



Australian Government

A U S T R A L I A N  
A P P R E N T I C E S H I P S

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# Changes to Australian Apprenticeships Incentive System from 1 January 2027

## Factsheet

Last Updated 12 May 2026

**From 1 January 2027, support will focus on apprentices and small to medium employers, so help goes where it is needed most.**

### What are the changes?

#### Key Apprenticeship Program Employer Incentive

- The incentive is available from 1 January 2027 for eligible apprenticeships until 30 June 2029 (it is currently due to end on 31 December 2026).
- Payments will change to up to \$4,000 (down from \$5,000 in 2026). This will be paid in two instalments during the first year of the apprenticeship.
- Employers with 200 or more employees will not be eligible (except Group Training Organisations).

#### Priority Hiring Incentive

- Employers with 200 or more employees will not be eligible (except Group Training Organisations).
- There is no change to the amount of this payment. It will stay at up to \$2,500, paid in two instalments during the first year of the apprenticeship.

#### Australian Apprenticeships Priority List

- After feedback from stakeholders in late 2025, we are changing how the Priority List is updated each year so that it:

takes both national and regional skills shortages into account, informed by the Occupation Shortage List developed by Jobs and Skills Australia each year  
considers shortage ratings over two years to improve stability and support business planning  
matches government priorities and targets support where it is needed most, including construction, net zero, manufacturing, and care and support  
still includes priority jobs that support women and First Nations communities

- These changes will take place from 1 January 2027. The 2026 Priority List will stay the same for the rest of 2026.

## What's staying the same?

### Grandfathering Arrangements

- Eligible employers (including large employers) who start or restart an apprenticeship before 1 January 2027 will keep the current rates: up to \$5,000 for the Key Apprenticeship Program employer incentive and \$2,500 for the Priority Hiring Incentive.

### Key Apprenticeship Program (KAP) Apprentice Incentive

- Eligible apprentices can receive up to \$10,000 (full-time) or \$5,000 (part-time) over the course of their apprenticeship when working in the following streams:
  - New Energy Apprenticeship (NEA): Supports Australian Apprentices in the clean energy sector.
  - Housing Construction Apprenticeship (HCA): Supports Australian Apprentices in the housing construction sector.
- paid as follows:
  - Full-time: \$2,000 at 6, 12, 24, and 36 months and on completion.
  - Part-time: \$1,000 at 6, 12, 24, and 36 months and on completion.

### Australian Apprentice Training Support Payment (AATSP)

- Apprentices doing a Certificate III or above in a job on the Australian Apprenticeships Priority List, will continue to get up to \$2,500 over the first two years of the apprenticeship, until 30 June 2029.

### Living Away From Home Allowance (LAFHA)

- Australian Apprentices who need to move away from home or become homeless during their apprenticeship.
- Tax-free weekly payments paid at the following rates:
  - 1st year: \$120 per week
  - 2nd year: \$90 per week
  - 3rd year: \$45 per week

### Australian Apprenticeship Support Loans (AASL)

- Australian Apprentices completing an apprenticeship in an occupation listed on the Priority List.
- What support is available?
  - Interest-free loan up to \$25,983 (2025–26), paid monthly.
  - Repayments start when your income exceeds \$67,000 (2025–26 threshold).
  - Loan indexation is capped at the lower of the Wage Price Index or Consumer Price Index.
  - A 20% discount applies on completion of your apprenticeship.

### Disability Australian Apprentice Wage Support (DAAWS)

- Employers of Australian Apprentices with disability will still be eligible for a weekly support payment of \$216.07.

## DAAWS Off-the-job Tutorial, Mentor, and Interpreter Assistance

- Off-the-job Tutorial, Mentor, and Interpreter Assistance is available to Registered Training Organisations to provide tutorial, mentor and interpreter assistance to apprentices with a disability who are experiencing difficulties with the off-the-job component of their Australian Apprenticeship.
- Tutorial services- \$38.50 per hour, up to a maximum of \$5,500 per year
- Mentor or interpreter services- \$38.50 per hour, up to a maximum of \$5,500 per year.

## **Need More Information?**

Contact an Apprentice Connect Australia Provider. To find a provider in your area visit [Apprentice Connect Australia Provider | Australian Apprenticeships](#).