



# SIMPLIFIED AND STREAMLINED INCENTIVES FOR AUSTRALIAN APPRENTICESHIPS

## What is changing?

From 1 July 2020, the twenty-year-old Australian Apprenticeships Incentives Program (AAIP) will be replaced with a new, simplified and streamlined incentives program for employers of apprentices and trainees, the Incentives for Australian Apprenticeships (IAA).

The new IAA will have a streamlined payment structure and eligibility criteria, with the number of payment categories reduced from 31 to 14. This will make it easier for employers to understand and claim incentives. A diagram of the new payment structure is attached at the end of this factsheet.

## How much is available for employers?

All eligible employers of apprentices undertaking a Certificate III or higher will be able to claim a **\$1,500** base commencement incentive, paid when an apprentice reaches the six month point, and a further **\$2,500** when they complete their apprenticeship.

- These incentives will be available to all eligible employers, regardless of their apprentice's occupation, provided the apprentice is new to the employer.
- Where the apprentice is an existing employee, the employer will only be able to claim the incentive if the apprentice is working in an area of national skill need.

A **\$750** recommencement incentive will also be available for eligible employers in these same categories, to ensure they are not discouraged from employing apprentices who have had to leave their previous employer part way through an apprenticeship.

On top of this, eligible employers can access three additional incentives:

- a further **\$1,500** over the life of an apprenticeship if the apprentice is an Australian School-based Apprentice or working in a rural or regional area
- a further **\$4,000**, paid at the twelve month point, if the apprentice is aged 21 years or older and working towards an occupation on the National Skills Needs List; and
- a further **\$1,500** over the life of an apprenticeship if the apprentice is a disadvantaged worker aged 45 years and over.

Further financial support for eligible employers and apprentices may be available through the Additional Identified Skills Shortage (AISS) payment introduced on 1 July 2019. Please see the AISS factsheet for further information.



## Is support available for disadvantaged cohorts?

Other incentives are available for disadvantaged cohorts who are undertaking a Certificate II, to help them get onto a training pathway.

These incentives include a base commencement and completion incentive totalling **\$1,500** over the life of an apprenticeship, plus:

- if an apprentice is undertaking an Australian School-based Apprenticeship, an additional **\$1,500** upon commencement
- if the apprentice is a disadvantaged worker aged 45 years and over, an additional **\$1,500** over the life of an apprenticeship
- if the apprentice is employed by a Group Training Organisation, an additional **\$750** upon completion.

## What if I'm already claiming incentives for an apprentice or trainee under the current payment structure?

Current incentives levels are maintained for most eligible employers under the IAA. Employers claiming incentives for an apprentice or trainee who commenced prior to 1 July 2020 will be grandfathered under the AAIP.

## What is happening to the National Skills Needs List?

The Government will comprehensively review the National Skills Needs List (NSNL) prior to the IAA commencing, to ensure it remains relevant to changing labour market demand. Consultation with industry and employer groups will be a key component of this review. The new list will incorporate the occupations specified under the new Additional Identified Skill Shortage (AISS) payment (see the AISS fact sheet).

## What about the Living Away From Home Allowance?

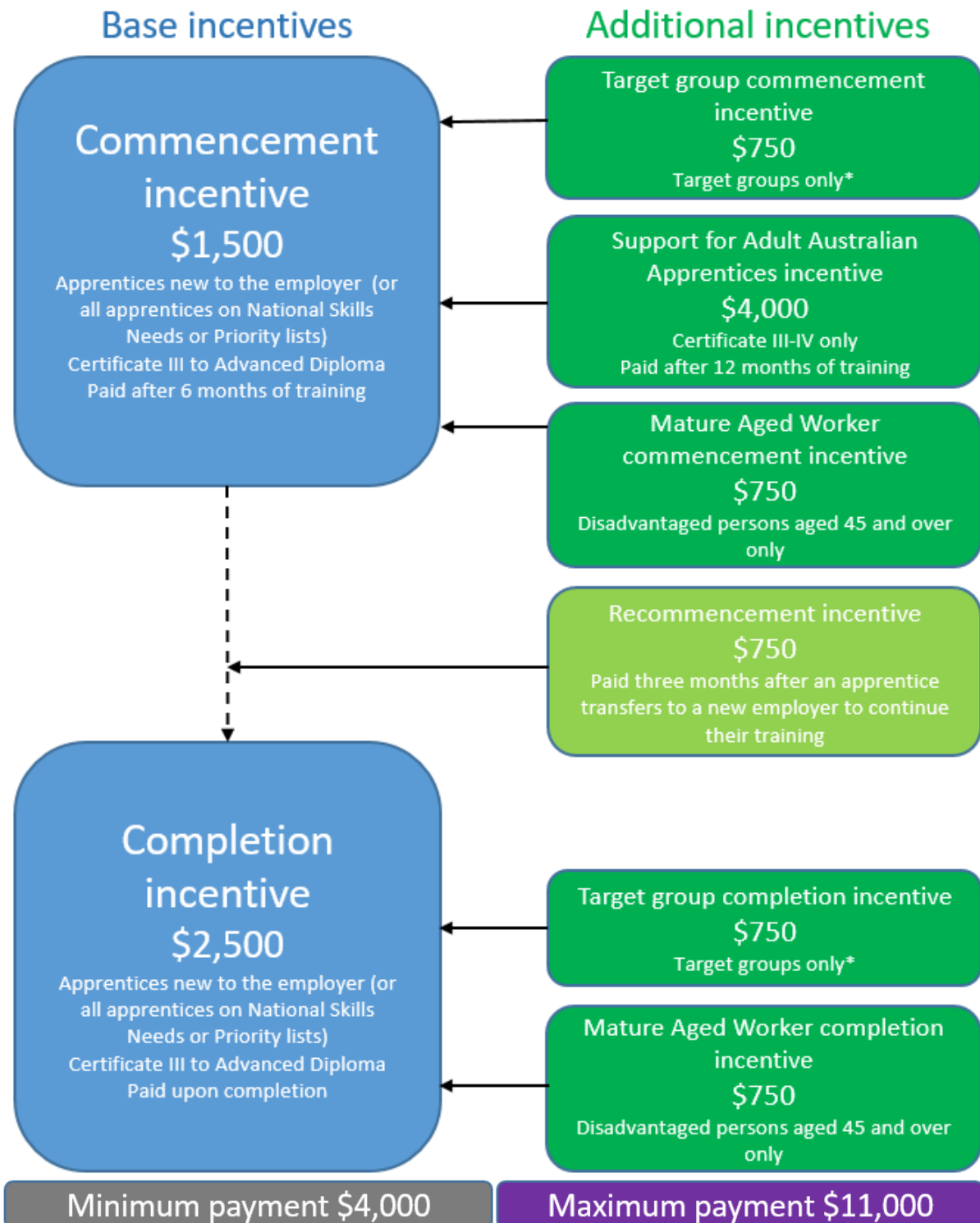
Apprentices will continue to be able to apply for the Living Away From Home Allowance under the new program.

## How do I obtain more information?

More information will become available in the leadup to 1 July 2020.

You can also contact an AASN Provider for information about current incentives. To find details of an AASN in your region visit [www.australianapprenticeships.gov.au](http://www.australianapprenticeships.gov.au).

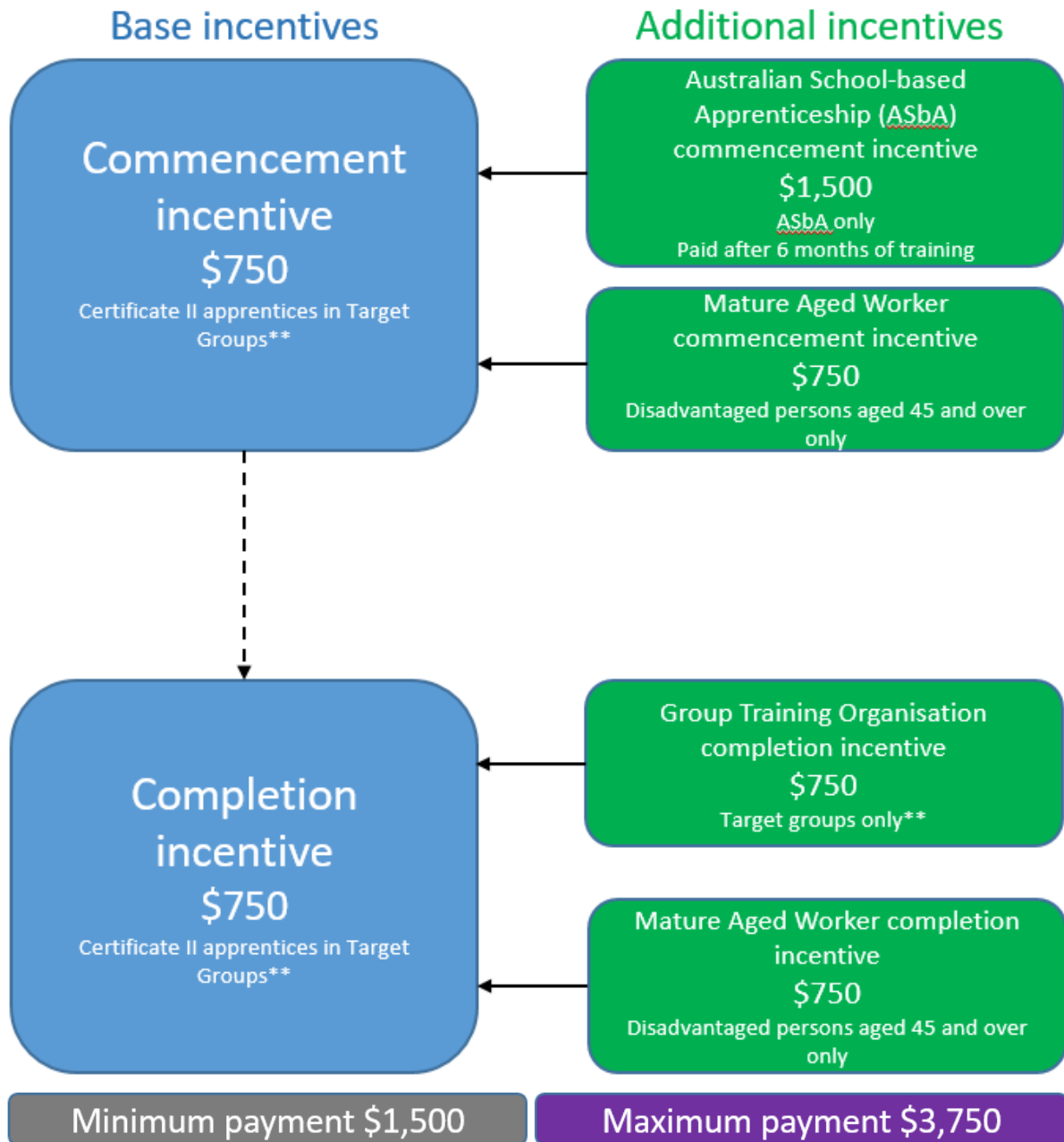
**Incentives for Australian Apprenticeships payment structure from 1 July 2020:  
Employers of apprentices undertaking a Certificate III or higher**



\*The two target groups are:

- employers of apprentices in rural and regional areas undertaking a Certificate III to Advanced Diploma leading to an occupation on the NSPL; and
- employers of Australian School-based Apprentices.

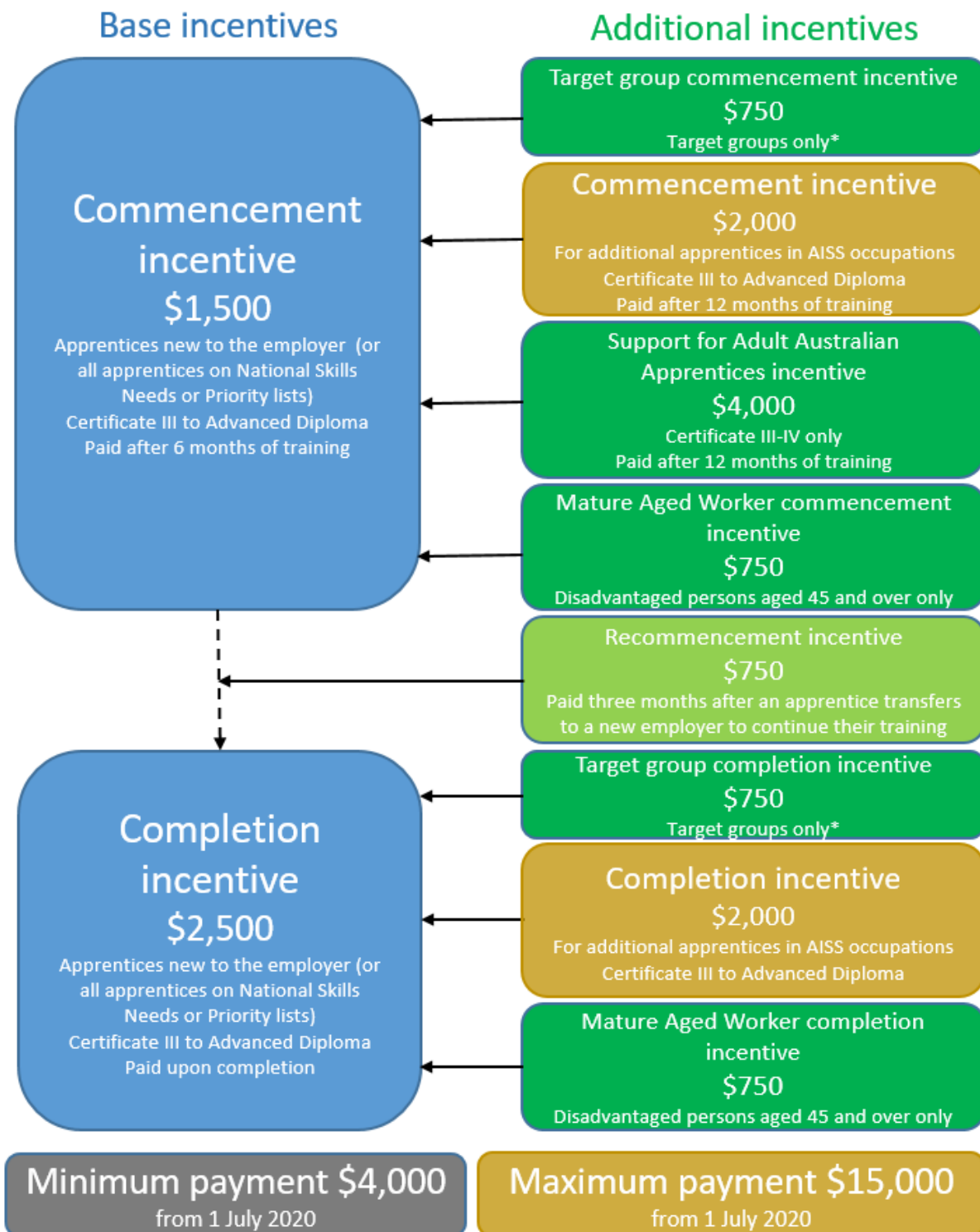
**Incentives for Australian Apprenticeships payment structure from 1 July 2020:  
Employers of apprentices undertaking a Certificate II**



\*\*The target groups are:

- Indigenous Australians;
- apprentices with a disability;
- Australian School-based Apprentices;
- mature age apprentices;
- rural and regional apprentices; and
- job seekers with severe barriers to employment.

**Incentives for Australian Apprenticeships from 1 July 2020  
(including Additional Identified Skills Shortage payment starting 1 July 2019):  
Employers of apprentices undertaking a Certificate III or higher**



\*The two target groups are: employers of apprentices in rural and regional areas undertaking a Certificate III to Advanced Diploma leading to an occupation on the NSPL; employers of Australian School-based Apprentices.

The *Additional Identified Skills Shortage Payment* commences 1 July 2019. The maximum possible payment is \$14,500 for apprenticeships commencing in 2019-20. *Incentives for Australian Apprenticeships* payments commence 1 July 2020.