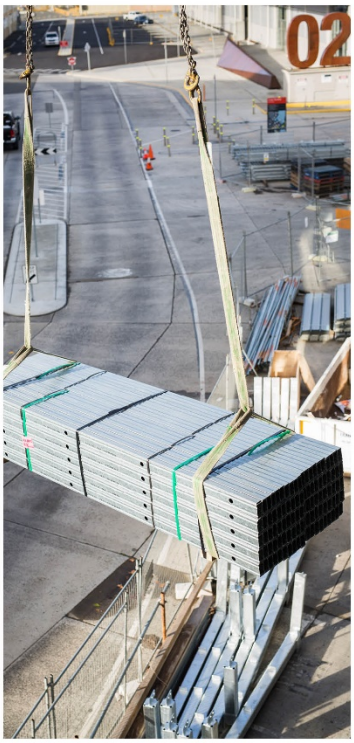
Apprentice and Trainee Grant for Small Business

Program Guidelines



Department of State Growth

Tasmanian Government

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Apprentice and Trainee Grant for Small Business

1. Aim

The *Apprentice and Trainee Grant for Small Business* is a grants program aimed at increasing the number of apprentices and trainees employed by small businesses in Tasmania.

The Program aims to:

- Support a skilled workforce in Tasmania.
- Increase the number of apprentices and trainees employed in small businesses in Tasmania.
- Provide financial subsidies to assist small businesses to employ an apprentice or trainee.
- Provide additional opportunities for people wishing to gain a qualification under an apprenticeship or traineeship arrangement.

The Program will assist the Government's agenda to increase the number of apprentices and trainees by 40 per cent by 2025.

This Program replaces the *Targeted Apprentice and Trainee Grant for Small Business* which will cease on 31 December 2020.

Funding of $5.4 million will be provided in 2021-22 and 2022-23 for this Program. This is in addition to existing funding allocated to the previous *Targeted Apprentice and Trainee Grant for Small Business*.

Allocation of Program funding will be closely monitored by Skills Tasmania to ensure the Minister for Education and Training is provided with timely advice regarding the expenditure of the fund.

If the funding is close to becoming exhausted, a review of the Program will occur and a decision made regarding continuing the Program or closing it to new applications.

Skills Tasmania will update the information on its website, and inform Apprenticeship Network Providers (ANPs) and industry organisations of any changes to the Program, as soon as practicable.

The Program complements the Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Scheme administered by the State Revenue Office, which is aimed at larger employers. (Further information on that scheme is available here: Rebates and concessions | State Revenue Office Tasmania)

Under this Program, employers who are not eligible to claim the Payroll Tax Rebate (Apprentices, Trainees and Youth Employees), can apply for a subsidy of up to $5,000 for each full-time apprentice or trainee and up to $2,500 for each part-time or school-based apprentice or trainee they employ as a new worker from 1 January 2021 onwards.

The scope, eligibility and performance of the Program will be regularly monitored and reviewed.

2. Eligibility criteria

2.1 Employer eligibility criteria

To be considered eligible for the Program, the legal entity that is the employer of the apprentice or trainee must:

2.1.1 Be registered on the Australian Business Register (ABR);

2.1.2 Not be liable to pay Payroll Tax to the Commissioner of State Revenue for the individual apprentice or trainee at the time the application is lodged; and

2.1.3 Employ the apprentice or trainee in a workplace physically located in Tasmania.

Where the legal employer of an apprentice or trainee is a Group Training Organisation (GTO), for the GTO to be eligible for the Program, the host employer is required to meet criteria 2.1.1 and 2.1.3, and the GTO is required to meet criteria 2.1.2.

All apprentice or trainee eligibility criteria must also be met.

2.2 Apprentice or trainee eligibility criteria

For an employer to be eligible to claim the grant for an apprentice or trainee, the apprentice or trainee must:

2.2.1 Have commenced in a valid training contract, dated on or after 1 January 2021, with an employer who meets the employer eligibility criteria;

2.2.2 Be classified as a new worker on that training contract; and

2.2.3 Continue to be in employment with the employer at the time of payment of the first instalment of the grant.

All conditions of a training contract, including compliance against the Tasmanian Traineeships and Apprenticeships Committee (TTAC) policies and guidelines, must be met for the training contract to be registered as valid.

3. Ineligible Applicants

3.1 Employer ineligibility

An employer will be deemed ineligible for payment of a grant under this Program where the employer (or, in the case of an apprentice or trainee employed by a Group Training Organisation, the host employer where specified in Section 2.1):

3.1.1 Is not listed on the Australian Business Register (ABR).

3.1.2 Is liable to pay payroll tax for that apprentice or trainee and therefore eligible to claim the Payroll Tax Rebate (Apprentices, Trainees and Youth Employees) Scheme.

3.1.3 Has already previously accessed the Targeted Apprentice and Trainee Grant for Small Business for that apprentice or trainee, irrespective of whether that claim was under the same or a different training contract.

3.2 Apprentice or trainee ineligibility

An employer of an apprentice or trainee will be deemed ineligible for payment of a grant under this Program where the apprentice or trainee:

3.2.1 Is classified as an existing worker on their training contract.

3.2.2 Is employed in a workplace NOT physically located in Tasmania.

3.2.3 Leaves employment, for any reason, prior to the time of payment of the first instalment of the grant.

4. Assessment

Eligibility for the Program will be assessed by Skills Tasmania against the criteria in Section 2 on the basis of the information provided on the application form lodged by the applicant. This information may be verified against various data sources, including data exchanged with the Department of Treasury and Finance and the Australian Business Register.

Where mandatory criteria are not met, the application will be deemed ineligible and will not be approved for funding.

5. Timeframes

The Program opening date is 1 January 2021.

Skills Tasmania aims to process applications, and notify the employer in writing regarding the approval or otherwise of an application, within 45 days of receipt.

6. Application process

6.1 The application form for this Program is available from Apprenticeship Network Providers (ANPs) and from the Skills Tasmania website.

6.2 For an application to be considered, it must be lodged with Skills Tasmania whilst the Program is active, and meet the following requirements:

a) *Each application must be submitted on the approved template form and lodged by the legal employer or the ANP on behalf of the employer.*

b) *All applications should be submitted by email to grantsadmin@skills.tas.gov.au*

c) *Where the application is lodged by the ANP, it is the employer's responsibility to ensure the application has been lodged and received by Skills Tasmania. Evidence of lodgement should be sought from the ANP in the first instance.*

NOTE: This Program may be withdrawn at any time. Applications lodged with Skills Tasmania after the Program has been withdrawn will not be eligible for funding.

7. Appealing a decision

Skills Tasmania may reconsider a decision if the applicant can demonstrate a proven conflict of interest, error in process or discrimination.

If applicants have reason to believe that the proper process was not followed in assessment of an application, a request for appeal may be submitted.

Grounds for appeal are:

1. *The persons making the decision had a direct or indirect financial interest in the outcome of the application.*
2. *The persons making the recommendations discriminated against the applicant on irrelevant grounds, such as cultural, religious or linguistic background; race; gender; marital status; sexual orientation; or disability.*

3. *The persons making the recommendation did not have the correct or full information at the time of making the decision and further evidence has been supplied that may clarify the initial decision made.*

All requests for appeal must be in writing and should be addressed to the Director, Training Operations at Skills Tasmania.

Your request must be received within 28 days from the date of Skills Tasmania notifying you of the decision about your application.

8. Reports

Refer to Payment 1 & 2, Section 10.

Successful applicants will be required to provide evidence that each apprentice or trainee is still employed at the time of making a payment claim, in order for the claim to be eligible for payment.

Details of grant payments and eligibility requirements are contained in section 10 (Grant payments) below.

9. Taxation and financial implications

The total grant payable to approved applicants is $5,000 (2 x $2,500) for each apprentice or trainee employed on a full-time basis, and $2,500 (2 x $1,250) for each apprentice or trainee employed on a part-time basis. Part-time includes any eligible school-based training contracts.

Each grant payment amount of $1,250 or $2,500 is exempt of GST.

The receipt of funding from this program may be treated as income by the ATO. While grants are typically treated as assessable income for taxation purposes, how they are treated will depend on the recipient's particular circumstances.

It is strongly recommended that potential applicants seek independent advice about the possible tax implications for receiving the grant under the program from a tax advisor, financial advisor and/or the Australian Taxation Office (ATO), prior to submitting an application.

10. Grant payments

10.1 Grant Agreement

All approved applicants are required to enter into a Grant Agreement with the Department of State Growth (Skills Tasmania), on behalf of the Crown in Right of Tasmania, to receive payment of the grant.

The agreement sets out the obligations of both parties including the conditions of eligibility, and terms for acceptance and payment of the grant.

The approved applicant should read the agreement and understand their obligations, rights and responsibilities under the agreement prior its execution.

The Grant Agreement must be validly executed by both parties before any payment can be made under the Program.

Approval of an application under this Program does not commit the Skills Tasmania to any future financial assistance under this or any other program.

10.2 Payment of the grant

The total grant payable to approved applicants is $5,000 (2 x $2,500) for each apprentice or trainee employed on a full-time basis, and $2,500 (2 x $1,250) for each apprentice or trainee employed on a part-time basis. Part-time includes any eligible school-based training contracts.

Part-time and full-time employment conditions are defined by the industrial arrangement under which the apprentice or trainee is employed.

The grant will be paid to approved applicants in two equal payments:

- Payment 1 is payable 6 months after the commencement of the training contract of the apprentice or trainee (once the employment status of the apprentice or trainee has been confirmed).
- Payment 2 is payable 12 months after the commencement of the training contract of the apprentice or trainee (once the employment status of the apprentice or trainee has been confirmed).

Payment 1

A Grant Agreement will be forwarded to the employer within 28 days of the date the first grant payment is payable (6 months from commencement of the training contract). The first grant payment will be paid by the Department of State Growth (Skills Tasmania) upon return of:

- the signed agreement, completed to the satisfaction of Skills Tasmania;
- a copy of the Payment Claim letter sent by Skills Tasmania including bank account details; and
- a compliant payslip identifying that the apprentice or trainee was still employed at the time that the claim was due.

Payment 2

A confirmation of eligibility form will be forwarded to the employer within 28 days of the date the second grant payment is payable (12 months from commencement of the training contract). The second instalment payment will be paid by the Department of State Growth (Skills Tasmania) upon return of:

- a copy of the Payment Claim letter sent by Skills Tasmania including bank account details; and
- a compliant payslip identifying that the apprentice or trainee was still employed at the time that the claim was due.

Successful applicants will be asked for their bank account details so that we can process successful grant payments. This bank account must be in the same name of the person or business who applied for the grant. You may be asked to provide a copy of your bank statement or a letter from you bank to confirm your bank account details.

If any successful applicant provides incorrect bank account details, this may result in funds being paid to an incorrect account. These funds will need to be returned to us before we attempt another grant payment. This process may result in significant delays to any funding being received. Additionally we cannot guarantee that funds paid to an incorrect bank account will be returned to us.

It is the responsibility of the applicant to ensure that all bank account details are correct.

10.3 Conditions of payment

Employers are required to continue to meet all of the eligibility criteria at the time each payment is due in order to receive each payment.

All Tasmanian Traineeships and Apprenticeships Committee (TTAC) policies and guidelines must also be met, including the minimum and maximum hours requirements for each type of training contract.

Payments will only be made where Skills Tasmania has no concerns in relation to the training contract and there are no known issues between the employer and the apprentice or trainee.

Where an apprentice or trainee changes employment status from full-time to part-time, or part-time to full-time while their training contract is active, the applicant will receive the grant amount that is applicable to the employment status that has been in place for the majority of the training contract. This will be calculated as at the date each payment is due.

Where an apprentice or trainee completes their qualification within the first twelve months of the training contract, the employer will still be eligible to receive each grant instalment. This is provided the individual that is the eligible apprentice or trainee is still in employment with the employer at time of the completion and that Skills Tasmania has received notification from the RTO that the apprentice or trainee successfully completed their qualification.

Where a grant payment has been made to the employer and it is subsequently confirmed that the payment was paid based on incorrect information provided by the employer, Skills Tasmania reserve the right to recover the grant amount that has been paid.

10.4 Withdrawal of Program and Grants

Skills Tasmania has a responsibility to ensure the management of Program funds.

This Program may be withdrawn at any time.

If the Program is withdrawn, payment of the grant will still be honoured for all applications that have been received by Skills Tasmania where one or more payments has yet to fall due, provided that the applicant meets and continues to meet the eligibility criteria at the time the payment falls due.

Once awarded, Skills Tasmania may withdraw the grant at any time before or after issuing if the grant conditions or Grant Agreement obligations are not met. These include:

- That approval was based on misleading or incorrect information provided in the application or associated documentation.
- There are material changes to an application – within or beyond the applicant's control – that would significantly alter the assessment.
- The approved applicant is unresponsive to contact from Skills Tasmania regarding their application for the Program on at least three occasions.
- Skills Tasmania is unable to gain sufficient information to progress the Grant Agreement.
- The applicant has not provided Skills Tasmania with correct bank account details.

If a payment has been made, Skills Tasmania has the option of seeking the return of the funds. If a grant payment has not yet been made, approval for the grant may be withdrawn.

11. Confidentiality

The Tasmanian Government may use and disclose the information provided by applicants for the purposes of discharging its functions under the Program Guidelines and otherwise for the purposes of the program and related uses.

The department may also:

1. Use information received in applications for any other departmental business.
2. Use information received in applications and during the performance of the project for reporting.

12. Administration and contact details

The program will be administered by the Department of State Growth on behalf of the Crown in the Right of Tasmania. Contact with the department for any of the following reasons can be directed to: Alistair Noble, Grant Administration Officer by email at grantsadmin@skills.tas.gov.au or on (03) 6165 6048.

Potential applicants are encouraged to discuss their application with their Apprenticeship Network Provider (ANP) prior to preparation of an application (see http://www.skills.tas.gov.au/apprenticeshipstraineeships/importantcontacts/role-of-ANPs for contact details)

The ANP can provide further information and advice on the program including:

- Assistance in making an application
- Further feedback on the decision of the application
- Appeal the decision

Important note

All applicants must take care to provide true and accurate information. Any information that is found to be false or misleading may result in action being taken and any grant funds, that have been paid, will be required to be repaid to the department.

13. Program marketing

ANPs operating in Tasmania are responsible for the promotion of this program, as they are the initial point of contact with employers interested in signing up an apprentice or trainee.

The ANP is to provide the employer with relevant information and assistance in relation to the Program as part of their process for completing a training contract sign up, including:

A. Providing information and advice regarding the eligibility criteria to businesses who may be eligible;

B. Assisting employers to complete the application form; and

C. Lodging application forms with Skills Tasmania along with the related training contract.

14. Publicity of grant assistance

The Department of State Growth disburses public funds and is therefore accountable for the distribution of those funds. As part of the accountability process, the department may publicise the level of financial assistance, the identity of the recipient, the purpose of the financial assistance, and any other details considered by the department to be appropriate.

15. Right to information

Information provided to the Department of State Growth may be subject to disclosure in accordance with the *Right to Information Act 2009*.

16. Personal information protection

Skills Tasmania will respect the privacy and confidentiality of any application information directly related to the business activities of the employer applying for funding under this Program.

Personal information will be managed in accordance with the *Personal Information Protection Act 2004*. This information may be accessed by the individual to whom it related, on request to the Department of State Growth. A fee for this service may be charged.

17. Disclosure

The following applies to all successful applicants:

- Despite any confidentiality or intellectual property right subsisting in the grant funding agreement or deed, a party may publish all or any part of the grant funding agreement or deed without reference to another party.
- Nothing in this item 15. Disclosure, derogates from a party's obligations under the Personal Information Protection Act 2004 (Tas) or the Privacy Act 1988 (Cwlth).

18. Disclaimer

Although care has been taken in the preparation of this document, no warranty, express or implied, is given by the Crown in Right of Tasmania, as to the accuracy or completeness of the information it contains. The Crown in Right of Tasmania accepts no responsibility for any loss or damage that may arise from anything contained in or omitted from or that may arise from the use of this document, and any person relying on this document and the information it contains does so at their own risk absolutely. The Crown in Right of Tasmania does not accept liability or responsibility for any loss incurred by an applicant that are in any way related to the program.

For an apprenticeship or traineeship to be registered in Tasmania, it must meet the requirements of the national training contract, the *Training and Workforce Development Act 2013*, (found here on www.thelaw.tas.gov.au) and the Tasmanian Traineeships and Apprenticeships Committee (TTAC) Policies and Guidelines (found at http://www.skills.tas.gov.au/skillstas/systemtas/ttac).

Skills Tasmania

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