance under **Sections 7 and 8** for further detail on calculating targets.

Learning Worker Target

4.5.6 Suppliers of Major ICT Projects will be required to meet a 5% target of the project's total estimated Labour Hours to be undertaken by Learning Workers.

Learning Worker Target for Women

4.5.7 Suppliers of Major ICT Projects will initially be required to meet a 10% target of the Learning Worker Labour Hours to be undertaken by Learning Workers who are Women, with the target increasing by 2 percentage points annually until 2030, as shown in **Table 2 at Section 4.5.8**.

4.5.8 **Table 2: Annual increases of Learning Worker Targets for Women**

Targets apply	Learning Worker Target for Women
1 October 2025 to 30 June 2026	10%
1 July 2026 to 30 June 2027	12%
1 July 2027 to 30 June 2028	14%
1 July 2028 to 30 June 2029	16%
1 July 2029 to 30 June 2030	18%
1 July 2030 onwards	20%

4.5.9 Example: Estimating Labour Hours to meet Major ICT Projects targets

Learning Worker Target

Brown & Smith ICT has estimated that their Major ICT Project will require 3,000 Labour Hours. The Learning Worker Target is calculated using **estimated** Labour Hours. Therefore, *Brown & Smith ICT* will be required to ensure:

- 150 Labour Hours are undertaken by Learning Workers (5% of the project's total estimated Labour Hours)
- a maximum of 30 hours of these Learning Worker Labour Hours can be undertaken by Workers who have undertaken Microcredentials (maximum of 20% of the project's Learning Worker Labour Hours as outlined in **Section 4.2.6**).

Estimating Learning Worker Targets for Women

Brown & Smith ICT Major ICT Project has a Contract start date of 1 November 2025 and has a Contract end date of 16 May 2026*. Therefore, the project will be subject to targets for Women for the 2025–26 financial year (10% Learning Worker Labour Hours to be undertaken by Women).

To determine whether targets for Women have been met, **reported** Labour Hours will be used. However, before the project starts, *Brown & Smith ICT* can estimate that they will need a minimum of:

- 15 Learning Worker Labour Hours to be undertaken by Women (10% of 150 Learning Worker Labour Hours).

Depending on how many Learning Worker Labour Hours are reported, the number of Labour Hours that will need to be undertaken by Learning Workers who are Women to meet the targets may change.

For example, if *Brown and Smith ICT* report 170 Labour Hours then they will be required to ensure a minimum of:

- 17 Labour Hours of the Learning Worker Labour Hours are undertaken by Women (10% of the project's total Learning Worker Labour Hours).

For further information on calculating targets, see **Section 8.2**.

*Note: Targets for Women are determined based on a project's Contract start and will increase each financial year that the project continues, as per **Table 2 at Section 4.5.8**.

4.6 High-Value ICT Projects Target

Learning Worker High-Value Target

4.6.1 Suppliers of High-Value ICT Projects must meet the Learning Worker High-Value Target.

4.6.2 Suppliers of High-Value ICT Projects are also required to:

- Ensure a minimum of 5% of all Labour Hours spent on the project are undertaken by Learning Workers (see **Section 4.5.6**).
- Ensure they meet the minimum targets for Women applying to Major ICT Projects for the length of the project (see **Section 4.5.8**).
- Set and meet higher, more ambitious targets for Women. These must exceed the annual minimum targets set for Major ICT Projects (see **Section 4.5.8**).
- Provide a Gender Equality Action Plan outlining how targets will be achieved (see **Section 4.7**).

4.7 Gender Equality Action Plan

- 4.7.1 Potential Suppliers providing a Submission for Flagship Construction Projects and High-Value ICT Projects must also provide a Gender Equality Action Plan as part of their Submission.
- 4.7.2 The Gender Equality Action Plan will outline Supplier recruitment and retention strategies that will be put in place to ensure the relevant targets for Women are achieved and sustained.
- 4.7.3 Additional content should include, but is not limited to, an organisation's workforce and gender pay information, focus areas, strategies, and associated actions to drive progress on gender equality and a demonstration of positive, and culturally safe practices within the workplace free from harassment.
- 4.7.4 The Gender Equality Action Plan will assist Sub-contractors associated with the Eligible Project to plan and implement similar recruitment and retention strategies.
- 4.7.5 There may be some intersections between the Skills Guarantee PCP and Workplace Gender Equality Agency requirements, however, the Gender Equality Action Plan requirement under the Skills Guarantee PCP is separate to any requirements under the *Workplace Gender Equality Act 2012* (Cth).
- 4.7.6 Relevant Entities are responsible for confirming receipt of the Potential Supplier's Gender Equality Action Plan.
- 4.7.7 Relevant Entities will also be responsible for monitoring a Supplier's compliance with strategies outlined in the Gender Equality Action Plan.
- 4.7.8 While it is not a Skills Guarantee PCP requirement, Potential Suppliers are also encouraged to develop a Gender Equality Action Plan for Major Construction Projects and Major ICT Projects.
- 4.7.9 Further information on Submission evaluation, including evaluation of a Gender Equality Action Plan, is outlined at **Section 5.4**.
- 4.7.10 A Gender Equality Action Plan template is available on the DEWR website.

5 Procurement and Contract management planning

5.1 Model Clauses

- 5.1.1 The Skills Guarantee Model Clauses are the mechanism through which the Skills Guarantee PCP is applied to Approach to Market, Contract and Standing Offer documentation.
- 5.1.2 The Model Clauses are available on the DEWR website and the Department of Finance Clause Bank.
- 5.1.3 Relevant Entities can modify and adapt the Model Clauses to ensure consistency with the Approach to Market, Contract or Standing Offer documentation, provided that the requirements of the Skills Guarantee PCP are met through compliance with any modified and adapted drafting.
- 5.1.4 There are provisions within the Model Clauses for the collection of personal information by Suppliers and disclosure to Relevant Entities and DEWR to fulfill Skills Guarantee PCP reporting requirements.
- 5.1.5 Where Model Clauses are not used, or have been modified or adapted, Relevant Entities must ensure that suitable privacy terms and conditions are prescribed in Approach to Market, Contract and Standing Offer arrangements to allow DEWR to collect, use and disclose personal information for the purposes of administering the Skills Guarantee PCP, in accordance with the Privacy Act 1988 (Cth) and relevant privacy laws.
- 5.1.6 The Approach to Market, Contract and Standing Offer arrangement documentation should include a requirement for the Supplier to obtain the Apprentices' and Learning Workers' consent to the handling of their personal information in accordance with the Australian Skills Guarantee privacy notice published on DEWR's website. Please see **Section 6** for more privacy information.

5.2 Approach to Market documentation

- 5.2.1 Relevant Entities must specify what type of Eligible Project applies to the procurement, when inviting Potential Suppliers to participate in a procurement to which the Skills Guarantee PCP applies.

Panel and Standing Offer arrangements

- 5.2.2 Relevant Entities conducting an Approach to Market to establish a new panel or Standing Offer arrangement, which may include procurements for Eligible Projects, should include Model Clauses in the Approach to Market documentation indicating that the Skills Guarantee PCP will apply to any Eligible Projects procured from that panel or Standing Offer.
- 5.2.3 In a Standing Offer arrangement, the Skills Guarantee PCP requirements apply at the individual Contract level, rather than the overarching Standing Offer arrangement.

- 5.2.4 Where a Relevant Entity is procuring from an existing panel, the panel owner is not responsible for the Relevant Entity's compliance with the Skills Guarantee PCP requirements for individual work orders or Contracts issued under their panel deed and the Relevant Entity is responsible for all contract management, reporting and compliance requirements relating to the Skills Guarantee PCP for their procurement.

5.3 Submission stage

- 5.3.1 At the Submission stage, the Potential Supplier will be required to make a declaration of their ability to comply with the Skills Guarantee PCP requirements and provide the following information in their Submission as also outlined in **Section 4** above:

- Includes total estimated Labour Hours for completion of the Eligible Project
- Includes the applicable percentage of Labour Hours to be undertaken by Apprentices and, where applicable, Learning Workers
- Includes the applicable percentage of Labour Hours to be undertaken by Women Apprentices and, where applicable, Learning Workers (including annual increases for multi-year projects)
- Includes the applicable percentage of Labour Hours to be undertaken by Women as Trade Apprentices (including annual increases for multi-year projects)
- Outlines proposed higher targets for Women that exceed the minimum targets for Women (including annual increases for multi-year projects) (applicable to Flagship Construction Projects and High-Value ICT Projects only)
- Includes a Gender Equality Action Plan (required for Flagship Construction Projects and High-Value ICT Projects only, otherwise optional).

- 5.3.2 The Potential Supplier must demonstrate in their Submission how they will meet the relevant targets for the Australian components of the procurement if they propose to partially deliver the procurement overseas or the procurement requires Labour Hours to be undertaken overseas and domestically.

5.4 Submission evaluation

- 5.4.1 When evaluating Submissions, Relevant Entities should consider the information provided as required by **Section 5.3**. Relevant Entities may include a standalone evaluation criterion in the Australian Skills Guarantee Model Clauses or evaluate the extent to which a Potential Supplier is able to demonstrate they will meet the Skills Guarantee PCP requirements within existing tender evaluation criteria or as part of the overall assessment of value for money.
- 5.4.2 When evaluating Submissions, Relevant Entities will need to consider the proposed Skills Guarantee PCP targets in conjunction with other evaluation criteria, to determine the Submission that demonstrates value for money in accordance with the *Commonwealth Procurement Rules*.

- 5.4.3 Where insufficient Skills Guarantee PCP information has been provided in a Potential Supplier's Submission, it would be open to the Relevant Entity, in accordance with their internal processes and the Commonwealth Procurement Rules, to consider whether clarification or additional information should be requested from the Potential Supplier.
- 5.4.4 If the Potential Supplier has declared in their Submission that they will not be able to meet any Skills Guarantee PCP requirements, the Relevant Entity may still consider the Submission (i.e. the Potential Supplier is not required to be excluded).
- 5.4.5 Relevant Entities should consider the extent the Potential Supplier is able to demonstrate they will meet the Skills Guarantee PCP requirements, including relevant targets for an Eligible Project, and may adjust scores accordingly.
- 5.4.6 The resultant Contract should reflect Skills Guarantee PCP requirements, including relevant targets as negotiated and agreed.

Gender Equality Action Plan evaluation

- 5.4.7 If the Potential Supplier has provided higher targets in the Gender Equality Action Plan, it would be open to the Relevant Entity to score accordingly.
- 5.4.8 The Relevant Entity should check that the Potential Supplier has referred to the correct Eligible Project type and identified the appropriate relevant targets that will apply to the procurement in the Gender Equality Action Plan.
- 5.4.9 How the Gender Equality Action Plan is assessed as part of the tender assessment process is up to the Relevant Entity, however the Relevant Entity should consider the recruitment and retention strategies outlined by the Potential Supplier and the requirements outlined in **Section 4.7**.

6 Privacy

6.1 Privacy notice

- 6.1.1 In addition to Relevant Entities including privacy Model Clauses in the Approach to Market documentation, Contracts and Standing Offer terms for Eligible Projects, an Australian Skills Guarantee Privacy Notice is available on the DEWR website for Relevant Entities to provide to Suppliers prior to commencing the Eligible Project.
- 6.1.2 Suppliers and Sub-contractors must distribute a privacy notice to Apprentices and Learning Workers working on Eligible Projects subject to the Skills Guarantee PCP and must obtain consent to the collection, disclosure and use of their personal information for the Skills Guarantee PCP.
- 6.1.3 An Apprentice or Learning Worker can choose not to consent or to not provide some or all of the personal information requested in the privacy notice. However, it may mean DEWR is unable to confirm the accuracy of reporting that supports the Skills Guarantee PCP.
- 6.1.4 The Apprentice and Learning Worker personal information is protected by law, including under the *Privacy Act 1988* (Cth).
- 6.1.5 The personal information provided by Suppliers and their Sub-Contractors when reporting on performance against relevant targets is collected from Relevant Entities by DEWR.
- 6.1.6 The personal information is collected by DEWR for the purposes of administering the Skills Guarantee PCP, including:
- policy management, performance monitoring and evaluation
 - reporting and preparing of statistics regarding Australian Skills Guarantee PCP targets
 - future policy development, research and evaluation, and
 - policy advice.
- 6.1.7 The DEWR Privacy Policy is available at the DEWR website and explains how to make a complaint and how to access and correct personal information.

7 Reporting

7.1 Reporting responsibilities and requirements for all parties

- 7.1.1 Effective reporting processes are essential to monitoring a Supplier's performance over the life of an Eligible Project and critical to understanding whether the policy intent of the Skills Guarantee PCP is being delivered.
- 7.1.2 All reporting by Suppliers and Relevant Entities should be completed in accordance with **Section 7** and **Section 8**, and supplementary guidance on Skills Guarantee PCP reporting requirements.

Relevant Entity

- 7.1.3 Relevant Entities are required to ensure Suppliers report data as per **Section 7** and **Section 8**, within the timeframes requested. Relevant Entities are responsible for undertaking appropriate assurance activities to ensure that the data provided by the Supplier is complete and accurate, and ensuring data is collected and shared responsibly.
- 7.1.4 Relevant Entities will be required to report every six months to DEWR on the progress of all Contracts with Skills Guarantee PCP targets.
- 7.1.5 Relevant Entities will be required to provide an end of project report to DEWR at the end of each Contract.
- 7.1.6 Where the Supplier fails to satisfactorily complete and/or submit reporting in accordance with the requirements of the Contract, the Relevant Entity will work with the Supplier to remedy this.

Supplier

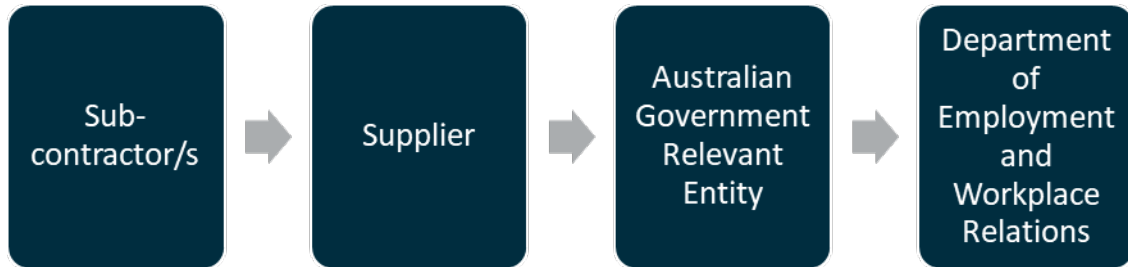
- 7.1.7 Relevant Entities are required to ensure that all Contracts include provisions requiring Suppliers to provide accurate and timely reporting against the relevant targets (at the project level) to the Relevant Entity at the end of every quarter within a financial year, as well as at the end of a Contract. This will enable Relevant Entities to monitor progress and work with Suppliers to ensure they meet the targets.
- 7.1.8 Relevant Entities are required to ensure that Suppliers report against targets using the Skills Guarantee reporting worksheet. The Skills Guarantee reporting worksheet must be used for reporting purposes until an online reporting system is operational.
- 7.1.9 Suppliers must also record, track, and report this information on behalf of their Sub-contractors.

Sub-contractor/s

- 7.1.10 Suppliers must ensure that Sub-contractors provide accurate and timely reporting against targets to the Supplier, to enable the Supplier to meet their reporting obligations to the Relevant Entity.

7.1.11 Sub-contractors must report against targets in the form and format as required by their Suppliers.

7.1.12 The flow-chart below shows reporting requirements for Sub-contractors, Suppliers, Relevant Entities and DEWR.



8 Compliance

8.1 Introduction

- 8.1.1 Relevant Entities are required to undertake six-monthly and a final (end-of-Contract) review for Contracts with Skills Guarantee PCP requirements, and report to DEWR.
- 8.1.2 Relevant Entities will be required to monitor Suppliers and address non-compliance where necessary, in line with the actions outlined in **Table 3 at Section 8.1.5**.
- 8.1.3 Relevant Entities will need to consider the significance of the matter, such as regional challenges sourcing new Apprentices, when considering non-compliance streams.
- 8.1.4 Relevant Entities will need to consider whether reporting is incomplete due to Apprentices or Learning Workers not consenting to the collection, disclosure and use of their personal information, or not providing some or all of the requested information (see **Section 6.1.3**).
- 8.1.5 Accountable authorities are responsible for the application of the Commonwealth procurement framework within their entities, commensurate with the scale, scope and risk of the procurement/s.

8.1.6 **Table 3: Consequences of non-compliance with the Skills Guarantee PCP**

Minor Stream
Action: Educative approach Relevant Entities will be expected to work with Suppliers to inform them of requirements e.g., referring Suppliers to the Skills Guarantee PCP and other available supplementary guidance. DEWR will support Relevant Entities to understand their obligations.
Measure of non-compliance:
<ul style="list-style-type: none">• Reporting is inaccurate, incomplete or late.• Gender Equality Action Plan (for Flagship Construction Projects or High-Value ICT Projects) requirements not maintained.
Construction: <ul style="list-style-type: none">• Failed to meet one or more of the Construction project targets by up to 0.2 percentage points (e.g., below 10% but no less than 9.8% of the Major Construction Project's Labour Hours undertaken by Apprentices). ICT: <ul style="list-style-type: none">• Failed to meet one or more of the ICT targets by up to 0.2 percentage points (e.g. below 5% but no less than 4.8% of the Major ICT Project's Labour Hours undertaken by Learning Workers).• Exceeded the maximum 20% Learning Worker Labour Hours for Microcredentials by up to 4 percentage points, in meeting Major ICT Projects and High-Value ICT Projects targets.
Moderate Stream
Action: Directive approach Relevant Entities will be expected to request the Supplier provide reasons for non-compliance. This should include mitigating factors, for example, a shortage of Apprentices in the Supplier's location.

Suppliers will be required to provide strategies they will put in place to rectify the situation – noting that some mitigating factors may prevent the Supplier from achieving all targets.
Measure of non-compliance:
<ul style="list-style-type: none"> • Reporting continues to be inaccurate, incomplete or late despite educative approach taken under minor stream. • Continues to be slightly under target despite educative approach taken under minor stream. • Gender Equality Action Plan (for Flagship Construction Projects or High-Value ICT Projects) requirements not maintained despite educative approach under minor stream.
Construction:
<ul style="list-style-type: none"> • Failed to meet one or more of the Construction project targets by more than 0.2 percentage points (e.g., 9.7% or less of the Major Construction Project’s Labour Hours undertaken by Apprentices).
ICT:
<ul style="list-style-type: none"> • Exceeded the maximum 20% Learning Worker Labour Hours for Microcredentials in meeting Major ICT Projects and High-Value ICT Projects targets by up to 5 – 9 percentage points. • Failed to meet one or more ICT project targets by more than 0.2 percentage points (e.g., 4.7% or less of the Major ICT Project’s Labour Hours undertaken by Learning Workers).
Major Stream
Action:
Where a Supplier is found not to meet targets at the end of the contract term and have persistently failed to engage in working towards meeting agreed targets, this information will be available for Relevant Entities to consider in value for money assessments in future Approaches to Market.
Measure of non-compliance:
<ul style="list-style-type: none"> • Reporting is still inaccurate, incomplete, or late (or not provided at all) despite directive approach taken under moderate stream. • Not meeting target/s despite directive approach taken under moderate stream with no satisfactory mitigating factors provided. • Gender Equality Action Plan (for Flagship Construction Projects or High-Value ICT Projects) requirements still not maintained despite directive approach under moderate stream – and no mitigating factors provided, or factors not accepted by Relevant Entities.
ICT:
<ul style="list-style-type: none"> • Continues to exceed the maximum 20% Learning Worker Labour Hours for Microcredentials in meeting Major ICT Projects and High-Value ICT Projects targets despite directive approach taken under moderate stream with no satisfactory mitigating factors.
Extreme Stream
Action:
Under paragraph 10.18 of the Commonwealth Procurement Rules, Relevant Entities may exclude a Potential Supplier for providing false declarations or for significant deficiencies in the performance of obligations under a prior contract. Suppliers may be impacted as part of the process for awarding future procurements, in accordance with the Commonwealth Procurement Rules.
Measure of non-compliance:
<ul style="list-style-type: none"> • False declarations, or persistently dishonest, or barely honest behaviour.

8.2 Calculations used to determine whether targets are met

8.2.1 **Calculations for Major Construction Projects and Flagship Construction Projects**

8.2.2 *Overarching Apprentice Target – calculated at conclusion of project*

8.2.3 Performance against the Overarching Apprentice Target will be calculated using total estimated Labour Hours and reported Apprentice Labour Hours. Relevant Entities will need to regularly check whether a Supplier is on-track to meet the Overarching Apprentice Target as part of the six-monthly review. Whether a Supplier has met the Overarching Apprentice Target will be formally assessed at the conclusion of the Contract.

8.2.4 The following formula will be used to determine whether a Supplier has met the Overarching Apprentice Target at the conclusion of the Contract.

$$\frac{\text{Total reported Apprentice Labour Hours}}{\text{Total estimated Labour Hours}} \times 100$$

8.2.5 *Major Construction Project targets for Women*

8.2.6 Performance against the targets for Women will be calculated using reported Labour Hours for each financial year. As the targets for Women will increase every financial year, Relevant Entities will need to assess compliance every financial year, not at the conclusion of the Contract.

8.2.7 The following formulas will be used to determine whether a Supplier has met the Skills Guarantee PCP targets for Women for a particular financial year:

8.2.8 *Overarching Apprentice Target for Women – calculated each financial year*

$$\frac{\text{Total reported Women Apprentice Labour Hours (for the financial year)}}{\text{Total reported Apprentice Labour Hours (for the financial year)}} \times 100$$

8.2.9 *Trade-specific Apprentice Target for Women – calculated each financial year*

$$\frac{\text{Total reported Women Trade Apprentice Labour Hours (for the financial year)}}{\text{Total reported Trade Apprentice Labour Hours (for the financial year)}} \times 100$$

8.2.10 **Example: How to determine whether a Supplier is meeting the targets for Women**

Morris & Pardew Construction have completed the first year of their Major Construction Project. The project has a Contract start date of 1 September 2024. In the 2024–25 financial year *Morris & Pardew Construction* reported that 1,100 labour hours were undertaken by Apprentices.

Overarching Apprentice Target for Women

In the 2024–25 financial year, *Morris & Pardew Construction's* Major Construction Project must meet an Overarching Apprentice Target for Women of 6%. *Morris & Pardew Construction* reported that in the 2024–25 financial year:

- 1,100 Labour Hours were undertaken by Apprentices, and

- 70 Labour Hours were worked by Women Apprentices

The 70 Labour Hours worked by Women Apprentices represents 6.4% of the total Labour Hours undertaken by Apprentices (70 Women Apprentice Labour Hours divided by 1,100 total Apprentice Labour Hours). Therefore *Morris & Pardew Construction* have **met** the Overarching Apprentice Target for Women in 2024–25 financial year.

Trade-specific Apprentice Target for Women

In the 2024–25 financial year, *Morris & Pardew Construction's* Major Construction Project must meet a 4% Trade-specific Apprentice Target for Women. *Morris & Pardew Construction's* Major Construction Project reported in the 2024–25 financial year that:

- 900 Labour Hours were worked by Trade Apprentices
- 36 Labour Hours were worked by Women Trade Apprentices

The 36 Labour Hours worked by Women Trade Apprentices represents 4% of the 900 Labour Hours undertaken by Trade Apprentices (36 Women Trade Apprentice Labour Hours divided by 900 total Trade Apprentice Labour Hours). Therefore *Morris & Pardew Construction* have **met** the Trade-specific Apprentice Target for Women in the 2024–25 financial year.

8.2.11 Calculations for Major ICT Projects and High-Value ICT Projects

8.2.12 Learning Worker Target

8.2.13 Performance against the Learning Worker Target will be calculated using total estimated Labour Hours and reported Learning Worker Labour Hours. Relevant Entities will need to regularly check whether a Supplier is on-track to meet the Learning Worker Target as part of the six-monthly review.

8.2.14 Whether a Supplier has met the Learning Worker Target will be formally assessed at the conclusion of the Contract.

8.2.15 The following formula will be used to determine whether a Supplier has met the Learning Worker Target at the conclusion of the Contract:

$$\frac{\text{Total reported Learning Worker Labour Hours}}{\text{Total estimated Labour Hours}} \times 100$$

8.2.16 Learning Worker Target for Women – calculated each financial year

8.2.17 Performance against the targets for Women will be calculated using reported Labour Hours for each financial year. As the targets for Women will increase every financial year, Relevant Entities will need to assess compliance every financial year, not at the conclusion of the Contract.

8.2.18 The following formula will be used to determine whether a Supplier has met the Learning Worker Target for Women every financial year:

$$\frac{\text{Total reported Women Learning Worker Labour Hours (for the financial year)}}{\text{Total reported Learning Worker Labour Hours (for the financial year)}} \times 100$$

8.2.19 Example: How to determine whether a Supplier is meeting the targets for Women

Morris ICT have completed the first year of their Major ICT Project. The project has a Contract start date of 1 November 2025.

Learning Worker Target for Women

In the 2025–26 financial year, *Morris ICT's* Major ICT Project must meet a Learning Worker Target for Women of 10%. *Morris ICT* reported that in the 2025–26 financial year:

- 3,800 Labour Hours were undertaken by Learning Workers, and
- 380 Labour Hours were worked by Learning Workers who are Women

The Labour Hours worked by Women represents 10% of the total Labour Hours undertaken by Learning Workers. *Morris ICT* have **met** the Learning Worker Target for Women in 2025–26 financial year.

Appendix A – Roles and responsibilities

Department of Employment and Workplace Relations (DEWR)	<p>DEWR administers the Skills Guarantee PCP, including:</p> <ul style="list-style-type: none"> • providing subject matter expertise to Relevant Entities • promoting the Skills Guarantee PCP • ongoing management of the Skills Guarantee PCP • advising Government regarding the policy and the performance of Suppliers and Relevant Entities in meeting their obligations under the Skills Guarantee PCP • implementing and managing the Skills Guarantee reporting system.
Department of Finance	<p>The Department of Finance is responsible for the Commonwealth Procurement Framework, including the <i>Commonwealth Procurement Rules</i> and <i>AusTender</i> and providing advice to Relevant Entities on the Commonwealth Procurement Framework.</p>
Relevant Entity	<p>The Relevant Entity is responsible for managing the following areas of the Skills Guarantee PCP:</p> <p>Approach to Market preparation</p> <ul style="list-style-type: none"> • Determine if the Skills Guarantee PCP applies to a Construction or ICT procurement. For any clarification, Relevant Entities should contact DEWR. • Support Potential Suppliers and Suppliers to understand the Skills Guarantee PCP requirements. • Incorporate the relevant Skills Guarantee Model Clauses in the Approach to Market and draft Contract documentation. <p>Submission evaluation process</p> <ul style="list-style-type: none"> • Review responses to determine whether Submissions contain the information outlined in Section 5.3. <p>Contract negotiation</p> <ul style="list-style-type: none"> • Negotiation of targets for High-Value ICT Projects/ Flagship Construction Projects. • Incorporate relevant Model Clauses and agreed targets in the Contract. <p>Contract Management</p> <ul style="list-style-type: none"> • Manage Supplier compliance with the Skills Guarantee PCP throughout each stage of the procurement process and the provision of accurate reports.

	<ul style="list-style-type: none"> • Complete six-monthly and final compliance reports against Skills Guarantee PCP targets (refer to Section 7.1.2). • Support Suppliers to meet their obligations under the Skills Guarantee PCP.
Supplier	<p>The Supplier reports to the Relevant Entity and is responsible for:</p> <ul style="list-style-type: none"> • completing the Submission response and, should it be successful, ensuring it fulfills the requirements of the Contract • managing all aspects of Sub-contractor engagement and performance in relation to the Skills Guarantee PCP • for Major Construction Projects, meeting the Overarching Apprentice Target, meeting the Overarching Apprentice Target for Women and meeting the Trade-specific Apprentice Target for Women • for Flagship Construction Projects, meeting the Overarching Apprentice Target, meeting the Flagship Construction Target (higher targets for Women than for Major Construction Projects) and submitting a Gender Equality Action Plan • for Major ICT Projects, meeting the Learning Worker Target and the Learning Worker Target for Women • for High-Value ICT Projects, meeting the Learning Worker Target, meeting the Learning Worker High-Value Target (higher targets for Women than for Major ICT Projects) and submitting a Gender Equality Action Plan • responding in a timely manner to the Relevant Entity and/or DEWR requests for additional information in relation to the Skills Guarantee PCP • providing accurate and complete reports against applicable targets, in accordance with the requirements outlined in the Contract.
Sub-contractor	<p>The Sub-contractor (which may include Group Training Organisations) reports to the Supplier and is required to:</p> <ul style="list-style-type: none"> • provide accurate and timely reporting against targets to the Supplier, to enable the Supplier to meet their obligations to the Relevant Entity

	<ul style="list-style-type: none"> • report against targets in the form and format as required by the Supplier.
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Appendix B – Examples of applying Labour Hours to the targets

Bella

Bella is an Apprentice carpenter working on a Major Construction Project. An Apprentice carpenter is a Trade role as it is included within the ANZSCO Major Group 3 Technicians and Trades Workers category. As a Woman and an Apprentice working in a Trade role, Bella's hours would contribute to the:

- Overarching Apprentice Target
- Overarching Apprentice Target for Women
- trade-specific apprentice target for women.

Katrina

Katrina is completing a Human Resources traineeship on a Major Construction Project. A Human Resources traineeship is not a Trade role, as it is not included within the ANZSCO Major Group 3 Technicians and Trades Workers category. As a Woman and a Trainee working in a non-Trade role, Katrina's hours would contribute to the:

- Overarching Apprentice Target
- Overarching Apprentice Target for Women.

Katrina's hours would **not** contribute to the:

- Trade-specific Apprentice Target for Women.

Nic

Nic is an Apprentice plumber working on a Major Construction Project. An Apprentice plumber is a Trade role as it is included within the ANZSCO Major Group 3 Technicians and Trades Workers category. As a male Apprentice working in a Trade role, Nic's hours would contribute to the:

- Overarching Apprentice Target.

Nic's hours would **not** contribute to the:

- Overarching Apprentice Target for Women
- Trade-specific Apprentice Target for Women.

Clare

Clare is a fully qualified project manager working on a Major Construction Project who completed her traineeship 2 years ago. A project manager is not a Trade role as it is not included within the ANZSCO Major Group 3 Technicians and Trades Workers category. As a Woman who has completed her qualification and is working in a non-trade role, Clare's hours would **not** contribute to the:

- Overarching Apprentice Target
- Overarching Apprentice Target for Women
- Trade-specific Apprentice Target for Women.

Adam

Adam is a paid construction management cadet working on a Major Construction Project. This is not a Trade role as it is not included within the ANZSCO Major Group 3 Technicians and Trades Workers category. As a man working in a non-trade and non-ICT role, Adam's hours would **not** contribute to the:

- Overarching Apprentice Target
- Overarching Apprentice Target for Women
- Trade-specific Apprentice Target for Women.

Alexandra

Alexandra is a Learning Worker working on a Major ICT Project while studying towards a Bachelor of Computer Science degree at a university. As a Woman and a Learning Worker working on a Major ICT Project, Alexandra's hours would contribute to the:

- Learning Worker Target
- Learning Worker Target for Women.

Julie

Julie is an Apprentice ICT support technician working on a High-Value ICT Project. As a Woman working as an Apprentice, Julie's hours would contribute to the:

- Learning Worker Target
- Learning Worker Target for Women
- Learning Worker High-Value Target.

Trish

Trish is an unpaid cadet working on a Major ICT Project. As a Woman and an unpaid cadet, Trish's hours would **not** contribute to either the Learning Worker Target or Learning Worker Target for Women.

Kylie

Kylie is a paid computer programmer working on a Major ICT Project. Kylie is undertaking Higher Education and has completed 7 hours of Microcredentials during the Major ICT Project. As a Woman working as a Learning Worker, Kylie's hours would contribute to the:

- Learning Worker Target
- Learning Worker Target for Women

Appendix C – Building and Construction and Maintenance Services (Construction) subset codes within scope of the Skills Guarantee PCP

Relevant Entities are required to select a UNSPSC for planned procurements, Approach to Market, and Contract notices. This selected UNSPSC determines if the procurement is in scope of the Skills Guarantee PCP, provided the procurement also meets the eligibility requirements detailed in **Section 3**. For open tenders, the relevant UNSPSC will be published on AusTender when the Approach to Market and Contract notice is published. For limited tenders, the relevant UNSPSC will be published on AusTender when the Contract notice is published.

Table 4: Construction subset codes within scope of the Skills Guarantee PCP

UNSPSC category	Description	UNSPSC subset codes	Description
72 Building and Construction and Maintenance Services Services associated with the construction and maintenance of facilities, buildings, structures, roads, and infrastructure. Also includes trades such as general contractors, electricians, plumbers, carpenters, painters, roofing, landscaping, gardening, and pest control.		72100000	Building construction and support and maintenance and repair services
		72101500	Building support services
		72102100	Pest control
		72102900	Facility maintenance and repair services
		72120000	Non-residential building construction services
		72121500	Industrial plant construction services
		72151200	Heating and cooling and air conditioning HVAC construction and maintenance services
		72151300	Painting and paper hanging services
		72151500	Electrical system services
		72151900	Masonry and stonework services
		72152300	Carpentry services
		72152302	Finish carpentry service
		72152500	Floor laying services
		72153600	Interior finishing and furnishing and remodelling services
		72153900	Building site preparation services

Appendix D – ICT subset codes within scope of the Skills Guarantee PCP

Relevant Entities are required to select a UNSPSC for planned procurements, Approach to Market, and Contract notices. This selected UNSPSC determines if the procurement is in scope of the Skills Guarantee PCP, provided the procurement also meets the eligibility requirements detailed in **Section 3**. For open tenders, the relevant UNSPSC will be published on AusTender when the approach to market and contract notice is published. For limited tenders, the relevant UNSPSC will be published on AusTender when the contract notice is published.

Table 5: ICT subset codes within scope of the Skills Guarantee PCP

UNSPSC category	Description	UNSPSC subset codes	Description
80	Management and Business Professionals and Administrative Services	80101507	Information technology consultation services
81	Engineering and Research and Technology Based Services	81110000	Computer services
		81111000	Forensic IT Services
		81111500	Software or hardware engineering
		81111508	Application implementation services
		81111600	Computer programmers
		81111700	Management information systems MIS
		81111800	System administrators
		81162200	Infrastructure as a Service (IaaS – Cloud)
		81111900	Information retrieval systems
		81112300	Computer hardware maintenance and support
		81112000	Data services
		81112002	Data processing or preparation services
		81112100	Internet services
		81112200	Software maintenance and support
		81162100	Platform as a Service (PaaS – Cloud)
		81162000	Software as a Service (SaaS – Cloud)

UNSPSC category	Description	UNSPSC subset codes	Description
		81112201	Maintenance or support fees
		81141801	Safety or risk analysis
83	Public Utilities and Public Sector Related Services	83120000	Information services
		83121604	Online database information retrieval systems
86	Education and Training Services	86141704	Library or documentation services