



Australian Apprenticeships Incentive System

Frequently Asked Questions

Updated: 23 August 2022

The Australian Government is investing \$2.4 billion over five years in the Australian Apprenticeships Incentive System (Incentives System) to build a more inclusive and sustainable economy, ensuring Australians receive quality training while in paid employment.

1. What is the Incentives System?

Government support under the Incentives System focuses on priority occupations listed on the Australian Apprenticeships Priority List (Priority List). The Incentives System helps get apprentices working in secure jobs that are in demand, filling skills shortages. This includes:

- a Priority Wage Subsidy for employers of Australian Apprentices in priority occupations, set at 10 per cent in the first year of the apprenticeship, 10 per cent in the second year and 5 per cent in the third year; and
- a direct payment to Australian Apprentices in priority occupations, set at \$1,250 paid every six months for two years of an apprenticeship, up to a maximum of \$5,000 for full-time apprentices, (or \$625 paid every six months for two years of an apprenticeship, up to a maximum of \$2,500 for part-time apprentices).

Support will also be available to employers taking on Australian Apprentices in occupations not listed on the Priority List.

The Incentives System helps increase completions by providing financial and non-financial support at the time the apprentice needs it the most.

Support will also continue for students who need to travel to undertake their apprenticeship through the Living Away From Home Allowance, as well as additional supports for apprentices with disability, through the Disability Australian Apprenticeship Wage Support.

2. How much will be available to employers?

The amount available to employers will depend on whether the Australian Apprentice is identified as training in a qualification and occupation on the Priority List.

From 1 July 2022, eligible employers and Group Training Organisations that hire a new or recommencing Australian Apprentice undertaking training in a qualification and occupation on the Priority List can apply for:

- a Priority Wage Subsidy of 10 per cent of wages for the first and second year of the apprenticeship (up to \$1,500 per quarter) and 5 per cent of wages for third year (up to \$750 per quarter).

Eligible employers and Group Training Organisations that hire a new or recommencing Australian Apprentice in a qualification or occupation not listed on the Priority List can apply for a Hiring Incentive of:

- \$3,500 paid in two equal six-monthly instalments (\$1,750 each) six months after commencement for full-time apprentices,
- \$1,750 paid in two equal six-monthly instalments (\$875 each) six months after commencement for part-time apprentices.

The final date for new entrants for the Priority Wage Subsidy and the Hiring Incentive is 30 June 2024.

3. How much will be available to Australian Apprentices?

From 1 July 2022, eligible Australian Apprentices commencing or recommencing a qualification at either Certificate III, IV, Diploma or Advanced Diploma level qualification and an occupation listed on the Priority List can apply for an Australian Apprentice Training Support Payment of:

- \$1,250 every six months over the first two years of the Australian Apprenticeship (up to \$5,000 in total) for full-time apprentices,
- \$625 every six months over the first two years of the Australian Apprenticeship (up to a maximum of \$2,500) for part-time apprentices.

The final date for new entrants for the Australian Apprentice Training Support Payment is 30 June 2024.

4. Who is eligible for each incentive?

Australian Apprentice Training Support Payment

You may be eligible if you:

- commenced your Australian Apprenticeship between 1 July 2022 and 30 June 2024; and
- are undertaking a qualification at either Certificate III, IV, Diploma or Advanced Diploma level and an occupation on the Priority List at time of commencement; and
- have a training contract that is formally approved by the relevant State or Territory Training authority.

Priority Wage Subsidy

Your business or Group Training Organisation may be eligible for the Priority Wage Subsidy if:

- you engaged an Australian Apprentice between 1 July 2022 and 30 June 2024; and
- the Australian Apprentice is undertaking training in a qualification at either Certificate III, IV, Diploma or Advanced Diploma level and an occupational outcome listed on the Priority List at time of commencement; and
- the Australian Apprentice has a training contract that is formally approved by the relevant State or Territory Training authority.

Hiring Incentive

Your business or Group Training Organisation may be eligible for the Hiring Incentive if:

- you engaged an Australian Apprentice between 1 July 2022 and 30 June 2024 who is not an existing worker (an existing worker has been in an employment relationship with their employer for more than three full-time equivalent months, including approved leave); and
- the Australian Apprentice is undertaking either a certificate II through to Advanced Diploma level qualifications in occupations **not** included on the Priority list or a certificate II in any occupation; and
- the Australian Apprentice has a training contract that is formally approved by the relevant State or Territory Training Authority.

5. Does the size of your business matter?

No, employers of any size, or industry, Australia-wide who commence an Australian Apprentice from 1 July 2022 may be eligible for financial support under the Incentives System.

6. Are Group Training Organisations eligible for the Priority Wage Subsidy or Hiring Incentive?

Yes, Group Training Organisations are eligible for the Priority Wage Subsidy and Hiring Incentive.

7. How are payments made?

All incentive payments will be paid directly to the recipient's nominated bank account.

The Australian Government is focussed on supporting Australian businesses and reducing the reporting burden on employers. To claim the Priority Wage Subsidy, eligible employers must be able to provide accurate and regular wage reporting through Single Touch Payroll, unless an exemption from the Australian Taxation Office has been granted. For further information about Single Touch Payroll, please visit the [Australian Taxation Office website](#).

8. How do employers register and apply for the Priority Wage Subsidy or Hiring Incentive?

Your [Australian Apprenticeship Support Network provider](#) will assess and advise of your potential eligibility for the Priority Wage Subsidy and Hiring Incentive. You will be prompted to claim through the Apprenticeships Data Management System (ADMS) once you reach the claim date for any payments for which you are eligible.

9. How do Australian Apprentices register and apply for the Australian Apprentice Training Support Payment?

Your [Australian Apprenticeship Support Network provider](#) will assess and advise of your potential eligibility for the Australian Apprentice Training Support Payment. You will be prompted to claim once you reach the claim date for any payments for which you are eligible.

10. What about apprentices who commenced before 1 July 2022?

Australian Apprentices who commenced prior to 1 July 2022 will not be eligible for the Australian Apprentice Training Support Payment and their employer will not be eligible for the Priority Wage Subsidy or Hiring Incentive under the Incentives System.

Employers and Australian Apprentices who commenced prior to 1 July 2022 will continue to have payments grandfathered under the Australian Apprenticeships Incentives Program.

More information about incentives is available at: www.australianapprenticeships.gov.au.

11. Is there a limit on how many Incentives System places an employer can have?

Employers can receive the Priority Wage Subsidy or Hiring Incentive for any number of Australian Apprentices, provided they meet the eligibility criteria. Australian Apprentices must commence or recommence between 1 July 2022 and 30 June 2024, with an approved Training Contract.

12. What is the Priority List?

The Priority List identifies occupations classified by the Australian Bureau of Statistics (ABS) as either Technicians and Trades Workers or Community and Personal Service Workers and are included on the [Skills Priority List](#) published by the National Skills Commission on 30 June 2021.

13. How have the occupations on the Priority List been selected?

The occupations on the Priority List meet the following criteria:

- assessed as being in national shortage in June 2021; and
- classified by the Australian Bureau of Statistics Australian and New Zealand Standard Classification of Occupations (ANZSCO) as either Technicians and Trades Workers (ANZSCO Major Group 3) or Community and Personal Service Workers (ANZSCO Major Group 4).

These criteria were applied as they identify occupations with a labour market need and those most likely to involve an Australian Apprenticeship pathway.

14. Where can employers find further information?

For further information employers can visit www.australianapprenticeships.gov.au or contact their local [Australian Apprenticeship Support Network provider](#).