



Australian Government

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# Australian Apprenticeships Incentive System

## Factsheet

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

The new settings of the Australian Apprenticeships Incentive System (Incentive System) commenced on 1 January 2026 and has a stronger focus on providing financial supports towards Australian Apprenticeships in housing construction and clean energy priority occupations as listed on the [Australian Apprenticeships Priority List](#) (Priority List).

### Overview of the Incentive System

Government financial support under the Incentive System is directed towards priority occupations, ensuring assistance is provided where skills are most needed in the Australian economy. These priority occupations are identified and listed on the [Priority List](#), which is updated annually in January. The Priority List is developed through analysis of current skill shortages and projected future demand over the next five years, focusing on roles most likely to offer an Australian Apprenticeship entry pathway.

You can use the [Priority List Explorer](#) to see which occupations and qualifications qualify for support.

### Australian Apprentice Payments

#### Key Apprenticeship Program (KAP) Apprentice Incentive

The KAP contains two streams:

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

The KAP Apprentice Incentive is available to eligible Australian Apprentices in the New Energy and Housing Construction occupations linked to a qualification on the [Priority List](#) and where their employer can provide **meaningful exposure, experience, and work** in the clean energy or housing construction sector.

The KAP Apprentice Incentive 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 Apprentice Incentive 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 Apprentice Training Support Payment (AATSP)

The **AATSP** provides up to \$2,500 for eligible Australian Apprentices in an occupation and a linked qualification on the [Priority List](#) paid over 4 instalments:

- \$625 at 6, 12, 18 and 24 months (full-time)
- \$315 at 6 and 12 months and \$310 at 18 and 24 months (part time)

## Australian Apprenticeship Support Loans (AASL)

The **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 (\$67,000 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 **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

### Key Apprenticeship Program Employer Incentive

The KAP contains two streams:

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

The **Key Apprenticeship Program Employer Incentive** is a payment for employers of Australian Apprentices undertaking a Certificate III or higher qualification aligned with an occupational outcome identified as New Energy or Housing Construction on the [Priority List](#) and where they can provide their Australian Apprentice with **meaningful exposure, experience, and work** in the clean energy or housing construction sector. You can use the [Priority List Explorer](#) to see which occupations and qualifications qualify for support.

Employers may be eligible to receive a Key Apprenticeship Program Employer Incentive of up to \$5,000 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)

## 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.

Employers may be eligible to receive a Priority Hiring Incentive of up to \$2,500 in the first year of an apprenticeship, paid over two instalments of:

- \$1,000 at 6 months and \$1,500 at 12 months (full- time)
- \$500 at 6 months and \$750 at 12 months (part-time)

## Group Training Organisation Reimbursement Pilot Program

The **Group Training Organisation Reimbursement Pilot 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.

The GTO Reimbursement Program will close to new entrants once all 400 reimbursement places have been allocated or on 30 April 2026, whichever occurs first.

## 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)

Apprentice and employers who commenced or recommenced prior to 1 January 2026 will continue to receive the support through grandfathering arrangements below:

- The **Priority Hiring Incentive** for commencements or recommencements on or before 31 December 2025, will continue to provide employers of Australian Apprentices training towards an occupation and qualification at a Certificate level III or above listed on the [Priority List](#) with \$5,000 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)
- The **AATSP** for commencement or recommencements on or before 31 December 2025, will continue to provide up to \$5000 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)

## 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](#)