Tasmanian Government Building and Construction Training Policy



Skills Tasmania | November 2026

BUILDING TASMANIA

Tasmanian Government

Contents

1. Policy purpose 1
2. Policy scope 1
3. Mixed projects 2
4. Commencement 2
5. Policy requirements 2
6. Calculation of training hours 3
Building and construction projects – conversion formula 4
Civil construction projects – conversion formula and other workplace training 4
7. Variations to the number of training hours 5
8. Projects receiving monetary contributions 6
9. Summary of roles and responsibilities 6
10. Compliance and reporting mechanisms 7
11. Inspection of records 8
12. Related procedures and guides 9
13. Further information 9
Appendices 10
Appendix one - Glossary 10
Appendix two - Roles and Responsibilities 14
Responsibilities of contracting agency 14
Responsibilities of head contractors 15
Role of Skills Tasmania 16
Role of Department of Treasury and Finance 16

1. Policy purpose

1.1. The Tasmanian Government is committed to supporting the continued growth of the economy and recognises apprenticeships and traineeships as one of the best ways to develop the skilled workforce Tasmania needs now and into the future.

1.2. The Tasmanian Government Building and Construction Training Policy (the Policy) supports employment and skills development in the building and construction and civil construction industries by mandating the engagement of apprentices and trainees on building and civil construction projects undertaken or contracted by a Tasmanian Government agency.

1.3. The Policy is reflective of the collaborative relationship between industry and the Tasmanian Government to develop the skills base and future workforce capability in the building and construction and civil construction industries.

2. Policy scope

2.1. The Policy applies to eligible Tasmanian Government building and/or civil construction projects.

2.2. Eligible projects are:

- building construction projects with a contract value of $500,000 or greater, and
- civil construction projects with a contract value of $5 million or greater.

2.3. Eligible projects include:

- Procurement of works by Tasmanian Government Agencies
- Private/public partnership projects that are procured and managed by a Tasmanian Government Agency
- Federally funded building and construction projects that are procured and managed by a Tasmanian Government Agency, and
- Joint funded projects with local government authorities that receive Tasmanian Government monetary support to the amount the relevant contract value threshold and that are procured and managed by a Tasmanian Government Agency.

2.4. A Tasmanian Government Agency is a government agency that is required to comply with the *Financial Management Act 2016,* as named under Schedule 1, Part 1 of that Act.

2.5. Government businesses are subject to the intent of the Policy through the relevant Government Business Treasurer's Instruction and Guideline. See the Department of Treasury and Finance website at: www.treasury.tas.gov.au/government-businesses/guidelines-instructions-and-planners

3. Mixed projects

3.1. A mixed project is one which includes works that have elements of both civil construction and building and construction, such as water treatment plants that include facility buildings and sheds.

3.2. In a mixed project, the respective proportions of the civil component and the building and construction component of works will be calculated first. The relevant formula for calculating training hours will then be applied to each component. For example, if two-thirds of a project is building and construction works, the relevant formula described within Section 6 will apply. The remaining one-third of the project will use the formula for civil works.

4. Commencement

4.1. From 9 November 2026, the Policy will apply to all new procurement for eligible projects as outlined in Section 2.

5. Policy requirements

5.1. The core requirements of the Policy are expressed as training hours, which are calculated using a conversion formula.

5.2. For building and construction projects, the core requirement is that a minimum of 20 per cent of the total labour hours on eligible projects is to be undertaken by apprentices and/or trainees under a training contract in a vocation directly related to the building and construction industry. This will be expressed as the number of training hours required (see Section 6 for calculation).

5.3. For civil construction projects, the core requirement is that 10 per cent of the total labour hours will be used to calculate the training hours on eligible projects. These training hours are to be undertaken by:

i. apprentices and trainees under a training contract in a vocation directly related to the civil construction industry and

ii. employees engaged in other workplace training (see Section 6 for calculation).

5.4. Apprentices and trainees can be employed:

- directly (new and existing employees) by the head contractor or subcontractors, and/or
- through a group training organisation (GTO).

5.5. The hours spent on off-site training and education can contribute towards required training hours on a project, provided that the contact hours for off-site training and education occur while the apprentice/trainee is working concurrently on the project.

5.6. The head contractor is responsible for performance against the requirements of the contract, compliance with the Policy, and reporting on compliance with the Policy to the contracting agency (See Section 9 for Summary of Roles and responsibilities).

5.7. Any head contractor awarded a contract for an eligible project is required to comply with the Policy, whether the head office is interstate or if works are subcontracted. Interstate head contractors can utilise interstate apprentices to work directly on the project, if necessary, and count these hours to comply with the Policy.

5.8. The number of training hours is calculated based on the effective contract value for the project. Where elements of the contracted works are to be undertaken by a sub-contractor, any hours worked by apprentices employed by the sub-contractor may be counted towards the number of training hours. The head contractor must consider the role of any sub-contractor in contributing to the number of training hours when arranging sub-contracts.

5.9. A project should provide training for apprentices and trainees that reflects the mix of skills and occupations being utilised on the project. Where possible, the training component for each occupation should be representative of the proportion of that occupation to the total contract value.

5.10. A head contractor may apply for a variation to the number of training hours where the nature of the works on the project or aspects of the project prevent the required training hours for apprentices and trainees being reached. See Section 7 for further information on applying for a variation.

6. Calculation of training hours

6.1. The conversion formula used to calculate the required training hours involves the following components:

- the ‘total contract value’ of the contract
- the ‘effective contract value’
- the estimated labour ratio
- nominal hourly rate of labour and
- required minimum percentage of training hours.

6.2. The ‘total contract value’ is the value of the contract issued by the contracting agency to the head contractor and includes all sub-contracts.

6.3. The ‘effective contract value’ is calculated from the total contract value, less deductible items, which are:

- preliminary costs
- sub-contracts less than $20 000 for building and construction projects; or
- sub-contracts less than $250,000 for civil construction projects.

6.4. The labour ratios – specifically, the proportion of labour costs versus materials costs on a project - used within the conversion formula vary with the type of project. Separate labour ratios have been developed for building and construction projects and civil construction projects, as detailed in the table below. These reflect the higher material costs to a civil construction project compared to most building and construction projects.

Project type	Labour ratio used in the conversion formula
Building and construction projects	30%
Civil and infrastructure construction projects	15%

6.5. The nominal hourly rate of labour is the average rate of pay for labourers and apprentices used on works. The conversion formula includes a nominal hourly rate of labour, which is $35 per hour.

Building and construction projects – conversion formula

6.6. The number of training hours in relation to an eligible building and construction project is calculated using the following conversion formula:

Step 1	Total Contract Value less deductible items	= Effective Contract Value
Step 2	Effective Contract Value multiplied by labour ratio Divided by $35 nominal hourly rate of labour	= Total Labour hours
Step 3	Total Labour Hours multiplied by 0.2 (20%)	= Required minimum number of training hours

This formula can be presented more simply as:

Effective contract value ($) multiplied by 0.0017 = number of training hours.

Civil construction projects – conversion formula and other workplace training

6.7. The number of training hours in relation to an eligible civil construction project is calculated using the following conversion formula.

Step 1	Total Contract Value less deductible items	= Effective Contract Value
Step 2	Effective Contract Value multiplied by labour ratio Divided by $35 nominal hourly rate of labour	= Total Labour hours
Step 3	Civil Total Labour Hours multiplied by .1 (10%)	= Required minimum number of training hours

This formula can be presented more simply as:

Effective contact value ($) multiplied by 0.000428 = total number of training hours

6.8. To account for the range of training required by the civil construction industry, the total number of training hours includes the number of hours performed by each apprentice employed on the project, and up to 50% of 'other workplace training'.

6.9. Other workplace training is training outside of a formal apprenticeship or traineeship to upskill new or existing employees. This training can be undertaken either onsite and/or offsite and must be directly related to the project and delivered to an existing employee where upskilling is a requirement for them to be able to perform their role on the project and to effectively deliver the project.

6.10. 'Other workplace training' may include:

- upskilling new or existing workers through training that may not lead to full qualifications but is required to comply with the licensing, regulatory and safety requirements of the industry, for example high risk crane licensing, OHS, WHS, CPR, First Aid; and/or
- upskilling new or existing workers through nationally recognised training delivered by a Registered Training Organisation (RTO) which may not lead to a full qualification but is required by the industry or contractor in order to complete the project, for example contract management and project management, business administration, engineering, automotive or mechanical.

7. Variations to the number of training hours

7.1. Any head contractor awarded a contract for an eligible project is required to comply with the Policy.

7.2. Where it is considered that a head contractor has a valid case for not being able to meet the number of training hours required under the Policy for a specific project, as calculated by the standard formula, the head contractor may apply to the contracting Agency for a variation to the number of training hours.

7.3. Applications for variation are to be lodged with the contracting Agency at the time of the submission of the compliance plan and on the provided template. The contracting Agency will assess and approve any variations.

7.4. Applications will only be approved where evidence can be presented that the circumstances of the project or works do not enable the head contractor to meet the number of training hours required under the Policy. For example, where there are significant differences in the labour costs and/or material costs for the project from the standard calculation formula, or difficulties in obtaining appropriate labour.

7.5. An application for a variation to the Policy must not contradict the Policy purpose and the contracting agency should ensure that adequate information is retained to ensure that there is a sufficient audit trail of the variation approval.

8. Projects receiving monetary contributions

8.1. Agencies administering grant programs or providing monetary support to private sector projects that are building and construction or civil construction related, are strongly encouraged to voluntarily apply the requirements of the Policy.

8.2. The requirement for the successful recipient of the grant or contribution to comply with the Policy should be built into formal documentation and agencies will report on these projects in the same manner as a project subject to procurement.

9. Summary of roles and responsibilities

9.1 Table 1 below summarises the roles of the contracting agency, the head contractor, Skills Tasmania, and the Department of Treasury and Finance with regard to the Policy. A detailed description of these roles is included at Appendix Two.

Table 1: Summary of roles and responsibilities

Party	Overview of role
Contracting agency	The contracting agency is responsible for: • managing compliance with the requirements of the Policy • procuring, administering and managing its eligible projects • assessing and approving variation applications • verifying compliance plans and reports • facilitating head contractor compliance with the Policy • providing relevant reporting and documentation on the project. This includes: • ensuring that the head contractor submits compliance plans, reports and statutory declarations • verifying the information and calculations provided in applications for variations, and providing written confirmation of approval of variations to contractors, and • enforcing the relevant contractual obligations where the head contractor may be in breach and/or failing to comply with the requirements of the Policy.
Head contractor (& on behalf of sub-contractors)	The head contractor is responsible for: • complying with the requirements of the Policy in accordance with the contract • completing any applications for variations in a timely manner with detailed explanations on the provided templates, and • reporting compliance with the Policy to the contracting agency.

Skills Tasmania	Skills Tasmania is responsible for the: • general oversight of the Policy • publishing documentation to support the Policy • collation of reporting from contracting agencies, and • provision of advice and reporting to the Government in relation to compliance with the Policy.
Treasury & Finance	The Department of Treasury and Finance is responsible for including the Policy in any relevant purchasing and procurement Treasurer's Instructions and documentation.

10. Compliance and reporting mechanisms

10.1. Compliance with the Policy is the responsibility of the contracting agency.

10.2. The head contractor is required to provide a series of reports in support of the assessment of performance against, and compliance with, the Policy as shown in Table 2.

Table 2: Head contractor reporting requirements

1. Compliance declaration	2. Compliance plan	3. Interim compliance report	4. Final compliance report
At tender submission stage, the tenderer will make a declaration of their ability and intention to comply with the Policy.	Within 14 days of contract being awarded, the head contractor will submit a compliance plan to the contracting agency. The compliance plan is to include a list of each sub-contractor to be used on the project, and the value of each sub-contract. The number of training hours required to be met will be calculated based on this plan.	On projects that are completed over a long time period, the agency may request that the head contractor submit an Interim compliance report. The report will enable an interim assessment of likely compliance with the Policy will be assessed.	On practical completion of the project, the head contractor will submit a final compliance report to the contracting agency on the required template. Compliance with the Policy will be assessed based on this report.

10.3. The contracting agency is responsible for sourcing reports from the head contractor, and for addressing any non-compliance and performance issues indicated by the reports with the head contractor.

10.4. Where a head contractor fails to satisfactorily complete and/or submit a compliance plan or compliance report within required timeframes, the contracting agency is to work with the head contractor to remedy the reporting non-compliance.

10.5. Skills Tasmania is responsible for collating Project Finalisations Reports for agencies and for reporting the performance of projects to the Government.

10.6. The performance of each project against the requirements of the Policy should be assessed by the contracting agency, to enable the assessment of compliance or otherwise with the Policy, as per the terms of the contract.

10.7. Where a project has not met the requirements of the Policy, the contracting agency is encouraged to:

- address non-compliance and performance with the head contractor in accordance with the terms of the contract, and
- highlight cases of non-compliance to the relevant government procurement entities, Heads of Agency and Ministers, as considered appropriate, for their noting and/or action.

10.8. The onus is on the head contractor to demonstrate any mitigating circumstances to the contracting agency if they have been unable to meet the required number of training hours.

10.9. All information should be managed in accordance with the *Personal Information Protection Act 2004* and the *Privacy Act 1988* (Cth). Information provided to contracting agencies is subject to the provisions of the *Right to Information Act 2009* and may – where appropriate – be disclosed in accordance with this Act.

10.10. Upon the completion of a project, and assessment of compliance or otherwise with the Policy, the contracting agency is to complete and provide the Project Finalisation Report to Skills Tasmania.

10.11. Skills Tasmania will collate the Project Finalisation Reports received from contracting agencies and provide advice to the Minister for Skills and Jobs

11. Inspection of records

11.1. Skills Tasmania may undertake compliance checks following the provision of Project Finalisation Reports. Any outcome will be provided to the relevant Head of Agency.

11.2. A broader review of compliance with Treasurer's Instruction PF-4 may be carried out by the Auditor General under section 23 of the *Audit Act 2008.* Agencies should ensure that adequate records are retained to demonstrate compliance in accordance with that Treasurer's Instruction.

12. Related procedures and guides

12.1. Treasurer's Instruction PF-4 - *Policies impacting on procurement: building and construction/roads and bridges* which includes the requirement for Government Agencies to comply with the Tasmanian Government Building and Construction Training Policy.

12.2. A series of publications are available on the Department of Treasury and Finance Purchasing website which provides guidance and information in relation to the procurement processes for building and construction. Relevant documents include:

- Procurement Better Practice Guidelines
- Tender Process Checklist - Building and Construction
- International Procurement Obligations.

13. Further information

For further information, refer to:

https://www.skills.tas.gov.au/__data/assets/pdf_file/0006/359511/Building_and_Construction_Training_Policy_-_July_2022.pdf

or contact: compliance.construction@skills.tas.gov.au

Appendices

Appendix one - Glossary

Glossary of terms	
Apprentice/trainee	An employee who is a party to a training contract that provides for the employee to undergo training leading to a qualification under the Australian Qualifications Framework. Refer to section 4 of the *Training and Workforce Development Act 2013*. References to apprentice/s are to be taken to also refer to trainees.
Building and construction works	The construction and refurbishment of non-residential buildings and residential properties. Work covered by this definition includes: a) the erection, establishment or construction of a building b) the repair, renovation, refurbishment, alteration, extension or improvement of a building of a building combined with any of these works c) the demolition or removal of a building, or d) any site work and the provision of services generally (including but not limited to power, lighting, communications, security systems, fire, heating, ventilation, air conditioning, lifts). Note that some building and construction related services, such as architecture services, are considered a preliminary cost, and are not included in the calculation of training hours under the Policy.
Contract	For the purpose of this Policy, contract refers to a fully executed contract issued by a contracting agency to a head contractor, in relation to a project involving building and construction works and civil construction works. Procurement for all such building and construction and civil construction projects is to be undertaken in accordance with the relevant Treasurer's Instructions (TI) and any relevant procurement manuals and documentation. *PF4 – Procurement Framework – Policies Impacting on Procurement: Building and Construction /Roads and Bridges* is the TI relevant to this Policy.
Civil construction works	Refers to the construction, alteration, repair, restoration, maintenance, extension, demolition or dismantling of any civil works. Civil construction work includes the following:

	a) roads, highways, parking areas, airport runways, overpasses, traffic lights, street and highway lighting, and associated road drainage works b) land works, including excavation c) bridges d) telecommunications towers, lines and cables e) pipelines, inland waterways, reservoirs, water mains, wells, sewerage, or industrial plant and installations for land drainage or coast protection f) electricity generation, transmission and distribution g) sewerage and drainage h) railways i) harbours and docks j) recreation facilities, or k) other related services provided to a civil construction project.
Contracting agency	The entity that issues the contract for a project that is to comply with this Policy. In most cases, this will be a Tasmanian Government agency. The contracting agency is responsible for monitoring and reporting, as detailed in the Policy. The contracting agency may be referred to as 'The Principal' in tender and contract documentation.
Deductible items	Items that are deductible from the total contract value in the calculation of the number of training hours, namely: preliminary costs, sub-contracts valued at less than $20,000 for building and construction projects and $250,000 for civil construction projects.
Effective contract value	Total contract value, less deductible items.
Group training organisation	Person or organisation whose business includes employing trainees or apprentices, or both, under training contracts and placing those trainees or apprentices with host employers.
Head contractor	The contractor engaged by the contracting agency under a contract to carry out work or supply related goods and services in accordance with that contract. The head contractor may be referred to as 'contractor' in tender and contract documentation.
Off-site training	Off-site training occurs when the employee is given training outside the actual work location, which is arranged by the training provider or Registered Training Organisation. To be undertaken during the period that the employee is working on the eligible project.

Other workplace training	Head contractors can record training hours undertaken to upskill existing workers through training. Training is to be directly related to the project, delivered to an existing employee by an appropriately qualified person where upskilling is a requirement for the employee to perform their role on the relevant project. Training hours spent undertaking training for purposes other than the relevant project cannot be included.
Practical completion of the project	For the purposes of this Policy, practical completion of the project is to be determined and advised by the contracting agency. Generally, this will be when the works are capable of being used for their stated purpose (except for minor defects).
Preliminary costs	The cost of preliminary work to set up and run a project, such as company operating costs of any temporary site offices, containers, supervision and management fees, health and safety/clothing fees, along with professional fees for services such as approvals, architecture, legal, and specialist design services or similar. Preliminary costs are a deductible item that can be subtracted from the Total contract value in the calculation of the effective contract value.
Public private partnership	A partnership approach between the public and private sectors to deliver effective public infrastructure, where it delivers value for money on behalf of taxpayers.
Skills Tasmania	The business unit of the Department of State Growth responsible for oversight of the Policy.
Sub-contractor	A contractor who carries out a sub-set of the work required under a contract, through a separate sub-contract arrangement with the head contractor.
Tasmanian Government agency	For the purposes of this Policy, a government agency that is required to comply with the *Financial Management Act 2016*, its transitional provisions or any replacement legislation. These agencies are specifically named under Schedule 1, Part 1 of that Act.
Total contract value	The Australian dollar value of the contract issued by the contracting agency to the head contractor.
Treasurer's Instructions (TI)	Set out the mandatory requirements that Tasmanian Government agencies are to apply in relation to a range of matters, including procurement and disposal of assets. See section 51 of the *Financial Management Act 2016.*
Variation	An adjustment to the number of training hours for an eligible project.
Vocations directly related to the building and construction industry	Includes, but is not limited to, qualifications in the following training packages: CPC - Construction, Plumbing and Services Training Package UEE – Electro technology Training Package MEM - Metal and Engineering Training Package.

Vocations directly related to the civil construction industry	Includes, but is not limited to, qualifications in the following training packages: BSB – Business Services Training Package CPC0 – Construction, Plumbing and Services Training Package TLI – Transport and Logistics Training Package RII – Resources and Infrastructure Industry Training Package.

Appendix two - Roles and Responsibilities

Details of the roles and responsibilities of the contracting agency, the head contractor, Skills Tasmania and the Department of Treasury and Finance in relation to the Policy are shown below

Responsibilities of contracting agency

The contracting agency is responsible for monitoring compliance with the requirements of the Policy, and procuring, administering and managing its civil and building and construction projects, including facilitating and monitoring head contractor compliance with this Policy.

In meeting its responsibilities, the contracting agency will:

1. Pre-tender
    a. Highlight the requirements of the Policy with potential proponents and include appropriate clauses relating to the Tasmanian Government Building and Construction Training Policy in tender and contract documentation for contracts with an anticipated or actual value of $500,000 or more (building) or $5 million or more (civil), including a requirement for head contractor to provide written undertaking to comply with the Policy.
    b. Ensure a written undertaking from the head contractor is received as a component of the submitted tender documentation.
    c. Determine when the head contractor is to submit interim compliance report/s and notify the head contractor of interim reporting requirements.
2. Contracts awarded
    a. Request a compliance plan from the head contractor, to be lodged within 30 days of when the contract is awarded.
    b. Where applicable, work with the head contractor to resolve any non-compliance with reporting requirements.

c. On receipt of a compliance plan:
    i Confirm, to its own satisfaction, that the compliance plan demonstrates the head contractor can meet the requirements of the Policy.
    ii Where it is indicated that the head contractor is unable to meet the requirements of the Policy, work with the head contractor to ensure that appropriate action is taken to facilitate compliance. This could include verifying an application for a variation to accompany their compliance plan if appropriate.
d. Advise the head contractor of verification/approval of the compliance plan and details of any variation where applicable, within 14 days of provision by head contractor

3. Compliance during construction
    a. Request interim compliance report/s from the head contractor within the timeframe determined at point 1(c).
    b. Where applicable, work with the head contractor to resolve any non-compliance with reporting requirements or issues indicating likely non-compliance with the Policy.

4. Practical completion stage
    a. Request a final compliance report from head contractor to be lodged within 14 days.
    b. Where applicable, work with the head contractor to resolve any non-compliance with reporting requirements or to seek clarification when a report indicates non-compliance.
    c. On receipt of a satisfactory final compliance report, complete the Project Finalisation Report and forward to Skills Tasmania
    d. Where applicable, take action to address issues with performance against the Policy with the head contractor, in accordance with the terms of the contract.
    e. Report performance against the Policy, including any implications of non-compliance in any feedback provided to the head contractor regarding the contract.
    f. Highlight cases of non-compliance to the relevant government procurement entities, Heads of Agency and Ministers, as consider appropriate, for their noting and / or future action.

Responsibilities of head contractors

The head contractor is responsible for complying with the requirements of the Policy in accordance with the contract and reporting against the requirements of the Policy to the contracting agency.

In meeting its responsibilities, the head contractor will:

1. At time of tender submission, consider the requirements of the Policy and provide a written undertaking to meet the requirements of the Policy, on the prescribed template as specified in the tender documentation.

2. Within 14 days of being granted the contract, complete a compliance plan on the prescribed template and lodge it with the contracting agency.

3. Where applicable, work with the contracting agency to finalise the compliance plan, including to develop an application for a variation to the Policy where the circumstances of the project or works do not enable the requirements of the Policy to be met (refer to section 6).

4. Where applicable, ensure that contract arrangements with any sub-contractors include suitable clauses that support the Policy purpose.

5. Respond in a timely manner to all requests from the contracting agency, including for reports and additional information in relation to the Policy.

6. Submit Interim compliance report/s and the final compliance report to the contracting agency on the prescribed template, within the prescribed timeframe.

7. Where applicable, monitor each sub-contractor's performance in relation to the Policy, to mitigate the impact of any under-performance on the overall compliance with the Policy.

8. Notify the contracting agency as soon as practicable of any likely under-performance regarding the Policy, including any likely deviation from the verified compliance plan.

9. Work with the contracting agency to rectify any performance issues that may lead to non-compliance with the Policy.

Role of Skills Tasmania

Skills Tasmania is responsible for the general oversight of the Policy, publishing of documents that support its operation, the collation of compliance plans and reports, and reporting of performance against the Policy to the Government.

In meeting its responsibilities, Skills Tasmania will:

1. Provide appropriate information about the Policy on the Skills Tasmania website.

2. Collate final compliance reports for yearly reporting and verify with contracting agencies prior to finalising the report.

3. Provide general guidance to the contracting agency.

4. Provide advice to the Government regarding the Policy and the performance of contracting agencies in meeting their obligations.

Role of Department of Treasury and Finance

The Department of Treasury and Finance is responsible for:

1. Ensuring that the Tasmanian Government purchasing and procurement framework includes appropriate reference to the Policy, including references in relevant Treasurer's Instructions or pre-qualification schemes.
2. Ensuring that relevant purchasing and procurement documentation includes reference to the Policy to inform the contracting agency and potential proponents of the requirements of the Policy.

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