



## Additional Identified Skills Shortage payment incentive

The Additional Identified Skills Shortage (AISS) payment is available to eligible apprentices commencing from 1 July 2019 and their employers, in ten occupations experiencing national skills shortages. The AISS payment will grow the number of apprentices and encourage more people to take up an Australian Apprenticeship.

### What payments are available?

Eligible Australian Apprentices in national skills shortage areas will receive \$1,000 at the 12 month point from commencement of their apprenticeship, and an additional \$1,000 at completion of the apprenticeship.

Eligible employers of Australian Apprentices will also receive \$2,000 at the 12 month point from the commencement of the apprenticeship and an additional \$2,000 at completion of the apprenticeship. These payments will be administered under the Australian Apprenticeships Incentives Program, and are additional to any payments the apprentice or employer may be eligible for under existing Australian Government programs including:

- Trade Support Loans, which provides income-contingent loans of up to \$21,078 for eligible apprentices to support them through their apprenticeship
- The Australian Apprenticeships Incentives Program, which provides standard incentives of \$4,000 over the life of an apprenticeship to eligible employers.

### Who is eligible?

The AISS payment is available to eligible employers and apprentices in the following occupations:

Carpenters and Joiners	Plasterers
Plumbers	Bakers and Pastrycooks
Hairdressers	Vehicle Painters
Airconditioning and Refrigeration Mechanics	Wall and Floor Tilers
Bricklayers and Stonemasons	Arborists

For an apprentice and their employer to be eligible for the AISS payment, the apprentice must be new to the employer, commencing a Certificate III or IV level qualification on or after 1 July 2019 leading to one of the occupations listed above. Existing workers and their employers are not eligible for the AISS payment.



Employers will only be eligible to claim the AISS payment for apprentices that qualify as being *additional* – that is, over and above the employer’s usual apprentice intake. This is intended to encourage a genuine increase in the supply of Australian Apprenticeships to address skills shortages. An Australian Apprentice who is new to their employer and undertaking a certificate III or IV qualification leading to one of the listed occupations is eligible, regardless of if they are additional.

Detailed eligibility criteria are outlined in the Australian Apprenticeships Incentives Program Guidelines.

## How do I apply?

Australian Apprenticeship Support Network (AASN) providers are contracted by the Australian Government to administer the AISS payments as part of the Australian Apprenticeships Incentives Program. Your AASN provider will be able to determine eligibility for the AISS initiative and assist with making a claim.

## How are payments made?

AISS payments are made directly to the recipient’s nominated bank account.

## What about paying tax?

Where the employer provides their Australian Business Number (ABN), the department will not withhold tax from their AISS payments. AISS payments must be declared in accordance with the usual arrangements for declaring income to the Australian Taxation Office.

Where an employer chooses not to provide an ABN they will be subject to the withholding requirements of the Taxation Administration Act 1953 and 47 per cent of each payment will be withheld and remitted to the Australian Taxation Office.

Where the apprentice completes a *Tax File Number Declaration*, their AISS payments will be subject to a withholding rate of 21.0 per cent where the Australian Apprentice declares that their annual income does not exceed \$37,000 or 34.5 per cent where the Australian Apprentice declares that their annual income exceeds \$37,000.

Where the apprentice chooses not complete a *Tax File Number Declaration*, their payments will be subject to a withholding rate of 47 per cent.

For further information on the tax treatment of AISS payments in relation to your individual circumstances contact your accountant, tax adviser or the Australian Taxation Office on 13 28 61.

## Where can I find out more?

For more information about Australian Apprenticeships visit your local AASN provider.

Information on apprentice workplace rights and conditions can be found on the Fair Work Ombudsman website [www.fairwork.gov.au](http://www.fairwork.gov.au).