

Group Training Organisation Reimbursement Program

Frequently Asked Questions (FAQs)

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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.

The program is capped at 400 places nationally and each GTO can be allocated a maximum of twenty placements. The cap of twenty places per GTO is intended to ensure that all GTOs are provided a reasonable opportunity to access placements within the national cap. It should not be read as a guarantee that each GTO will receive twenty placements, as the 400 national placements may be exhausted before a GTO has reached their cap of twenty placements.

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.

What is the role of the Apprentice Connect Australia Provider?

The primary responsibility of the Apprentice Connect Australia 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 the Apprenticeships Data Management System (ADMS) to ensure that the GTO is listed on the Group Training National Register and adheres to National Standards.

What are the core eligibility requirements of the GTO Reimbursement Program?

The GTO Reimbursement Program is administered through the Australian Apprenticeships Incentive System. To participate in the Australian Apprenticeships Incentive System; and therefore, the GTO Reimbursement Program, an Australian Apprentice must:

- commence or recommence an Australian Apprenticeship under a new Training Contract with a new employer on or after 1 July 2022; or
- recommence an Australian Apprenticeship on or after 1 July 2022 under a new Training Contract with the same employer after a period of cancellation or suspension where the break is greater than:
 - six months if commencement date was prior to 1 July 2022; or
 - 12 months if the commencement date was after 1 July 2022.

If an Australian Apprenticeship has a commencement date prior to 1 July 2022 and remains eligible for grandfathered support under the Australian Apprenticeships Incentive Program, the apprenticeship will not meet eligibility criteria for the GTO Reimbursement Program.

Does the Australian Apprentice have to be training towards a priority occupation listed on the 2025 Priority List?

No. In general, eligibility is assessed against the Priority List in place at the time of commencement. If the Australian Apprentice was assessed as training towards a priority occupation at the time of their commencement, they may be eligible.

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.

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.

Can the reimbursement payment be offset against the Apprentice's wages?

No. GTOs are not permitted to use the reimbursement to subsidise the wage costs of the Australian Apprentice. This ensures that the funds are used strictly for the intended support and service activities rather than direct wage compensation.

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.

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.

Payment Period/Effect date	Payment
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 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 .

Is the \$100/week payment pro-rated to hours worked in that week?

No. The payment is not pro-rated based on the number of hours worked by the apprentice. Instead, the reimbursement payment is intended to cover the service fees charged by the GTO, including recruitment, placement, training, mentoring, and quality assurance activities conducted in relation to the eligible Australian Apprenticeship. These fees are separate from the wages or hours worked by the apprentice.

For instance, if an apprentice is engaged for a portion of a week, that period will be rounded up to count as a full week. The reimbursement amount will be calculated retrospectively at the end of each 13-week period.

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 they:

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

Who will verify whether the GTO is on the National Register?

The Department has now identified all employer profiles in ADMS that align with GTOs on the National Register as potentially eligible to participate in the Program.

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.

At what status of the Training Contract does the eligibility application create on ADMS?

For newly commencing Australian Apprentices, a GTO eligibility application is automatically sent to a GTO when the Training Contract is submitted to the Ready for Review status. Providers can also manually send eligibility applications to GTOs from the apprenticeship screen on ADMS when the conditions of the Program are met. This will be required in cases where the Australian Apprentice had an approved Training Contract in place before 1 January 2025.

How many reimbursed placements can I access?

Each GTO, identified by Australian Business Number (ABN), can access up to twenty reimbursed placements. Twenty percent of the reimbursed placements per GTO will be reserved for women Australian Apprentices. Each SME (identified by ABN) can only access one reimbursed placement.

The cap of twenty places per GTO is intended to ensure that all GTOs are provided a reasonable opportunity to access placements within the national cap. It should not be read as a guarantee that each GTO will receive

twenty capped placements, as the 400 national placements may be exhausted before a GTO has reached their cap of twenty placements.

Are school-based and part time apprentices eligible for the Program?

Yes. By meeting the eligibility criteria outlined in the Australian Apprenticeships Incentive System Guidelines school based, part-time, and full-time apprentices are eligible to take part in the Program.

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

No. An apprentice does not need to have commenced their Australian Apprenticeship (i.e. the commencement date recorded in the approved Training Contract) on or after 1 January 2025 to be eligible for support under the GTO Reimbursement Program.

However, the apprentice must meet eligibility criteria for the Australian Apprenticeships Incentive System **AND** be hosted with an eligible SME through a GTO after 1 January 2025 to be eligible for the reimbursement placement.

How will I know when all twenty placements have been allocated, including whether 20% of placements have been allocated to women apprentices?

The Provider plays a crucial role in allocating and tracking the number of placements allocated to GTOs. The GTO is responsible for which SME the placements are allocated to including ensuring reserving twenty per cent of reimbursed placements for women apprentices. The GTO can confirm the number of placements allocated with their Apprentice Connect Australia Provider.

Will there be opportunity for reallocation of unused placements?

The Department will monitor the allocation process to ensure that placements are being distributed fairly and efficiently. Where there are places available within the national cap, and a GTO has allocated twenty placements, the department will consider reallocating unused places in circumstances where that would be consistent with the overarching intent of the program.

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.

An apprentice commences an apprenticeship with an eligible GTO and host SME, but after a few weeks cancels the hosting arrangement and recommences with the same GTO and a different host SME. How are payments calculated?

Given the subsequent placement is with a new host SME, the GTO would be eligible for up to 52 weeks of payment with the new SME as the subsequent placement is considered a new placement. Reimbursed

placements do not follow the apprentice to a subsequent host/s. If there are reimbursed placements still available for allocation, the new host may be eligible to access a new placement.

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.

How will I know if a SME has hosted an apprentice through a GTO arrangement in the last two years?

GTOs are required to complete a declaration form in ADMS (as part of the eligibility check), which includes a statement that the host SME has not previously engaged an apprentice directly and has not hosted an apprentice through a GTO arrangement within the last 2 years.

Is the reference to not having engaged an apprentice directly or through a GTO hosting arrangement within the last two years taken from the commencement or completion date?

The reference to not having engaged an apprentice directly or through a GTO hosting arrangement within the last two years should be calculated with reference to the last day an apprentice was engaged with the SME.

Can I claim the reimbursement payment if I am receiving other State or Territory incentive payments?

It will depend on the State or Territory incentive. 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 or charge-out rates for the SME.

However, you may be eligible to access the GTO reimbursement payment if you are in receipt of a State or Territory incentive that goes to other costs associated with the host arrangement. For example, the GTO reimbursement payment is not intended to subsidise wage costs, so a wage subsidy paid to the host employer would not be considered equivalent.

You should discuss any specific examples with your Apprentice Connect Australia Provider, who can escalate these to the Department for consideration where required.

Can I still claim the reimbursement payment when the apprentice is on leave or college block training?

The payment is intended to reimburse for GTO service fees that would otherwise have been paid by the SME, rounded up to the nearest full week. If the SME would not otherwise have paid GTO service fees during the period of leave or college block training, then the reimbursement should not be claimed.

For instance, if the apprentice is on leave or in college block training for a week and no GTO service fees would have otherwise been charged for that week, the reimbursement payment should not be claimed.

However, if the apprentice is on leave for one day and GTO service fees are charged for the remaining days of that week, the reimbursement payment will be rounded up to include the full week.

This information will need to be recorded in the claim application in ADMS.

Are GTOs able to provide the reimbursement by way of a credit note, or in arrears?

No. The reimbursement payment must be passed on as a direct reduction in the usual GTO service fee, or charge-out rate, charged to the eligible SME. GTOs must upload evidence that the SME has benefited from a discount equivalent to the value of the GTO Reimbursement claimed, for example a copy of the paid invoice.

The payment arrangements are intended to reduce the need to credit in arrears:

- Reimbursement is claimed retrospectively for each 13-week period.
- Reimbursement payments will be pro-rated at the rate of \$100 per week, rounded up to the nearest full week, in cases where the hosting arrangement ends within the payment period.

I am a Small to Medium Enterprise (SME)

What is a host employer?

A host employer is a SME that takes on an Australian Apprentice through a GTO. The host employer will provide the Australian Apprentice with on-the-job training and work experience, whilst the GTO will manage off-the-job training and administration requirements. 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.

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.

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.

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

You must be an eligible SME 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.

Is the reference to not having engaged an apprentice directly or through a GTO hosting arrangement within the last two years taken from the commencement or completion date?

The reference to not having engaged an apprentice directly or through a GTO hosting arrangement within the last two years should be calculated with reference to the last day an apprentice was engaged with the SME.

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.

I have previously employed an apprentice directly and now would like to host a new apprentice through a GTO, would the GTO be eligible to claim the reimbursement payment?

Yes. The GTO would be eligible to claim the reimbursement payment if all eligibility criteria is met for the GTO, SME, and Apprentice. This includes that the SME has not directly engaged an apprentice, or hosted an apprentice through a GTO arrangement, in the last 2 years. The reference to not having engaged an apprentice directly or through a GTO hosting arrangement within the last two years should be calculated with reference to the last day an apprentice was engaged with the SME.

I hosted an apprentice through the GTO Reimbursement Program, but the apprentice moved to another host SME. Am I eligible to host another apprentice while receiving a reduction in my GTO fees?

The GTO Reimbursement Program provides a reduction in the service fees a GTO charges to an eligible SME that has not have directly engaged an Australian Apprentice, or hosted an Australian Apprentice through a GTO arrangement, within the last two years. If a SME was engaged in a previous hosting arrangement that had a placement allocated under the GTO Reimbursement Program, they would not be eligible for a future placement under the Program.

A SME is still eligible to host another apprentice through a GTO hosting arrangement, however for the purposes of the GTO Reimbursement Program, the SME will be ineligible to receive a reduction in the GTO service fees.