

Training Management Guidelines FAQs

Infrastructure Skills Legacy Program October 2021

1: Program Background

Q: Why does the NSW Government need to set targets for skills and diversity in construction projects?

By setting targets for skills and diversity, the Government is ensuring that local communities not only benefit from the use of the finished infrastructure, but also benefit from the employment and skills development opportunities created during construction. This can have a particularly strong impact in some regional areas where there is high unemployment. Encouraging greater diversity of the construction workforce helps to address skills shortages by widening the recruitment pool to better attract and retain talent

Q: How were the targets developed?

Government consulted with construction industry stakeholders and government infrastructure agencies to develop an agreed set of targets.

Q: Does ISLP set out any policy requirements or guidelines?

The training management guidelines provide an overview of the policy requirements and guidelines. These guidelines are available among other resources on our [website](#).

Q: What is the role of the Construction Leadership Group?

Construction Leadership Group (CLG) is made up of members from all the government infrastructure delivery agencies. Its remit is to address infrastructure challenges and provide leadership across government in the development, procurement and delivery of infrastructure and building projects.

Led by Infrastructure NSW, the CLG is tasked with the implementation of the NSW Government Action Plan: a ten-point commitment to the construction sector and works with the Construction Industry Leadership Forum (CILF) to implement the plan in collaboration with industry.

The Infrastructure Skills Legacy Program is integral to achieving points 9 and 10 of the [Action Plan](#).

Q: What is the role of ISD? Training Services NSW?

Infrastructure Skills and Diversity unit has been established to assist government agencies to implement skills and diversity targets into procurement for construction projects.

It is also responsible for assisting construction contractors to achieve the targets by facilitating connections to organisations that support skills and diversity. This includes connections to [Training Services NSW](#) that has a range of resources to assist learners to access training and for employers to upskill their workers.

Training Services NSW has six regional and three Sydney metropolitan centres that service the needs of local employers, training providers and individuals.

Training Services NSW is responsible for the implementation of funded programs, including Smart and Skilled, apprenticeships and traineeships and adult and community education. It undertakes contract management of approved Smart and Skilled training providers and implements quality assurance and performance monitoring to achieve the best possible outcomes for students.

2: The Targets Explained

Q: Who do the ISLP targets apply to?

The ISLP targets are mandatory for major construction projects over \$10m from 1 July 2020.

For projects over \$10 million the following targets apply:

- 20% of all trades positions on a project made up of apprentices
- Apply the relevant Aboriginal Procurement Policy

For projects over \$100 million there are additional targets that apply:

- 20% of the total project workforce to be made up of 'learning workers'
- doubling the number of women in trade related work

- 8% of the total project workforce is aged less than 25 years
- reporting the employment and training outcomes for people from the local region (local region to be defined in the contract).

Q: Are agencies expected to implement these requirements into existing construction contracts?

The targets are not retrospective and apply only to new construction project procurements commenced after 1 July 2020.

Q: I'm a subcontractor with a contract value of \$30 million. Do the targets apply to me?

The targets must be met by the principal contractor. However, it's very likely that the principal contractor will require subcontractors to meet the targets also. The reporting of achievement against targets will be at the Principal contractor level, unless otherwise arranged.

Q: My project is located in Western Sydney and subject to the Western Parkland City Authority requirements. How do the two strategies/policies align?

The Western Parkland City Authority (WPCA) and ISLP targets are aligned to ensure consistency and reduce unnecessary burdens on NSW Government Agencies and contractors.

Q: What's the difference between the ISLP targets and those in the WPCA requirements?

Under the WPCA all of the ISLP targets apply. There is a further requirement to report on progress against three additional targets:

- 2.4% Aboriginal employment target
- 3% Aboriginal Procurement target
- 30% local employment target

Aboriginal employment and procurement targets must comply with the NSW Aboriginal Procurement Policy (APP) and the Aboriginal Participation in Construction Policy (APIC), which merged into a [new policy](#) on 1 January 2021.

Q: My project is funded by the NSW State Government and the Australian Government. Do I have two sets of targets to meet?

Yes, both the Australian and NSW Governments have a range of existing initiatives that include employment and procurement targets. These include the Indigenous Procurement Policy and the National Partnership Agreement on Land Transport Infrastructure projects (Commonwealth) as well as [APP January 2021](#) and [ISLP](#) (State). Where possible, targets are aligned. Your lead Agency will advise what targets apply.

Q: As Aboriginal Procurement Policy (APP) is included in the ISLP, where do I report its progress? Is it to Training Services NSW?

No, APP is still administered by NSW Treasury and monitored by the commissioning government agency. Whilst ISLP targets require contractors to 'apply the relevant Aboriginal Procurement Policy,' the reporting responsibility is still to NSW Treasury. However, we expect that reporting will be consolidated in the future.

For ISLP, Aboriginal employment participation must be reported, that is, the number of Aboriginal people working and training on the project. Though not a requirement for ISLP, agencies may choose to set the contractor a separate Aboriginal employment target reflecting the representation of Aboriginal people in the local population.

Currently there is still a requirement for Agencies to report separately for ISLP targets to Training Services NSW and on APIC to NSW Treasury.

Q: Does the Apprenticeship target apply if my project is a civil construction project with no apprentices?

The target still applies and should be reported but we acknowledge that the outcomes will be different to general construction. If there are no tradespeople working on the project, then it's not possible to report against the target. However, if there are 2 tradespeople, one of which is an apprentice, this would be measured as 50% – exceeding the 20% requirement.

Q: The target for female participation mentions 'trade-related work'. My project is a civil project with few trades. Does this apply?

Yes, but if there are no trades the target will not apply.

Q: Why is the target for young people set at 8%?

Young people currently represent 8% of the working age population in NSW.

Q: Why is the target for apprentices set at 20%

There has been a longstanding requirement for government infrastructure projects to collect information on employing apprentices. All agencies must identify a target for the engagement of apprentices and trainees for each construction project valued over \$10 million.

A default target of one apprentice for every four tradespersons should be used for all construction projects if the agency does not have sufficient information to set a target.

Q: What should the project report for local employment?

Projects should collect data on the workers on the project to determine if they fit the definition of 'local region' as outlined in the agreed tender procurement document and report back as a proportion of the total workforce. 'Local region' will be determined by the agency in the contract and may include permanent residential addresses within 100km radius of a project; within specified local council areas; or within a list of postcodes.

3: Reporting

Q: Where and how will agencies submit their data?

The Department of Customer Service is designing a whole of government Digital Procurement Portal. All construction projects with mandatory ISLP targets will be progressively on-boarded to this new platform. In the interim, agencies and suppliers can continue to use the worksheet [template](#) to report ISLP data. Reports will be submitted to Training Services NSW till such time that projects are transitioned to the Digital Procurement Portal.

Q: What is the frequency of reporting requirements?

Reports must be submitted each financial quarter, with a final cumulative report to be due at project completion.

Q: What are the minimum number of hours or days a worker must be engaged on the project before they can be included in the headcount and reported against the targets?

There are no minimum hours required for reporting under ISLP. The Agency and the Contractor may agree to set a minimum figure to meet contractual requirements.

Q: Does an apprentice count as a learning worker?

Yes, all accredited training that is undertaken by workers on the project can count towards the learning worker target. Apprentices may be counted against the learning worker target. If applicable, they could also be counted against the youth, Aboriginal, women and local employment target.

Q: Are School-based apprentices or trainees (SBATS) included as apprentices and learning worker?

Yes, they can be counted as an apprentice or trainee and as a learning worker.

Q: Do all workers on a project who undertake accredited training count towards the learning worker target, not just the construction workers?

Yes, the project workforce includes all people who contribute to the project. This includes people such as managers, engineers, finance team, environmental

team, safety team, construction employees consisting of supervisors, those in leadership roles, tradespeople and operators.

Q: Does the accredited training for the learning worker target only include VET? Or does it include other professional qualifications such as accounting or post-grad qualifications?

It refers only to VET. This is largely due to the majority of skills shortages being across the construction trades, which require VET training.

Q: Do we need to double the number of women over the life of the project?

No. The target is 2% of the trade workforce must be women. This will be measured at the end of the project. It includes women in trades, in an apprenticeship and in a school based apprenticeship. The intention is to double the number of women participating in trade work in the NSW workforce. Currently women represent just over 1% of the state's trades workforce.

Q: Can a worker be counted against more than one target?

Yes. A worker may be counted towards multiple targets if they meet the eligibility criteria for each of those targets. For example, an Aboriginal Woman aged under 25 years old, living locally and undertaking a Plumbing apprenticeship can be recorded against all the targets.

Q: Do I have to report on two sets of targets to different agencies for the Western Parkland City Authority (WPCA) requirements and for the ISLP?

To reduce compliance burden and cost and to ensure consistent reporting, it is intended to utilise a single existing reporting framework. This means the contractors will report to the Agency for both sets of targets and the Agency will provide a consolidated report to Training Services NSW and to the WPCA. Note that the Aboriginal Procurement Policy is reported separately to NSW Treasury.

At present, the Department of Customer Service is designing a whole of government Digital Procurement Portal. All construction projects with mandatory ISLP targets will be progressively on-boarded to this new platform. It is expected that this portal will accommodate reporting across different procurement contracts requirements including the Aboriginal Procurement Policy 2021.

Q: What happens to the data once it's been submitted? In other words, will there be any outputs that gets fed back to agencies and industry on results, highlights and opportunities?

The Digital Procurement Portal is expected to provide access to relevant data, reports and dashboards across contract manager, policy holders and supplier roles. Information and insights obtained from this data will be used to engage and inform stakeholders on outcomes, areas of improvements, opportunities and changes.

4: Meeting the Targets and Managing Performance

Q: At what point in the project are the targets deemed to have been achieved? Are there other milestones that need to be met throughout the life of the project?

Although there will be ongoing reporting requirements to monitor progress, final achievement against the ISLP targets will be measured at project completion. Agencies may set specific reporting milestones in the contract.

Q: How are the targets enforced and who is responsible for enforcing them?

Each commissioning Agency is responsible, under the NSW Procurement Board Direction PBD 2020-03 for setting targets within the construction contracts valued over \$10m. The principal contractor is responsible for achieving the targets and is accountable to the agency.

Q: What are the consequences for contractors who don't meet the skills and diversity targets?

Government agencies may include contract clauses setting out penalties if targets are not met. If targets are not met this may be considered a breach of contract.

Importantly, all contracts will include the targets as performance measures. Prior performance against ISLP targets or other training targets may be considered as part of tender evaluation processes. Failure to meet ISLP targets may jeopardise a contractor's ability to win future tenders.

Q: Is there any scope to incentivise contractors to perform in this space? What does a good track record lead to?

Contracts may include incentives and/or penalties related to performance against the targets. Prior performance against ISLP targets or other training targets may be considered as part of tender evaluation processes.

Q: What happens in instances where agencies/contractors are genuinely experiencing challenges in meeting one or more of the targets on projects?

Regular reporting will allow Training Services NSW to proactively monitor agency and contractor performance. Where agencies or contractors are experiencing challenges in meeting the targets, Training Services NSW can offer advice on strategies to assist in achieving targets.

Q: What kind of strategies to meet the targets do you expect to see from contractors? What can contractors do to reach the targets?

A mix of traditional strategies such as apprenticeship and traineeship employment are important, but also contractors taking innovative approaches to skills development including pre-employment/pre-vocational training, short course training, models for recognition of prior learning and gap training such as participating in the [Trade Pathways Program](#).

Q: Is there any funding available to agencies and contractors to help implement, monitor and achieve the targets?

There is no specific funding for implementation, monitoring and achievement of targets.

Rather, Training Services NSW can provide support for some of the programs that the project might want to get involved with in order to achieve its targets.

Training Services NSW regulates the apprenticeship and training system. This includes registering and monitoring training contracts, advice and dispute resolution and issuing qualifications. Training Services NSW also subsidises apprenticeship training under Smart and Skilled.

Training Services NSW has six regional and three Sydney metropolitan centres. These centres play a key role in monitoring the quality of training services provided by registered training organisations and giving assistance to employers and training participants. NSW Government agencies can work with Training Services NSW when considering specific training needs that arise from their construction program.

Training Services provides Smart and Skilled funding for part qualification/micro-credential training for new and existing workers. TSNSW can work with the contractor to see what the best options might be for the project. The ISD team can work with the contractor to co-design training that is bespoke and fit for purpose for the project.

Training Services NSW offers workshops for supervisors of apprentices and trainees – a method that has helped employers to effectively manage employees and trainees and to provide a safe environment for apprentices and trainees.

There are a number of initiatives to support Aboriginal people in training and in the workplace and at school, these can be found [here](#).

Q: What are the lessons were learnt from the 18 projects that ISLP supported throughout the State?

Early engagement of local communities and stakeholder groups has been instrumental in helping contracts to meet and exceed the targets. The 18 pilot projects have demonstrated that the targets are achievable and that contractors value the impact the program has had to create a diverse and skilled workforce.

Q: Where can I go for help and advice in relation to achieving the targets?

Training Services NSW is a division of the NSW Department of Education that leads on the implementation and management of the ISLP. Having provided support to the 18 ISLP pilot projects, the team can provide advice on establishing the targets and best practice in strategies to meet them.

Training Services NSW has nine offices located across the state with staff that can advise on the local training market as well as access to funding for training and working with training providers.

There are also resources available on the [website](#) or email: islp@det.nsw.edu.au

Q: It is likely that performance will fluctuate over the project lifecycle as the workforce changes during different project phases. For example, in one month 3% of the trades workforce could be women and this could change to zero a few months later. How will this be taken into account?

The agency will set the performance review timetable and may consider reviews at 20%, 50% and 90% completion. The final measure will be on completion. Please note that performance is reported cumulatively AND each financial quarter. The data collection system should enable the performance against targets to be tracked for peaks and troughs. Any dips in performance or failure to be on track at the set review points can be explained through the collection of qualitative data.

5: Other Questions

Q: How do the targets compare to other states and/or Commonwealth funded projects?

Other states and territories also have mandatory targets for apprenticeship and Aboriginal participation. South Australia's 'Skilling South Australia' program extends these targets to long term unemployed, graduates and those with barriers to employment. The ISLP is the only state program which includes targets for Women and local employment.

Q: Is a Training Management Plan still required?

No – this requirement has been removed. The new NSW Procurement Board Direction PBD2020-03 outlines requirements

Q: The Training Management Guidelines refer to Skills, Training and Diversity targets and ISLP targets. What's the difference?

There is no difference. 'Skills, Training and Diversity targets' refers to the requirements set by the NSW Procurement Board for NSW Government Construction projects. The Infrastructure Skills Legacy Program is the government's program to assist in implementation of skills, training and diversity targets.

Q: The Training Management Guidelines refers to 'Construction Projects' as well as 'Infrastructure projects'. Is this the same thing? Does this include Civil Construction Projects?

'Construction projects' refers inclusively to all NSW Government infrastructure projects – both Civil and General Construction.

Q: Why is non-accredited training excluded from the ISLP targets?

ISLP aims to create a legacy of skilled workers for the Construction industry. Accredited training that leads to a nationally recognised qualification has greater currency and is more transferable. Workers who have received accredited training on one project are qualified to go and work on further projects, retain employment and upskill to higher qualifications and therefore to higher roles in the construction industry.

Q: Why may training for licencing be excluded when it could be used to make our worksites safer?

This type of training is regarded as business-as-usual training which would always happen during the course of a construction project. The targets are designed to increase training levels and further develop the skills of the workforce. Some consideration may be given to including this training where there are demonstrated skills shortages.

Q: Why is higher education or other professional qualifications excluded from the learning worker target?

The ISLP seeks to build a legacy of skilled workers and address skills shortages. The majority of skills shortages across construction trades are in areas requiring vocational education training.

**For more information:
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