



New apprenticeship incentive system hits the mark

The Association strongly supports the apprenticeship measures announced by the Treasurer in the Federal Budget this week. The extension of the Boosting Apprenticeship Commencements (BAC) and Completing Apprenticeship Commencement (CAC) measures will assist businesses that employ apprentices before June 30th, 2022 and continue support for them over the subsequent three years.

“These pandemic related measures have been enormously successful and contributed to the revitalisation of the apprenticeship sector” said Ben Bardon CEO of NAAA.

From July 1st, 2022, a new regime of incentive support has been designed. The arrangements step down wage subsidies from 50% under BAC to 10% under the new Australian Apprenticeship Incentive System (AAIS). Employer wage subsidies are maintained at 10% in the second year and 5% in the third year. Employers in regional areas get an enhanced 15% wage subsidy in the first year.

“A key feature of the new system is that incentives totalling \$5,000 are provided to apprentices in their first and second year. This is a great initiative that acknowledges the tight labour market by supporting apprentices through the period where they are most likely to switch to other forms of employment. As a result, completion levels will improve.” Said Mr Bardon.

Other positive apprenticeship announcements in the budget included:

- 29,000 additional mentoring places for regional apprentices and trainees
- Additional (and uncapped) recruitment and mentoring support for women taking up a non-traditional trade
- 2,500 mentoring places for young apprentices between 15 and 20 years old

These measures pick up many of the features that the Association recommended to government through our recent technical paper - A blueprint for strengthening apprenticeships. The paper provided 14 concrete recommendations to improve completion rates and maintain commencements.

“It’s great to see that the government continues to rely on the Australian Apprenticeship Support Network to drive the success of the skills agenda, leading to record levels of trade apprentices and improved pathways for young people into secure work-based learning.” Mr Bardon said.



**National Australian
Apprenticeship Association**

“The trick will be to maintain the momentum when the new incentive system is reviewed in 2024. Covid has taught us that it’s as important to keep the smooth flow of apprenticeship completions as it is to have record levels of commencements.” Mr Bardon said.

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