



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

Your Life. Your Career. Your Future.

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 and
 - 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](#).