

Tools For Your Trade payment

What is the new Tools For Your Trade payment?

The Tools For Your Trade payment was announced in the 2009-10 Budget. It combines three existing initiatives previously available to Australian Apprentices, the Tools For Your Trade voucher, Apprenticeship Wage Top-Up and the Commonwealth Trade Learning Scholarship.

The new payment totals \$3,800 and will be paid directly to the Australian Apprentice over the life of their Australian Apprenticeship training.

At what point will each of the five new payments be made?

The new payment will be delivered as five tax exempt cash payments totalling \$3,800 over the life of the Australian Apprenticeship. Payments will be made as follows:

- \$800 payable after three months.
- \$800 payable after 12 months.
- \$800 payable after 24 months.
- \$700 payable after 36 months.
- \$700 payable upon successful completion.

Part time Australian Apprentices or Australian School-based Apprentices, will also receive the first payment once they have completed three months of training. Subsequent payments will be paid after 24, 48, 72 months and upon successful completion.

If an Australian Apprentice successfully completes their Australian Apprenticeship earlier than the proposed completion date specified on the training contract, the Australian Apprentice may be eligible to receive any remaining payments that would have been owed to them.

What is an eligible qualification for the Tools For Your Trade payment?

The new Tools For Your Trade payment will be available to Australian Apprentices undertaking:

- A Certificate III or IV qualification leading to a trade occupation listed on the National Skills Needs List; or
- A Certificate II, III or IV agricultural qualification, and if in rural and regional Australia, horticulture qualification.

How will these changes affect existing Australian Apprentices with Tools For Your Trade voucher initiative eligibility?

There will be a shortening of the time limit that Australian Apprentices now have to claim and exchange their voucher. All vouchers will need to be exchanged for tool kits on or before **31 October 2009**.

If an Australian Apprentice commenced on 10 April 2009 and will reach the three month point on 9 July 2009, will they still be issued a tool kit voucher?

Yes, they will be issued an Eligibility Verification Form (EVF) prior to the three month point of the Australian Apprenticeship. A voucher will be issued once a correctly completed EVF has been received by the Tools For Your Trade team and the three month point of the Australian Apprenticeship has been reached.

This will ensure there is adequate time to expend the voucher before claiming under the Tools For Your Trade voucher initiative ceases. All vouchers must be used on or before 31 October 2009. Vouchers will not be reissued after this date under any circumstances and all vouchers that have not been fully expended by 31 October 2009 will expire and become void.

I will not reach the nine month point of my Australian Apprenticeship before the Tools For Your Trade voucher initiative ceases on 31 December 2009. Am I still entitled to keep my tool kit if I reach this point of my Australian Apprenticeship or does my employer retain ownership?

The tool kit ownership arrangements under the Initiative remain unchanged. The employer will 'own' the tool kit until the Australian Apprentice reaches the nine month point of the Australian Apprenticeship. At this point, the employer will hand over ownership of the tool kit to the Australian Apprentice who is entitled to take the tool kit with them. Tools For Your Trade will not issue an Ownership Verification Form for completion by the employer and Australian Apprentice as transfer of ownership at the nine month point will be assumed.

What about Australian Apprentices commencing between 13 May 2009 and 31 December 2009?

Australian Apprentices commencing between 13 May 2009 and 31 December 2009 may be eligible for the new Tools For Your Trade payment.

Transitional arrangements for these Australian Apprentices and those recommencing during this period are still being finalised. Further information will be available from Australian Apprenticeships Centres closer to the implementation date.

If an Australian Apprentice commenced an Australian Apprenticeship on 1 April 2009 but delays in the processing of the training contract set their official commencement date to 10 June 2009, are they still eligible to receive a tool kit under the Tools For Your Trade voucher initiative?

No, they will not be eligible to receive a tool kit voucher under the Tools For Your Trade voucher initiative as the last eligible commencement date is 12 May 2009. They may, however, be eligible to receive assistance under the Tools For Your Trade payment initiative. They will need to contact their Australian Apprenticeships Centre closer to 1 January 2010 to confirm their eligibility for personal benefits.

As an example, if I am still in my first or second year of my Australian Apprenticeship and have received Apprenticeship Wage Top-Up (AWTU) and/or the Commonwealth Trade Learning Scholarship (CTLS), will I continue to receive the remaining AWTU/CTLS payments after 1 January 2010?

The transition arrangements for current Australian Apprentices as at 1 January 2010 are still being finalised. Further information will be available from Australian Apprenticeships Centres closer to the implementation date.

Previously the Commonwealth Trade Learning Scholarship was only payable where the number of employees was less than 500. Will this restriction apply to this Initiative?

No. This new Initiative will be payable to any eligible Australian Apprentice irrespective of business size, subject to all other eligibility criteria being met.

Apprenticeship Wage Top-Up was restricted to Australian Apprentices less than 30 years of age at the time of commencement. Does this restriction still apply?

No. This new Initiative will be payable to any eligible Australian Apprentice irrespective of the age of the Australian Apprentice at commencement, subject to all other eligibility criteria being met.

What will happen to the initiatives that will be combined into the Tools For Your Trade payment?

The Initiatives which are being combined into the new Tools For Your Trade payment will be phased out. Claiming periods for each of the 'outgoing' initiatives is as follows:

Tools For Your Trade voucher

This initiative ceased for new commencements on 12 May 2009. New commencements on or after 13 May 2009, may be eligible for the new Tools For Your Trade payment. Payments will commence in January 2010.

Australian Apprentices who already hold a voucher or who commenced or recommenced on or prior to 12 May 2009 will still be eligible to claim under the Tools For Your Trade voucher initiative. However, all purchases under the Initiative must be finalised on or before 31 October 2009.

Apprenticeship Wage Top-Up

The Apprenticeship Wage Top-Up initiative will cease on 31 December 2009. Transitional arrangements for current Australian Apprentices at 31 December 2009 are still being finalised and further information will be available from Australian Apprenticeships Centres closer to the implementation date.

Commonwealth Trade Learning Scholarship

The Commonwealth Trade Learning Scholarship initiative will cease on 31 December 2009. Transitional arrangements for current Australian Apprentices at 31 December 2009 are still being finalised and further information will be available from Australian Apprenticeships Centres closer to the implementation date.