



Press Release

Completing Apprenticeship Commencements - Building on a great initiative

The Association warmly welcomes the announcement of the Completing Apprenticeship Commencements (CAC) measure that will pay a wage subsidy to businesses that employ an apprentice or trainee under the Boosting Apprenticeship Commencements (BAC) initiative. The wage subsidy is 10% of second year wages and 5% of third year wages in addition to the standard employer incentives.

The BAC measure has proven that with the right incentive mix employers will use the apprenticeship system as a tried and trusted way to chart their way to pandemic recovery. This is because the support measures provide some financial security in uncertain times.

CAC extends this financial certainty for employers and will particularly assist those businesses under financial pressure when their initial BAC subsidy is due to end. It will enable more employers to retain their apprentices and ensure a smooth pipeline of skills as the economy emerges from the pandemic.

As a result of Commonwealth investment, the apprenticeships system has been revitalised.

There are currently 348,000 apprentices and trainees in training - around 2.5% of the workforce. This is a return to the levels achieved in the first part of this century- an historical sweet spot that has delivered Australia the skills it needs to prosper.

The apprenticeship system has proven its resilience through the Covid 19 “stress test” because of the Commonwealth investment and the fact that it is understood and trusted by employers and the community alike. But also, crucially through the network of experienced providers who explain how to access the measures and how the system works.

The Australian Apprenticeship Support Network (AASN) has been instrumental in putting these measures into action drawing on 22 years’ experience and employer relationships to rapidly scale up operations, work remotely and maintain support levels as the various pandemic waves have washed through the economy.

“The 270,000 apprentices and trainees that will start under BAC will benefit from the new completion wages subsidies by stabilising their employment prospects” said Ben Bardon CEO of NAAA.



National Australian Apprenticeship Association

“The new measure couldn’t have arrived at a better time, as various jurisdictions emerge from lockdowns, with many businesses under financial pressure. The CAC incentive will provide the helping hand employers need to retain their apprentices” Mr. Bardon said.

“Apprenticeship Network Providers stand ready to ensure that CAC is seamlessly implemented” he said.

Example of the positive impact

A Builder who commenced a Carpentry apprentice under BAC this financial year and pays them at Award rates will receive a wage subsidy for ordinary time earnings of \$14,888 for the first year, then under CAC of \$3,916 in year two followed by \$2,310 in year three.

That’s a potential total of \$21,113 wage subsidy over the three years, or around 18.3% of their expected ordinary time earnings of \$115,124 over the period.

This could increase with above Award payments, overtime, and other eligible allowances.

Example of maximum eligibility

An apprentice is employed at above Award rates earning \$56,000 in the first year and \$60,000 in years two and three.

In these circumstances an employer would qualify for the maximum wage subsidy of \$28,000 in year one and \$6,000 in year two and \$3,000 in year three. A \$37,000 wage subsidy on apprentice earnings of \$176,000 over the three years. This is a 21% wage subsidy.

The Morrison government is to be congratulated for building on the success of the BAC measure and ensuring the Australian economy has the skills it needs as we emerge from the pandemic.

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