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Australian Skills Guarantee Team  
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**Re: Australian Skills Guarantee Discussion Paper**

## Chapter 1 – Types of projects

1. *What are the benefits and barriers associated with applying the Guarantee to major construction, IT, services contracts or new clean and renewable energy projects?*

<b>Benefits</b>	<ul style="list-style-type: none"><li>• Promote a culture of training and learning in these industries which will in turn improve apprentice outcomes and benefit the existing workforce by reinforcing skills</li><li>• Will help to address skills shortages and supply the workforce needed to meet government policy objectives and expand the economy's productive capacity which will also limit inflationary pressures</li></ul>
<b>Barriers</b>	<ul style="list-style-type: none"><li>• (Noting that it is out of scope for this consultation) Wraparound apprenticeship supports available are inadequate and need to be improved for the Guarantee to be effective.</li><li>• Under resourced TAFE systems will likely need assistance to meet the demand created by the Guarantee</li></ul>

2. *In addition to those listed in Chapter 1, are there any other types of projects or industries the Guarantee should be applied to?*

The Guarantee needs to be explicitly applicable to energy infrastructure construction and maintenance, language in the discussion paper only references construction of buildings and transport infrastructure. Ensuring high volumes of apprentices in energy infrastructure is critical to meeting climate and energy commitments. Australia currently needs 10,000km of new transmission lines to accommodate a renewable grid, but in March 2022 only had 37 transmission apprentices nationwide.

We need more ambition and greater scope – **the Australian Skills Guarantee needs to be applied to all projects receiving government funding, finance, or assistance over the threshold, not just direct procurement.** Corporate Commonwealth Entities like the Clean Energy Finance Corporation and prospective National Reconstruction Fund Corporation are going to be delivering some of the most expansive and vital nation-building finance in decades, we cannot afford not to require that recipients of this money give back by contributing to the training needs of the sectors they participate in. Commonwealth grants

and funding from agencies like the Australian Renewable Energy Agency ought to also come with the condition of recipients complying with requirements of the Guarantee.

## Chapter 2 – The financial thresholds for major projects

3. *Of the two options, outlined in Chapter 2, for the financial threshold for the Guarantee, which is preferable and why? Do you agree with the proposal for one financial threshold across a range of types of projects, including construction and IT projects?*

**Option 1 – the \$7.5million threshold** as it will;

- Would cover double the number of contracts in construction services
- More effectively create secure, well-paid jobs in disadvantaged rural and regional areas with high youth unemployment rates.

4. *What has been your experience of achieving workforce targets set in existing procurement policies? What is the size of the project and/or business?*

5. *What are the possible impacts of the financial thresholds proposed on projects in rural and regional Australia?*

Proposing the lower threshold of \$7.5 million will ensure that projects in rural and regional Australia are providing good jobs for locals who may not otherwise receive the opportunity. Communities set to be affected by the winding down of fossil fuel industries in coming years will be able to benefit from ample retraining opportunities allowing workers to transition into productive work. Regional areas with high youth unemployment will also be afforded greater opportunities to break cycles of disadvantage.

## Chapter 3 – One in 10 target

6. *For major construction projects, what are the benefits and barriers of the one in 10 target being calculated using the total labour hours of the workforce, including sub-contractors? Are there any alternative approaches to calculating the one in 10 target that would address the barriers you have identified?*

### **Benefits**

- Ensures a uniform and accurate reflection of apprentice participation on projects
- Will be more manageable for projects that may use more flexible staffing arrangements

## Barriers

- No indication of how the guarantee may apply to projects reliant on workforces smaller than 10 people, or networks of smaller subcontractors with less than 10 people\*
- Subcontractors may be allowed to work onsite without employing an apprentice if targets are already met. This could be a disadvantage on a major project with regards to local employment opportunities in remote locations when larger contractors mobilise a FIFO (Fly in Fly Out) work force.

\*We would suggest including a similar provision to the USA's Inflation Reduction Act wherein each contractor or subcontractor with a workforce of 4 or more must have at least one apprentice employed.

Sub-contractors, manufacturers, and suppliers of materials used in the delivery of goods and services ought to be within the scope of the Guarantee to deliver the benefits of the initiative as broadly as possible and further support expanding domestic supply chains.

### *7. How should paid cadets be included in the Guarantee? Do you agree with the proposed definition?*

It is the view of the ETU that the primary purpose of the Guarantee is to address skills shortages in critical trades which are creating supply constraints across the Australian economy. We would encourage caution in including non-trade cadetships into targets applied to construction projects, cadetships are largely unregulated and commonly not included in modern awards which may lead to greater financial incentive for employers to meet their targets by relying on exploitable cadets.

To preserve the integrity of the Guarantee's aims we would recommend that, should paid cadets be included, compliance with the Guarantee for construction projects be measured separately among trade and non-trade workforces. Additionally, if the Federal Government is to be promoting these paid cadetships more work needs to be done to offer cadets similar regulatory protections and supports offered to apprentices and trainees.

Australia's system of regulated and monitored apprenticeships delivered through the VET system ensures quality outcomes and a supply of qualified and licensed tradespeople. The definition of a paid cadet needs to be more specific that these cadetships are specifically only recognised for non-trade occupations to maintain the integrity of Australia's apprenticeship system.

### *8. What are the challenges or support needed to meet the one in 10 target for major projects by small to medium enterprises and/or in rural and regional areas?*

One of the principal challenges for enterprises to attract apprentices is wages. Junior electrical apprentices on the Award rate earn an hourly wage below the National Minimum Wage for the first 3 years of their apprenticeship and are only eligible for a negligible amount through Youth Allowance if working full-time. Small to medium-sized enterprises may struggle to offer the above-award wages typical of these major projects that are needed to attract apprentices in large numbers, especially given a tight labour market.

Apprentice retention rates in electrical trades are unacceptably low which will also create an impediment to employers maintaining their targets. Recognising that this is outside the scope of this paper we would encourage the Government to seriously consider proposals put forward by the ETU to the Department of Employment and Workplace Relations' recent consultation on Australian Apprenticeship Services and Supports to address this concern.

Access to training is a serious challenge for apprentices in rural and regional areas, greater support needs to be offered to apprentices in remote areas to be able to access VET training programs, working with employers to minimise disruption to work on projects.

Industry support should also be offered, particularly to small and medium enterprises to ensure that they are aware of their responsibilities when taking on apprentices and they are able to incorporate training effectively into standard practises. Maximising coverage of the Guarantee will also limit the risk of employers losing apprentices during the "payoff period" (as competitors will also be training apprentices anyway) and increase the likelihood of employers seeing a long-term return on their investment into training apprentices.

*9. For projects outside of construction, should the Guarantee apply to a broader definition of a 'learning worker' (Option 1)? What are the benefits and risks associated with allowing the Guarantee to be applied differently on a project-by-project basis (Option 2)?*

Without knowing the exhaustive list of industries being included in "projects outside construction" we can only stress that for projects that rely on the labour of qualified, licensed, skilled tradespeople there be no alteration to the application of the guarantee that would have the capacity to reduce apprentice density below the one in 10 proposed.

Applying the Guarantee on a project-by-project basis as in Option 2 presents too great a risk for exploitation through loopholes, avoidance tactics, and state capture. Option 1, creating a more broadly defined class of "learning workers" could be effective in industries mostly outside the coverage of this Union such as IT, however it may also be effective in promoting employers to sponsor continued learning for existing skilled workers if applied to blue collar industries, especially in the transition economy\*.

For such a concept to be considered, it would need to be explicit in only covering employer-sponsored advanced qualifications like Cert IV post-trade, Cert IV, or higher education degrees and diplomas for existing tradespeople. Such a target should not be able to be met by signing workers up to compulsory tickets, updates, or refresher courses like the Work Safely at Heights course which would be completed anyway by workers on many major projects.

## Chapter 4 – Targets for women

*10. Of the options for targets for women, which do you prefer and why? For your preferred option, what target percentage of women do you believe would be achievable and by when? For example, in 2 years' time 10% of all apprentices, trainees and paid cadets on construction projects should be women.*

There are several benefits and constraints to all 3 options presented in the Discussion Paper for targeting female participation on Government projects, presented in brief below;

<i>Option</i>	<i>Pros</i>	<i>Cons</i>
<b>1. Apprentices, trainees, cadets</b>	<ul style="list-style-type: none"> <li>• Only way to effectively grow female participation in skilled trades</li> <li>• Long term downstream impact on female participation</li> </ul>	<ul style="list-style-type: none"> <li>• Needs significant additional programs to get women interested in apprenticeships</li> <li>• Construction is a less viable industry for many women than other blue-collar work due to flexibility constraints</li> </ul>
<b>2. Whole trades workforce</b>	<ul style="list-style-type: none"> <li>• Easier to meet than apprentice targets – esp. in short term</li> <li>• Ensures women already in construction are kept in the industry with secure work</li> </ul>	<ul style="list-style-type: none"> <li>• Poor targeting leads to female recruitment being skewed toward specific, often less skilled with lower barriers to entry trades</li> </ul>
<b>2. Whole workforce</b>	<ul style="list-style-type: none"> <li>• Easiest to get short term increase in female presence on site – will help female apprentice experience</li> </ul>	<ul style="list-style-type: none"> <li>• Doesn't address stated intention of targets addressing gender imbalance in construction trades</li> </ul>

It is our view that targets for women should be heavily focussed on recruiting female apprentices into targeted high-skill and in-demand trades. Setting targets for the trades workforce alone is redundant if there aren't enough women in skilled trades to begin with, and targets set for the entire workforce will end up being predominantly filled in non-trade roles where qualified women are much easier to find or train. We also acknowledge that there will be significant challenges in removing barriers to female interest and participation so that there can be enough candidates for the apprenticeships the Guarantee will offer. Provided substantial effort is made to implement suggested changes from Q12 and Q13 we see no reason not to be ambitious in setting targets for female apprenticeships on major projects.

*11. If your state/territory government or business sets any targets for women working on major projects, what has been your experience implementing the targets? What worked well and what did not work?*

Anecdotal evidence provided by women within the ETU suggests that existing targets in NSW applied to women in the trades workforce (Option 2) have been limited in their

effectiveness by employers treating the targets as a box-ticking exercise rather than an opportunity to break down the gender segregation of the industry. Employers will seek to meet their targets in a project by targeting female recruitment in;

- The first trades on-site to “get it out of the way”
- The trades with the highest existing female densities
- The trades with the lowest barriers to entry that can be filled quickest (noting these trades also often have lower pay).

None of these employer tactics address the stated aims of the Guarantee to grow female participation across high-paying, high-skilled trades. Consideration should be given to applying separate targets under the Guarantee to individual trades, particularly those being targeted on the Skills Priority List or experiencing shortages.

## 12. What will incentivise you to meet these targets and integrate gender equality strategies within your organisation, and what do you see as potential barriers to these targets being met?

There are several structural and sociocultural factors that will likely serve as barriers to employers meeting these targets, some of which are capable of being simultaneously addressed with complementary policies and programs mentioned in Q13.

<p><b>Structural Barriers</b></p>	<ul style="list-style-type: none"> <li>• Inflexible work schedules in the construction industry is a major impediment to women with children accessing the workforce. Very few childcare centres accommodate early morning starts, late night finishes, or 10-hour workdays, let alone at an affordable rate for women on apprentice wages.</li> <li>• Construction worksites are often incredibly unaccommodating for women, a recent survey of ETU members found that more than 1 in 5 women in the construction industry don't have regular access to gendered bathrooms and nearly two thirds don't always have access to sanitary bins in their workplace amenities. 38% of women in construction also claimed to have raised issues in their workplace about inadequate amenities.</li> <li>• Many employers are either unaware or unwilling to accommodate female workers who require different PPE. Women are not simply smaller men and require specific PPE that fits appropriately to not only ensure safety, but comfort and inclusion in the workplace.</li> </ul>
<p><b>Sociocultural Barriers</b></p>	<ul style="list-style-type: none"> <li>• Cultural norms and stereotypes around trade occupations prevent women from even considering trades as potential careers.</li> <li>• The often hyper-masculine workplace environment created by such an overwhelming gender imbalance in workforce participation in construction is not very attractive to women and can at times be an unwelcoming or hostile environment.</li> </ul>

*13. What supports are needed to enable more women to enter, and thrive in these workplaces, enabling businesses to meet these targets?*

Addressing the structural issues of appropriate amenities and PPE is a responsibility that ought to fall on the employer as part of maintaining minimum workplace standards, additional supports should not be necessary to help employers achieve basic requirements that should already be being met.

Addressing the cultural norms which act as a barrier to more female participation is a long-term commitment that needs to be addressed with a combination of early intervention and workplace supports. Targeting primary and high-school aged children with initiatives designed to make skilled trades more attractive and normalised careers for young girls will not only promote female participation but help to limit the spread of prohibitive attitudes of their male peers as well.

Workplace interventions to make construction more welcoming and hospitable for women include taking steps to address the structural barriers raised above, as well as ensuring a strong union presence on every site to offer support and address issues with sexism or inappropriate behaviour early. We also believe that the Guarantee in and of itself, with adequate targets in place, will ameliorate some of the cultural issues that have historically deterred women from construction sites by making a female presence on jobsites less of a novelty and towards an accepted norm.

Novel suggestions from female rank-and-file ETU members to make construction more appealing to women have also included banning the display of pornographic materials at work and putting an end to the common practice of site-visits from scantily clad “smoko girls”.

## Chapter 5 – Implementation approach

*14. Are there any barriers to the proposed implementation approach outlined in Table 2? For sectors where an apprenticeship, traineeship or paid cadetship is not a typical entry pathway, what lead time would be required to adjust to the application of the Guarantee and why?*

As referenced in the Discussion Paper, the construction industry already maintains an apprentice density close to the 10% required by the Guarantee, as such we see no major impediments to the achievability of the proposed timeline. Further, it is our belief that there should be a gradual stepping up of apprenticeship and female worker requirements over the coming years. Joe Biden’s Inflation Reduction Act (IRA) carries a similar 10% apprenticeship requirement for renewable energy projects accessing federal incentives; however, the IRA increases this requirement to 15% in 2024. Australia should be seeking to match or exceed the target set by the Americans in a similar timeframe.

Requiring a more ambitious target, as well as incorporating our recommendations for an expanded scope explored in Q15 will inevitably expose several systemic issues that will act as a barrier to maintaining the Guarantee in the long term. As previously identified in Q8

and Q12 there are many constraints on the ability of employers to attract and retain apprentices, change is needed to ensure that we maintain both a steady pool of apprenticeship candidates and the capacity to train them to the highest possible standard. The Federal Government would need to commit to complementary expansions and improvements to our VET system and apprenticeship support services, and engagement with school-aged children on trade careers will be needed to ensure the long-term viability of the Guarantee.

*15. Do the implementation approaches explored in Chapter 5 cover the greatest opportunities for delivering the Guarantee?*

Expanding the Guarantee to include projects financed by corporate Commonwealth entities is not an opportunity that can afford to be delayed until 2025. The Clean Energy Finance Corporation is already financing Rewiring the Nation projects, and the National Reconstruction Fund Corporation will likely be established and operational within the next 6 months. These entities will be facilitating some of the largest and most critical nation building projects of this decade in sectors like electrical transmission and distribution which are facing historic skills shortages. It would be a monumental waste to miss out on the opportunity to utilise these projects to expand apprenticeships. Applying the Guarantee to corporate Commonwealth entities will not only ensure the successful delivery of projects they finance but will lock in a skilled workforce for the decades of industrial transformation that will follow as we progress towards a net-zero economy.

We also note that similar suggestions for procurement rules for Commonwealth financed project have been rejected in the past on the grounds that financing was so cheap and readily available on private markets that to do so would have put Commonwealth entities at a competitive disadvantage. As interest rates continue to rise and global economic prospects continue to remain bleak in the near term, now is the perfect time to consider applying the guarantee to recipients of this finance. Waiting until 2025 will likely be too late to capitalise on this opportunity and all the much-needed new apprentices it can deliver for Australia.

*16. What outcomes can be achieved through the Guarantee and how do you think the Guarantee will help build a skilled workforce?*

Full and expansive implementation of the Guarantee can;

- Promote a culture of training and education in the construction industry
- Provide well-paid career opportunities for thousands of Australians
- Address ongoing skills shortages in qualified trades around the country
- Deliver a skilled workforce capable of expanding the productive capacity of the nation
- Break down social and structural barriers to female participation in skilled trades
- Through requiring major projects funded, financed, or directly managed by the Federal Government are contributing to growing the skilled workforce of tomorrow.



## Chapter 6 – Managing performance

*17. If you are a potential supplier or sub-contractor, what would support you to implement the Guarantee and to collect and report data on apprentices, trainees and paid cadets?*

Apprenticeships and traineeships are already well regulated and monitored by governments around Australia. It seems both an unnecessary burden on sub-contractors and an invitation for roorts for the Government to leave the collection and reporting of this data to the employer when data on apprenticeship numbers, hours, skills and training is already being collected and held within the VET system. Subject to implementing the ETU's recommendations in response to Q7, paid cadets could also be managed in a similar manner.

## Chapter 7 – Roles and responsibilities

*18. What are the additional costs that are likely to be incurred by business to meet the requirements under the Guarantee, including the need to provide a safe and supportive workplace for women?*

Costs associated with providing a safe and supportive workplace for women should not be considered additional, the mere notion of this suggests exactly why the industry faces the gender imbalance it does today. If a business can't afford to provide a safe workplace for all employees, that business is not being run effectively and should not be competing for Government contracts.

*19. For potential tenderers, what are the likely costs associated with increased time and resources for you to complete tendering requirements?*

n.a.

*20. For potential suppliers, will you need to change your recruitment practices to meet the targets under the Guarantee and if so, how and what are the likely additional costs of recruitment? What are the likely additional costs of supervising an apprentice, trainee or paid cadet and reporting on progress against the targets in the Guarantee? Could a community of practice, or similar, provide a useful forum to share learnings on how to support more women to thrive in workplaces in heavily male dominated industries?*

n.a.

*21. For contracting agencies, what are the likely additional costs of monitoring performance against the targets or providing support to suppliers to understand the Guarantee?*

n.a.

## Chapter 8 – Initiatives to support women in VET

### *22. How can we encourage and support more women to consider a career in and undertake trade occupations?*

- Making trade occupations more accessible to women through guaranteeing appropriate amenities and PPE
- Implementing the Guarantee so that women can have peers and role models in trade occupations
- Fun and engaging in-school activities or programs to give young girls exposure to the type of work involved in trade occupations and generate interest in exploring careers later
- Ensuring that high-school careers programs adequately communicate the opportunities and benefits of a career in trade occupations, presenting them as a valid and viable option to all students and not just those who are deemed unfit for university.
- Expand the Guarantee to target blue-collar sectors outside of construction which can offer more flexibility to accommodate women with young families e.g. manufacturing, electricity distribution

### *23. What do you consider to be the most effective programs or policies in supporting women to commence and complete a trade apprenticeship?*

Active involvement within their trade union, particularly through rank-and-file women's committees.

### *24. What could we do to make the culture of male-dominated trades more inclusive?*

Increase female presence on jobsites. These cultural problems have been perpetuated through the gendered segregation of skilled trades, exposing many of these male-dominated workplaces to strong and capable women is essential to breaking down the sexism that has become so prevalent. Provision of the Guarantee will also incentivise bosses to do a better job looking out for their female employees, it will no longer be viable to maintain an attitude of "if you don't like it then leave".

Work also needs to be done on creating a physical setting that is more inclusive through providing gendered amenities on every single site. Women may also find that it is not only easier and safer to carry out their duties, but that they feel much more included and welcomed when they are provided with PPE that is designed to fit women.

### *25. How can we support the retention of women working in major projects and support them to stay in industries over the longer-term?*

In order to ensure that women are retained in their respective industries over the long-term after being recruited to work on major projects covered by the Guarantee, these industries need to be made more inviting and accommodating to the needs of a female workforce. The

following changes would go a long way to supporting long-term retention of women in skilled trades

- Guarantee dignified, accessible, and gendered amenities
- Ensure proper fitting PPE is available on all sites
- Implement ambitious targets under the Guarantee to force cultural change in management approaches and on-site culture

*26. What can we do to better support women to successfully remain, re-enter and advance in the workforce?*

For many women, it can be difficult to maintain a lifelong career in the construction industry given the rigid schedules and working hours. Support should be offered to women, particularly those with young families, to transition into other industries or major projects which may be able to accommodate flexible schedules.

*27. What can we do to support and encourage women to seek a career via a VET pathway?*

Provide exposure and experience to school-aged girls, whether in the classroom or through non-school programs. Many don't seek careers via VET pathways because it isn't widely presented as an option to consider for young girls. Through changing these cultural norms and generating genuine interest in the hands-on work involved in skilled trades more women will begin to seek VET careers from a young age.

Currently, most women entering electrical trades do so as adults, the transitional process into adult apprenticeships ought to be easier and more accessible to support women entering VET pathways through this route. The most effective means of achieving this involves offering more competitive wages for adult apprentices and providing greater incentives for employers to engage adult apprentices. Procurement rules under the Guarantee that shift the focus of awarding tenders for construction projects away from a purely cost focus will aid in this but is not enough in isolation.

*28. Is there an initiative or mechanism that you consider has been successful in supporting and encouraging women to pursue a career via a VET pathway?*

Sending qualified tradespeople or trainers into schools as part of school careers or Pathways to Employment Program (PEP) lessons has proven to be highly effective anecdotally in our experience. Speakers can give students hands-on experiences to generate interest, as well as speak about career opportunities and the growing inclusivity of the trades in order to encourage young girls to consider VET pathways. It is our view that these programs would deliver even more promising results if offered to primary school students in conjunction with maintaining representation of trade career pathways at high-school career programs and events.