

# PROJECT AGREEMENT FOR THE COMMONWEALTH /STATE AND TERRITORY JOINT GROUP TRAINING PROGRAM

Council of  
Australian  
Governments

An agreement between

- the Commonwealth of Australia and
- the State of South Australia

The output of this project will be Group Training Organisations are assisted to implement strategies and initiatives which encourage and improve commencements and completions in Australian Apprenticeships.

# Project Agreement for the Commonwealth/State and Territory Joint Group Training Program

## INTERGOVERNMENTAL AGREEMENT ON FEDERAL FINANCIAL RELATIONS

### PRELIMINARIES

1. This Project Agreement (the Agreement) is created subject to the provisions of the Intergovernmental Agreement on Federal Financial Relations and should be read in conjunction with that Agreement and its Schedules, which provide information in relation to performance reporting and payment arrangements under the Intergovernmental Agreement on Federal Financial Relations.
2. This Agreement recognises the history of the Commonwealth/State and Territory Joint Group Training Program and the Commonwealth and the State of South Australia will support the delivery of strategies and initiatives to improve commencements and completions in Australian Apprenticeships through group training arrangements. This will be achieved in line with the Commonwealth/State and Territory Joint Group Training Program Administrative Guidelines at Schedule A, for the period of this Agreement.
3. The Guidelines form Schedule A of this Agreement. If there is any inconsistency between the Guidelines and this Agreement, the terms and conditions of this Agreement will take priority over the Guidelines, to the extent of the inconsistency.
4. This Agreement and its schedules constitute the entire agreement for this project.

### PART 1 – FORMALITIES

#### Parties to this Agreement

5. This Agreement is between the Commonwealth of Australia (the Commonwealth) represented by the Minister for Tertiary Education, Skills, Science and Research and the State of South Australia (South Australia) represented by the State Minister with portfolio responsibility for training.

#### Term of the Agreement

6. This Agreement will commence as soon as the Commonwealth and South Australia sign the Agreement and will expire on 15 November 2012 or when the Funding Performance Report and Final Project Report are accepted by the Commonwealth, whichever is later, unless terminated earlier or extended as agreed in writing by the Parties.

## **Enforceability of the Agreement**

7. The Parties do not intend any of the provisions of this Agreement to be legally enforceable. However, that does not lessen the Parties' commitment to this Agreement.

## **Role of the Commonwealth**

8. The Commonwealth will be responsible for providing a financial contribution to South Australia to support the implementation of this Agreement.

## **Role of the States and Territories**

9. South Australia will be responsible for:
  - (a) achieving the project outputs within the agreed timeframe set out in this Agreement;
  - (b) providing details of any matter(s) that arise that adversely impact on the delivery of the output, and how South Australia is to resolve this/these matter(s); and
  - (c) reporting on the delivery of outputs as set out in Part 4 – Project Milestones, Reporting and Payments.
10. Both Parties will meet the requirements of Schedule E, Clause 26 of the Intergovernmental Agreement on Federal Financial Relations, by ensuring that prior agreement is reached on the nature and content of any events, announcements, promotional material or publicity relating to activities under this Agreement, and that the roles of both Parties will be acknowledged and recognised appropriately.

## **Interpretation**

11. For the purposes of this Agreement, the 'National Funding Principles' are defined in Schedule A – Administrative Guidelines.

## **PART 2 – PROJECT OUTPUT(S)**

### **Output**

12. The output of this Agreement will be that Group Training Organisations are assisted, in line with the National Funding Principles, to implement strategies and initiatives which encourage and improve commencements and completions in Australian Apprenticeships.
13. The specific strategies and initiatives to be implemented by South Australia are outlined in the Funding Plan at Schedule B.

## **PART 3 – FINANCIAL ARRANGEMENTS**

14. The Commonwealth will provide a maximum financial contribution to South Australia of \$1,354,779.00 in respect of this Agreement. All payments are GST exclusive.
15. The Commonwealth's funding contribution will not be reduced where South Australia secures funding from other activity partners through innovative and collaborative partnerships.

16. The Commonwealth's financial contribution and South Australia's estimated financial contribution to the operation of this Agreement, including through Project Agreement payments to South Australia paid in accordance with *Schedule D — Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations, are shown in Table 1.

**Table 1: Estimated financial contributions**

	Year 1	Year 2	Year 3	Year 4	Total
<b>Estimated total budget</b>	<b>2,709,558.00</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2,709,558.00</b>
Less Project Agreement Payment:	1,354,779.00				1,354,779.00
Balance of non-Commonwealth contributions	1,354,779.00	0.0	0.0	0.0	1,354,779.00

17. Project Agreement payments to South Australia will be paid in accordance with *Schedule D — Payment Arrangements* of the Intergovernmental Agreement on Federal Financial Relations.

## PART 4 — PROJECT MILESTONES, REPORTING AND PAYMENTS

18. The following table summarises the milestones for the project, their relationship to the outputs, expected completion dates, relevant reporting dates and expected payments to be made (if applicable).

**Table 2: Milestones, reporting and payment summary**

Output	Milestone(s)	Date due	Payment
Group Training Organisations are assisted to implement strategies and initiatives which encourage and improve commencements and completions in Australian Apprenticeships.	Receipt and acceptance of a Funding Plan, to implement the strategies and initiatives to encourage and improve commencements and completions in Australian Apprenticeships.	29 February 2012	\$1,354,779.00

### Reporting arrangements

19. South Australia has provided a Funding Plan which describes how it will allocate the funds for the purposes of this Agreement. The Funding Plan has been accepted and is incorporated into this Agreement at Schedule B. The Funding plan reflects the National Funding Principles and the information as detailed in the Administrative Guidelines at Item 6 (Schedule A).
20. South Australia will provide a Funding Performance Report by 15 November 2012. The Funding Performance Report is to include the following information:
- a statement certified by the senior executive officer who has primary responsibility for managing South Australia's audit functions that all South Australia's contribution Funding

(GST exclusive) received has been expended for the Project and in accordance with the Agreement.

- b) a description of actual performance and de-identified, aggregated data for Australian Apprenticeships in South Australia for the period 1 July 2011 to 30 June 2012, including but not limited to:
    - (i) percentage of Out of Trade Australian Apprentices commenced through Group Training arrangements as compared to all employers;
    - (ii) percentage of Australian Apprentices commenced and completed through Group Training arrangements as compared to all employers for each identified client group;
    - (iii) percentage of Australian Apprenticeship cancellations through Group Training arrangements as compared to all employers (Attrition rate); and
    - (iv) percentage of Australian Apprentices commenced through Group Training arrangements compared to all employers.
  - c) promotional activities undertaken in relation to, and media coverage of, the project during the reporting period and any promotional opportunities expected to arise during the next reporting period.
21. South Australia will also provide a separate Final Project Report within 90 days of the completion of projects under this Agreement that will be a stand-alone document that can be used for public information dissemination purposes demonstrating outcomes for public accountability. The Final Project Report will:
- a) describe the conduct, benefits and outcomes of the Project(s); and
  - b) evaluate the Project(s) from the responsible Party's perspective, including assessing the extent to which the JGTP outcomes have been achieved and why any aspect was not achieved.

## **PART 5 – GOVERNANCE ARRANGEMENTS**

### **Dispute resolution**

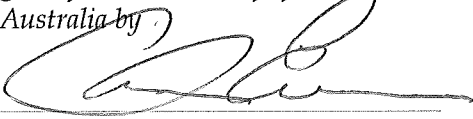
- 22. Any Party may give notice to other Parties of a dispute under this Agreement.
- 23. Officials of relevant Parties will attempt to resolve any dispute in the first instance.
- 24. If a dispute cannot be resolved by officials, it may be escalated to the relevant Ministers and if necessary, the relevant COAG Council.
- 25. If a dispute cannot be resolved by the relevant Ministers, it may be referred by a Party to COAG for consideration.

### **Variation of the Agreement**

- 26. The Agreement may be amended at any time by agreement in writing by all the Parties.
- 27. A Party to the Agreement may terminate their participation in the Agreement at any time by notifying all the other Parties in writing.

The Parties have confirmed their commitment to this agreement as follows:

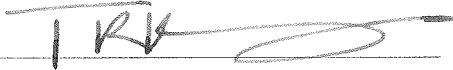
*Signed for and on behalf of the Commonwealth  
of Australia by*



**Senator, the Honourable Christopher Evans**  
Minister for Minister for Tertiary Education, Skills,  
Science and Research

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[Day] [Month] [Year]

*Signed for and on behalf of the  
State of South Australia by*



**The Honourable Tom Kenyon MP**  
Minister for Employment, Higher Education and  
Skills

[Day] [Month] [Year]  
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**Commonwealth/State and Territory Joint Group Training Program (JGTP)  
Administrative Guidelines.  
Effective from 1 July 2011  
Updated 16 November 2011**

**1. Administrative Arrangements**

The JGTP Administrative Guidelines are to be applied in conjunction with the National Funding Principles for the administration of the Program. Australian Government contributions to the Program are subject to the Australian Government Minister's decisions on the Program and budget limitations. The JGTP Administrative Guidelines form part of the Project Agreement as Schedule A.

- 1.1 If the Project Agreement is inconsistent with these Guidelines, the terms and conditions of the Project Agreement will take priority over these Guidelines, to the extent of the inconsistency.

**2. Project Agreements**


Project Agreements are subject to the *Intergovernmental Agreement on Federal Financial Relations* which commenced on 1 January 2009 and provides the overarching framework for COAG to pursue economic and social reforms to underpin growth, prosperity and social cohesion into the future. The new framework simplifies payments to the States and Territories, aids transparency and improves State and Territory governments' budget processes.

**3. Australian Government Contributions**

- 3.1 The Australian Government recognises the States and Territories' commitment to JGTP and the 2010-11 Australian Government funding contribution defines the Australian Government's budget capacity. Funding for 2011-12 will be provided at this level with the offer of an additional 1.7%, being indexation, based on Wage Cost Index 1(WCI 1).
- 3.2 Subject to Ministerial decisions and available funding, JGTP Australian Government funding may be provided, at the previous year's funding allocation with indexation based on WCI 1 at that time.
- 3.3 The Australian Government and the States and Territories will contribute equally to JGTP confirming their joint commitment to the Program. States and Territories have the option to accept the additional indexation (WCI 1) funding offered by the Australian Government and to increase their contribution by the corresponding amount.
- 3.4 The Australian Government will provide funding for a period of one year. Extension of the JGTP may be supported in subsequent years with updated Funding Plans and new Project Agreements.
- 3.5 The annual funding allocation will be paid in one payment on execution of the Project Agreement to each participating State or Territory on receipt and acceptance of correctly rendered Tax Invoices.

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#### **4. Fully Contestable Funding**

- 4.1 States and Territories must ensure that the Joint Group Training Program funding is fully contestable and all Group Training Organisations, registered against the National Standards for Group Training Organisations (GTOs), ie GTOs that are for profit or not-for-profit are eligible to apply for funding under this Program.

#### **5. Use of JGTP Funding by States and Territories**

The primary objective of JGTP is to provide funding to GTOs for strategies and initiatives which encourage and improve commencements and completions in Australian Apprenticeships. Funds must only be expended, including the State contribution, in accordance with the Project Agreement.

##### **5.1 Funding of Group Training Australia –State Associations.**

JGTP funding is not to be used to fund Group Training Australia Limited or its State Associations directly but may be used to fund projects conducted by them or for specific activities provided by them which support the objectives of JGTP and the National Funding Principles:

- (i) Principle 1: Organisations that meet the National Standards for Group Training Organisations are eligible to apply to the State Training Authority for Joint Group Training Funding.
- (ii) Principle 2: Targeted outcomes will be determined by each State or Territory for each of the following nationally agreed priority areas: - Skills Development, Client Groups and Geographical Locations.
- (iii) Principle 3: Australian Government Funding under the Joint Group Training Program will be allocated to each State and Territory subject to submission and acceptance of each State and Territory's Funding Plan, which will form part of the Project Funding Agreement between the Australian and individual State and Territory Governments.
- (iv) Principle 4: Where funding is applied to individual Australian Apprentices under the Program, the funding will remain in place for the duration of that Australian Apprenticeship, at a level to be determined by the State Training Authority provided the Group Training Organisation continues to receive Program funding from that State or Territory.
- (v) Principle 5: Incentive outcome payments will be determined by the State Training Authority and will include different rates to reflect the level of priority of the outcomes. State and Territory priority areas where possible will align to the State or Territory VET Plan.
- (vi) Principle 6: Structuring of the funding model under the Program is determined by the State Training Authority in a way that supports skills and training for identified priority areas and encourages the completion of an Australian Apprenticeship.
- (vii) Principle 7: The Australian Government and the State and Territory Governments will contribute equally to the Program and the Australian Government contribution will be maintained within the agreed budget capacity of the Australian Government.



## 5.2 **Optional use of Australian Government Funding**

In addition to the payment of incentives to GTOs to achieve Australian Apprenticeship outcomes, States and Territories may utilise up to 20% of the allocated Australian Government funding to fund innovative/strategic projects which support the objectives of JGTP. This funding is not to be used for straight research projects.

## 6. **State/Territory Funding Plan**

Each participating State and Territory is to provide the Department of Industry, Innovation Science, Research and Tertiary Education (DIISRTE) with a Funding Plan which will be incorporated into the Project Agreement as Schedule B.

6.1 The Funding Plan is to include:

- a brief overview of how JGTP funds will be utilised
- target Australian Apprenticeship commencements and completions through Group Training
- the targeted outcomes for each of the priority areas and any additional target areas or priority groups as determined by the State or Territory (Principle 2)
- the proposed incentive payments and schedule to each of these target groups (Principle 5 & 6)
- proposed innovative projects – if known, and
- strategies to ensure continued investment in Australian Apprenticeships in the current economic downturn, through Group Training.

6.2 For changes made to State and Territory Funding Plans over the life of the Project Agreement that are supportive of the objectives of JGTP and the National Funding Principles, States and Territories are not required to seek the prior approval of DIISRTE. However, as the Funding Plan forms part of the Project Agreement, DIISRTE requires that States and Territories notify them in writing of any changes that are made to the Funding Plan.

## 7. **Reporting**

7.1 As outlined in the Project Agreement, the Funding Performance Report will be provided to DIISRTE by 15 November 2012.

7.2 The Funding Performance Report must be signed off by the Chief Executive Officer and the Senior Executive who has primary responsibility for managing audit functions.

7.3 As outlined in the Project Agreement, each State and Territory will also provide a separate Final Project Report within 90 days of the completion of projects under this Agreement that will be a stand-alone document that can be used for public information dissemination purposes demonstrating outcomes for public accountability.

7.4 DIISRTE will provide templates for all reports required under the Project Agreement.

## 8 **JGTP Outcomes**

Consistent with the COAG agenda for improved productivity and participation, this Program is well positioned to contribute towards the following targets:

- double the number of higher qualification completions (diploma and advanced diploma) between 2009 and 2020, and

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- halve the proportion of Australians aged 20–64 without qualification to Certificate III level and above between 2009 and 2020.

- 8.1 JGTP can achieve flexibility and responsiveness in program delivery through supporting quality training outcomes for Australian Apprentices based on the nationally agreed priority areas: Skills Development, Client Groups and Geographical Locations.
- 8.2 Program Outcomes and corresponding Progress Measures are listed at 8.3. Success in achieving the Program Outcomes is to be captured by reporting against the Progress Measures. States and Territories will continue to work with the Australian Government to redevelop Outcomes and Progress Measures that are consistent across all jurisdictions as required.

### 8.3 Outcomes and Progress Measures Table

	Outcome	Progress Measure
I	Group Training Organisations are supported to meet changing labour market demands as determined at the State and Territory level.	In the current economic climate Australian Apprenticeship commencements and completions are maintained at the previous year's level for individual States and Territories.
II	Group Training Organisations are encouraged and supported to develop linkages to both National and State/Territory Priority areas under the Australian Government's 2011–2012 Budget <i>Building Australia's Future Workforce</i> package including the Accelerated Australian Apprenticeships Program, Australian Apprenticeships Mentoring Program, also Out of Trade (OOT) Apprentices and Pre-vocational & Pre-apprenticeship training initiatives.	States and Territories collect data on the number Australian Apprentices who have completed Pre-vocational and Pre-apprenticeship training prior to commencement of an Australian Apprenticeship.  % of OOT Australian Apprentices commenced through Group Training as compared to all employers for funded period.
III	Group Training Organisations are supported to engage with industry to support the delivery of the Green Skills Agreement and the Skills for the Carbon Challenge Initiative and knowledge through Australian Apprenticeships.	States and Territories promote strategies which support emerging Green Skills and knowledge through Group Training.
IV	Enhanced employment opportunities through Group Training for disadvantaged and equity groups	% commenced and % completed in Group Training as compared to all employers for each identified client group for funded period.
V	Industries and Group Training Organisations continue to invest in training and skills development in order to create a sustainable workforce	% Australian Apprenticeship cancellations in Group Training for funded period compared to all employers (Attrition rate) % Australian Apprentices commenced through Group Training as compared to all employers for funded period.

## TRAINEESHIP AND APPRENTICESHIP SERVICES

### South Australian Group Training Plan 2011-12

The following Plan outlines the objectives of the Joint Group Training Program (JGTP) for 2011-12 in South Australia within the context of the JGTP principles.

Prior to 2010-11, group training organisations (GTOs) were funded contingent on their not-for-profit status, National Standards being maintained, satisfactory contract performance, and government funds being available.

From 2010-11 for-profit and not-for-profit GTOs are eligible to apply for JGTP funds. GTOs were invited to apply for a funding agreement for 2010-11, providing that they demonstrated a capacity to deliver group training services to specific industries and targeted equity groups, and that they met the following criteria, namely that they:

- had undergone an audit (conducted by DFEEST) to meet National Standards for GTOs and that the audit reflected sufficient compliance;
- were registered as an employer under the *Training and Skills Development Act (SA) 2008*;
- satisfied the guidelines of the South Australian Training and Skills Commission for hosting apprentices and trainees.

The financial year 2010/11 marked the first year of a new three-year funding cycle with 16 GTOS. In 2011/12, these same 16 GTOs applied to extend their funding arrangements under the JGTP.

As in the previous year, the conditions of the 2011/12 funding model are as follows:

- Funding is based on the previous financial year's commencements and completions, enabling the level of funding to be determined at the start of each financial year. Minor revisions will be made in December 2011 to capture any training contract variances to 30 June 2011.
- Funding is focused on apprenticeship qualifications and a small number of traineeship qualifications. However, apprentices and trainees who are Indigenous, disabled or reside in remote South Australia will be funded regardless of the qualification they undertake, and a higher payment will apply to these groups.
- Continuing trainees who are undertaking qualifications that are not prescribed under the new arrangements will attract a completion payment.
- A greater proportion of JGTP funds will be applied to commencements in recognition of the higher cost to employers of apprentices in their first and second years.

A copy of the Training Plan is reflected in **Attachment A**.

**Principle 1 – Organisations that meet the *National Standards for Group Training Organisations* are eligible to apply to the State Training Authority for Joint Group Training Program funding**

The Department of Further Education, Employment, Science and Technology (DFEEST) supports the minimum requirement of compliance with the *National Standards for Group Training Organisations* for those seeking JGTP funds.

The 16 GTOs funded in 2010-11 were invited to apply for an extension to 2011-12 subject to compliance with the evaluation criteria above and satisfactory performance in 2010-11. New applicants are required to undergo an audit for compliance with these National Standards.

DFEEST may also request GTOs to provide a full audit report from a qualified independent accountant with membership of the Certified Practising Accountants Australia, the Institute of Chartered Accountants of Australia or the National Institute of Accountants or otherwise registered as an auditor with the Australian Securities and Investment Commission.

**Principle 2 – Targeted outcomes will be determined by each State or Territory for each of the nationally agreed priority areas – skills development, client groups and geographic locations**

The funding model was revised in 2010-11 in consultation with group training organisations and with South Australia's industry skills boards. The model is similar in 2011-12 (the second of a three-year funding cycle) and provides funding for:

- All apprentices;
- Trainees undertaking the qualifications listed below. These qualifications will be reviewed annually to ensure that they correspond to State priorities.
  - Certificate II in Automotive Mechanical (AUR20705)
  - Certificate II in Underground Metalliferous Mining (RII20409)
  - Certificate II in Civil Construction (RII20709)
  - Certificate II in Electronics (UEE21907)
  - Certificate II in Resource Processing (RII20509)
  - Certificate II in Surface Extraction Operations (RII20209)
  - Certificate III in Aboriginal and/or Torres Strait Islander Primary Health Care (HLT33207)
  - Certificate III in Aged Care (CHC30208)
  - Certificate III in Children's Services (CHC30708)
  - Certificate III in Civil Construction (RII30909)
  - Certificate III in Civil Construction Plant Operations (RII30809)
  - Certificate III in Concreting (CPC30308)
  - Certificate III in Demolition (CPC30408)
  - Certificate III in Horticulture (Arboriculture) (RTF30203)
  - Certificate III in Horticulture (Floriculture) (RTF30303)
  - Certificate III in Horticulture (Landscape) (RTF30403)
  - Certificate III in Horticulture (Parks and Gardens) (RTF30703)
  - Certificate III in Horticulture (RTF30103)
  - Certificate III in Horticulture (Turf) (RTF30803)
  - Certificate III in Pipe Laying (RII31309)
  - Certificate III in Resource Processing (RII30411)
  - Certificate III in Scaffolding (CPC30908)
  - Certificate III in Steelfixing (CPC31108)
  - Certificate III in Surface Extraction Operations (RII30111)
  - Certificate III in Underground Metalliferous Mining (RII30311)

- All trainees in disadvantaged groups (i.e. those that are Indigenous, disabled, or reside in a remote location of South Australia).
- Continuing trainees who commenced their training contract prior to 1 July 2010, who have previously been funded under JGTP arrangements, and who do not qualify under the above categories (completion payment only).

The formula that will be used to allocate funding is provided under **Principle 5**.

Contractual payments to the group training organisations are based on:

- An initial payment of 50% of all earnings (based on their 2010-11 activity) was made upon signing of the application to extend the 200-11 JGTP Funding Agreement to 2011-12.
- An interim payment of 40% of all earnings (based on their revised 2010-11 activity) was made in January 2012.
- A final payment of 10% will be paid on submission of an acquittal report.
- Payments made for special projects (based on 2011-12 activity) will be paid from time to time and may coincide with the above three payments.

**Principle 3 – Australian Government Funding under the Joint Group Training Program will be allocated to each State and Territory subject to submission and acceptance of each State and Territory’s Funding Plan, which will form part of the Project Funding Agreement between the Australian and individual State and Territory Governments**

This response incorporates the training plan for 2011-12.

**Principle 4 – Where funding is applied to individual Australian Apprentices under the Program, the funding will remain in place for the duration of that Australian Apprenticeship, at a level to be determined by the State Training Authority provided the Group Training Organisation continues to receive Program funding from that State/Territory**

Similar to previous years, South Australia in 2010-11 adopted a three-year funding agreement (renewable annually, subject to successful contract performance and continued government funding) to provide financial stability and confidence to GTOs, enabling the continuation of commitments for the employment of apprentices and trainees for the duration of the training contracts. Accordingly, funding arrangements were renewed for 2011-12.

Also, as stated under **Principle 2**, under the 2011-12 policies, continuing trainees who commenced their training contract prior to 1 July 2010, who have previously been funded under JGTP arrangements, and who do not qualify under the above categories will attract a completion payment.

**Principle 5 – Incentive outcome payments will be determined by the State Training Authority and will include different rates to reflect the level of priority of the outcomes. State and Territory priority areas, where possible, will align to the State or Territory VET plan.**

The following base payments have been determined on the basis of projected numbers, and will apply for 2011-12. In addition, **Attachment A** reflects total numbers projected under the following categories.

COMMENCEMENT PAYMENT	Standard	Disadvantaged groups*		
		x1	x2	x3
Apprenticeships	\$1,220	\$1,830	\$2,440	\$3,050
Traineeships – duration 12 months	\$405	\$610	\$815	\$1,020
Traineeships – duration 24 months	\$815	\$1,220	\$1,630	\$2,035
Traineeships – duration 36 months or greater	\$1,220	\$1,830	\$2,440	\$3,050
COMPLETION PAYMENT				
Apprenticeships	\$610	\$915	\$1,220	\$1,525
Traineeships – duration 12 months	\$205	\$305	\$405	\$510
Traineeships – duration 24 months	\$405	\$610	\$815	\$1,020
Traineeships – duration 36 months or greater	\$610	\$915	\$1,220	\$1,525
REGIONAL LOADING	An additional 15% based on the proportion of funds attracted by apprentices and trainees who reside in non-metropolitan South Australia.			

\* Disadvantaged groups attract differential rates based on the number of disadvantages recorded in DFEEST's apprenticeship and traineeship records.

In addition to the payments relating to apprentice/trainee commencements and completions outlined in the table above, it is proposed to conduct a number of special projects, including:

- GTOs will be funded \$1,200 for each successful graduate recruited from the Kickstart Pre-Apprenticeship Program.
- GTOs will receive an incentive payment of \$3,000 per apprentice/trainee commencing an eligible qualification in the last quarter of 2011/12, and who is aged 21-24 years at the time of commencement.
- A mentoring program for commercial cookery apprentices, and for their employers and supervisors, to be conducted jointly by DFEEST and the Hospitality Group Training Scheme.

Provision has also been made to fund GTA SA to undertake a number of projects that underpin the commitment to group training arrangements in South Australia, including the development of submissions relating to the apprenticeship and traineeship system, enhancement of employment and training for equity groups and maintenance of the Skill Connect Register.

It should be noted that all commencement and completion payments, as well as regional loading, are based on GTOs' 2010-11 activity. Special project payments, including those relating to the recruitment of Kickstart graduates, will be based on 2011-12 activity.

**Principle 6 – Structuring of the funding model under Program is determined by the State Training Authority in a way that supports skills and training for identified priority areas and encourages completion of an Australian Apprenticeship**

Under South Australian arrangements, a greater proportion of funds is provided at the start of a training contract, as the costs of employing apprentices under a group training model are greatest during the first and second year of an apprenticeship, reflecting substantial investments in advertising, selection, recruitment, pre-placement induction and, most importantly, pastoral care. This arrangement will assist GTOs in maintaining and increasing their commencement rates and, hopefully, increasing their completion rates given the appropriate level of pastoral care that is so crucial in the early part of an apprenticeship.

Further, this arrangement complements, rather than mirrors, the Commonwealth government's employer incentive program which provides a greater employer incentive for a completion.

**Principle 7 – The Australian Government and the State and Territory Governments will contribute equally to the Program and the Australian Government contribution will be maintained within the agreed budget capacity of the Australian Government**

South Australia has committed \$1,354,779 to the Joint Group Training Program for the 2011-12 financial year, matching the Commonwealth's commitment \$1,354,779.

**Attachment A**  
**TRAINEESHIP AND APPRENTICESHIP SERVICES**  
**South Australian Group Training Plan 2011-12**

	STANDARD			1 disadvantage			2 disadvantages			3 disadvantages			TOTAL	
	Rate	No.	\$	Rate	No.	\$	Rate	No.	\$	Rate	No.	\$		
<b>COMMENCEMENTS</b>														
Apprenticeships	\$1,220	962	\$1,173,640	\$1,830	98	\$179,340	\$2,440	4	\$9,760	\$3,050	0	\$0	1064	\$1,362,740
Traineeships – duration <24 months	\$405	34	\$13,770	\$610	118	\$71,980	\$815	21	\$17,115	\$1,020	0	\$0	173	\$102,865
Traineeships – duration 24 months	\$815	2	\$1,630	\$1,220	16	\$19,520	\$1,630	2	\$3,260	\$2,035	0	\$0	20	\$24,410
Traineeships – duration 36 months or greater	\$1,220	58	\$70,760	\$1,830	17	\$31,110	\$2,440	1	\$2,440	\$3,050	0	\$0	76	\$104,310
Apprenticeships		962	\$1,173,640		98	\$179,340		4	\$9,760		0	\$0	1064	\$1,362,740
Traineeships		94	\$86,160		151	\$122,610		24	\$22,815		0	\$0	269	\$231,585
<b>Total commencements</b>		<b>1056</b>	<b>\$1,259,800</b>		<b>249</b>	<b>\$301,950</b>		<b>28</b>	<b>\$32,575</b>		<b>0</b>	<b>\$0</b>	<b>1333</b>	<b>\$1,594,325</b>
<b>COMPLETIONS</b>														
Apprenticeships	\$610	658	\$401,380	\$915	61	\$55,815	\$1,220	0	\$0	\$1,525	0	\$0	719	\$457,195
Traineeships – duration <24 months	\$205	17	\$3,485	\$305	37	\$11,285	\$405	0	\$0	\$510	0	\$0	54	\$14,770
Traineeships – duration 24 months	\$405	0	\$0	\$610	4	\$2,440	\$815	0	\$0	\$1,020	0	\$0	4	\$2,440
Traineeships – duration 36 months or greater	\$610	40	\$24,400	\$915	2	\$1,830	\$1,220	0	\$0	\$1,525	0	\$0	42	\$26,230
Apprenticeships		658	\$401,380		61	\$55,815		0	\$0		0	\$0	719	\$457,195
Traineeships		57	\$27,885		43	\$15,555		0	\$0		0	\$0	100	\$43,440
<b>Total completions</b>		<b>672</b>	<b>\$429,265</b>		<b>104</b>	<b>\$71,370</b>		<b>0</b>	<b>\$0</b>		<b>0</b>	<b>\$0</b>	<b>819</b>	<b>\$500,635</b>
<b>COMPLETIONS - CONTINUING TRAINEES</b>														
Traineeships – duration <24 months	\$205	194	\$39,770										194	\$39,770
Traineeships – duration 24 months	\$405	42	\$17,010										42	\$17,010
Traineeships – duration 36 months or greater	\$610	7	\$4,270										7	\$4,270
<b>Total completion for continuing trainees</b>		<b>243</b>	<b>\$61,050</b>										<b>243</b>	<b>\$61,050</b>
<b>REGIONAL LOADING</b>														
Total payable for A/Ts in regional areas			\$781,635											
15% loading			\$117,245											

Total projected payments to GTOs in 2011-12 (as per above table)

Kickstart outcomes	\$2,273,255
GTA SA activities	\$55,200
Mentoring commercial cookery apprentices	\$275,000
Incentive payments for commencements by apprentices/trainees aged 21-24 years	\$213,671
<b>Total projected expenditure</b>	<b>\$150,000</b>
Budget available 2011/12 (to be met on a 1:1 basis from each of State and Commonwealth Governments)	\$2,967,126
Carry-over moneys from 2010/11 (yet to be approved)	\$2,709,558
	<b>\$257,568</b>