



Australian Government

# A U S T R A L I A N A P P R E N T I C E S H I P S

Your Life. Your Career. Your Future.



## 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 eligible Australian Apprentices receive payment?

The new payment, which commences 1 January 2010, 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 who commenced before 13 May 2009 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 voucher 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 on 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.

**If an Australian Apprentice does not reach the nine month point of their Australian Apprenticeship before the Tools For Your Trade voucher initiative ceases on 31 December 2009 are they still entitled to take ownership of their tool kit if they reach this point of their Australian Apprenticeship or does the employer retain ownership?**

The tool kit ownership arrangements under the Tools For Your Trade initiative remain unchanged after its cessation. 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 which commences from 1 January 2010. The Department

will be writing to eligible Australian Apprentices prior to 1 January 2010 with additional information about the transition.

**If an Australian Apprentice started their Australian Apprenticeship on 1 April 2009 but due to delays in the processing of the training contract, the State Training Authority amend the commencement date to 10 June 2009, when they approve/register the Training Contract, is the Australian Apprentice still eligible to receive a tool kit under the Tools For Your Trade voucher initiative?**

No. As the commencement date approved by the State Training Authority is after 13 May 2009, the Australian Apprentice will not be eligible for a voucher under the Tools For Your Trade voucher initiative, but may be eligible for the new Tools For Your Trade payment. Australian Apprentices should contact their local Australian Apprenticeships Centre for more information regarding their specific eligibility. To find their local Australian Apprenticeships Centre, Australian Apprentices should visit [www.australianapprenticeships.gov.au](http://www.australianapprenticeships.gov.au) or call 13 38 73.

**If an Australian Apprentice is still in the first or second year of their Australian Apprenticeship and is eligible to receive Apprenticeship Wage Top Up (AWTU) and/or the Commonwealth Trade Learning Scholarship (CTLS), will they continue to receive the remaining AWTU and/or CTLS payments after 1 January 2010?**

First and second year Australian Apprentices who are currently eligible for Apprenticeship Wage Top Up (AWTU) and/or Commonwealth Trade Learning Scholarship (CTLS), will receive all payments under



AWTU and/or CTLS which fall due on or before 31 December 2009.

From 1 January 2010 all AWTU and CTLS payments will transition to the new Tools For Your Trade payment initiative. Australian Apprentices who commenced prior to 1 January 2010 and who were eligible for AWTU and CTLS will receive the payments that fall due under the Tools For Your Trade payment initiative after 1 January 2010.

Australian Apprentices transitioning from AWTU and/or CTLS to the new Tools For Your Trade payment initiative will not be disadvantaged as a result of this change because the new system provides financial assistance over the duration of the Australian Apprenticeship.

**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 are 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. 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. Australian Apprentices who commenced prior to 1 January 2010 and who were receiving or eligible for AWTU will receive ATWU payments that fall due prior to 1 January 2010. They will then transition to the Tools For Your Trade payment initiative and receive any payments that fall due under that initiative on or after 1 January 2010.

#### **Commonwealth Trade Learning Scholarship**

The Commonwealth Trade Learning Scholarship initiative will cease on 31 December 2009. Australian Apprentices who commenced prior to 1 January 2010 and who were eligible for CTLS will receive CTLS payments that fall due prior to 1 January 2010. They will then transition to the Tools



For Your Trade payment initiative and receive any payments that fall due under that initiative on or after 1 January 2010.

**\* Changes to the Support for Mid-Career Apprentices payment were also announced in the 2009-10 Budget. For more information on changes to this payment, please refer to the Support for Mid-Career Apprentices payment factsheet at [www.australianapprenticeships.gov.au](http://www.australianapprenticeships.gov.au).**