



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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Australian Apprenticeships Incentive System

Factsheet

Last Updated 1 July 2025

Apprenticeships play a key role in building a more inclusive and sustainable economy, ensuring Australians receive quality training while in employment.

Phase 2 of the Incentive System commenced on 1 July 2024 and has a stronger focus on providing financial supports towards Australian Apprenticeships in priority occupations as listed on the [Australian Apprenticeships Priority List](#) (Priority List).

Overview of the Incentive System

Government financial support under the Incentive System focuses on priority occupations, ensuring support is targeted to the skills in demand in the Australian economy. Priority occupations are listed on the [Priority List](#), which is updated in January each year. The Priority List is based on analysis of the occupations in current shortage and future demand over the next five years and, which are most likely to involve an Australian Apprenticeship entry pathway.

Australian Apprentice Payments

Australian Apprentice Training Support Payment (AATSP)

The **Australian Apprentice Training Support Payment (AATSP)** provides up to \$5,000 for eligible Australian Apprentices in an occupation and linked qualification listed on the [Priority List](#) paid over 4 instalments:

- \$1,750 at 6 and 12 months and \$750 at 18 and 24 months (full-time)
- \$875 at 6 and 12 months and \$375 at 18 and 24 months (part time)

Key Apprenticeship Program (KAP)

The Key Apprenticeship Program (KAP) contains two streams:

- New Energy Apprenticeship stream; and
- Housing Construction Apprenticeship stream.

The KAP payment is available to eligible Australian Apprentices in the new energy and housing construction occupations that are linked to a qualification listed on the [Priority List](#) and where their employer can provide **meaningful exposure, experience, and work** in the clean energy or housing construction sector.

KAP provides financial support of up to \$10,000 for a full-time apprenticeship and up to \$5,000 for a part-time apprenticeship over the life of the Australian Apprenticeship Journey. Payments are made according to the following schedule and rates:

- \$2,000 at 6, 12, 24 and 36 months and on completion (full-time)
- \$1,000 at 6, 12, 24 and 36 months and on completion (part-time)

Please note: the KAP does not supersede the New Energy Apprentice Support Payment (NEASP). From 1 July 2025, any Australian Apprentice receiving support through the NEASP will continue to have their remaining eligibility paid through the NEASP unless a reassessment is required.

Australian Apprenticeship Support Loans (AASL)

The **Australian Apprenticeship Support Loans (AASL)** is available to all apprentices and trainees in occupations on the Priority List. It provides income contingent loans of up to \$25,983 in 2025-26 to help recipients meet day to day costs while undertaking their studies.

The measure enables backdating of payments to provide immediate support to recipients. Australian Apprentices do not have to repay the loan until they are earning an income above the minimum repayment threshold (\$56,156 for 2025-26).

- Australian Apprentices who complete their apprenticeship will receive a 20% discount on the loan amount. In order to maintain the real value of the loan, the loan amount will be indexed according to the Consumer Price Index annually.
- On 3 November 2024, the Australian Government announced changes to income contingent student loans, including Australian Apprenticeship Support Loans. Anyone with a student loan, including a AASL debt will have their debt reduced by a further 20% before 1 June 2025, when indexation is applied. The ATO will apply these changes. For more information visit [Higher Education Loan Program \(HELP\) - Department of Education, Australian Government](#).

Living Away From Home Allowance (LAFHA)

The **Living Away from Home Allowance (LAFHA)** is an allowance for eligible Australian Apprentices who have to move away from their parents' or guardians' home to take up or retain an Australian Apprenticeship or are homeless. This allowance is available to eligible full-time and part-time apprentices during the first three years of their apprenticeship. LAFHA is paid in arrears at the following rates:

- First 12-month period from the date of commencement: \$120.00 per week
- Second 12-month period: \$90.00 per week
- Third 12-month period: \$45.00 per week

Employer Payments

Priority Hiring Incentive

The Priority Hiring Incentive is a payment for employers of Australian Apprentices training towards an occupation and qualification at a Certificate level III or above listed on the [Priority List](#). You can use the [Priority List Explorer](#) to see which occupations and qualifications qualify for support.

You may be eligible to receive a Priority Hiring Incentive of up to \$5000 in the first year of an apprenticeship, paid over two instalments of

- \$2,000 at 6 months and \$3,000 at 12 months (full-time)
- \$1,000 at 6 months and \$1,500 at 12 months (part-time)

GTO Reimbursement Program

The **Group Training Organisation Reimbursement Program (GTO Reimbursement Program)** is intended to reimburse some or all of the cost of Group Training Organisation (GTO) services for Small and Medium Enterprises (SMEs) that host an Australian Apprentice training towards a qualification and occupation listed on the Priority List, where the SME has not directly engaged an Australian Apprentice or hosted an Australian Apprentice through a GTO arrangement within the last two years.

The GTO Reimbursement Program will operate on a demand driven basis, capped at 400 reimbursed placements nationally. Each reimbursed placement offers a payment valued at \$100 per week, and up to \$5,200 (GST inclusive) over 52 weeks, paid to the GTO to reimburse for a commensurate reduction in the usual GTO service fee, or charge-out rate, charged to an eligible SME in respect of an eligible Australian Apprenticeship placement.

Disability Australian Apprentice Wage Support (DAAWS)

The **Disability Australian Apprentice Wage Support (DAAWS)** is payable to employers who employ an apprentice who satisfies the disability eligibility criteria. The incentive aims to encourage employers to provide Australian Apprenticeships to people with disability who can participate in open employment with suitable support and training. This support provides apprentices with disability access to tutorial, interpreter and mentoring services. The payment rate for DAAWS is:

- \$216.07 per week in arrears

Grandfathering arrangements

Apprentices and Employers who commenced or recommenced prior to 30 June 2024 will continue to receive the support through grandfathering arrangements as below:

- The **Priority Wage Subsidy** provides up to 3 years of assistance to employers. Eligible employers can be reimbursed a percentage of wages paid on a quarterly basis.
- The **Hiring Incentive** is available to eligible employers of Australian Apprentices in occupations not listed on the Priority List. It is paid in two instalments at 6 and 12 months after commencement.

Apprentices who commenced or recommenced prior to 1 July 2025 will continue to receive the support through grandfathering arrangements as below:

- The **New Energy Apprentice Support Payment (NEASP)** provides financial support of up to \$10,000 for a full-time apprenticeship and up to \$5,000 for a part-time apprenticeship over the life of the Australian Apprenticeship. Payments are made according to the following schedule and rates:
 - \$2,000 at 6,12,24 and 36 months and on completion (full-time)
 - \$1,000 at 6,12,24 and 36 months and on completion (part-time)

For more information

Further information can be found in the [Incentive System Guidelines](#). To determine your eligibility and information about applying, contact an Apprentice Connect Australia Provider.

To find a Provider near you, visit [Apprentice Connect Australia Provider | Australian Apprenticeships](#)