



**National Australian  
Apprenticeship Association**

## **Press Release**

### **2025 Federal Election – Apprenticeship Budget announcements**

As Australia heads to a federal election on 3rd May both Labor and the Coalition have made apprenticeship budget commitments for the next term of government.

The Federal Treasurer made provision for the Key Apprenticeship Program which extends \$10,000 apprentice incentives under the clean energy apprenticeship program to encompass residential construction trades.

In reply, the Leader of the Opposition announced wage subsidy support for employers of new apprentices in priority occupations of up to \$12,000 over the first two years of their apprenticeship.

The Association warmly welcomes the proposed investment from both sides of politics as they highlight the critical role apprenticeships play in underpinning the skills Australia needs across the economy, and in the construction sector in particular.

Labor governments tend to direct a greater proportion of their apprenticeship incentive investment directly to apprentices undergoing training.

Coalition governments tend to direct a greater proportion of the investment to encouraging small and medium sized employers to participate in the system.

It's the Association's view that a high functioning incentives system focuses on both simultaneously.

The previous Coalition government redesigned the Australian Apprenticeships Incentives System (AAIS) to "step down" from the record investment it made during the pandemic.

The second stage of this "step down" saw longstanding incentives removed from Traineeships (outside the care sector). The current Labor government implemented this change, and it has resulted in a rapid decline in Traineeships across the economy.

The Association argues that this approach is short sighted and counter-productive both for gender equity and First Nation's participation. The budget statements this week did nothing to address this decline.

The latest NCVET data on apprenticeships shows there were 333,765 apprentices and trainees in training in the 2024 September quarter. This is slightly below the long term average of 2.5% of the labour force which the Association uses as its key benchmark for a well-functioning incentive system.

The report showed that whilst trade commencements were down by 17.4% completions were up by 7.1% and cancellations had declined by 1.9%. For Traineeships, commencements were down by 24.7% with the largest fall in Community and Personal Care workers, followed by Clerical and Administrative workers.

The Association welcomes the Coalition Leader's explicit target to keep apprenticeship in-training numbers above 400,000 or around 2.7% of Australia's labour force.

The Labor government commissioned a Strategic Review into Australian Apprenticeship Incentives and has set out a consultation timeframe to respond to its 34 recommendations. Its initial response has been to make additional investments in the Key Apprenticeship Program and maintain the current Hiring Incentives until the end of the calendar year.

In addition, it is raising the Living Away from Home Allowance (LAFHA) and Disability Australian Apprentice Wage Subsidy (DAAWS) for the first time in many years, and indexing these payments henceforth.

These positive initiatives have seen the forward estimates for incentive expenditure rise from \$483m in last year's budget to \$753m in this year's budget. This is a positive recognition of the important role incentives play in getting Australia's skills balance right.

More can be done and needs to be done to stabilise the decline in Traineeships. But the Association commends both major political parties for increasing the apprenticeship investment in their budget announcements this week.

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