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MEDIA RELEASE

New apprentice wage subsidy will help boost completions

Australia's group training sector today welcomed the federal government's extension of the apprentice wage subsidy program to help ensure those who have started their apprenticeships are able to complete.

The National Apprenticeship Employment Network (NAEN) said the decision to supplement the Boosting Apprenticeship Commencements (BAC) 50 per cent wage subsidy with a new completion wage subsidy will help address possible drop-outs after the first 12 months.

The government announced that the \$3.9 billion BAC program will be supplemented with support in the second and third year of an eligible apprenticeship through the new \$716 million Completing Apprenticeship Commencements program.

From October 2021, eligible employers will receive a 10 per cent wage subsidy in the second year of an eligible apprenticeship, and five per cent in the third year.

The BAC program commenced last October and will run until March 2022. It provides a 50 per cent wage subsidy for the full 12 months of an apprenticeship, meaning the first apprentices and trainees signed up under the program will be coming off wage support from next month.

The Chief Executive Officer of NAEN Dianne Dayhew said the extension of the program will support apprentices and trainees through the second and third years of their training and will help safeguard against a "cliff" at the end of the first year.

"The wage subsidy program has been a real success in helping Australia rebuild apprentice and trainee numbers following the crisis early last year when thousands were stood down during the initial COVID outbreak.

"The extension of the wage subsidy will help in sustaining the skills pipeline and ensuring that those who started their apprenticeships have the best chance of completing.

"Today's announcement will give confidence to employers that they can retain their apprentices and trainees beyond the first 12 months of the training contract," Ms Dayhew said.

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The National Apprentice Employment Network is the national peak body representing the network of over 100 Group Training Organisations (GTOs) employing more than 20,000 apprentices and trainees throughout Australia. www.naen.com.au