

## **Victorian Government Incentives and Subsidies**

### **WorkCover**

If you hire apprentices and/or trainees – even if you only hire one – you must have a WorkCover policy in place regardless of the remuneration you pay. Employers are able to claim an exemption from the WorkCover premium paid against wages of new apprentices and trainees in certain circumstances.

The exemptions **do not** apply:

- when the trainee's annualised remuneration is more than \$30,000; or
- when the apprentice or trainee has worked for an employer or former employer for more than a specified period prior to the commencement of the training agreement; or
- in certain cases where a firm on-hires a trainee back to a client that has previously employed that trainee.

Check the details by visiting the WorkCover web site at <http://www.workcover.vic.gov.au>, or call the WorkCover Advisory Service on (03) 9641 1444 or 1800 136 089 (free call).

### **Accommodation Allowance**

All apprentices and new entrant trainees registered under a current training contract in the State of Victoria are entitled to an accommodation allowance if they:

- are attending a TAFE Institute, a Private Registered Training Organisation (RTO) or an Interstate TAFE institute; and
- are attending consecutive days of training at the TAFE Institute /RTO and because of the distance between the training venue and the apprentice or trainee's residence, it is impractical to go home and return to the venue on the following day.

The allowance is not available to existing employee trainees

Eligible recipients should be reminded that the accommodation allowance is not exempt income and therefore they must declare the amount received when completing an annual individual taxation return.

### **Apprentices and Trainees attending a Victorian TAFE Institution**

Apprentices and Trainees who attend a Victorian TAFE Institution should apply for this allowance directly through the Institution's Student Services Branch.

### **Payment Rates**

Attendance dates **from** 1 July 2006:

- All years of training - \$25 per night

Attendance dates **prior** to 1 July 2006:

- First year of training - \$9.00 per night
- Second year of training - \$8.20 per night
- Third and subsequent years of training - \$7.40 per night

**Payment is available to a maximum of five nights per week.**

Weekend stays are not funded but discretion may be used to include Sunday night if necessary to enable attendance at training on a Monday morning.

For further information, contact the Apprenticeship Administration Branch on 1300 722 603.

### **Completions Bonus**

There is also the Completions Bonus Program, an initiative of the Victorian Government. The bonus provides an additional financial incentive to employers to ensure that greater numbers of apprentices and trainees complete their training.

The Completion Bonus applies to apprenticeship and traineeship completions after 1 July 2003 and is subject to eligibility criteria. The key criteria are:

- the employer must employ three or more eligible apprentices or trainees
- the apprentice or trainee must be a 'new entrant' apprentice or trainee, not an existing employee
- the apprentice or trainee must be under 25 years of age at the time they enter into their Training Contract
- all School Based apprentices and trainees are eligible provided the other criteria are met.

The incentives payments available are currently being phased in and depend on when an apprentice or trainee entered into their Training Contract. See tables below.

<b>Apprenticeships</b>	<b>Date of commencement</b>	<b>Bonus amount</b>	<b>Payable</b>
	Prior to 1st January 2002	\$1,200	On completion
	Prior to 1st January 2003	\$2,300	On completion
	From 1st January 2003	\$1,750	Progress payment 12 months before nominal completion date;
		\$1,750	Final payment on completion

<b>Traineeships</b>	<b>Date of commencement</b>	<b>Bonus amount</b>	<b>Payable</b>
	Prior to 1st July 2003	\$650	On completion
	From 1st July 2003	\$1,300	On completion

Apprentices and trainees are assessed three months prior to the nominal completion date. Apprentices are also assessed 15 months prior to the nominal completion date to ascertain if a progression payment is applicable.

An apprentice or trainee is only eligible to attract the completion bonus for one qualification under an apprenticeship or traineeship program. An exception is provided for an apprentice or trainee who has completed a School Based New Apprenticeship program.

Further information may be accessed by visiting the following web site:

<http://www.otte.vic.gov.au/empinc.asp>

### **Apprentice Trade Bonus**

A \$500 Apprentice Trade Bonus for Victorian apprentices who began their apprenticeship after January 1, 2006 is now available.

Apprentices who have reached the six month point of their first year's training are eligible for a payment of \$250. A further \$250 is available for apprentices who finish their first year's training and enrol for their second year's training.

The Apprentice Trade Bonus was announced in the Victorian Government's \$241 million Maintaining the Advantage: Skilled Victorians statement and aims to encourage apprentices to complete their apprenticeship, particularly in the traditional trades.

Eligible apprentices will receive a letter from the Department of Innovation, Industry and Regional Development that provides details in relation to applying for the bonus. Letters have begun to be sent on a monthly basis since October 2006.

For information or assistance, contact the Apprentice Trade Bonus Program hotline on 1300 855 282 or email your enquiry to [info@apprenticebonus.com.au](mailto:info@apprenticebonus.com.au).

For more information, see:

- [Apprentice Trade Bonus - Frequently Asked Questions](#) or visit the [Apprentice Trade Bonus Website](#).

### **Existing Worker Apprentices**

The Victorian Government recently announced a series of initiatives. One of the initiatives is titled "Assisting Existing Employee Apprentices". Under this initiative, the Government will fund existing worker apprentices the same way it funds new entrant apprentices. Any apprentice (**not trainee**) who commences a Training Contract (DELTA commencement date) on or after 1 July 2006, irrespective of their prior employment is eligible for government funding.