

Transfer of Training Contracts and Substitute Employer

Substitution of an employer and transfer fee

The South Australian Skills Act 2008 (SA) introduces a new process to substitute the employer of an apprentice or trainee including payment of a transfer fee. This is in recognition of the investment the original employer has already made in the training of the apprentice or trainee.

A training contract may be transferred to a new employer where:

- An application is made to substitute the current employer of an apprentice or trainee with a different employer part way through the training contract.
- An apprentice or trainee under a training contract established in another state or territory transfers to a South Australian-based employer
- There is a change in the ownership of the business under which an apprentice or trainee is employed.

Applications to transfer a training contract can be made by completing the Transfer to a New Employer application form.

When assessing the application, we may seek the views of the current employer and in the event of a dispute, ask applicants involved to undertake dispute resolution. For more information refer to the [Complaint Handling, Mediation and Advocacy fact sheet](#).

If an application is granted, we will advise:

- the substitution commencement date
- the transfer fee payable (unless waived or reduced) by the proposed employer to the previous employer
- confirmation of the substitution is subject to an application to register the proposed employer being approved (if applicable).

Transfer Fees

The transfer fee is payable upon confirmation of the substitution being approved. The fees are provided in the South Australian Skills (Fees) Notice 2021.

Year of training contract	Small business (20 or fewer employees)	Large Business (21 or more employees)
First year	\$1,600	\$2,000
Second year	\$3,200	\$4,000
Third year	\$4,800	\$6,000
Fourth year	\$8,000	\$8,000

The transfer fee is paid directly from one employer to the other and a record of the transaction must be retained by both the previous and proposed employer.

Waiver of the transfer fee

The transfer fee payable by a proposed employer to the existing employer may be waived or reduced where:

- the transfer is mutually agreed by the proposed and existing employer, or
- it is unlikely that the existing employer will be able to provide employment to the apprentice or trainee for the duration of the training contract, or
- it is unlikely that the existing employer will be able to provide the scope of training or supervision for the apprentice or trainee to complete the training contract.
- Any other reason that the Commission deems to be acceptable

Interstate transfers

An apprentice or trainee from another state or territory may transfer to South Australia if:

- The proposed South Australian employer is registered or has applied for registration and is operating within the scope and conditions of their registration
- There is a Nominated Training Organisation and Training Plan
- The trade or vocation is declared in South Australia and available in South Australia

Change of Ownership

If there is change in the ownership of the business with which an apprentice or trainee is employed. In this situation, the Training Contract continues with the new employer and the rights, obligations and liabilities of the former owner/employer transfer to the new owner/employer. The NTO must notify Change of Ownership

A decision of the Commission to approve the substitution of an employer is reviewable by the South Australian Civil and Administrative Tribunal (SACAT). More information about this is available [here](#).

Refer to the [South Australian Skills Standards](#) for full details about transferring training contract.

For more detailed information, please contact Traineeship and Apprenticeship Services within the Department for Innovation and Skills on **1800 673 097**.