



Government of **Western Australia**
Department of **Training**
and **Workforce Development**

JOBS AND SKILLS WA DEFENCE INDUSTRY INCENTIVE TERMS AND CONDITIONS

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1. THE DEFENCE INDUSTRY INCENTIVE

The Defence Industry Incentive (the Defence Incentive) provides financial assistance to Western Australian businesses operating in the defence sector, who employ an apprentice

and who have an active training contract registered with the Department of Training and Workforce Development (the Department), which commenced on or after 1 October 2020 and on or before 30 September 2022.

The aim of the Defence Incentive is to increase apprenticeship commencements in the defence industry by providing employers with assistance to meet the costs of employing apprentices.

Defence Incentive payments are linked to a registered training contract in one of the following four trade qualifications:

- MEM30305 Certificate III in Engineering – Fabrication Trade;
- MEM30205 Certificate III in Engineering – Mechanical Trade;
- UEE30811 Certificate III in Electrotechnology Electrician; and
- MEM31219 Certificate III in Engineering – Industrial Electrician.

The apprenticeships linked to these qualifications can be located on the [Classification of Prescribed Vocational Education and Training Qualifications \(Register of Class A and B qualifications\)](#).

The Defence Incentive is capped at 435 commencements that is, the first 435 training contracts which pass probation and receive the first milestone payment. Eligibility of subsequent training contracts may be considered where there is capacity to be included in the program.

By participating in the Defence Incentive program, the employer agrees to comply with the Terms and Conditions. The Terms and Conditions, together with any other documents having contractual force, shall constitute and be known as “this Agreement”. Please note that terms used in one document and defined in another shall have the meanings ascribed to them in that other document.

2. ELIGIBILITY FOR THE INCENTIVE

2.1 Employers (including Group Training Organisations) who **are eligible** to access the Defence Incentive are employers who:

- have an active training contract registered with DTWD’s Apprenticeship Office which commenced on or after 1 October 2020 and on or before 30 September 2022; and
- employ an apprentice who lives and works in Western Australia; and
- have been designated by Defence West as one of WA’s approved defence employers and/or supply chain employers; and
- employ apprentices enrolled into one of the four approved qualifications.

2.2 Employers who **are not eligible** for the Defence Incentive:

- have not been designated by Defence West as one of WA’s approved defence employers and/or supply chain employers;
- are employers of apprentices who live and work outside of Western Australia; and
- are State and Commonwealth Government agencies.

2.3 Employers may be eligible for a partial payment if:

- the apprentice moves in and out of WA during the course of their training contract. In this instance, pro-rated payments may apply. Indian Ocean territories are included in the definition of WA for the purpose of the Defence Incentive; and/or
- an apprentice assigns (transfers) the training contract to another employer:
 - where both employers are eligible for the Defence Incentive:
 - payments will be made when milestones are reached; and
 - if there is a change to the employer between milestone payments, both the original and new employer would receive a portion of the milestone payment which is proportional to the time that they employed the apprentice.
 - where only one of the employers is eligible for the Defence Incentive:
 - an approved defence industry employer who accepts an assignment (transfer) from a non-defence industry employer will be eligible for the Incentive on a pro-rata basis.

2.4 To be eligible to claim the Defence Incentive, employers must:

- comply with the obligations of the training contract;
- comply with these Terms and Conditions; and
- submit a claim to Apprenticeship Office within twelve (12) months of the milestone's claim open date.

3. INCENTIVE PAYMENTS

3.1. Incentive payments

Incentive payments are:

- associated with the employment of an individual apprentice; and
- are paid at milestone dates. These are as follows:
 - **commencement milestone** – payable when the probation period has expired;
 - **year 2 milestone** – payable one year after the commencement of the training contract; and
 - **year 3 milestone** – payable at two years after the commencement of the training contract.

3.2. Milestone payment amounts

Milestone payment amounts are available to employers as outlined in the table below:

Milestone payment point	Payable at:	\$Value
Commencement 50%	The date the apprentice passes probation (usually 3 months)	\$10,000
Year two 30%	One year after the commencement of the training contract	\$6,000
Year three 20%	Two years after the commencement of the training contract	\$4,000

Table 1: Defence Industry Incentive – Milestone payments (full time apprentices)

3.3. Payment conditions

To receive Defence Incentive payments, employers must meet the following payment conditions:

- the apprentice has an active training contract registered in WA;
- the apprentice is undertaking training (either on or off the job) at the milestone payment point (see **Table 1** above);
- the apprentice is employed at the milestone payment point;
- as payments are milestone based, payments will only be released to employers where validation checks are met; and
- claim each milestone within 12 months of it falling due.

Please note that employers of part-time apprentices will receive the same total Defence Incentive payment as that available for full-time apprentice, with payments spread over a longer period to reflect the extended nominal term.

3.4. Payment calculations

Payment of the Defence Incentive will be calculated on the following basis.

- If an apprentice completes the training contract prior to the expiry of the probation period, then the employer is not eligible for the Defence Incentive.
- As milestones are met, incentive payments will be calculated to take account of changes that occur during the course of the training contract that may affect payments, such as assignment (transfer) of an employer. In these instances, payments will be made on a pro-rata basis for approved employers as designated by Defence West.
- If an apprentice completes their training contract after probation, but before the second year payment is due then the employer receives:
 - the full commencement payment; and
 - if less than 75% of the first year of the apprenticeship has been completed, a pro-rata amount of the second year payment; or
 - if 75% or more of the first year of the apprenticeship has been completed, the full amount of the second year payment; and
 - none of the third year payment.
- If an apprentice completes their training contract after the second year milestone has been reached, but before the third year payment is due then the employer receives:
 - the full second year payment; and
 - if less than 75% of the second year of the apprenticeship has been completed, a pro-rata amount of the third year payment; or
 - if 75% or more of the second year of the apprenticeship has been completed, the full amount of the third year payment.
- If a training contract is suspended, incentive payments will also be suspended.
- If a training contract is terminated or cancelled before a milestone payment point has been reached, then no further payments will be made.

3.4.1 Payment calculation when an apprentice assigns (transfers) the training contract from one employer to another

(i) If an apprentice transfers from Employer 1 to Employer 2 in the course of their training contract **before a milestone point is reached**, and then subsequently reaches the milestone point following the transfer; both employers may be eligible to receive a pro-rata payment if they are able to:

- meet eligibility requirements for the Defence Incentive; and
- satisfy specified validation requirements (see **Appendix 1**).

If Employer 1 is not eligible to receive Incentive payments, then Employer 2 may still be able to claim a pro-rata payment if validation requirements are satisfied (see **Appendix 1**).

If Employer 2 is not eligible to receive Incentive payments, then Employer 1 may still be able to claim a pro-rata payment if validation requirements are satisfied (see **Appendix 1**).

(ii) If the transfer occurs **after a milestone point is reached**, then both employers may be eligible to receive a pro-rata payment if they are:

- eligible for the Defence Incentive; and
- able to satisfy specified validation requirements (see **Appendix 1**).

3.4.2 Payments to school-based apprentices

Incentive payments will be applied to one school-based apprenticeship (SBA). Students may undertake more than one SBA, however second and subsequent SBAs will not attract incentive payments.

If the school based apprentice changes employer during the qualification for which the Defence Incentive is being paid, then the incentive will follow the student, and the second employer may be eligible for a pro-rated payment, in accordance with 3.4.1 above.

3.4.3 Payments to group training organisations

Group training organisations (GTOs) may be eligible to claim the Defence Incentive, however are required to pass incentive payments on to the host employer. The host employer must be an approved defence employer or supply chain employer, as designated by Defence West.

GTOs may retain a portion of the Incentive payment for any 'down time' where the apprentice moves from one approved host employer to another approved host employer. The periods of time an apprentice is not allocated to an approved host employer and remains employed by the GTO, will be reflected on a pro-rata basis.

GTOs will not be eligible for a 'downtime' pro-rata payment where the apprentice moves from being hosted by an approved employer to a non-Defence employer, or from a non-Defence employer to an approved Defence employer.

To enable the efficient disbursement of Defence Incentive payments, GTOs are required to maintain accurate host employer records in WAAMS. The WAAMS online portal allows GTOs to manage their incentive records, including pro-rata incentive information relating to each host employer.

3.5. Annual declaration process for group training organisations

GTOs who are in receipt of Defence Incentive payments, will be required to submit an annual declaration to confirm that they have passed on incentives to host employers.

The annual declaration process is as follows:

- after the end of each financial year, the Department will provide each GTO with a report outlining all Incentives paid, including pro-rata amounts for each host employer;
- GTOs will be requested to review the report, provide commentary in relation to how Incentives have been passed on to host employers (noting that GTOs may have different disbursement models) and sign a declaration that all appropriate Incentives have been paid to employers or retained by the GTO where appropriate;
- GTOs will be required to return the signed declaration to the Department within 6 weeks, noting any required amendments;
- Departmental staff will review the declaration reports and work with GTOs to amend where required and/or file in WAAMS; and
- a briefing will be provided to the Minister each year, following finalisation of annual declarations.

4. THE CLAIM PROCESS

Employers including GTOs, are able to review their eligibility for the Defence Incentive, and claim payments at each milestone payment point; by accessing the Department's Western Australian Apprenticeship Management System (WAAMS) online client portal.

4.1. Reviewing eligibility prior to claiming payments

4.1.1 The training contract

Australian Apprenticeships Support Australia (AASN) providers are responsible for signing up apprentices. Once completed, the training contract is lodged with Apprenticeship Office for registration.

In the first instance, the accuracy of data for the Defence Incentive relies on information provided by AASN providers to Apprenticeship Office in the training contract. Employers should check the accuracy of their training contract information in the WAAMS online client portal.

4.1.2 Eligibility criteria

Employers will be assessed for their eligibility to receive the Defence Incentive in accordance with the eligibility criteria as set out in Section 2 of these Terms and Conditions.

4.1.3 Notionally eligible training contracts

Training contracts will be assessed individually and if found to be notionally eligible, a preliminary Defence Incentive estimate will be determined and displayed for viewing by the employer in the WAAMS online client portal.

The preliminary estimate will include an estimate of incentive payments, including incentive milestone dates as outlined in Section 3 of these Terms and Conditions, and will be based on the information provided in the training contract. Notional or preliminary assessment of eligibility will not confer any legal or equitable rights on the applicant.

4.1.4 Further advice from Defence West

An employer who is not listed as a designated defence employer may contact Defence West to seek a determination about becoming a designated defence employer. Should Defence West determine an employer is to be added to the designated list, the Department will update its records and communicate notional eligibility for the Defence Incentive to the employer.

4.2. Claiming milestone payments

By accessing WAAMS, employers are able to view the following information about notionally eligible training contracts:

- details of each payment milestone including payment amounts;
- milestone payment claim open and end dates; and
- any validation items that require the employer's attention before they can submit a claim for payment.

Incentive payments are termed entitlements in the WAAMS portal. Employers may receive up to three entitlements, this is dependent on the employer reaching the milestone payment points and demonstrating eligibility for an entitlement at these points.

Eligibility requirements are confirmed by Apprenticeship Office using a series of validation checks that can be found in the appendices of these terms and conditions.

If the milestone has been reached and all eligibility criteria have been met, then the employer becomes eligible to submit a claim for the entitlement in the WAAMS portal.

Claims for entitlements must be made within 12 months of the milestone date.

4.3. Using WAAMS to access incentive payments

Employers have access in WAAMS to review their eligibility for the Defence Incentive and to claim payments at each milestone payment point. Eligible employers require the following WAAMS access levels:

- **WAAMS online client portal login** (waamsportal.dtwd.wa.gov.au) – this gives employers access to view their training contracts and make approved changes as required;
- **Employer Incentive User** – this gives employers the ability to claim and view incentive payments that have been calculated in the system for their organisation; and
- **Financial Administrator** – the organisation's nominated Financial Administrator can create and edit their organisation's bank details and payroll tax status, and view the incentive payments that have been calculated for their organisation.

Incentive payments cannot be made until all three access levels have been set up by employers in WAAMS.

5. TAXATION

5.1. Goods and Services Tax

The Goods and Services Tax (GST) does not apply to incentives paid by the Department to employers under the Defence Incentive scheme and all incentive amounts paid are GST exclusive. Eligible employers are solely responsible for obtaining their own independent legal and financial advice about tax and any other legal impact that receipt of incentives may have in their individual circumstances.

For this purpose:

- **GST** means the goods and services tax applicable to any taxable supplies as determined by the GST Act; and
- **GST Act** means *A New Tax System (Goods and Services Tax) Act 1999 (Cth)* and includes all associated legislation and regulations; and
- the terms **supply**, **tax invoice**, **taxable supply** and **value** have the same meanings as in the GST Act.

If the supply of anything under this Agreement is a taxable supply under the GST Act, the funding shall be exclusive of GST.

5.2. Taxable Payment Annual Reporting (TPAR)

Payments made under the Defence Incentive are subject to the taxable payments reporting requirements of the Australian Taxation Office (ATO) following receipt of the payment.

From 1 July 2017, federal, state and territory government entities are required to report grants they make to people or organisations with an ABN each financial year from 1 July to 30 June.

Details of grants paid to each recipient are provided on a *Taxable Payment Annual Report* (TPAR) submitted electronically to the ATO on 28 August each year. The Department reports details of payments such as name of organisation receiving the payment, total amount paid and date of payment in the TPAR.

Reportable payments include grants under the Defence Incentive paid to entities with an Australian Business Number (ABN) each financial year. Unpaid grants as at 30 June each year are reported in the following financial year's TPAR.

There is no requirement by the ATO for the Department to provide recipients with any details of the information reported to the ATO on the TPAR.

If you receive an incentive payment under the Defence Incentive it will be reported to the ATO.

Please note that the ATO has announced on their website when they may contact grant recipients about Incentive payments reported on the TPAR.

Further information about the TPAR is available [on the ATO website](#).

6. DEBT MANAGEMENT

Where a payment has been made under the Defence Incentive to an ineligible recipient, the Department will require recovery of the monies.

Repayment of incentives will be required where the employer:

- makes a non-genuine claim; or
- seems to be manipulating the Defence Incentive as evidenced by their retrenchment or recruitment patterns; or
- has no lawful basis for or entitlement to the payment, or where the employer has provided to the Department incorrect, misleading or deceptive information under or in connection with the Incentive; or
- has breached this Agreement; or
- has withheld from the Department information relevant to the employer's entitlement, if any, under the Defence Incentive; or
- is not providing a genuine or appropriate employment and training opportunity for the apprentice; or
- is not meeting their workplace obligations to the apprentice.

6.1. Training contract changes

The submission of a training contract change (TCC) may result in the requirement to adjust or recalculate incentive payments. This recalculation may result in an increase in the incentive payment amount due to an employer (a credit) or a decrease in the incentive amount which incurs a debt.

6.2. The debt adjustment process

If a TCC or one of the other conditions listed above has resulted in the requirement for a:

- debt adjustment, the employer will be notified of the incentive entitlement change and the amount owed; or
- credit adjustment, the employer will be credited the adjusted amount on confirmation of the following:
 - a copy of a signed training plan which reflects the TCC changes;
 - proof of apprentice's employment eg. a payslip covering the claim open date; and
 - an enrolment form confirming that the apprentice is engaged in training for the new qualification.

7. COLLECTION OF PERSONAL INFORMATION

7.1. Use of personal information

The Department may collect, make a record, or otherwise use personal information for the purposes of administering the Defence Incentive. Personal information may be disclosed to third parties for the purposes of administering and carrying out functions relating to the Defence Incentive.

7.2. Disclosure of personal information

Personal information may be disclosed to and sought from, third parties for the purposes of administering and carrying out functions relating to the Defence Incentive. Third parties include, but are not limited to:

- Australian Government departments and agencies;

- the WA Department of Jobs, Tourism, Science and Innovation (JTSI);
- Defence West; and
- the State's Auditor General.

Nothing in this Agreement reduces or removes the rights or powers of the State's Auditor General or any other statutory or government body or agency.

7.3. Management of personal information

Personal information collected under the management and administration of the Defence Incentive, will be managed in accordance with the *State Records Act 2000* and the *Freedom of Information Act 1992* (the FOI Act).

This legislation provides individuals with protections to prevent the misuse of personal information. In addition, if an individual has a complaint about the storing or use of their personal information, they are able to contact the WA Information Commissioner.

Under the FOI Act, an Information Commissioner has been appointed to:

- deal with complaints about decisions made by government agencies; and
- investigate possible interference with personal information, either following a complaint by the individual or of the Commissioner's own initiative.

Further information about the role of the Information Commissioner can be found at oic.wa.gov.au.

8. REVIEW OF DECISIONS

8.1. Overview

The Department is committed to procedural fairness in the administration of the Defence Incentive. It is intended that all decisions are consistent, equitable and transparent within the limits and constraints of the approved policies for the Defence Incentive.

In the interests of procedural fairness, an employer has a right to request a review of a decision made by the Department. This will usually be in relation to eligibility for a payment or the calculated amount of a payment.

8.2. Process for review of decisions

The process for the review of decisions is as follows.

- A written request for a review should be made directly to the Department by emailing defenceincentive@dtwd.wa.gov.au. The request should outline the reasons the employer considers the decision to be incorrect or unfair and, where appropriate, provide additional evidence to support a review of the case.
- The review will be conducted by a senior Departmental staff member, at Director level or above.
- Upon review, the Department will re-examine the decision taking into account the policies and intent of the Defence Incentive, the reasons that the claimant has put forward for review of the decision and any additional information provided.
- The Department will only review on a fully open and transparent basis. Accordingly, all relevant information must promptly be forthcoming from the employer.

8.3. Notification of outcome

The Department will notify the employer of the review decision, in writing, within 28 days of the review being requested.

The review decision will be provided in writing and include a clear explanation of the reason(s) for the review decision.

The Department will consider declarations and supporting documentation in an endeavour to review a decision to ensure that the best possible outcome is achieved, balancing the rights of the employer with the prudent use of public monies.

When considering a request for a review of the decision the following may be considered.

- Would the employer be eligible for the payment if it were not for the exceptional circumstance(s)? This determines the basic eligibility for the payment(s) in dispute.
- Is the exceptional circumstance(s) out of the control of the employer? If yes, then exceptional circumstances may apply.
- Could the employer have reasonably been expected to do more at the time of claiming, to ensure that the claim was considered favourably? If not, then exceptional circumstances may apply.
- Did the Department provide appropriate advice, information and service to enable the employer to lodge the claim within the appropriate timeframe? If not, then exceptional circumstances may apply.
- Has the claim been disrupted by unexpected or unplanned events that have impacted on the ability to provide supporting evidence or take necessary actions within the required time limits? If yes, then exceptional circumstances may apply.

8.4. This Agreement not Justiciable

Despite anything expressed or implied to the contrary in this Agreement, including the preceding provisions of this clause 8, no applicant shall have or assert any legal or equitable rights under, arising from or on account of this Agreements or anything done or communicated, or not done or communicated, under or in respect to this Agreement.

9. DISCLAIMER INDEMNITY AND WARRANTY

A continuing obligation throughout any period of participation in the Defence Incentive program is that each applicant hereby declares and warrants to the Department and the State, and all their respective officers, employees and agents, that they have read, understood and accept these Terms and Conditions and that they have been truthful, and forthcoming with all relevant information, in respect to their application to participate in the Incentive.

Eligible applicants are solely responsible for obtaining their own independent legal and financial advice about tax and any other legal impact that receipt of the Defence Incentive may have in their individual circumstances.

10. CHANGES TO THE DEFENCE INCENTIVE

The Department reserves the right to:

- vary these Terms and Conditions, the eligibility criteria or any other documented rule or procedure at any time; and
- accept or reject any application for participation in the Defence Incentive in its absolute discretion; and
- cease the Defence Incentive at any time should State Government policy change or the budget allocation for the Defence Incentive be re-prioritised.

The Department will however, honour arrangements for training contracts that have commenced prior to these changes coming into effect.

11. AUDITS

The Defence Incentive as administered by the Department of Training and Workforce Development, is subject to audit by the Western Australian Auditor General. Employers may be asked to provide information during the audit process.

12. INFORMATION AND RECORDS

12.1 Each applicant must keep true, up to date, proper and complete records of all relevant employment related, and other information which is relevant to its eligibility under and in respect to the Defence Incentive and monetary entitlements thereunder. Each applicant must provide the Department with access to and copies of such records promptly on request.

12.2 Without limiting clause 12.1 in any way, if the Department requires the applicant to provide it with information (including documentation) in the applicant's knowledge, control or possession, which information (including documentation) is in the Department's view relevant to any aspect of this Agreement, the applicant must promptly comply.

12.3 The applicant warrants that it has furnished the Department with all information (including documentation) which is material to the applicant's eligibility (or otherwise) in respect to the Defence Incentive and that all such information is true, complete, up-to-date and neither misleading nor deceptive.

12.4 The applicant warrants that if any information or documentation it has provided to the Department under clause 12.1, 12.2 or 12.3 is or becomes untrue, out-of-date or incomplete, it will immediately inform the Department accordingly and promptly provide the Department with all assistance in that regard.

12.5 The preceding warranties are repeated by the applicant each day during the term of this Agreement and the applicant acknowledges and agrees that the Department has relied, and relies, on such warranties.

13. COMPLY WITH LAWS

Each applicant must comply with all Laws under and in respect to this Agreement.

14. INDEMNITY

Each applicant shall indemnify the Department and the State of Western Australia (each, an "indemnified") from, against and in respect of all loss, costs, expenses, claims and liabilities incurred by or brought against an indemnified on account of the applicant having breached this Agreement.

15. STAKEHOLDER FEEDBACK

In administering the Defence Incentive, measures have been taken to minimise red tape and simplify the application process for employers. This is balanced with the need to ensure incentive payments are made correctly to eligible employers

The Department is always looking to improve processes and systems. Stakeholder feedback is welcomed and can be provided to the Department by:

Telephone: 13 19 54

Email: defenceincentive@dtwd.wa.gov.au

APPENDIX 1 – VALIDATION CHECKS FOR DEFENCE INCENTIVE PAYMENT APPROVAL

This document outlines the validation checks a training contract must pass before a Defence Incentive payment can be approved.

Validation Check Method - Key

	Automated system check
	Manual check performed by staff member from the Department's Employer Incentives Team

Validation Table 1: Commencement milestone	
Validation check	Method of check
The training contract was lodged on or after 1 October 2020	<input type="checkbox"/> The automated assessment rule has passed confirming the Training Contract Application (TCA) date received is on or after 1 October 2020 and on or before 30 September 2022
The qualification stated on the training contract is an approved Defence Incentive qualification	<input type="checkbox"/> The automated assessment rule has passed confirming that the qualification is an approved qualification
The milestone claim window is open	<input type="checkbox"/> The automated business rule confirms that the claim has been submitted on or after the claim open date, and on or before the claim close date
Employer has a valid Australian Business Number (ABN) with the Australian Business Register (ABR)	<input type="checkbox"/> The employer's ABN and Legal Name have been verified on ABN lookup by Employer Incentives staff
Employer is not a State or Commonwealth Government agency	<input type="checkbox"/> The automated assessment rule has passed confirming the organisation's employer type is not State or Commonwealth Government
The employer is eligible to participate in the Defence Industry Incentive	<input type="checkbox"/> The automated assessment rule has passed confirming there is no closer attention flag on the employer
	<input type="checkbox"/> Where there is a closer attention flag on the employer, further assessment is conducted to determine whether the employer is eligible to receive incentive payments at that time
	<input type="checkbox"/> The automated assessment rule has passed confirming that the employer is a defence employer and/or supply chain employer as designated by Defence West
Employer's bank details have been provided	<input type="checkbox"/> The employer's bank account details exist against the organisation's record and were created by the employer's nominated financial administrator
The apprentice has a valid Unique Student Identifier	<input type="checkbox"/> The automated assessment rule has passed confirming that the apprentice's USI has been validated against the apprentice's personal details, the following principles apply: <ul style="list-style-type: none"> o existing USI data collection from TAFE colleges and funded training providers forms part of their contractual requirements with the Department; o USI's are required from private RTOs who are not funded by the Department, before an employer can submit an incentive payment claim; and o USI's will be required from contracted RTOs who seek funding for less than 80% of their training contracts

The apprentice resides in WA	<input type="checkbox"/> The automated assessment rule has passed confirming the apprentice’s residential address is in WA
Apprentice has not attracted an Incentive for another school-based training contract	<input type="checkbox"/> The automated assessment rule has passed confirming that: <ul style="list-style-type: none"> • the training contract is not school-based; or • if the training contract is school-based, the apprentice has not previously attracted the Defence Incentive
In training check – Training plan has been signed	<input type="checkbox"/> The automated assessment rule has passed confirming the registered training organisation (RTO) has confirmed that all parties have signed the training plan
In training check – Training plan copy has been verified	<input type="checkbox"/> The automated assessment rule has passed confirming that Apprenticeship Office (AO) has received and validated a copy of the training plan
In employment check	<input type="checkbox"/> The apprentice’s employment at the milestone payment point has been confirmed by the provision of evidence in the form of a payroll report, time and wages sheet or payslip which includes the following minimum information: <ul style="list-style-type: none"> • the name of the apprentice as recorded on the training contract in WAAMS; • the name of the employer as recorded on the training contract in WAAMS; and • the pay period which covers the claim open date
Terms and Conditions	<input type="checkbox"/> Employer has confirmed that they agree to the <i>Defence Industry Incentive – Terms and Conditions</i>

Validation Table 2 — Year two milestone payment

Validation check	Method of check
The milestone claim window is open	<input type="checkbox"/> The automated business rule confirms that the claim has been submitted on or after the claim open date, and on or before claim close date
The qualification stated on the training contract is an approved Defence Incentive qualification	<input type="checkbox"/> The automated assessment rule has passed confirming that the qualification is an approved qualification
Employer has a valid Australian Business Number (ABN) with the Australian Business Register (ABR)	<input type="checkbox"/> The employer's ABN and Legal Name have been verified on ABN lookup by Employer Incentives staff
Employer is not a State or Commonwealth Government agency	<input type="checkbox"/> The automated assessment rule has passed confirming the organisation's employer type is not State or Commonwealth Government
The employer is eligible to participate in the Defence Industry Incentive	<input type="checkbox"/> The automated assessment rule has passed confirming there is no closer attention flag on the employer
	<input type="checkbox"/> Where there is a closer attention flag on the employer, further assessment is conducted to determine whether the employer is eligible to receive incentive payments at that time
	<input type="checkbox"/> The automated assessment rule has passed confirming that the employer is a defence employer and/or supply chain employer as designated by Defence West
Employer's bank details have been provided	<input type="checkbox"/> The employer's bank account details exist against the organisation's record and were created by the employer's nominated financial administrator
The apprentice has a valid Unique Student Identifier	<input type="checkbox"/> The automated assessment rule has passed confirming the apprentice's USI has been validated against the apprentice's personal details. <input type="checkbox"/> The following principles apply: <ul style="list-style-type: none"> ○ existing USI data collection from TAFE colleges and funded training providers forms part of their contractual requirements with the Department; ○ USI's are required from private RTOs who are not funded by the Department, before an employer can submit an incentive payment claim; and ○ USI's will be required from contracted RTOs who seek funding for less than 80% of their training contracts
The apprentice resides in WA	<input type="checkbox"/> The automated assessment rule has passed confirming the apprentice's residential address is in WA
Apprentice has not attracted an Incentive for another school-based training contract	<input type="checkbox"/> The automated assessment rule has passed confirming that: <ul style="list-style-type: none"> • the training contract is not school-based; or • if the training contract is school-based, the apprentice has not attracted a Defence Incentive
In training check – Training plan has been signed	<input type="checkbox"/> The automated assessment rule has passed confirming the registered training organisation (RTO) has confirmed that all parties have signed the training plan
In training check – Training plan copy has been verified	<input type="checkbox"/> The automated assessment rule has passed confirming that Apprenticeship Office (AO) has received and validated a copy of the training plan.
In training check – Training has commenced with non – funded RTO	<input type="checkbox"/> Non-funded RTOs evidence of enrolment confirmed eg tax invoice or enrolment advice
In training check – Training has commenced with funded RTO	<input type="checkbox"/> Confirm enrolment with TAFE WA college or funded private RTO, in the Department's data systems

In employment check	<input type="checkbox"/> The apprentice’s employment at the milestone payment point has been confirmed by the provision of evidence in the form of a payroll report, time and wages sheet or payslip which includes the following minimum information: <ul style="list-style-type: none"> • the name of the apprentice as recorded on the training contract in WAAMS; • the name of the employer as recorded on the training contract in WAAMS; and • the pay period which covers the claim open date.
Terms and Conditions	<input type="checkbox"/> Employer has confirmed that they agree to the <i>Defence Industry Incentive – Terms and Conditions</i>

Validation Table 3: Year three milestone payment	
Validation check	Method of check
The milestone claim window is open	<input type="checkbox"/> The automated business rule confirms the claim has been submitted on or after the claim open date, and on or before claim close date
The qualification stated on the training contract is an approved Defence Incentive qualification	<input type="checkbox"/> The automated assessment rule has passed confirming that the qualification is an approved qualification
Employer has a valid Australian Business Number (ABN) with the Australian Business Register (ABR)	<input type="checkbox"/> The employer's ABN and Legal Name have been verified on ABN lookup by Apprenticeship Office staff
Employer is not a State or Commonwealth Government agency	<input type="checkbox"/> The automated assessment rule has passed confirming the organisation's employer type is not State or Commonwealth Government
The employer is eligible to participate in the Defence Incentive	<input type="checkbox"/> The automated assessment rule has passed confirming there is no closer attention flag on the employer
	<input type="checkbox"/> Where there is a closer attention flag on the employer, further assessment is conducted to determine whether the employer is eligible to receive incentive payments at that time
	<input type="checkbox"/> The automated assessment rule has passed confirming that the employer is a defence employer and/or supply chain employer as designated by Defence West
Employer's bank details have been provided	<input type="checkbox"/> The employer's bank account details exist against the organisation's record and were created by the employer's nominated financial administrator
The apprentice has a valid Unique Student Identifier	<input type="checkbox"/> The automated assessment rule has passed confirming the apprentice's USI has been validated against the apprentice's personal details
The apprentice resides in WA	<input type="checkbox"/> The automated assessment rule has passed confirming the apprentice's residential address is in WA
Apprentice has not attracted an incentive for another school-based training contract	<input type="checkbox"/> The automated assessment rule has passed confirming that: <ul style="list-style-type: none"> the training contract is not school-based; or if the training contract is school-based, the apprentice has not previously attracted a Defence Incentive
In training check – Training plan has been signed	<input type="checkbox"/> The automated assessment rule has passed confirming that the registered training organisation (RTO) has confirmed that all parties have signed the training plan
In training check – A signed copy of the training plan has been verified	<input type="checkbox"/> The automated assessment rule has passed confirming that Apprenticeship Office (AO) has received and validated a copy of the training plan
In employment check	<input type="checkbox"/> The apprentice's employment at the milestone payment point has been confirmed by the provision of evidence in the form of a payroll report, time and wages sheet or payslip which includes the following minimum information: <ul style="list-style-type: none"> the name of the apprentice as recorded on the training contract in WAAMS; the name of the employer as recorded on the training contract in WAAMS; and the pay period which covers the claim open date
Terms and Conditions	<input type="checkbox"/> Employer has confirmed that they agree to the <i>Defence Industry Incentive – Terms and Conditions</i>

Validation Table 4: Assignment (Transfer) validations – Validations required for employer A to make a claim (outgoing employer)	
Validation check	Method of check
The training contract was lodged on or after 1 October 2020	<input type="checkbox"/> The automated assessment rule has passed confirming the Training Contract Application (TCA) date received is on or after 1 October 2020 and on or before 30 September 2022
The qualification stated on the training contract is an approved Defence Incentive qualification	<input type="checkbox"/> The automated assessment rule has passed confirming that the qualification is an approved qualification
The milestone claim window is open	<input type="checkbox"/> The automated business rule confirms the claim has been submitted on or after the claim open date, and on or before claim close date
Employer has a valid Australian Business Number (ABN) with the Australian Business Register (ABR)	<input type="checkbox"/> The employer's ABN and Legal Name have been verified on ABN lookup by Apprenticeship Office staff
Employer is not a State or Commonwealth Government agency	<input type="checkbox"/> The automated assessment rule has passed confirming the organisation's employer type is not State or Commonwealth Government
The employer is eligible to participate in the Defence Industry Incentive	<input type="checkbox"/> The automated assessment rule has passed confirming there is no closer attention flag on the employer
	<input type="checkbox"/> Where there is a closer attention flag on the employer, further assessment is conducted to determine whether the employer is eligible to receive incentive payments at that time
	<input type="checkbox"/> The automated assessment rule has passed confirming that the employer is a defence employer and/or supply chain employer as designated by Defence West
Employer's bank details have been provided	<input type="checkbox"/> The employer's bank account details exist against the organisation's record and were created by the employer's nominated financial administrator
The apprentice has a valid Unique Student Identifier (USI)	<input type="checkbox"/> The automated assessment rule has passed confirming the apprentice's USI has been validated against the apprentice's personal details, the following principles apply: <ul style="list-style-type: none"> ○ existing USI data collection from TAFE colleges and funded training providers forms part of their contractual requirements with the Department; ○ USIs are required from private RTOs who are not funded by the Department, before an employer can submit an incentive payment claim; ○ USI will be required from contracted RTOs who seek funding for less than 80% of their training contracts
The apprentice resides in WA	<input type="checkbox"/> The automated assessment rule has passed confirming the apprentice's residential address is in WA
Apprentice has not attracted an Incentive for another school-based training contract	<input type="checkbox"/> The automated assessment rule has passed confirming that: <ul style="list-style-type: none"> • the training contract is not school-based; or • if the training contract is school-based, the apprentice has not previously attracted a Defence Incentive
In training check – Training plan has been signed	<input type="checkbox"/> The automated assessment rule has passed confirming the registered training organisation training plan was confirmed before assignment; or
	<input type="checkbox"/> If training plan was not confirmed before assignment, the employer has provided a copy of the training plan signed by all parties

<p>In training check – Training plan copy has been verified</p>	<p><input type="checkbox"/> The automated assessment rule has passed confirming that Apprenticeship Office (AO) has received and validated a copy of the training plan signed between the employer (outgoing employer), apprentice and RTO</p> <p><i>NOTE: Outgoing employer cannot complete a claim if they did not sign a training plan before the contract was transferred to the new employer</i></p>
<p>In training check – Training has commenced with non-funded RTO</p>	<p><input type="checkbox"/> Non-funded RTOs evidence of enrolment confirmed eg tax invoice or enrolment advice</p>
<p>In training check – Training has commenced with funded RTO</p>	<p><input type="checkbox"/> Confirm enrolment with TAFE WA college or funded private RTO, in DTWD data systems</p>
<p>In employment check</p>	<p><input type="checkbox"/> The apprentice’s employment at the milestone payment point has been confirmed by the provision of evidence in the form of a payroll report, time and wages sheet or payslip which includes the following minimum information:</p> <ul style="list-style-type: none"> • the name of the apprentice as recorded on the training contract in WAAMS; • the name of the employer as recorded on the training contract in WAAMS; and • the pay period which covers the claim open date <p>Where an outgoing employer is eligible for a portion of the milestone payment:</p> <p><input type="checkbox"/> The apprentice/trainee’s employment, as at the date of assignment to the new employer, has been confirmed via the (outgoing) employer who has submitted the evidence as outlined above; to confirm that the apprentice/trainee was employed as at the transfer date, and that this evidence has been validated</p>
<p>Terms and Conditions</p>	<p><input type="checkbox"/> Employer has confirmed that they agree to the <i>Defence Industry Incentive – Terms and Conditions</i></p>

APPENDIX 2 – TERMS AND DEFINITIONS

Term	Description/Definition
Apprentice	An Apprentice is defined in the <i>Vocational Education and Training Act 1996</i> , as: <i>.....the person who is named in a training contract as the person who will be trained under the contract, whether the person is termed an apprentice, a trainee, a cadet, an intern or some other term.</i>
Approval Date	The date when training contract change is approved. Please note that updates to information relating to the training contract is the responsibility of the parties (or AASN), dates within WAAMS are generally not applied retrospectively.
Apprenticeship	A structured employment based training program that leads to the apprentice gaining a nationally recognised qualification. An apprenticeship can be full time, part time or school based. Apprenticeship qualifications in WA are listed on the <i>Classification of Prescribed Vocational Education and Training Qualifications</i> (the Register of Class A & B Qualifications).
Apprenticeship Office (AO)	Apprenticeship Office provides advice and support to both the apprentice and employer throughout the course of an apprenticeship. As the State’s administrative and regulatory agency for apprenticeships and traineeships, it is AO’s responsibility to ensure administrative and regulatory compliance including financial governance.
Australian Apprenticeship Support Network (AASN) Providers	Organisation(s) contracted by the Australian Government to undertake the ‘sign up’ process between an employer and apprentice/trainee and ongoing support services throughout the training contract.
<i>Classification of Prescribed Vocational Education and Training Qualifications</i> (Register of Class A and B qualifications)	Under the <i>Vocational Education and Training Act 1996</i> , the Minister must classify each prescribed vocational education and training qualification into one of the three categories — Class A, Class B and Class C. <ul style="list-style-type: none"> • Class A: These qualifications can only be obtained by fulfilling the obligations of an apprentice under a training contract. • Class B: These qualifications may, but need not, be obtained by fulfilling the obligations of an apprentice under a training contract. • Class C: Class C qualifications cannot be delivered under a training contract. All qualifications not classified as A or B are automatically classified as Class C. <p>The <i>Classification of Prescribed Vocational Education and Training Qualifications</i> (Register of Class A and B Qualifications) provides a detailed list of qualifications that may be offered as apprenticeships and traineeships.</p>
Commonwealth Government agencies	Commonwealth government agencies are comprised of: <ul style="list-style-type: none"> • government departments – for example; Department of Agriculture, Department of Social Services; • bureaus and commissions – for example; Aged Care Quality and Safety Commission, Australian Transport Safety Bureau; • authorities – for example; Australian Maritime Safety Authority, Australian Communications and Media Authority; and • corporations and other entities – for example; Regional Investment Corporation, Australian Broadcasting Corporation, National Library of Australia. <p>Approved lists of Commonwealth government agencies can be found on the Jobs and Skills WA website jobsandskills.wa.gov.au/employerincentive.</p>
Contract registration date	The date the training contract is registered by the Department. <i>Note: The training contract must be lodged with the Department within 21 calendar days of the apprentice commencing employment.</i>
Defence industry employer	An employer who has been designated by Defence West as undertaking work in the defence industry in Western Australia, deeming them in scope of the Defence Incentive.

Defence West	The unit within the Department of Jobs, Tourism, Science and Innovation that is responsible for promoting the interests of Western Australia’s defence industry.
Employer	A person, agency or organisation who engages workers under a contract of employment. This term also includes group training organisations (GTOs).
Exceptional circumstances	An unusual, uncommon, unexpected or unplanned circumstance or event.
Extension to training contracts	As qualifications delivered under training contracts are competency based, it is possible for the employer or apprentice to extend the time allowed for the apprentice to complete the training contract beyond the nominal term. If this is required both parties (employer and apprentice) must be in agreement. Once agreement has been reached, the Department must be notified. Extension notices can only be considered by the Department before the expiry date of the training contract.
<i>Freedom of Information Act 1982</i> (FOI Act)	This Act provides individuals a right of access to documents held by Australian Government ministers and most government agencies. Detailed information about an individual’s rights to access personal information under the FOI Act, can be found on the website of the Office of the Australian Information Commissioner www.oaic.gov.au .
Full time employee	A full time employee works on average 38 hours a week. The actual hours of work for an employee in a particular job or industry are agreed between the employer and employee and/or set by an award or registered agreement.
Government Trading Enterprise (GTE)	The Department of Treasury website defines Government Trading Enterprises (GTEs) as public non-financial and financial corporations which have commercial objectives and derive their primary source of revenue from the sale of goods and services in a commercial environment. The board of a GTE has governance authority over its enterprise and it operates at an arm’s length relationship with the Government. The chairperson of the board is accountable to the Minister, who is in turn accountable to Parliament. The boards have statutory obligations to act in accordance with the Government Trading Enterprises’ objectives and must also accommodate the objectives of the Government as the sole owner of the business. Examples of GTEs include Fremantle Port Authority, Synergy, TAB and Water Corporation. An approved list of GTEs can be found on the Jobs and Skills WA website jobsandskills.wa.gov.au/employerincentive .
Group training organisation (GTO)	An organisation that employs apprentices under a training contract and places them with host employers. The GTO undertakes the employer responsibilities for the quality and continuity of the apprentice’s employment and training.
Local Government agencies/authorities	Local government authorities in Western Australia as established by the <i>Local Government Act 1995</i> . These comprise of three classifications: <ul style="list-style-type: none"> • City – Predominantly urban, but also includes some larger regional centres. For example City of Bayswater, City of Rockingham; • Town – Predominantly inner urban, plus Port Hedland. For example, Town of Bassendean, Town of Port Hedland; and • Shire – Predominantly rural or outer suburban areas. For example, Shire of Serpentine-Jarrahdale, Shire of Coolgardie. An approved list of local government agencies can be found on the Jobs and Skills WA website jobsandskills.wa.gov.au/employerincentive .
Lodgement date of the training contract	The date the AASN lodges the training contract with the Department. <i>Note: Training contracts must be lodged with the Department within 21 calendar days of the apprentice commencing employment.</i>

Nominal duration / term	The length of time determined by industry that an average individual is expected to take to complete a training contract – noting that the system is competency based. The nominal term for an apprenticeship is identified in the <i>Classification of Prescribed Vocational Education and Training Qualifications</i> (Register of Class A and B qualifications).
Non-genuine claims	Where there is a doubt as to the genuineness of a claim, the Department may investigate. The Department may withhold payment or ask for repayment as a result of an irregularity as follows: <ul style="list-style-type: none"> • allegations of fraudulent activities or attempts to manipulate the Defence Incentive by an employer to maximise payments that would otherwise not have been payable; • employer retrenchment and recruitment patterns that suggest possible abuse of the Defence Incentive; • suspected breaches of the provisions of the training contract; or • any instance where an apprentice, or person acting on their behalf, makes an allegation or complaint against an employer, including claims of harassment or non-payment of wages.
Part-Time	The <i>Classification of Prescribed Vocational Education and Training Qualifications</i> Register of Class A & B Qualifications identifies any specific requirements regarding part-time arrangements for apprenticeships. These include the following. <ul style="list-style-type: none"> • Full time hours of work for an apprenticeship includes the training component and is the ordinary hours of employment for a full time employee in that occupation, as defined in the relevant industrial instrument. Apprentices are deemed to be part time if they are working less than full time hours or as defined in the applicable industrial instrument • Where a qualification is approved for part time delivery, the minimum part time hours for a training contract in Western Australia, except school based; is 15 hours per week (inclusive of employment and supervised training) unless otherwise specified and published on the list of <i>Prescribed Vocational Education and Training qualifications</i> • A school based training contract comprises of: <ul style="list-style-type: none"> ○ a minimum of 7.5 hours per week in paid work over the duration of the apprenticeship, which can be averaged over six month periods; and ○ training which may be supervised on-the-job, delivered off-the-job, or as some combination of on and off-the-job.
Pro-rata payment	A payment that is calculated according to, or as a share of, the fixed rate for a larger total amount.
Registered training organisation (RTO)	An organisation registered with the WA Training Accreditation Council (TAC) or the Australian Skills Quality Authority (ASQA); to deliver training, conduct assessments and issue nationally recognised qualifications; in accordance with the VET Quality Framework.
School-based apprenticeship	A full time school student, aged 15 years or more who is studying towards achievement of the Western Australian Certificate of Education (WACE) and undertaking a prescribed Class A or Class B qualification under a training contract. School-based apprentices are considered to be in part time training because they are also required to attend school whilst completing their training.
State Government agencies	State government agencies may be one of the following. <ul style="list-style-type: none"> • Public service departments – primarily responsible for providing policy advice and administrative support to its minister. For example, Department of Training and Workforce Development, Department of Health; • SES organisations – established under a written law to perform specific statutory functions, generally responsible through a board to the minister. For example, Insurance Commission of Western Australia; and • Non-SES organisations – established under a written law to perform specific statutory functions, generally responsible through a board to the minister. For example, Legal Practice Board, Public Trustee. <p>An approved list of State agencies can be found on the Jobs and Skills WA website jobsandskills.wa.gov.au/employerincentive.</p>
Successful completion	Occurs when the nominated RTO advises the Department that the competencies associated with the training contract have been fulfilled / successfully completed by the apprentice. Notification of completion should occur within 21 days after the date of the successful completion. <p><i>Note: A completion can occur prior to the expiry date on the training contract. It can also be extended beyond the nominal term if both the apprentice and employer agree and notify the Department.</i></p>

Suspension of an apprentice or trainee	An apprentice can suspend their training contract and if this occurs, incentive payments to the employer will also be suspended.
Time limits	<p>The time in which the competencies listed in the training contract must be completed.</p> <p>The time limit associated with the training contract is driven by the nominal duration / term – as defined in the <i>Register of Class A and B qualifications</i> — and any extension that may have been approved.</p>
Training contract	<p>A legally binding agreement between an employer, an apprentice and their parent/legal guardian and an RTO; to undertake an apprenticeship.</p> <p>The contract includes but is not limited to, the following information:</p> <ul style="list-style-type: none"> • qualification and nominated units of competency being undertaken by the apprentice; • employer details including ABN; • apprentice’s personal details; • RTO details; • employment arrangements; • nominal term of the apprenticeship (eg 12, 18, 24 months etc.) • employer obligations and responsibilities; and • apprentice’s obligations and responsibilities.
Training plan	<p>Outlines the training delivery and assessment strategy to be undertaken throughout the training contract. It is developed by the nominated RTO with the employer and apprentice.</p> <p>The training plans must be in place and signed by the employer, apprentice and RTO, six weeks after registration of the training contract.</p>
Transfer (or assign)	<p>Apprentices can transfer (assign) to a new employer and the Defence Incentive benefits will transfer with them.</p> <p>The new employer will then receive a pro-rata amount of the Defence Incentive payment – that is, the balance of the unpaid Defence Incentive for the remainder of the nominated duration of the original training contract.</p>
Variation	<p>Any amendments / changes to the details associated with the training contract.</p> <p>For example; a change in employer, a change in the apprentice’s hours, a change in the work location or a change in the nominal term. A variation could also be something as simple as a change of personal details for the apprentice such as their address.</p>
Western Australian Apprenticeship Management System (WAAMS)	<p>A system that enables its users to manage training contracts online 24/7.</p> <p>WAAMS can be accessed by employers, apprentices, GTOs and RTOs.</p>
Withholding (or refusal) of payments	<p>Payments may be withheld or refused where:</p> <ul style="list-style-type: none"> • the employer is not providing a genuine or appropriate employment and training opportunity for the apprentice; • there has been fraud or manipulation of the <i>Defence Industry Incentive -Terms and Conditions</i> to maximise payments which would not have otherwise have been payable; • the funds to support the Defence Incentive have been exhausted; or • the employer has breached the Agreement.