

8 July 2022

Location	Regarding	Issue / Question
WA	SBATS	<ul style="list-style-type: none"> <li>• There is no part time rate for priority areas, only for non-priority. There is no need for a part time rate for the Priority Wage Subsidy as the payment amount is based on a percentage of wages paid therefore by definition has a part-time rate for part-time workers. The Australian Apprentice Training Support Payment is a priority area payment and has a flat part-time rate that is paid directly to apprentices.</li> <li>• If SBATs in priority occupations fall under non-priority for the sake of making them part time eligible, the payment processes are different (Priority – 10% after 3 months, non-priority part time - \$750 after 6 months). Where an apprentice is undertaking a qualification that leads to an occupation that is listed on the Australian Apprenticeships Priority List (the Priority List) the employer may be eligible to receive the Priory Wage Subsidy and the Apprentice may be eligible to receive the Australian Apprentice Training Support Payment. In this case the employer is not eligible to receive the Hiring Incentive.  While the Hiring Incentive payment may be more lucrative for employers of School based Apprentices or trainees (who only do a small amount of paid work hours) in the first 12 months of an apprenticeship, those occupations listed on the Priority List, should prove more lucrative over the lifetime of the apprenticeship as they are eligible for support over a longer period.</li> <li>• There will be payment issues when a SBAT finishes school and progresses to become a full-time apprentice or trainee because the set amount will move to a percentage. This will invariably fall in the middle of a period where they are accruing eligibility for the next part time payment and will simultaneously move into a 10% formula based on payslips. There will not be a payment issue when a of School based Apprentices or trainees finished school and increases their work hours.  If the apprentice is undertaking a qualification that leads to an occupation that is listed on the Australian Apprenticeships Priority List (the Priority List):             <ul style="list-style-type: none"> <li>– The employer will continue to be eligible (subject to eligibility) to receive the Priory Wage Subsidy based on the wages paid. If the apprentice moves to full time paid hours this will increase the amount of Priority Wage Subsidy that they employer will receive.</li> <li>– The apprentice will continue to be eligible (subject to eligibility) for the Australian Apprentice Training Support Payment, however the payment rate may change if on the effect date for the payment the apprentice is undertaking full time work.</li> </ul> </li> <li>• If the apprentice is undertaking a qualification that leads to an occupation that is NOT listed on the Priority List:             <ul style="list-style-type: none"> <li>– The employer will continue to be eligible (subject to eligibility) for the Hiring Incentive Payment, however the payment rate may change if on the effect date for the payment the apprentice is undertaking full time work.</li> </ul> </li> <li>• Going from a set amount to percentage, this will invariably fall in the middle of a period where the SBAT is accruing eligibility for the next part time payment and will simultaneously move into a 10% formula based on payslips.</li> </ul>

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		<p>As explained in previous dot points there will be no movement between Priority Wage Subsidy (based on % of wages) and the Hiring Incentive (set payment amount)</p> <ul style="list-style-type: none"> <li>• Modern Awards have made SBAs more expensive (hourly rate) than First Year Apps Taken as a comment</li> <li>• As SBATs are classified as part time trainees, those in priority occupations are not considered priority even though the occupational outcome is exactly the same The Incentive System does not consider an apprentice’s part time/full time status when determining eligibility for the Priority Wage Subsidy. The determining factor for whether an apprentice attracts the Priority Wage Subsidy or the Hiring Incentive for their employer is their qualification and occupational outcome. If these are listed on the Australian Apprenticeships Priority List (Priority List) then the employer may be eligible for the Priority Wage Subsidy (subject to all eligibility criteria) and if they are not listed on the Priority List, then the employer may be eligible for the Hiring Incentive (subject to all eligibility criteria)</li> <li>• SBATs and linkages to schools do not seem to feature in the wider conversation. Taken as a comment</li> <li>• School based career transition is the most important issue that needs attention if we are to seriously tackle Nationwide skill shortage issues. Taken as a comment</li> </ul>
NSW, ACT, QLD	SBATS	<ul style="list-style-type: none"> <li>• For more than 10 years some 50 School Based Trainees have participated annually in a program that introduces them to the Health sector (CIII Health Services Assistant, Allied Assistant &amp; Dental Assistant). Traineeship period of up to 15mths - traversing Years 11 and 12. 90%+ successful completion rates.</li> </ul> <p>Up to 75% of graduates are employed casually in the same hospital facility while undertaking Registered Nurse degrees. Of those that do not pursue a nursing degree many are working as Personal Care Assistants in Aged Care.</p> <p>The new incentive arrangements reduce the dollars available per participant by \$3k (\$4,750 down to \$1,750).</p> <p>Given the significant unmet demand for skilled Health Care workers, the new incentive arrangements will curb this pathway into nursing and related occupations. The Australian Apprenticeships Priority List (Priority List) includes a number of health and care related occupations such as aged care, /disability care, dental assistants, enrolled nurses and nursing support workers.</p> <p>If an apprentice is undertaking a qualification that leads to an occupation that is listed on the Priority List:</p> <ul style="list-style-type: none"> <li>- The employer may be eligible to receive the Priority Wage Subsidy based on the wages paid.</li> <li>- The apprentice may be eligible for the Australian Apprentice Training Support Payment. The payment rate will be based on whether the apprentice is undertaking their apprenticeship on a full time or part time basis.</li> </ul> <p>If the apprentice is undertaking a qualification that leads to an occupation that is NOT listed on the Priority List:</p>

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		<ul style="list-style-type: none"> <li>- The employer may be eligible for the Hiring Incentive Payment. The payment rate will be based on whether the apprentice is undertaking their apprenticeship on a full time or part time basis.</li> </ul>
WA	Recommendations	<ul style="list-style-type: none"> <li>• With regards to the AATS payment to the apprentices. Do they qualify if they <u>recommence</u> after 30 June 2022? If an apprentice commenced their apprenticeship prior to 1 July 2022, then following a period of suspension of 6 months or less in the same apprenticeship, with the same employer, they are NOT eligible to receive payments under the Incentive System (including the Australian Apprentice Training Support Payment) and will continue to be eligible for/to attract payments under the grandfathered AAIP.</li> </ul> <p>If an apprentice commenced their apprenticeship prior to 1 July 2022, then following a period of suspension of greater than 6 months in the same apprenticeship, with the same employer, they may be eligible to receive payments under the Incentive System (including the Australian Apprentice Training Support Payment) and will NOT continue to be eligible for/to attract payments under the grandfathered AAIP.</p> <ul style="list-style-type: none"> <li>• There may be the potential of apprentices leaving their current apprenticeship and recommencing so that they pick up the \$5,000.</li> </ul> <p>In the development of the Incentives System the risk of apprentices switching apprenticeships to obtain Australian Apprentice Training Support Payment was considered. For an apprentice to do this they would need to find an employer who they can continue their apprenticeship with and have this contract change facilitated by an AASN provider and approved by the STA.</p> <p>AASN Providers are required to monitor and advise the department of potentially fraudulent activities or attempts to manipulate the Incentives System by an employer, Australian Apprentice or RTO. This would include patterns of behaviour such as switching apprenticeships for the sole purpose of obtaining the Australian Apprentice Training Support Payment</p>
SA	Impact on sign-ups for non-priority occupations – Civil Construction	<p>Feedback from the CCF SA that trainee sign-ups will drop dramatically in the Civil Sector in the following quals due their non-priority status.</p> <ul style="list-style-type: none"> <li>➤ Certificate III Civil Construction RII30920</li> <li>➤ Certificate III Civil Construction Plant Operations RII30820</li> </ul> <p>These occupations fall outside the scope of the Australian Apprenticeships Priority List (Priority List) because they are currently classified in ANZSCO Major Group 7 and Major Group 8.</p> <p>The Priority List includes occupations in ANZSCO Major Group 3 - Trades and Technicians or Major Group 4 - Community and Personal Care Workers. This was a deliberate choice to ensure that apprenticeship investment focuses on the occupations that have a primary apprenticeship pathway as it is vital to ensure Australian Apprenticeship investment transitions to a fiscally sustainable level, focusing on supporting skills in demand and supporting completions.</p>
NSW	Impact on sign-ups for non-priority occupations - Traineeships - Business	<ul style="list-style-type: none"> <li>• Concern regarding the non-priority list traineeships/apprenticeships will have the employer incentive <u>drop to \$3,500</u> from July 2022 and that by July 2024, there will be NO employer incentives.</li> </ul>

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		<ul style="list-style-type: none"> <li>Please confirm if this is still happening and whether this will apply to us as a GTO who mainly hire trainees in Business (which is a non-priority Traineeship, according to the list)</li> </ul> <p>The intention of the Incentives System is to encourage apprentices to take up an apprenticeship in an occupation that will lead to qualifications in a skill in demand.</p> <p>The Incentive System is designed to encourage apprenticeship investment focus on occupations that have a primary apprenticeship pathway. It is vital to ensure Australian Apprenticeship investment transitions to a fiscally sustainable level, focusing on supporting skills in demand and supporting completions.</p> <p>The staged approach to reducing support for non-priority occupations is intended to provide a level of transitional support to employers.</p> <p>The Incentive System is based on three key principles:</p> <ul style="list-style-type: none"> <li>Focusing Australian Government investment on skills in demand to help solve skills shortages. Unlike the BAC, all occupations are not treated equally. Instead, there is a priority list of occupations that will be updated regularly, reflecting changes in the labour market.</li> <li>Supporting a higher completion rate. In a tight labour market, the apprentice is most often the party deciding to cancel their apprenticeship. The Incentives System pays money to apprentices in priority occupations to keep them in training for the first two years.</li> <li>Simplifying the system of incentives, reducing the total number of payments from 30 down to 5 and reducing the number of priority lists used to allocate incentives from 4 down to 1.</li> </ul>
VIC (Region)	Rotations & Poaching	<ul style="list-style-type: none"> <li>Under the new guidelines, note the excerpt below from Page 21 1.5 (a) of the final guidelines for the AAIS.</li> </ul> <p><b>Page 21 1.5 (a) Where an Australian Apprentice, following a period of suspension or cancellation, commences an Australian Apprenticeship with a different employer, the Australian Apprenticeship is a new commencement for the purposes of eligibility for the Priority Wage Subsidy. As such, the employer is eligible for a maximum of up to three-years of wage subsidy regardless of the point at which the Australian Apprentice is in their Australian Apprenticeship.</b></p> <p>Regarding a scenario for this, if we (a GTO) had a 3<sup>rd</sup> Yr apprentice finish with a Host Employer due to lack of work, then we invested resources in attempting to rotate that apprentice to a new Host Employer... only for the New Host Employer to find out that if they were to take the apprentice on direct (not continue the apprentice in the GTO system) they would be eligible to receive the Priority Wage Subsidy as a new commencement, therefore receiving Year 1 subsidy of 10% and continuing on to Year 2 at 10% and so on until completion.</p> <p>If this is interpreted correctly, then under the new AAIS, it would be completely unviable for a GTO to spend resources in attempting to rotate an apprentice.</p> <p>GTOs would work to find a new host, only to have them turn around and employ the apprentice directly.</p> <p>The guidelines seem to restrict a GTO fulfilling their obligations to the Apprentice for rotations</p>

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		<p>Under the guidelines the GTO and a host employer/s are considered to be the same employer and therefore eligible for one full allocation (3 years) of the Priority Wage Subsidy for any one apprentice.</p> <p>Where an apprentice moves to direct employment with a business, then that business may be eligible to also receive up to 3 years of Priority Wage Subsidy for that apprentice.</p> <p>Allowing a recommencing apprentice to attract Priority Wage Subsidy payments for their new employer, encourages completions and ensures that recommencing apprentices are not disadvantaged, by having businesses only hiring commencing (first year) apprentices.</p> <p>Compliance monitoring will identify and investigate patterns of claiming behaviour aimed to maximise the value of incentives, such as: colluding between employers; and poaching.</p>

14 July 2022

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VIC (region)	<p>Rotations &amp; Poaching</p> <p><b>(Note this is a further explanation of the same note on 8 July)</b></p>	<ul style="list-style-type: none"> <li>- Under the new guidelines, note the excerpt below from Page 21 1.5 (a) of the final guidelines for the AAIS.</li> </ul> <p><b>Where an Australian Apprentice, following a period of suspension or cancellation, commences an Australian Apprenticeship with a different employer, the Australian Apprenticeship is a new commencement for the purposes of eligibility for the Priority Wage Subsidy. As such, the employer is eligible for a maximum of up to three-years of wage subsidy regardless of the point at which the Australian Apprentice is in their Australian Apprenticeship.</b></p> <p><b>Poaching concerns:</b></p> <ul style="list-style-type: none"> <li>- A different employer would be incentivised to offer a new apprenticeship direct employment opportunity and poach the apprentice from the GTO and host, and access 10% wage subsidy.</li> <li>- Concern that under the AAIS rotation but will encourage cancellations and re-commencements with GTOs.</li> </ul> <p>Under the guidelines the GTO and a host employer/s are considered to be the same employer and therefore eligible for one full allocation (3 years) of the Priority Wage Subsidy for any one apprentice.</p> <p>Where an apprentice moves to direct employment with a business, then that business may be eligible to also receive up to 3 years of Priority Wage Subsidy for that apprentice.</p> <p>Allowing a recommencing apprentice to attract Priority Wage Subsidy payments for their new employer, encourages completions and ensures that recommencing apprentices are not disadvantaged, by having businesses only hiring commencing (first year) apprentices.</p> <p>Compliance monitoring will identify and investigate patterns of claiming behaviour aimed to maximise the value of incentives, such as: colluding between employers; and poaching.</p>

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		<p><b>Proposed solution:</b> the wage subsidy follows the apprentice or trainee throughout the duration of the training contract as it does with the Australian Apprentice Training Support Payment.</p> <p>Allowing a recommencing apprentice to attract Priority Wage Subsidy payments for their new employer, encourages completions and ensures that recommencing apprentices are not disadvantaged, by having businesses only hiring commencing (first year) apprentices.</p>
NSW (region)		<p><b>Concern:</b></p> <ul style="list-style-type: none"> <li>• AAIS incentives do not address completions</li> </ul> <p>The concern that employers will not continue apprentices in their apprenticeship once they no longer attract an Incentive System payment is noted.</p> <p>The benefits to a business in maintaining an apprentice who has knowledge and experience of the business and has proven to be an effective worker could reduce the likelihood of cancellation. The opportunity cost of an experienced third year apprentice requires less investment in training and supervision than an inexperienced new apprentice, wage costs would be lower than a non-apprentice staff wage.</p> <p><b>Potential outcomes:</b></p> <ul style="list-style-type: none"> <li>• Host employers (also direct) will not complete apprentices through 4<sup>th</sup> year</li> <li>• 4<sup>th</sup> year displaced apprentices will be difficult to re-engage with new hosts</li> <li>• High risk of non-completions</li> </ul> <p>Employers who engage a displaced fourth year apprentices, may be eligible for the Priority Wage Subsidy at the first year rate of 10%.</p> <p><b>Possible solution:</b></p> <ul style="list-style-type: none"> <li>• Engagement of the GTO network to recommence out of trades - (assuming eligibility met) through a national register (re-establish NAEN's displaced apprentices and trainees register (part of the SAT measure) to connect with GTOs across the national network).</li> </ul> <p>This 'possible solution' has been noted and will be considered in due course.</p> <p><b>Concern:</b></p> <ul style="list-style-type: none"> <li>• Incentive paid to trade (priority skills) apprentices supports the first two years but may see an increase of cancellations in year 3.</li> </ul> <p>The Australian Apprentice Training Support Payment allocates funding during the period when an apprentice needs the most support and is more likely to discontinue their apprenticeship.</p> <p><b>Possible solution:</b></p> <ul style="list-style-type: none"> <li>• Completion incentive (\$ based) paid to the apprentice at successful completion.</li> </ul> <p>This 'possible solution' has been noted and will be considered in due course.</p>