



Government of **Western Australia**
Department of **Training**
and **Workforce Development**

GOVERNMENT BUILDING TRAINING POLICY

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1 POLICY STATEMENT

The Western Australian State Government is committed to developing a strong training culture and sustained commitment to training through employment of apprentices and trainees within the building and construction industry.

To achieve this, the State Government, through the *Government building training policy*, will use the awarding of government building, construction and maintenance contracts to increase the training commitment in the building and construction sector.

Under the policy, all head contractors awarded State Government building, construction and maintenance contracts will be required to ensure the total training rate equals or exceeds the target training rate. The calculations are based on the combined Western Australian construction trades workforce of the head contractor and the subcontractors used for the contract. This approach is designed to place companies that invest in training for a sustainable workforce on an equal footing when they compete for government contracts.

The policy also provides flexibility to enable the engagement of companies that have training rates below the industry average, as long as the total training effort meets the industry average.

2 SCOPE

This policy applies to:

- all State Government building and construction contracts, including civil and engineering contracts, with an estimated labour value of \$2 million and over for the construction component of the contract;
- all State Government maintenance contracts, with an estimated labour component of \$2 million and over for the total contract;
- all State Government agencies (these are agencies as defined in Section 3 of the *Public Sector Management Act 1994*) that enter into these contracts;
- all head contractors awarded these contracts and the subcontractors used for the contract; and
- construction trades workers (including apprentices and trainees) in scope of the policy working in Western Australia for:
 - head contractors; and
 - subcontractors used for the contract.

3 PRINCIPLES

The *Government building training policy* is based on the following principles:

- The State Government and the building and construction industry are committed to ensuring there is a sustainable local supply of skilled workers, through investing in construction apprentices and trainees, to address the current and future needs of the industry.
- State Government agencies are responsible for ensuring they award contracts to head contractors in accordance with the policy.

- Head contractors are responsible for ensuring the target training rate is achieved in accordance with the policy.
- The policy does not require each contractor to individually meet the target training rate.
- The government contracting agency is responsible for monitoring compliance with the policy through their contract management processes.
- The Department of Training and Workforce Development is responsible for verifying apprentice and trainee data to support the government contracting agency to meet its reporting obligations.
- The Department of Training and Workforce Development is responsible for maintaining and publishing a list of construction trades workers, including apprentices and trainees, in scope of the policy in consultation with industry.

4 BACKGROUND

The *Government building training policy* replaces the former *Priority start – building policy* which was endorsed by State Cabinet and came into effect from 1 January 2007. *Priority start* replaced three previous policies relating to State Government building and construction tenders: *Priority access*; *Building skills*; and *Homeswest apprentice policies*.

The *Priority start – building policy* continued the State Government's commitment to ensuring there was an adequate supply of skilled workers in the building and construction industry, which plays a key role in the Western Australian economy.

In 2014 the Department completed a major review of the *Priority start – building policy* in consultation with the building and construction industry and key State Government agencies to address key deficiencies in the policy. The policy has been renamed the *Government building training policy*.

5 DEFINITIONS AND ACRONYMS

Building and construction/maintenance contract – a legally binding agreement entered into by the State Government contracting agency and head contractor to complete the building and construction or maintenance work specified in the tender.

Construction apprentices and trainees – the list of in scope apprenticeships and traineeships is available at www.dtwd.wa.gov.au. This list will be reviewed by the Department of Training and Workforce Development annually in conjunction with industry.

Construction trades workers/workforce – all construction trades workers, including apprentices and trainees, in scope of the policy. A list of these occupations is available at www.dtwd.wa.gov.au. The list will be reviewed by the Department of Training and Workforce Development annually in conjunction with industry.

Head contractor – the party awarded the State Government contract to execute the work as specified in the contract.

Target training rate – is the estimated percentage of Western Australian construction trades workers who are apprentices and trainees for the occupations in scope of the policy. The target training rate will be reviewed annually and be available at www.dtwd.wa.gov.au.

Total training rate – the number of construction apprentices and trainees as a percentage of the construction trades workforce for the head contractor and the subcontractors used for the contract. It is based on the Western Australian construction trades workforce of the:

- head contractor; and
- subcontractors used for the contract.

See Appendix 1 – Glossary for the complete list of definitions.

6 PROCEDURES

This policy applies to State Government building, construction and maintenance contracts resulting from tenders issued from 1 October 2015 onwards.

Head contractors awarded State Government building and maintenance contracts are required to ensure the total training rate, equals or exceeds the target training rate.

This policy must be applied when:

- a) building and construction contracts have an estimated labour value of \$2 million and over for the construction component of the contract; and
- b) maintenance contracts have an estimated labour component of \$2 million and over for the total contract.

The policy does not apply when the duration of the contract is three months or less.

The policy specifies:

- the target training rate required;
- reporting requirements of head contractors;
- monitoring and reporting requirements of government contracting agencies; and
- verification and reporting requirements of the Department of Training and Workforce Development.

6.1 Apprentice and trainee employment requirements

The *Government building training policy* specifies the target training rate to be met or exceeded through the total Western Australian construction trades workforce of the:

- head contractor; and
- subcontractors used for the contract.

6.1.1 Target training rate

The target training rate is the estimated percentage of Western Australian construction trades workers who are apprentices and trainees for the occupations in scope of the policy. The annual target training rate is available at www.dtwd.wa.gov.au.

Head contractors are required to ensure their total training rate equals or exceeds the target training rate in the final *Total training rate report* submitted for each financial year over the duration of the contract.

6.1.2 How head contractors are required to calculate the total training rate

To calculate the total training rate, head contractors use construction trades workers, including apprentices and trainees, working in Western Australia, for:

- their company; and
- the subcontractors used for the contract.

Head contractors are required to calculate the total training rate for the specified reporting period as:

$$\text{Total training rate} = \frac{\text{(a) number of construction apprentices/trainees in training in WA}}{\text{(b) number of construction trades workers (full time equivalents) in WA}} \times 100$$

Further information on calculating the total training rate is available at www.dtwd.wa.gov.au.

(a) number of construction apprentices and trainees

The number of construction apprentices and trainees in training is the number of construction apprentices and trainees working in Western Australia, excluding those on probation, for the:

- head contractor; and
- subcontractors used for the contract.

The list of construction apprenticeships and traineeships that are to be used in calculating the training rate under this policy is available on www.dtwd.wa.gov.au.

The apprentices and trainees do not have to be working on the contract site or on work related to the contract.

All construction apprentices and trainees, excluding probationary ones, are used in calculating the number of apprentices and trainees if they were working in Western Australia for the head contractor, or the subcontractors used for the contract, at any time during the specified reporting period, and employed:

- directly (new and existing employees);
- through a group training organisation or a skill hire company; or
- as students undertaking school based arrangements (these students count as 50% of a full time equivalent of an apprentice or trainee).

Apprentices and trainees on probation cannot be included. Where apprentices and trainees are hosted across multiple parties to the building and construction or maintenance contract, they will only be counted once per reporting period per contract.

(b) number of construction trades workers

The number of construction trades workers (including apprentices and trainees) is the number of construction trades workers working in Western Australia for the:

- head contractor; and
- subcontractors used for the contract.

The number of construction trades workers (including apprentices and trainees) must be an average across the reporting period. At least two dates must be chosen within each quarter which best reflect the construction trades workforce.

The construction trades workers can be working on a full time, part time or casual basis. Part time workers are to be converted to full time equivalents.

The construction trades workers do not have to be working on the contract site or on work related to the contract.

The specified list of construction trades that are to be used in calculating the total training rate under this policy is available on www.dtwd.wa.gov.au.

All construction trades workers (including apprentices and trainees) working for the head contractor, and the subcontractors used for the contract, are to be counted in calculating the training rate for the specified reporting period.

6.1.3 Total training rate reports required to be submitted by head contractors

For the duration of the contract, all head contractors must submit a *Total training rate report* for each quarter to report their progress towards achieving the target training rate for each financial year.

The reports must be submitted to the government contracting agency within one month of the end of each financial year quarter for the duration of the contract as shown below.

Reporting period	Report due
1 July–30 September	31 October
1 July–31 December	31 January
1 July–31 March	30 April
1 July–30 June	31 July*

*Government contracting agencies may negotiate earlier submission dates for the end of financial year reports to ensure compliance with their agency annual reporting requirements.

In the final *Total training rate report* for each financial year, the head contractor must equal or exceed the target training rate.

The *Total training rate report* must include the construction trades workers, including apprentices and trainees, working in Western Australia for the:

- head contractor; and
- subcontractors used for the contract.

The *Total training rate report* must contain the following information:

- contract name, number and description;
- contract award date and construction commencement date;
- business name and Australian Business Number for the head contractor, and the subcontractors used for the contract;
- number of construction apprentices and trainees working to date during the financial year in Western Australia for the head contractor, and the subcontractors used for the contract (see 6.1.2a);
- list of construction apprentices and trainees, their Training Records System (TRS) Training Contract Identification (ID) Number¹, and their employer;
- average number of construction trades workers (full time equivalents) working in Western Australia to date during the reporting period for the head contractor and the subcontractors used for the contract (see 6.1.2b); and
- total training rate (see 6.1.2).

If Western Australian TRS Training Contract ID Numbers are not available for all apprentices and trainees, such as for apprentices and trainees registered in another state, then a Statutory Declaration must be submitted. The declaration must provide the first name, last name, gender and date of birth for all apprentices and trainees who do not have a TRS Training Contract ID Number and confirm they were working in Western Australia during the specified reporting period by the head contractor, or the subcontractors used for the contract.

Head contractors are required to keep supporting information that was used to calculate the number of construction trades workers, including apprentices and trainees, working for them, or the subcontractors used for the contract, for audit purposes.

6.2 Head contractor compliance with the policy

A head contractor will be deemed to be compliant with the policy by the government contracting agency if the total training rate equals or exceeds the target training rate in the final *Total training rate report* submitted for each financial year over the duration of the contract; and their reports are submitted by the specified time.

It is the head contractor's responsibility to obtain relevant information from their subcontractors to ensure compliance with the policy reporting obligations and to meet the target training rate.

Head contractors can obtain information and advice on the range of training options available to assist head contractors to meet the target training rate requirements from the Australian Apprenticeship Support Network (see Section 10.0 for contact information).

Government contracting agencies are responsible for including an appropriate clause in their contracts to ensure head contractors comply with the policy. As compliance

¹ All registered training contracts are required to have this number.

with the policy is part of the contractual terms, any breach of the policy will be treated as a breach of contract (see 6.3 for non-compliance).

6.2.1 Training rate compliance monitoring by government contracting agencies

The government contracting agency is responsible for monitoring and reporting head contractor compliance with the policy.

The government contracting agency will review the *Total training rate reports* submitted by head contractors to assess compliance with the policy.

The government contracting agency will also forward electronic records of apprentice and trainee TRS Training Contract IDs and names so the Department of Training and Workforce Development can cross-check information on its TRS. The Department will report back to contracting agencies with validated lists to assist their compliance processes under the policy.

6.3 State Government tenders and contracts

The government contracting agency must include a statement in all tender documentation and contracts within the scope of the policy specifying that head contractors are required to comply with the *Government building training policy*.

There may be exceptional circumstances where it may not be possible to meet the target training rate. The chief executive of the government contracting agency may approve a variation to the target training rate in exceptional circumstances such as where contractors undertake a significant proportion of their work:

- in regional and/or remote areas;
- for projects that do not allow apprentices/trainees on the worksite due to occupational health and safety risks; or
- for civil construction projects.

Where a variation is granted, the reason for the variation must be specified in the government contracting agency's annual report.

Government contracting agencies are responsible for determining their contract audit requirements under the policy; any sanctions to be applied to head contractors for non-compliance with the policy; and under exceptional circumstances, approving variations to the target training rate.

6.4 Government contracting agency annual reporting requirements

Each year government contracting agencies are required to report their implementation of the policy over the financial year in their annual report. The information outlined in the table below must be provided. This information is obtained from the final *Total training rate reports* submitted by head contractors for that financial year.

Information for building and construction projects and maintenance projects within the scope of the policy must be shown separately.

Contracts in scope of the Government building training policy in the financial year

Measure	Number of contracts
<i>Awarded</i>	
<i>Reported on</i> <ul style="list-style-type: none"> • Commenced reporting • Continued reporting from previous financial year 	
<i>Target training rate</i> <ul style="list-style-type: none"> • Met or exceeded • Did not meet • Granted a variation 	

Where a variation to a contract has been approved, the information outlined in the following table must also be provided in the annual report.

Variations to the target training rate approved in the financial year

Contract name/ contract number	Amended target training rate	Reason for the variation

6.5 Government contracting agency compliance with the policy

Government contracting agencies will be deemed to be compliant with the policy if they:

- include a statement in all tender documentation and contracts within the scope of the policy specifying head contractors must comply with the *Government building training policy*;
- monitor head contractor compliance with the policy; and
- report their agency's implementation of the policy in their annual report, listing the required information and provide this to the Department of Training and Workforce Development by 30 September.

6.6 Department of Training and Workforce Development report on implementation of the policy

The Department of Training and Workforce Development will submit a report to the Minister for Training and Workforce Development each year on implementation of the policy drawing on the information contained in the government contracting agencies' annual reports by 15 November.

7 RELATED POLICIES AND OTHER RELEVANT DOCUMENTS

- *Premier's Circular – Agency compliance with the Government building training policy*
- *Apprenticeship policy*, Department of Training and Workforce Development
- *School-based apprenticeship policy*, Department of Training and Workforce Development

8 RELEVANT LEGISLATION

- *Building and Construction Industry Training Fund and Levy Collection Act 1990*
- *Public Sector Management Act 1994*
- *Vocational Education and Training Act 1996*
- *Vocational Education and Training (General) Regulations 2009*

9 REVIEW DATE

29 November 2017

10 CONTACT INFORMATION

For information on the *Government building training policy*:

Project Officer

Government building training policy

Department of Training and Workforce Development

Optima Centre – Building B

16 Parkland Road, Osborne Park WA 6017

Email: Policy.GBT@dtwd.wa.gov.au

Website: www.dtwd.wa.gov.au

Postal: *Government building training policy*
 Policy Planning and Research
 Department of Training and Workforce Development
 Locked Bag 16
 Osborne Park Delivery Centre WA 6916

For information on apprenticeships:

Australian Apprenticeship Support Network

Telephone: 13 38 73

Website: www.australianapprenticeships.gov.au

APPENDIX 1 – GLOSSARY

Apprentice – a person undertaking an approved apprenticeship that leads to a nationally recognised qualification under a training contract.

Apprenticeship – a structured employment based training program that leads to apprentices gaining a nationally recognised qualification. Apprenticeships may be full time, part time or school-based.

Australian Apprenticeship Support Network – the Australian Apprenticeship Support Network replaced the Australian Apprenticeship Centres from 1 July 2015. The network helps employers to recruit, train and retain apprentices and trainees.

Building and construction/maintenance contract – a legally binding agreement entered into by the State Government contracting agency and head contractor to complete the building and construction or maintenance work specified in the tender.

Building, construction and maintenance work – ‘Construction work’ as defined in the *Building and Construction Industry Training Fund and Levy Collection Act 1990*, that is government work as defined in the Regulations under that Act.

Construction apprentices and trainees – the list of in scope apprenticeships and traineeships is available at www.dtwd.wa.gov.au. This list will be reviewed by the Department of Training and Workforce Development annually in conjunction with industry.

Construction trades workers/workforce – all construction trades workers, including apprentices and trainees, in scope of the policy, working on a full time, part time or casual basis. A list of these occupations is available at www.dtwd.wa.gov.au. The list will be reviewed by the Department of Training and Workforce Development annually in conjunction with industry.

Duration of the contract:

- for building and construction contracts it is from start to finish of the building or construction phase of the contract; and
- for maintenance contracts it is from start to finish of the maintenance work.

Full time equivalent – is calculated based on the number of working hours that represents one full time employee.

Government contracting agency – State Government agency that tendered and awarded the building and construction or maintenance contracts.

Group training organisation – an organisation that employs apprentices, trainees and cadets under a training contract and places them with host employers. The organisation undertakes the employer responsibilities for the quality and continuity of the apprentice’s or trainee’s employment and training. Refer to www.grouptrainingwa.com.au.

Head contractor – the party awarded the State Government contract to execute the work as specified in the contract.

Labour component – the cost associated with employing or contracting staff related to the contract. It includes management staff and supervisors but does not include materials or equipment costs.

Maintenance – see definition for building, construction and maintenance work.

School-based arrangements – a school-based apprenticeship or traineeship can be done while someone is still at high school, generally in year 11 or 12. This means an employee can stay in secondary school and train for a qualification at the same time. Under the *Government building training policy* these students count as 50% of a full time equivalent of an apprentice or trainee.

State Government – is the Western Australian State Government.

State Government agency – a State Government agency is an agency as defined in Section 3 of the *Public Sector Management Act 1994*. Government trading enterprises, such as the Water Corporation, are not included but are encouraged to apply the policy.

Subcontractor – a contractor, other than a head contractor, working on the building and construction or maintenance contract.

Target training rate – is the estimated percentage of Western Australian construction trades workers who are apprentices and trainees for the occupations in scope of the policy. The target training rate will be reviewed annually and be available at www.dtwd.wa.gov.au.

Trainee – a person undertaking an approved traineeship that leads to a nationally recognised qualification under a training contract.

Traineeship – a structured employment based training program that leads to trainees gaining a nationally recognised qualification. Traineeships may be full time, part time or school-based.

Total training rate – the number of construction apprentices and trainees as a percentage of the construction trades workforce for the head contractor and the subcontractors used for the contract. It is based on the Western Australian construction trades workforce of the:

- head contractor; and
- subcontractors used for the contract.

Training Records System (TRS) – the Department of Training and Workforce Development's apprenticeship and traineeship administrative management information system.

TRS Training Contract Identification (ID) Number – the unique identification number given to each apprentice and trainee recorded on the TRS.