

Australian Apprenticeships Incentive Reform

Updated: 1 April 2022

The Australian Government has announced a suite of reforms over five years for the Australian Apprenticeships Incentive System for employers and Australian Apprentices to support the pipeline of skilled workers needed to support Australia’s economic recovery.

In addition, the Australian Government has extended the successful [Boosting Apprenticeship Commencements (BAC) and Completing Apprenticeship Commencement (CAC)](http://www.dese.gov.au/boosting-apprenticeship-commencements) wage subsidies for apprentices and trainees, at a cost of **$365.3 million** over five years. Enrolments for the BAC wage subsidy, which provides employers with 12 months of wage subsidy support, were due to close on 30 March 2022. They will now remain open until 30 June 2022.

Any business that receives the BAC wage subsidy will also then be eligible for extended support through the CAC wage subsidy in the second and third year of a BAC-supported apprenticeship until 30 June 2027.

# Overview of the Australian Apprenticeships Incentive System

The **$2.4 billion** Australian Apprenticeships Incentive System is designed to increase commencements and completions in priority occupations and support employers around Australia to fill skill shortages.

Government support under the Australian Apprenticeships Incentive System will focus on priority occupations, ensuring support is targeted to the skills that Australia needs most. Priority occupations are listed on the Australian Apprenticeships Priority List (Priority List), which will be updated annually. The Priority List is a list of 77 occupations, is based on National Skills Commission analysis of the occupations in current shortage and future demand over the next five years and that are most likely to involve an Australian Apprenticeship entry pathway.

# Support for Women in non-traditional trades

The Australian Government has committed **$38.6 million** over four years to provide additional support for women who commence in eligible trade occupations on the Australian Apprenticeships Priority List. Eligible occupations are occupations that have had historically low rates of female participation. This measure will provide these women with increased access to comprehensive wraparound support through the Australian Apprenticeship Support Network. This includes personalised advice and information on career options and apprenticeships pathways, pastoral care, career and industry mentoring, access to professional networks and entrepreneurship training. These non-financial supports will help to support more of these women to complete their apprenticeship and go on to have successful careers.

# Regional Apprenticeships Boost

The Australian Government will expand support for eligible employers and Australian Apprentices in regional and remote Australia to support greater apprenticeship completions. The measure, which will cost **$144.1 million**, is part of the $2 billion *Regional Accelerator Program,* which is topping up existing Commonwealth programs to grow regional economies. The Regional Apprenticeship Boost will provide a 5 per cent boost to employers of Australian Apprentices in priority occupations in regional and remote areas between 1 July 2022 and 30 June 2024, on top of what they would receive under the new Australian Apprenticeships Incentive System. In-Training Support (ITS) will also be expanded, providing 29,000 additional places for regional and remote Australian Apprentices, with personalised assistance for those at risk of not completing their apprenticeship. Support provided may include pastoral care, career and industry mentoring, counselling and mediation, as well as referrals to specialist services.

# Australian Apprenticeship Support Loans

The Australian Government has committed **$22.5 million** over five years (underlying cash) from 2021-22 to rename and expand the Trade Support Loans scheme. Subject to the passage of legislation, the new Australian Apprenticeship Support Loans scheme will be available for all apprentices and trainees in occupations on the Priority List with income contingent loans of up to $21,542, to help them meet day to day costs while they continue their studies. This will open up the loans scheme to trainees in the care sector for the first time. The measure will enable backdating of payments to provide immediate support to recipients.

# Support for Young Australian Apprentices

From 1 July 2022, young apprentices aged 15 to 20 years will receive additional support to complete their Australian Apprenticeship. All newly commencing young Australian Apprentices will receive a follow-up call within three months of commencing to ensure any issues are identified early. In addition, an extra 2,500 in-training support places will be made available for young Australian Apprentices. This comes on top of the 30,000 in training support places taken up by young people.

# Living Away from Home Allowance and Disability Australian Apprentice Wage Support

These supports will continue to be available with no changes.

## List of incentives available

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| **From 1 July 2022 until 30 June 2024** | | |
| **For employers:** | | |
| Wage subsidy for employers of Australian Apprentices in Priority Occupations | 10 per cent of wages for first and second year apprentices (up to $1,500 per quarter) and 5 per cent of wages for third year apprentices (up to $750 per quarter). | For employers of new or recommencing Australian Apprentices undertaking a Certificate III or higher qualification in a Priority Occupation on the Australian Apprenticeship Priority List. |
| Wage subsidy for employers of Australian Apprentices in Priority Occupations in regional and remote locations | Additional 5 per cent of wages for first year apprentices (15 per cent of wages for first year apprentices (up to $2,250 per quarter), 10 per cent of wages in the second year (up to $1,500 per quarter) and 5 per cent of wages for third year apprentices (up to $750 per quarter)). | For employers of new or recommencing Australian Apprentices undertaking a Certificate III or higher qualification in a Priority Occupation on the Australian Apprenticeship Priority List who are located in regional or remote Australia (based on the ABS definition). |
| Hiring incentive for employers of Australian Apprentices not in a Priority Occupation | $3,500 paid in two equal six-monthly instalments ($1,750 each) after commencement. | For employers of new or recommencing Australian Apprentices undertaking a Certificate II or higher qualification in an occupation that is not on the Australian Apprenticeship Priority List or in a Certificate II qualification in an occupation on the Australian Apprenticeships Priority List. |
| **For Australian Apprentices:** | | |
| Australian Apprentice Training Support Payment | $1,250 every six months over the first two years of the Australian Apprenticeship (up to $5,000 in total). | Direct financial assistance for Australian Apprentices undertaking a Certificate III or higher qualification in a Priority Occupation on the Australian Apprenticeships Priority List to support them to complete their training. |
| Living Away From Home Allowance | Up to 12 months of support at the first year rate of $77.17 per week; a further 12 months assistance at the second year rate of $38.59 per week; and a further 12 months assistance at the third year rate of $25 per week. | Australian Apprentices undertaking a Certificate II or higher level qualification may be eligible for the Living Away From Home Allowance if they have to move away from their parental/guardian home for the first time to commence or remain in an Australian Apprenticeship, or are homeless. |
| Trade Support Loans\*  *\* The Government is pursuing amendments to the Trade Support Loans Act 2014 in order to expand access to all Australian Apprentices on the Australian Apprenticeship Priority List.* | Loans of up to $21,779 (2021-22) over the course of the Australian Apprenticeship. | Australian Apprentices may be eligible to receive financial support to assist with everyday costs while they undertake their training. |

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| **From 1 July 2024** | | |
| **For employers:** | | |
| Hiring incentive for employers of Australian Apprentices in a Priority Occupation | $4,000 with $1,000 paid at six months after commencement and $3,000 paid at 12 months after commencement. | For employers of new or recommencing Australian Apprentices undertaking a Certificate III or higher qualification in a Priority Occupation on the Australian Apprenticeship Priority List. |
| **For Australian Apprentices:** | | |
| Australian Apprentice Training Support Payment | $750 every six months over the first two years of the Australian Apprenticeship (up to $3,000 in total). | Direct financial assistance for Australian Apprentices undertaking a Certificate III or higher qualification in a Priority Occupation on the Australian Apprenticeships Priority List to support them to complete their training. |
| Living Away From Home Allowance | Up to 12 months of support at the first year rate of $77.17 per week; a further 12 months assistance at the second year rate of $38.59 per week; and a further 12 months assistance at the third year rate of $25 per week. | Australian Apprentices undertaking a Certificate II or higher level qualification may be eligible for the Living Away From Home Allowance if they have to move away from their parental/guardian home for the first time to commence or remain in an Australian Apprenticeship, or are homeless. |
| Australian Apprenticeship Support Loans  \**Subject to amendments to the Trade Support Loans Act 2014.* | Loans of up to $21,779 (2021-22) over the course of the Australian Apprenticeship. | Australian Apprentices may be eligible to receive financial support to assist with everyday costs while they undertake their training. |

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| **Assistance for Australian Apprentices with Disability (ongoing)** | | |
| Disability Australian Apprentice Wage Support (DAAWS) | $104.30 per week for a full time Australian Apprentice, and on a pro-rata scale according to hours worked for a part-time Australian Apprentice. | Provides additional assistance to employers who employ an Australian Apprentice with disability in a Certificate II or higher level qualification. |
| Off-the-job Tutorial, Mentor and Interpreter Assistance | $38.50 per hour (up to a maximum of $5,500 per year) | Assistance for Tutorial, Mentor and Interpreter Services is available to Registered Training Organisations to support Australian Apprentices with disability who are experiencing difficulty with the off-the-job component of their Australian Apprenticeship because of their disability. |

For further information on the incentives available, including information on eligibility, contact and [Australian Apprenticeship Support Network provider](http://www.australianapprenticeships.gov.au/search-aasn).