

November 2015

Victoria will continue to fund Group Training Organisations (GTOs) in 2015-16. This fact sheet sets out how the new funding scheme will operate.

While the Commonwealth Government has ceased its matching contribution to GTO incentives the Victorian Government will continue to provide \$3.1 million a year to GTOs.

The new scheme differs in important ways from the old Joint Group Training Program scheme that operated in 2014-15:

- The incentive structure addresses similar areas but gives higher priority to completions.
- A number of incentives are cumulative giving greater priority to disadvantaged cohorts.
- Reporting requirements will be reduced as most payments will be based on available apprenticeship data.
- The total funding pool is smaller as the Commonwealth is not providing matched funding.

How the new system will work

All GTOs that participated in the old scheme and GTOs that have been approved to join the scheme will receive a funding agreement. Once the agreement is executed, payments will be made at the milestone dates set out in the agreement.

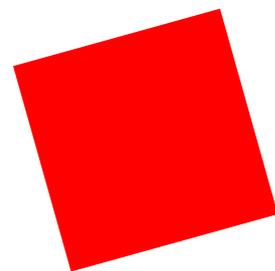
The agreement will include the incentive structure. The structure for 2015-16 has been developed in consultation with GTOs and is depicted in Table 1 along with a comparison to the incentives from the old scheme.

The comparison used is half the old rates from the JGTP as only half the funding is now available.

New funding scheme and comparison with old scheme (Table 1)

New scheme indicative rates for 2015-16*		Base + loading	Compar-able rates (i.e. half JGTP rates).	Change from the compar-able rate.
Base Payments				
Commencement amount	\$100		\$112.70	-\$12.70
Completion amount	\$150		\$120.05	+\$29.95
In-training amount (per quarter)	\$25		N/A	N/A
Aboriginal and Torres Strait Islander Loadings				
Commencement amount	\$300	\$400	\$450.80	-\$50.8
Completion amount	\$400	\$550	\$360.15	+\$189.85
In-training amount (per quarter)	\$25	\$50	N/A	N/A
Women in Non-Traditional Trades Loadings				
Commencement amount	\$300	\$400	\$450.80	-\$50.80
Completion amount	\$400	\$550	\$360.15	+\$189.85
In-training amount (per quarter)	\$25	\$50	N/A	N/A
Special Needs (as identified in the training contract) Loadings				
Commencement amount	\$300	\$400	\$450.80	-\$50.80
Completion amount	\$400	\$550	\$360.15	+\$189.85
In-training amount (per quarter)	\$25	\$50	N/A	N/A
Skills Shortage Industries Loadings				
Commencement amount	\$200	\$300	\$450.80	-\$150.80
Completion amount	\$300	\$450	\$120.05	+\$330.75
In-training amount (per quarter)	\$0	\$25	N/A	N/A
School Based Apprentices and Trainees Loadings				
Commencement amount	\$150	\$250	\$450.80	-\$200.80
Completion (or transition**) amount	\$225	\$375	\$120.05	+\$254.95
In-training amount (per quarter)	\$0	\$25	N/A	N/A
Out of Trade Apprentices Loadings				
Commencement amount	\$500	\$600	\$563.50	+36.50
Completion amount	\$0	\$150	\$120.05	+\$29.95
In-training amount (per quarter)	\$0	\$25	N/A	N/A
Special Needs Not Elsewhere Classified Loadings				
Commencement amount	\$300	\$400	\$450.80	-50.80
Completion amount	\$400	\$550	\$360.15	+189.85
In-training amount (per quarter)	\$50	\$75	N/A	N/A

*Rates are indicative because the final payment to GTOs in 2015-16 may need to be adjusted to ensure that available funds are fully expended and remain within the funding cap.
**School-based apprentices transitioning to full or part-time apprenticeships after completing school.



Impact of cumulative loadings

Incentive payments for different commencement and completion loadings will be cumulative. This will mostly advantage equity groups. The impact is illustrated in Tables 2 and 3. In these examples the new incentives are higher than the full rate under the old JGTP.

Table 2	Incentives attracted under the new scheme	Comparison with the old scheme
Shirley is an aboriginal student commencing a school based apprenticeship in a non-traditional and skill shortage occupation. Shirley remains in training through the year.	On Commencement: \$400 (indigenous loading) + \$400 (women in non-traditional trade) + \$300 (skill shortage) + \$250 (SBAT) and four quarters in-training at \$150 per quarter.	Shirley would have attracted \$1,105.60 under the JGTP with Commonwealth and Victorian funding or \$552.80 if the old allocation model was used with Victorian funding only.
Total	\$1,950	

Table 3	Incentives attracted under the new scheme	Comparison with the old scheme
Bill is has a disability and has completed his training in a skills shortage occupation in the third quarter of the funding period.	On completion: \$550 (special needs) + \$450 (skill shortage) and three quarters in-training at \$75 per quarter.	Bill would have attracted \$720.30 under the JGTP or \$360.15 if the old allocation model was used with Victorian funding only.
Total	\$1,225	

The in-training incentive

The in-training rate applies to all apprentices and trainees and does not require separate reporting. It replaces the progression payments from the old scheme that mainly applied to apprentices and required separate reporting.

The in-training rate will be paid according to how many quarters the apprentice or trainee is in training and is cumulative for different loading categories as illustrated in the examples in Tables 2 and 3.

Reporting requirements

Most payments will be based on the information available on the DELTA data base. A grace period will be allowed after each milestone date to allow time for information reported late in the period to appear on the database. Separate reporting will still be required from GTOs for the out-of-trade and the special needs not elsewhere recorded funding categories.

In addition, GTOs will be asked to provide information on the characteristics of host employers and on apprentice and trainee rotations between employers. These two categories do not relate directly to funding but will provide information that is useful for future policy development.

Funding agreements

GTOs participating in the scheme will be asked to sign a Common Funding Agreement. Many GTOs will be familiar with this form of agreement. The agreements will contain payment milestone dates. Payments will be made for the training activity at these dates.

It should be noted that the rates published here are indicative rates. Because the available pool of funding is capped, the rates will be adjusted up or down for the final payment to ensure that all available funds are expended and that the scheme remains within the total funding cap.

Further information

Carl Walsh

Manager, Apprenticeships and Traineeships

(03) 9637 2784

walsh.carl.a@edumail.vic.gov.au