

Group Training Organisation Reimbursement Program

Frequently Asked Questions (FAQs)

Last Updated: 1 January 2025

This document has been created to support the implementation of the Group Training Organisation Reimbursement Program (GTO Reimbursement Program). These FAQs should be read in conjunction with the Australian Apprenticeships Incentive System Guidelines.

Overview of Program

What is the GTO Reimbursement Program?

As part of the 2024-25 Budget, the Australian Government announced a Group Training Organisation (GTO) Reimbursement Program payment, intended to reimburse some or all of the cost of GTO services for Small and Medium Enterprises (SMEs) that host an Australian Apprentice training towards a qualification and occupation listed on the *Australian Apprenticeships Priority List*, where the SME has not directly engaged an Australian Apprentice or hosted an Australian Apprentice through a GTO arrangement within the last two years.

The GTO Reimbursement Program is intended to reimburse GTOs for a commensurate reduction in the usual GTO service fee, or charge-out rate, charged to an eligible SME in respect of an eligible Australian Apprenticeship placement.

How long will the GTO Reimbursement Program run for?

The GTO Reimbursement Program commences on 1 January 2025 and will operate on a demand-driven basis, capped at 400 reimbursement places nationally. The Program will close to new entrants once all 400 reimbursement places have been allocated or on 1 January 2026, whichever occurs first.

What is a Group Training Organisation?

A GTO is an organisation that employs Australian Apprentices under a Training Contract and places them with host employers. The GTO undertakes the employer responsibilities relating to the quality and continuation of Australian Apprentices' employment and training and charges a service fee to the host employer. The service fee is in addition to the Australian Apprentices' wages paid by the GTO and invoiced to the host employer.

A Group Training Organisation is not the same as a labour hire company.

Payment schedule and rates

How much is available to GTOs?

The GTO Reimbursement Program offers a reimbursement payment valued at \$100 per week, up to \$5,200 over 52 weeks.

What is the reimbursement payment to be used for?

The reimbursement payment must be passed on as a direct reduction in the usual GTO service fee or charge-out rate that the GTO charges to the eligible SME. This encompasses fees associated with recruitment, placement, training, mentoring, and quality assurance activities directly related to the eligible Australian Apprenticeship placement.

How is the reimbursement payment calculated?

Payments will be calculated 13 weeks from when the hosting arrangement commenced, with subsequent payments on the 26, 39 and 52 weeks from that date.

| <u>Payment Period/Effect date</u> | <u>Payment</u> |
|--|-----------------------|
| 13 weeks from the first date of the reimbursed placement, as recorded in the registration form. | <u>\$1,300</u> |
| 26 weeks from the first date of the reimbursed placement, as recorded in the registration form. | <u>\$1,300</u> |
| 39 weeks from the first date of the reimbursed placement, as recorded in the registration form. | <u>\$1,300</u> |
| 52 weeks from the first date of the reimbursed placement, as recorded in the registration form. | <u>\$1,300</u> |

How will payments be administered?

Payments for the program will be administered through ADMS. The first claim application will be generated on the Effect date, 13 weeks from the commencement date of the hosting arrangement. Subsequent claim applications will be generated 13 weeks from the preceding Effect date.

I am a Group Training Organisation (GTO)

Who is eligible to claim the reimbursement payment?

GTOs may be eligible to claim the reimbursement payment if:

- meet the primary eligibility requirements, including a citizenship or residency status.
- are listed on the Group Training National Register and adhere to the National Standards.
- be compliant with the National Standards for GTOs in your relevant State or Territory as of 1 January 2025.

When can I register for the reimbursement?

You can register for the GTO Reimbursement Program through ADMS from 1 January 2025. You will need to contact your Apprentice Connect Australia Provider to indicate your intent to apply. Submitting a registration form does not guarantee reimbursement payment. The eligibility to participate in the program will be determined by the Apprentice Connect Australia Provider.

How many reimbursed placements can I access?

Each GTO, identified by Australian Business Number (ABN), can access up to 20 reimbursed placements. 20% of the reimbursed placements per GTO will be reserved for women Australian Apprentices.

How long does the reimbursed placement last?

The reimbursed placement is tied to the eligible Australian Apprentice's placement with the eligible host SME, providing reimbursement for up to 52 weeks. The reimbursed placement will expire (and therefore cannot be transferred) if the host placement ends within the payment period.

Can I claim the reimbursement payment if the host placement ends within the payment period?

Yes. If an apprentice leaves the SME within the reimbursement period, the payment will be adjusted to reflect the actual duration of the placement within the payment period, rounded up to the nearest full week. Where a reimbursed placement concludes prior to the end of the 13-week claiming period, a partial payment will be calculated based on the duration of the placement.

How are pro-rated payments calculated?

The GTO Reimbursement Program calculates payment based on the actual number of complete weeks the reimbursed placement was active within the quarter, rounded up to the nearest full week.

For example, if a reimbursed placement is active for the entire claim period of **13 weeks**, the payment will be calculated as follows:

- Duration of placement within 13-week payment period: 13 weeks.
- Pro-rated payment: $(13/13) \times \$1,300 = \$1,300$.

If a reimbursed placement concludes after **3 weeks**, the payment will be calculated as follows:

- Duration of placement within 13-week payment period: 3 weeks.
- Pro-rated payment: $(3/13) \times \$1,300 = \300 .

Can I claim the reimbursement payment if I am receiving other state or territory incentive payments?

You will not be eligible to access the GTO reimbursement payment if you are in receipt of an equivalent State or Territory incentive that offsets or reduces GTO service fees in respect of the same Australian Apprenticeship. The Department will monitor the uptake of the GTO Reimbursement Program against other State GTO programs to ensure services are not double funded.

However, GTOs can access the GTO reimbursement payment alongside any non-equivalent incentive payment/s related to the Australian Apprenticeship. For example, commencement incentives, completion incentives, or wage subsidies.

Do I have to provide extra services to be eligible?

No. You are not required to provide additional services at an extra cost to qualify for the reimbursement payment. Furthermore, the reimbursement payment cannot be used to subsidise the wage costs of the Australian Apprentice or to cover costs unrelated to the eligible Australian Apprenticeship placement, such as capital costs or general office expenses.

I am a Small and Medium Enterprise (SME)

How do I apply for this payment?

Your GTO, as the employer, will apply for the reimbursement payment. The GTO must pass on a commensurate reduction in services fees to you, as the eligible host employer, and will claim reimbursement in arrears. You will remain eligible for the reimbursement if you continue to host the same apprentice.

I host an apprentice through a GTO, am I eligible for the program?

You must be an eligible small and Medium Enterprise, which is defined as a business:

- With 199 or less employees
- That has not directly engaged an Australian Apprentice, or hosted an Australian Apprentice through a GTO arrangement, within the last two years.

In addition, each SME (identified by ABN) can only access one reimbursed placement through the GTO Reimbursement Program.

Does an apprentice need to have commenced an apprenticeship after 1 January 2025 for a GTO to be eligible for a reimbursed placement?

No. An apprentice does not need to have started an apprenticeship after 1 January 2025 to be eligible for support under the GTO Reimbursement Program. However, the apprentice must be hosted with a SME through a GTO after 1 January 2025.

What is the role of the Provider?

The primary responsibility of the Provider is to conduct a preliminary assessment to determine whether the GTO is eligible to participate in the GTO Reimbursement Program. This involves a detailed evaluation process through an Eligibility Form generated on ADMS to ensure that the GTO is listed on the Group Training National Register and adheres to National Standards.

Does the apprentice receive any financial support under the GTO Reimbursement Program?

No. An apprentice is not eligible for direct financial support under this initiative; however, may be eligible for other payments under the Australian Apprenticeship Incentives System.