

Changes to the Australian Apprenticeships Incentive System from 1 January 2026

Factsheet

Last updated: 1 December 2025

From 1 January 2026 to 31 December 2026, the Government will continue to provide robust support for apprenticeships as part of its broader plan to deliver a Future Made in Australia, meet the net zero targets, and build 1.2 million homes by 2029. These initiatives aim to create jobs and secure Australia's future.

By making balanced adjustments to incentives, the Government is creating a fit-for-purpose apprenticeship system that supports apprentices, employers, and the industries that will shape Australia's future. The incentives available for an Australian Apprenticeship from 1 January 2026 to 31 December 2026 are covered below:

Incentives for Australian Apprenticeships: 1 January 2026 – 31 December 2026		
Apprenticeship Type	Total Investment	Employer & Apprentice Incentive
Key Apprenticeship Program	\$15,000	Apprentice: \$10,000 Employer: \$5,000
Priority Apprenticeship	\$5,000	Apprentice: \$2,500 Employer: \$2,500

Grandfathering Arrangements

Eligible Australian Apprentices and employers who commence an apprenticeship before 1 January 2026, will continue to receive the current rates \$5,000 for Australian Apprentice Training Support Payment (AATSP) and \$5,000 for Priority Hiring Incentive.

What's New?

Incentive	Eligibility and Payment Schedule
Key Apprenticeship Program Employer Incentive	Employers of apprentices in Key Apprenticeship Program (KAP) occupations can receive up to \$5,000 in incentive payments, paid in two instalments during the first year of the apprenticeship. The Australian Apprenticeship Incentives System Program Guidelines is currently being updated and will provide detailed information on payment rates, schedule, and eligibility requirements.

What's Changing?

Incentive	Changes	Eligibility
Australian Apprentice Training Support Payment (AATSP)	The maximum payment will be reduced from \$5,000 to \$2,500, paid over the first two years of an apprenticeship.	AATSP provides financial support to eligible Australian Apprentices in an occupation and linked qualification listed on the Priority List .

Priority Hiring Incentive	The incentive will decrease from \$5,000 to \$2,500 paid in two instalments during the first year of the apprenticeship.	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 Australian Apprenticeship Priority List .
Group Training Organisation Reimbursement Pilot Program	The Pilot will close to new applications on 30 April 2026 or once the 400 reimbursed placements are filled nationally, whichever occurs first.	Provides payments to eligible GTOs placing Australian Apprentices in priority occupations with SMEs that haven't hosted an apprentice via a GTO in the past two years.

What's Staying the Same?

Incentive	Payment rates & schedule		
Key Apprenticeship Program Apprentice Incentive	Payments at 6, 12, 24, 36 months and on completion Full-time \$2,000 Part-time \$1,000		
Living Away From Home Allowance (LAFHA)	First Year \$120/week	Second Year \$90/week	Third Year \$45/week
Australian Apprenticeship Support Loans (AASL)	Loan Amount Interest-free loan up to \$25,983 (2025–26), paid monthly. Repayment Threshold Repayments start when your income exceeds \$67,000 (2025–26 threshold). Indexation Loan indexation is capped at the lower of the Wage Price Index or Consumer Price Index. Completion discount A 20% discount applies on completion of your apprenticeship.		
Disability Australian Apprentice Wage Support (DAAWS)	Weekly support payments of \$216.07.		
DAAWS Off-the-job Tutorial, Mentor, and Interpreter Assistance	Tutorial Services Mentor or interpreter services		\$38.50 per hour, up to a maximum of \$5,500 per year \$38.50 per hour, up to a maximum of \$5,500 per year

For more Information

Further information on the current incentives can be found in the [Australian Apprenticeships Incentives System Program Guidelines](#). To determine your eligibility and information about applying, contact an Apprentice Connect Australia Provider. Details on the new payments and changes will be available on the departments website in the week commencing 22 December 2025.

To find a provider in your area visit <https://www.apprenticeships.gov.au/who-to-contact/search-for-a-provider>.