

Changes to the Australian Apprenticeships Incentive System from 1 January 2026

Frequently Asked Questions

Last updated: 1 December 2025

Why is the government introducing a Key Apprenticeship Program Employer Incentive?

- Australia needs more skilled workers in housing construction and clean energy trades to deliver big national priorities like Future Made in Australia, net zero targets, AUKUS and the Housing Accord.
- The Key Apprenticeship Program (KAP) helps apprentices with up to \$10,000 to start and finish training in these critical areas.
- Since 1 July 2025, KAP has already made an impact with 6,600 apprentices starting their apprenticeship journey in housing construction trades. This builds on the success of the New Energy Apprenticeship Program, which brought in 15,400 apprentices start and helped 360 apprentices complete their training since 2023.
- Now, the government is adding employer incentive because the government understands employers are vital to achieving success.
- Supporting employers will help tackle skills shortages where the demand for qualified workers is growing faster than apprenticeship commencement and completions.

Who will benefit from the Key Apprenticeship Program Employer Incentive?

- Employers who take on apprentices in priority occupations listed on the Australian Apprenticeship Priority List will benefit from extended financial support under the Key Apprenticeship Program.
- The Key Apprenticeship Program Employer Incentive focuses investment where it matters most, critical housing construction and clean energy trades and building on last year's introduction of the Key Apprenticeship Program.
- By backing employers in these sectors, the government is helping keep apprenticeships in critical trades going strong so we can achieve our net zero targets, deliver the Housing Accord and drive the Future Made in Australia Agenda.

What happens to employers and apprentices who commenced prior to 1 January 2026?

- Grandfathering arrangements apply.
- If you or your employer commenced before **1 January 2026**, you'll keep receiving the same incentive amounts that applied when you started.

- In simple terms, your payments are locked in under the original settings, giving you certainty and honouring previous commitments.

Why is support changing for sectors, like care and support work?

- Funding is being redirected from areas where apprenticeships aren't the main way people train in, like care and support roles.
- While these sectors do face workforce challenges, only 15% of Child Carers and 5% of Personal Carers and Assistants complete their training through apprenticeship.
- However, to ensure these industries are supported, they are backed through other measures like Free TAFE and targeted workforce programs that better match how people are usually trained.
- Care and Early Childhood and Education and Care remain priority areas under Free TAFE, so people can still access fee-free courses across states and territories.

Are employers in manufacturing, defence, or automotive eligible for the Key Apprenticeship Program?

- To qualify for the Key Apprenticeship Program, employers must show they have business engagement with housing construction or clean energy sectors and can provide apprentices with meaningful exposure and experience in those areas.
- If you're unsure about eligibility or need tailored advice, contact your Apprentice Connect Australia Provider for support.

The Incentive System extension is only in place until the end of 2026, what's next??

- The government's goal is to build a modern apprenticeship system that delivers the skilled workers Australia needs for priorities like Net Zero, the Housing Accord and Future Made in Australia.
- Longer-term changes are on the way and is guided by the Strategic Review to make the system more flexible and sustainable.
- The government understands there's more to do to ensure apprenticeships work for apprentices, employers, and the community well into the future.
- That's why the government has been actively consulting with, industry, employers, unions, and training providers about how to set the incentives and refine the Apprenticeship Priority List for better outcomes.
- The government will provide clear and timely information through established communication channels to ensure that stakeholders are well-informed and able to plan with confidence.