



Supporting apprentices and trainees

This assistance will help businesses to retain their employees. The wage subsidy for apprentices and trainees will help to ensure the continued development of the skilled workforce.

Summary

The Government is seeking to partner with states and territories to establish a \$1 billion JobTrainer Fund to provide more Australians with access to free, or low cost, training places in areas of identified skills need. The Government's commitment of \$500 million, to be matched by states and territories, will give new opportunities for school-leavers and options for job seekers to upskill or reskill in a new career path that will be critical to the economic recovery.

The Government is also extending its wage subsidy for apprentices and trainees to help small and medium-sized businesses and Group Training Organisations to retain their apprentices and trainees. Where a small or medium-sized business is not able to retain an apprentice, a re-engagement subsidy is available to a new employer of any size.

Support is also being provided to the National Apprentice Employment Network — the peak national body representing Group Training Organisations — to co-ordinate the re-engagement of displaced apprentices and trainees throughout their network of employers across Australia.

Eligibility – from 1 January 2020 to 30 September 2020 – support for small businesses

The subsidy is available to support small businesses with fewer than 20 employees, including those using a Group Training Organisation, who retain an apprentice or trainee. Eligible employers can apply for a wage subsidy of 50 per cent of an apprentice's or trainee's wage paid from 1 January 2020 to 30 September 2020, up to a cap of \$7,000 per quarter. The apprentice or trainee must have been in an Australian Apprenticeship with a small business as at 1 March 2020. Employers of any size, including Group Training Organisations, that re-engage an eligible out-of-trade apprentice or trainee are also eligible for the subsidy.

Eligibility – from 1 July 2020 to 31 March 2021 – support for small and medium-sized businesses

The Government is extending and expanding the Supporting Apprentices and Trainees wage subsidy. The subsidy will be available to support small and medium-sized businesses with fewer than 200 employees, including those using a Group Training Organisation, who retain an

Australian Apprentice engaged as at 1 July 2020. Eligible employers can apply for a wage subsidy of 50 per cent of an apprentice's or trainee's wage paid from 1 July 2020 to 31 March 2021, up to a cap of \$7,000 per quarter. Employers of any size, including Group Training Organisations, that re-engage an eligible out-of-trade apprentice or trainee will also be eligible for the subsidy.

This measure will support approximately 90,000 small and medium-sized businesses, employing around 180,000 apprentices.

Timing

Applications opened on 2 April 2020, with payments made quarterly in arrears. Final claims for payment must be lodged by 30 June 2021.

Further information is available at:

- The Department of Education, Skills and Employment website at: www.dese.gov.au.
- Australian Apprenticeships website at: www.australianapprenticeships.gov.au.

For further information on how to apply for the subsidy, including information on eligibility, contact an Australian Apprenticeship Support Network provider.

Budget impact

This measure is expected to cost \$2.8 billion across 2019-20, 2020-21 and 2021-22.

David's Plumbing

David's Plumbing is a small-sized business that employs 10 people, including two Australian Apprentices.

Taylor is a first year Australian Apprentice, aged 20, undertaking a Certificate III qualification. She commenced her apprenticeship with David's Plumbing on 6 February 2020. Taylor receives a weekly wage of \$532.89.

Lisa is a third year Australian Apprentice, aged 29, undertaking a Certificate IV qualification. She commenced her apprenticeship with David's Plumbing on 18 November 2017. She receives a weekly wage of \$772.71.

David's Plumbing is eligible for Supporting Apprentices and Trainees which pays 50 per cent of the apprentices' wages that have been paid by David's Plumbing since 1 January 2020.

David's Plumbing will receive:

- a \$15,949 subsidy for employing Taylor for 6 February 2020 to 31 March 2021; and
- a \$25,113 subsidy for employing Lisa for 1 January 2020 to 31 March 2021.

For more information

For more information on the Australian Government's Economic Response to the Coronavirus visit treasury.gov.au/coronavirus.

Businesses can visit business.gov.au to find out more about how the Economic Response complements the range of support available to small and medium-sized businesses.