



FACT SHEET – APPLYING FOR A VARIATION TO THE TRAINING RATE

The *Priority Start policy* (policy) requires head contractors undertaking a State Government/Government Trading Enterprise (contracting agency) building, construction or maintenance contract valued over \$5 million (including GST), to achieve a specified training rate each reporting period for the duration of the contract.

The training rates are:

- 11.5% for general building, construction and maintenance contracts; and
- 5% for civil construction contracts.

Head contractors are encouraged to collect their construction trades workforce figures and estimate their training rate at intervals throughout each reporting period. This will assist head contractors to:

- keep track of their progress towards the training rate;
- allow sufficient time to address any issues; and
- alert subcontractors to their responsibilities under the policy.

The policy allows head contractors to request a variation to the training rate in exceptional circumstances. The policy also provides for the establishment of a Compliance Panel to consider these requests and an Appeals Panel to review decisions made by the Compliance Panel.

Variations to the training rate

Engagement of apprentices/trainees may be limited for a number of reasons, which could result in a head contractor not being able to meet the required training rate for a period of time, or over the entire contract. In such instances, the head contractor may apply for a variation to the training rate via the relevant contracting agency.

Any application to vary the training rate must also include an indicative timeframe and information on how a head contractor intends to raise the training effort across their workforce and/or meet the contracted training rate in the future.

Establishing the need for a variation

All contributing factors affecting the head contractor's ability to meet the training rate will be considered, including the primary and secondary factors. A primary factor is one that affects the head contractor and subcontractors' combined Western Australian construction workforce. A secondary factor is specific only to the contract.

Generally, a secondary factor in isolation would not constitute grounds for a variation to the training rate. This is due to the training rate being based on the combined Western Australian workforce of the head contractor and all subcontractors, not just the construction trades workforce of a specific contract.

Primary factors – workforce related

The following are examples of primary factors that could impact a head contractor's ability to meet the training rate:

- **Limited/no involvement in other construction in WA** – a large proportion of work undertaken by the head contractor and the subcontractors used for the contract is such that the contractors have limited, if any, work outside the contract that could contribute to the training rate. For example, the individual companies of a consortium/joint venture, established for the purposes of a specific agency contract, have no other operations in the State.

- **Limited ability to engage apprentices/trainees due to a large proportion of the company's:**
 - construction trades workforce being in regional and remote areas;
 - worksites being high risk environments; or
 - contracts being highly specialised or secure in nature.
- **Stage of the contract** – a large proportion of the company's contracts are in the design or completion phases, which may reduce the range of companies/employees working on the contracts.

Secondary factors – contract specific

The following are examples of secondary factors, which combined or coupled with a primary factor, could impact a head contractor's ability to meet the training rate:

- **Contract duration** – the contract is under 12 months duration.
- **Nature of the contract** – contracts may be awarded which only involve a limited number of the occupations in scope of the policy, such as a maintenance contract.
- **Stage of the contract** – the contract, for which the variation is being requested, has limited or no construction work in progress.
- **Regional labour supply** – a requirement or preference to use locally based companies/contractors in regional areas, where training opportunities may be limited.

Variation applications

Variation applications can only be initiated by a head contractor via a *Training Rate Variation/Appeal Request Form* available from the [Priority Start website page](#).

Variation applications are submitted to the contracting agency. The application:

- should be made as soon as a head contractor is aware of their inability to meet the training rate; and
- should not be submitted in conjunction with a *Head contractor Priority Start report*.

The contracting agency will advise a head contractor of the Compliance Panel's decision within 20 business days of receiving the application.

Appealing a decision

Where a variation application has not been accepted in full or has not been approved, the head contractor can submit an application to the Appeals Panel to review the decision.

A head contractor can appeal against the decision made by the Compliance Panel where:

- new evidence is available to support the original application; and/or
- the head contractor can demonstrate that an error has been made by the Compliance Panel.

Appeal applications can only be initiated by a head contractor via a *Training Rate Variation/Appeal Request Form* available from the [Priority Start website page](#). The Appeals Panel's decision is final.

Appeal applications must be lodged with the relevant contracting agency within 10 business days of being notified of the decision made by the Compliance Panel. The contracting agency will advise a head contractor of the decision made by the Appeals Panel within 15 business days of the receiving the application.

For further information on the *Priority Start policy*, go to dtwd.wa.gov.au/priortystart.