**Frequently asked questions**

***If my Skilling South Australia Project is approved, how is the funding provided? What does the payment model look like?***

Funding to the Department through the Skilling Australians Fund National Partnership Agreement is based on achieving agreed milestones. Accordingly, the Department’s payment model for Skilling South Australia Projects directly links payments to achieving apprenticeship[[1]](#footnote-1) outcomes.

The tables below provide an overview of the payment model that applies to each of the project types – pre-apprenticeship, apprenticeship and ‘like’ (training delivery that is like an apprenticeship) projects.

The Department will consider the value for money of each application, considering issues such as project complexity, participant needs (particularly where specific cohorts are targeted), and regional delivery. Cost comparisons with other available funding and with similar funded projects will also be considered.

Once a project budget has been approved, the total project amount (excluding accredited training) is consolidated and paid through milestone payments. The training subsidy is not included in the payment milestones, as it is paid directly to training providers based on the Department’s existing accredited training funding arrangements.

The percentage of funding within milestone payments varies depending on risk factors, such as past performance and the level of employer commitment.

*Pre-apprenticeship projects payment model*

|  |  |  |
| --- | --- | --- |
| ***Milestone*** | ***When payment is typically made*** | ***Percentage of funding (%) (excluding accredited training subsidy)*** |
| 1 | *Execution of contract* | *10-20%* |
| 2 | *Agreed number of enrolments into the pre-apprenticeship accredited training* | *20%* |
| Training Contract Outcome[[2]](#footnote-2) payments | *Training contract has passed the probationary period. Claims for these payments should be submitted monthly, as outcomes are achieved.* | *50-60%\** |
| 3 | *Final report and financial acquittal* | *10%* |
| **TOTAL** |  | ***100%*** |

*Notes*

* Milestone 2 payments are claimed by the project proponent and occur separately to the training subsidy payment, which is claimed by the training provider.
* The number of training contract outcomes to be achieved for each pre-apprenticeship project equates to a minimum of 70 per cent of the agreed number of participants in the project.
* In the funding agreement, the Training Contract Outcome payment will usually be separately identified in a section entitled ‘Other Services’. These payments can be claimed as soon as the training contract has passed the probationary period.

*Apprenticeship projects payment model*

|  |  |  |
| --- | --- | --- |
| **Milestone** | ***When*** | ***Percentage of funding (%) (excluding accredited training subsidy)*** |
| 1 | *Execution of contract* | *10-20%* |
| Training Contract Outcome payments | *Training contract has passed the probationary period. Claims for payments should be submitted monthly, as outcomes are achieved.* | *70 - 80%* |
| 2 | *Final report and financial acquittal* | *10%* |
| **TOTAL** |  | ***100%*** |

*Notes*

* ‘Like’ activity, that is, training with similar characteristics as an apprenticeship, uses the same payment model as apprenticeship projects. The outcome payment, however, is linked to achieving an agreed number of work placement hours.
* In the funding agreement, the Training Contract Outcome payment will usually be separately identified in a section entitled ‘Other Activities. These payments can be claimed as soon as participants are eligible.
* If approved activity occurs beyond the probationary period, an alternative funding model may be negotiated.

1. Apprenticeships is used throughout this document to refer to both apprenticeships and traineeships. [↑](#footnote-ref-1)
2. Training Contract Outcomes are defined as a training contract commencement, following completion of the probationary period. [↑](#footnote-ref-2)