



**National Australian
Apprenticeship Association**

Press Release

JobTrainer measures will stabilise apprenticeships

The National Australian Apprenticeships Association warmly welcomes the Prime Minister's announcement of the \$2billion investment in JobTrainer measures today.

The centrepiece of the announcement is a \$1.5billion extension of the Supporting Apprentices and Trainees (SAT) measure, expanding the period of support from October 2020 to the end of March 2021 and broadening the number of businesses eligible to receive the payment.

In the successful first round of SAT around 34,900 companies received payments for 82,300 apprentices, paying 50% of their wages up to a maximum of \$7,000 per apprentice per quarter.

The expansion of the program will extend eligibility for businesses that have less than 20 employees to those that have 199 employees or less. This will cover around 90,000 businesses that employ apprentices.

"In total there are around 116,500 businesses currently employing apprentices and trainees in Australia" said Ben Bardon, CEO of NAAA. So, extending the coverage to 90,000 of them is a really significant measure to stabilise the apprenticeship market" he said.

"This will be particularly important when the JobKeeper measure is wound back because currently there are 154,000 apprentices and trainees being paid under that arrangement. Our research shows that employers of apprentices are 2.5 times more likely to use JobKeeper than other firms" said Mr Bardon.

The extension of SAT will be particularly beneficial to many smaller businesses that have a full-time equivalent workforce of less than 20 but a "headcount" of more because of the casuals they employ. So, for example a restaurant may have 25 employees in total, 20 of whom are casual waiters and five of whom are full time including a couple of apprentice chefs.

"Under the first round of SAT these businesses missed out but now they will be covered – which is a very welcome addition for many businesses hardest hit by the lockdown measures" said Mr Bardon.

“To complete the support of apprenticeships we still need a measure to help businesses employ more apprentices in the year ahead” said Mr Bardon. “So far this year the number of young people starting apprenticeships is down by about a third. With the numbers of apprentices that complete their training each year this means that the total stock of apprentices is rapidly declining” he said.

This is despite the fact that the SAT measures have been highly effective in reducing the numbers of apprentices dropping out of apprenticeship this year. Its roughly halved the normal “exit” level.

However, this year a larger than normal number of apprentices have been suspended so the extension of SAT announced today should help them to be re-engaged until business confidence starts to improve next year.

“We commend the Prime Minister on his announcements today – its further evidence of the government being on the front foot when it comes to supporting apprentices and trainees” said Mr Bardon.

End

July 16th, 2020.

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