User choice funding policy

The Northern Territory Government is committed to building a skilled and competitive workforce to meet the needs of industry and business and fill job opportunities created by continuing strong economic growth in the NT. The objective of the User Choice Funding Program is to increase the responsiveness of the vocational education and training sector to meet the needs of clients through the encouragement of a direct and market driven relationship between individual public and private training providers and clients.

User choice funding is provided to registered training organisations to provide training and assessment to apprentices and trainees to achieve nationally recognised qualifications.

The User Choice Funding Program allows employers, together with the apprentices and trainees they employ, to choose which registered training organisation (RTO) will provide them with the training and assessment services and to negotiate key aspects of the training such as where, how and when it will be provided.

Qualifications available for apprenticeship and traineeship delivery in the NT are approved under the Training and Skills Development Act 2016 and listed on the NT Apprenticeships and Traineeships database.

Under the NT User Choice Funding Program, approved RTOs are funded for the provision of accredited training and assessment services to apprentices and trainees based on the nominal hours of the qualification paid at the appropriate industry rate. An additional loading is applied to training and assessment services provided to students in regional and remote areas.

Guidelines and procedures

Competency based training
Under the competency based training model in the NT, an apprentice or trainee is to be signed off once their employer and RTO deem them competent. The RTO is required to notify Australian Apprenticeships NT of the completion within 14 days to enable the Certificate of Completion to be issued from the authority.

In the event of a dispute over the competence of an apprentice or trainee, the Department of Trade, Business and Innovation through Workforce NT (the department) will investigate this and may seek an independent assessment.

Who can apply?

To access user choice funding in the Northern Territory, RTOs must:

- be registered by the Australian Skills Quality Authority (ASQA) in accordance with the National Vocational Education and Training Regulator Act 2011, or
- if not registered by ASQA, be registered by the regulator in their jurisdiction in accordance with the relevant vocational education and training regulatory legislation in that jurisdiction
- have approved scope of registration to deliver the training package qualification for the relevant apprenticeship or traineeship as listed in the NT Apprenticeships and Traineeships database
- be endorsed through the endorsed provider model (EPM)
- be listed as a provider on the NT Apprenticeships and Traineeships database.

Approval to provide training and assessment services for apprentices and trainees in the Northern Territory is not a guarantee of funding.

Contractual arrangements

If an RTO is approved for user choice funding, the department will enter into a training contract with the RTO once the offer of funding is accepted by the RTO. The training contract will outline qualifications the RTO is funded to deliver and identify the performance and reporting targets.

Mandatory requirements for user choice funded RTOs include:

- maintenance of registration and scope of registration as required by the relevant regulatory and legislative frameworks
- adherence to AVETMISS and other reporting standards
- compliance with the Training and Skills Development Act 2016 as it relates to apprenticeship arrangements
- compliance with the Return to Work Act, section 126AA. The Act requires all employers (other than a self-insurer) to hold a workers compensation insurance policy with an approved insurer. For further information go to the NT WorkSafe website
- ongoing compliance with the department’s policies, procedures and reporting timelines
- compliance and cooperation in matters relating to audit
fulfilling roles and responsibilities as outlined in the training contract
maintain endorsed provider status, through completion of the annual self-assessment process.

Duration of contract

The department provides funding on a calendar year basis. Therefore the contract duration will be for 12 months from 1 January to 31 December.

Funding priorities

The NT Government is committed to funding apprenticeship and traineeship training to meet the current and future skills demands of industry; however it reserves the right to identify priority areas for funding within a finite budget allocation. If an employer chooses an RTO that is not funded by the department, the costs associated with the off-the-job training will be met by the employer, including costs associated with travel and accommodation.

Apprenticeship and traineeship qualifications are available from Certificate level II through to Diploma and are eligible to be funded where they are identified in the training package as an appropriate apprenticeship / traineeship pathway. The eligibility of these qualifications to attract funding will be based on NT Government priorities.

Learner support

The department recognises the need to provide some apprentices and trainees with integrated one-on-one support to develop contextualised knowledge, language, literacy and numeracy skills. RTOs who receive user choice funding are eligible to apply for learner support AHC (Annual Hours Curriculum).

Out of trade apprentices / trainees

Apprentices and trainees who have not completed the contractual requirements of their apprenticeship or traineeship due to the cancellation of the contract of training may be funded to continue their off-the-job training by the nominated RTO. Funding for off-the-job training will be provided for a period of up to 12 months while a new employer is sought. Any off the job training in this time must align to the work experiences achieved by the apprentice or trainee.

This option only applies to those apprentices and trainees whose training was funded through user choice prior to the cancellation of their contract of training.

Existing workers
An employee who has worked continuously for an employer either full-time for three months, or part-time or casual for 12 months, prior to entering into an apprenticeship or traineeship contract of training will be deemed an existing worker.

Under this policy, an existing worker:

- **is** eligible to access user choice funded training to undertake an apprenticeship.
- **is not** eligible to access user choice funded training to undertake a traineeship.

Exceptions to this policy are where the existing worker is:

- a person who worked when attending school and is subsequently entering a traineeship with the same employer
- undertaking a traineeship in an occupation experiencing skills shortages as listed on the NT Skilled Occupation Priority List
- progressing to a higher level qualification within the same National Training Package, no more than 12 months after completing a previous apprenticeship or traineeship. The department will fund only the one progression, for example, Certificate II to a Certificate III.
- an Indigenous person.

**Non-residents of Australia**

The following people are eligible to enter into a contract of training in the Northern Territory and therefore participate in apprenticeships or traineeships, including those which may be funded under the User Choice Funding Program:

- Australian citizens
- New Zealand citizens who have resided in Australia for the last six months
- persons with Permanent Residency visas
- persons with Temporary Protection visas.

Other visa holders may engage in apprenticeships and traineeships provided their work and training rights allow this, based on information and advice provided by the Australian Government - Department of Immigration and Border Protection (DIBP).

The department accepts no liability for false or misleading information provided by an employer or employee in relation to residency status that results in a person being illegally employed. Employers and RTOs must confirm the employability status of individual visa holders with the Department of Immigration and Border Protection.

If the department determines, after a contract of training has been registered, that the apprentice or trainee did not meet the eligibility criteria to undertake the apprenticeship / traineeship at the time of approval, the contract of training will be cancelled. The employer will be solely responsible for any financial consequences that ensue.

**What is not funded under user choice?**
Apprenticeships and traineeships are not available at the Certificate I level in the NT and are therefore not eligible for funding under user choice.

Apprenticeship and traineeship qualifications that are not funded through user choice may be funded on a ‘fee-for-service’ basis as negotiated between the employer and RTO.

Registered training organisation fees

The responsibility for the payment of any fees and charges related to the training of apprentices and trainees should be set out within the relevant industrial award or agreement the apprentice or trainee is employed under. Where the industrial award or agreement is silent on this matter, the employer is encouraged to assist their apprentices and trainees in meeting these additional costs.

Further advice on this matter should be sought through Fair Work Australia.

Responsibilities

The responsibility for developing and maintaining this policy rests with the director of Training Services.

The responsibility for approving this policy rests with the executive director of Workforce NT.

Definitions

**Apprenticeships / traineeships**

**Australian Qualifications Framework (AQF)**

| A legally binding national contract of training between an employer and an apprentice or trainee (and a parent or guardian if under 18 years) that combines structured training with paid employment. Apprenticeships are generally at Certificate III level and above in the traditional trade occupations such as builders, construction workers, | The policy framework that defines all qualifications recognised nationally in post-compulsory education and training within Australia. The Australian Qualifications Framework comprises titles and guidelines, which define each qualification, together with principles and protocols covering articulation and issuance of qualifications and Statements of Attainment. |
plumbers, mechanics and electricians, as well as other occupations such as chefs, butchers and hairdressers. Apprenticeships may take three to four years to complete (however, competency based training principles must be applied).

Traineeships are more common in industries such as retail, hospitality, business services, information technology and community services and are usually one to two years in duration, or more for higher level and management qualifications. Competency based training principles must be applied.

The apprenticeship and traineeship qualifications that are approved under the Training and Skills Development Act 2016 are listed on the NT Apprenticeships and Traineeships database.

Credit transfer

A legally binding national contract of training between an employer and an apprentice or trainee (and a parent or guardian if under 18 years) that combines structured training with paid employment.

Apprenticeships are generally at Certificate III

The granting of status or credit by an RTO to students for units of competency completed at the same or another RTO.
level and above in the traditional trade occupations such as builders, construction workers, plumbers, mechanics and electricians, as well as other occupations such as chefs, butchers and hairdressers. Apprenticeships may take three to four years to complete (however, competency based training principles must be applied).

Traineeships are more common in industries such as retail, hospitality, business services, information technology and community services and are usually one to two years in duration, or more for higher level and management qualifications. Competency based training principles must be applied.

The apprenticeship and traineeship qualifications that are approved under the Training and Skills Development Act 2016 are listed on the NT Apprenticeships and Traineeships database.

### National training package

**A legally binding national contract of training between an employer and an apprentice or trainee (and a parent or guardian if under 18 years) that combines**

An integrated set of nationally endorsed competency standards, assessment guidelines and Australian Qualifications Framework qualifications for a specified industry, industry sector or enterprise.
structured training with paid employment.

Apprenticeships are generally at Certificate III level and above in the traditional trade occupations such as builders, construction workers, plumbers, mechanics and electricians, as well as other occupations such as chefs, butchers and hairdressers. Apprenticeships may take three to four years to complete (however, competency based training principles must be applied).

Traineeships are more common in industries such as retail, hospitality, business services, information technology and community services and are usually one to two years in duration, or more for higher level and management qualifications. Competency based training principles must be applied.

The apprenticeship and traineeship qualifications that are approved under the Training and Skills Development Act 2016 are listed on the NT Apprenticeships and Traineeships database.

Out of trade apprentice / trainee

A legally binding national contract of training between Refers to a person whose contract of training has been
an employer and an apprentice or trainee (and a parent or guardian if under 18 years) that combines structured training with paid employment.

Apprenticeships are generally at Certificate III level and above in the traditional trade occupations such as builders, construction workers, plumbers, mechanics and electricians, as well as other occupations such as chefs, butchers and hairdressers. Apprenticeships may take three to four years to complete (however, competency based training principles must be applied).

Traineeships are more common in industries such as retail, hospitality, business services, information technology and community services and are usually one to two years in duration, or more for higher level and management qualifications. Competency based training principles must be applied.

The apprenticeship and traineeship qualifications that are approved under the Training and Skills Development Act 2016 are listed on the NT Apprenticeships and Traineeships database.
Learner support

A legally binding national contract of training between an employer and an apprentice or trainee (and a parent or guardian if under 18 years) that combines structured training with paid employment.

Apprenticeships are generally at Certificate III level and above in the traditional trade occupations such as builders, construction workers, plumbers, mechanics and electricians, as well as other occupations such as chefs, butchers and hairdressers. Apprenticeships may take three to four years to complete (however, competency based training principles must be applied).

Traineeships are more common in industries such as retail, hospitality, business services, information technology and community services and are usually one to two years in duration, or more for higher level and management qualifications. Competency based training principles must be applied.

The apprenticeship and traineeship qualifications that are approved under the Training and Skills Development Act 2016 are listed on the NT
Apprenticeships and Traineeships database.

Contract of training

A legally binding national contract of training between an employer and an apprentice or trainee (and a parent or guardian if under 18 years) that combines structured training with paid employment.

Apprenticeships are generally at Certificate III level and above in the traditional trade occupations such as builders, construction workers, plumbers, mechanics and electricians, as well as other occupations such as chefs, butchers and hairdressers. Apprenticeships may take three to four years to complete (however, competency based training principles must be applied).

Traineeships are more common in industries such as retail, hospitality, business services, information technology and community services and are usually one to two years in duration, or more for higher level and management qualifications. Competency based training principles must be applied.

The apprenticeship and traineeship qualifications
that are approved under the 
Training and Skills 
Development Act 2016 are 
listed on the NT 
Apprenticeships and 
Traineeships database.

Training plan

A legally binding national contract of training between an employer and an apprentice or trainee (and a parent or guardian if under 18 years) that combines structured training with paid employment.

Apprenticeships are generally at Certificate III level and above in the traditional trade occupations such as builders, construction workers, plumbers, mechanics and electricians, as well as other occupations such as chefs, butchers and hairdressers. Apprenticeships may take three to four years to complete (however, competency based training principles must be applied).

Traineeships are more common in industries such as retail, hospitality, business services, information technology and community services and are usually one to two years in duration, or more for higher level and management qualifications. Competency Outlines the skills or competencies that the apprentice / trainee should achieve during the apprenticeship / traineeship. A training plan must be completed regardless of whether the training will take place on or off the job or a combination of both. The RTO is responsible for negotiating the content of the training plan with the employer, apprentice / trainee and parent / guardian (when required). The training plan must be consistent with the national training plan principles and meet the qualification packaging rules of the training package. The training plan must be developed and lodged with Australian Apprenticeships NT within the probation period of the apprenticeship.
Based training principles must be applied.

The apprenticeship and traineeship qualifications that are approved under the Training and Skills Development Act 2016 are listed on the NT Apprenticeships and Traineeships database.

Related policies and documents

The Northern Territory user choice funding policy will operate in conjunction with other relevant policies and reference documents, in particular:

- Apprenticeships and traineeships policy
- Recognition of prior learning policy
- Apprenticeship and traineeship travel and accommodation subsidy scheme policy
- School based apprenticeships and traineeships policy
- National training plan principles policy.

How to apply

For information on how to apply, contact:

User Choice Funding Program manager
Department of Trade, Business and Innovation
GPO Box 3200
Darwin, NT, 0801
Phone: (08) 8935 7720
trainingoperations@nt.gov.au

Review

This policy will be reviewed annually.

Signed on 29 August 2016 by:

Wendi Masters
Executive Director