

Australian Apprenticeships Incentive System

Frequently Asked Questions (FAQs)

Last updated 1 July 2025

This document has been created to support the implementation of the Australian Apprenticeships Incentive System (Incentive System). These FAQs should be read in conjunction with the Australian Apprenticeships Incentive System Guidelines.

What is the Incentive System?

The Incentive System plays a key role in building a more inclusive and sustainable economy, ensuring Australians receive quality training while in employment. It builds skills and talent in the Australian workforce, helping businesses to meet their current and future skills gaps and realise the opportunities of a recovering economy.

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).

The Priority Wage Subsidy and Hiring Incentive is not available for apprenticeships that commenced or recommenced from 1 July 2024. The New Energy Apprentice Support Payment is not available to new commencements or recommencements from 1 July 2025.

What supports are available for Australian Apprentices?

Australian Apprentice Training Support Payment (AATSP)

Eligible Australian Apprentices commencing or recommencing a qualification at either Certificate III, IV, Diploma or Advanced Diploma level qualification and an occupation listed on the Priority List can apply for an **Australian Apprentice Training Support Payment** of:

- \$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)

Am I eligible for the Australian Apprentice Training Support Payment?

You may be eligible if you:

- meet the primary eligibility requirements, including a citizenship or residency status, have employment and training arrangements and have previously completed a qualification.
- at the date of commencement or recommencement, be undertaking a qualification at the Certificate III, Certificate IV, Diploma or Advanced Diploma level and an occupation outcome listed on the [Priority List](#); and
- are in-training with your employer on the claim period end date.

In addition to the above requirements, you must not be in receipt of the Key Apprenticeship Program incentive.

Key Apprenticeship Program (KAP)

The Key Apprenticeship Program (KAP) has been implemented with the goal of encouraging the growth of the workforce and expanding the pipeline of workers training towards critical occupations supporting priority sectors. The KAP contains two streams:

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

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)

Am I eligible for the Key Apprenticeship Program?

You may be eligible if you:

- meet all primary eligibility requirements.
- commenced or recommenced after 1 July 2025.
- are undertaking a qualification at the Certificate III, Certificate IV, Diploma or Advanced Diploma level listed on the Priority List and identified as new energy or housing construction qualification.
- your employer signs a declaration confirming that you will undertake work and build skills in the relevant KAP sector (clean energy or housing construction).
- are provided by your employer with **meaningful exposure, experience, and work** in the relevant KAP sector (clean energy or housing construction), appropriate to your skill level and/or off-the-job training.
- are in-training with your employer on the claim period end date and are not in receipt of the Australian Apprenticeship Support Payment for the same Australian Apprenticeship.

How were the Housing Construction Occupations identified?

To be eligible for KAP, an Australian Apprenticeship must be in an occupation on the Australian Apprenticeships Priority List and be identified as being a New Energy or Housing Construction occupation.

To be included on the Australian Apprenticeships Priority List, occupations need to be:

1. classified by the Australian Bureau of Statistics (ABS) on the Occupation Standard Classification for Australia (OSCA) as being in:
 - Major Group 3 - Trades and Technicians; or
 - Major Group 4 - Community and Personal Care Workers, **and**
2. assessed by Job Skills Australia (JSA) on the Occupational Shortage List (OSL) as being in national shortage.

Eligible occupations for the HCA Stream were identified in consultation with Jobs and Skills Australia and Jobs and Skills Councils and drew on the insights in the BuildSkills Australia Jobs and Skills Council's 2024 Workforce plan 'Shaping the Future of the Built Environment' which aims to support the achievement of the nation's built environment objectives by helping to deliver a workforce fit for the future.

If I am currently receiving the New Energy Apprentice Support Payment (NEASP) will I move to KAP from 1 July 2025?

The KAP does not supersede the 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. Any new commencements or recommencements from 1 July 2025 will receive payment through the KAP: New Energy Apprenticeship stream rather than NEASP.

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 (\$67,000 for 2025-26).

Repayment of your AASL is becoming fairer and more affordable. Australian Apprentices who have an outstanding debt as at 1 June 2025 will receive a one-off 20 per cent reduction. The government is also introducing a 'marginal repayment system' where compulsory repayments are calculated only on income above the minimum repayment threshold.

Do I need to do anything to receive the 20% reduction?

You will not need to do anything to receive the 20% reduction. The ATO will retrospectively apply the 20% reduction to your debt and the indexation that was applied will also be adjusted.

Will indexation be applied to the full amount of the debt I owe?

The ATO will backdate the changes to 1 June 2025 before the annual indexation was applied. This means that the ATO will also adjust the indexation that was applied to the debt. This will mean that indexation is only applied to the lower debt amount.

How can I find details of my outstanding AASL and other student loan debts?

You can check your AASL and other student loan debt via [myGov](#) after linking your account to the ATO's Online Services.

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

What supports are available for employers?

Priority Hiring Incentive

The Priority Hiring Incentive aims to maintain strong Australian Apprenticeship commencement levels and improve retention and completion rates in priority occupations experiencing national skills shortage.

Eligible employers and Group Training Organisations that hire a new or recommencing Australian Apprentice undertaking training in a qualification and occupation on the [Priority List](#) can apply for a Priority Hiring Incentive.

The Priority Hiring Incentive is 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)

Am I eligible to claim Priority Hiring Incentive?

You may be eligible if:

- the Australian Apprentice meets the primary eligibility requirements, including a citizenship or residency status, has employment and training arrangements and has previously completed a qualification.
- the Australian Apprentice at the date of commencement or recommencement be undertaking a qualification at the Certificate III, Certificate IV, Diploma or Advanced Diploma level and with an occupational outcome listed on the [Priority List](#), including those identified as leading to a clean energy or housing construction apprenticeship pathway.
- the Australian Apprentice must be in-training with their employer on the claim period end date.

In addition to the above requirements, employers must not be in receipt of the Disability Australian Apprentice Wage Support any other form of Australian Government assistance for the same Australian Apprenticeship.

Are Group Training Organisations eligible for the Priority Hiring Incentive?

Yes, Group Training Organisations are eligible for the Priority Hiring Incentive.

GTO Reimbursement Program

As part of the 2024-25 Budget, the Australian Government announced a Group Training Organisation (GTO) Reimbursement Program payment, intended to reimburse some or all of the cost of 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.

How long will the GTO Reimbursement Program run for?

The GTO Reimbursement Program commenced on 1 January 2025 and operates on a demand-driven basis, capped at 400 reimbursement places nationally. The Program will close to new entrants once all 400 reimbursement places have been allocated or on 1 January 2026, whichever occurs first.

What is a Group Training Organisation?

A GTO is an organisation that employs Australian Apprentices under a Training Contract and places them with host employers. The GTO undertakes the employer responsibilities relating to the quality and continuation of Australian Apprentices' employment and training and charges a service fee to the host employer. The service fee is in addition to the Australian Apprentices' wages paid by the GTO and invoiced to the host employer.

A Group Training Organisation is not the same as a labour hire company.

How much is available to GTOs?

The GTO Reimbursement Program offers a reimbursement payment valued at \$100 per week, up to \$5,200 over 52 weeks.

What is the reimbursement payment to be used for?

The reimbursement payment must be passed on as a direct reduction in the usual GTO service fee or charge-out rate that the GTO charges to the eligible SME. This encompasses fees associated with

recruitment, placement, training, mentoring, and quality assurance activities directly related to the eligible Australian Apprenticeship placement.

How is the reimbursement payment calculated?

Payments will be calculated 13 weeks from the date the hosting arrangement commenced, with subsequent payments at 26, 39 and 52 weeks from the date the hosting arrangement commenced.

Payment period/effect date:

- \$1,300 at 13 weeks, 26 weeks, 39 weeks and 52 weeks – from the date the reimbursed placement began, as recorded in the registration form

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 living with disability who can participate in open employment with suitable support and training. The payment rate for DAAWS is:

- \$216.07 per week paid in arrears

The DAAWS assessment must be undertaken by a registered medical practitioner or registered psychologist who is qualified to make a diagnosis of disability. This cannot be a school counsellor. The assessment of the apprentice's needs must be genuine and not based on third party advice, or as part of a bulk assessment. Where the apprentice is under 18, they must be accompanied by their parent or guardian.

Do I need to have my DAAWS eligibility reassessed?

From 1 July 2025, apprentices living with a *permanent* disability who are found eligible for DAAWS will not need to have their eligibility reassessed over their apprenticeship journey.

Apprentices living with a *temporary* disability must have their eligibility reassessed at the expiration of the approved disability period by submitting:

- a new *application form in the Apprenticeships Data Management System*; and
- a new *Form 608*.

How is tutorial, mentoring and interpreter assistance delivered?

- Tutorial assistance must be delivered in small groups of no more than 5 participants to ensure the apprentice's learning needs are met.
- Mentor and interpreter assistance must be delivered on a one-on-one basis to ensure the apprentice's needs are met.

Where can employers find further information?

For further information employers can visit www.australianapprenticeships.gov.au or contact their local Apprentice Connect Australia Provider.

Additional information

Does the size of your business matter?

No, employers of any size, or industry, Australia-wide who commence an Australian Apprentice from 1 July 2024 may be eligible for financial support under the Incentive System.

What about apprenticeships that commenced before 1 July 2024?

Employer and Australian Apprentices who commenced or recommenced prior to 1 July 2024 will continue to have payments grandfathered under the Australian Apprenticeships Incentive System Program Guidelines 1 July 2022 to 30 June 2024.

More information about incentives is available at: www.australianapprenticeships.gov.au.

Is there a limit on how many Incentive System places an employer can have?

Employers can receive the Priority Hiring Incentive for any number of Australian Apprentices, provided they meet the eligibility criteria. Each Australian Apprentices must commence or recommence after 1 July 2024, with an approved Training Contract.

How do I register and apply for Incentive payments?

Your Apprentice Connect Australia Provider will assess and advise of your potential eligibility for an Incentive System payment. You will be prompted to claim through the Apprenticeships Data Management System (ADMS) once you reach the claim date for any payments for which you are eligible.

What is the Priority List?

The Priority List identifies occupations classified by the Australian Bureau of Statistics (ABS) as either Major Group 3 Technicians and Trades Workers or Major Group 4 Community and Personal Service Workers and are included on the [Occupation Shortage List](#) published by the Jobs and Skills Australia annually.

How have the occupations on the Priority List been selected?

The Priority List is updated on 1 January each year and underpins financial supports through the Incentive System. The Priority List is compiled based on demand ratings for occupations that have been:

1. classified by the Australian Bureau of Statistics (ABS) through the Occupation Standard Classification for Australia (OSCA) as being in:
 - Major Group 3 - Trades and Technicians; or
 - Major Group 4 - Community and Personal Care Workers, **and**
2. assessed by Job Skills Australia (JSA) on the Occupational Shortage List (OSL) as being in national shortage.

These criteria identify occupations with a labour market need and those most likely to involve an Australian Apprenticeship pathway.