

2 February 2026

FOR IMMEDIATE RELEASE

## Improved financial support for RAC apprentices and employers

The Australian Government announced changes to the apprenticeships system from 1 January 2026. As part of these reforms, a new incentive has been introduced for employers of apprentices undertaking training in Key Apprenticeship Program (KAP) occupations. This includes those in the refrigeration and air conditioning (RAC) industry.

The following provides an overview of the incentives applicable from 1 January 2026.

### New incentives in 2026

- **KAP Employer Incentive** - Employers of apprentices working in KAP occupations can claim up to \$5,000. This will be paid in two instalments during the first year of the apprenticeship.

### Changes to existing payments in 2026

- The **Australian Apprentice Training Support Payment (AATSP)** pays \$2500 for full time apprentices. This is paid over their first two years on priority list occupations.
- The **Priority Hiring Incentive** offers employers a matching \$2,500 for these same roles. This is eligible for employers of apprentices working towards a Certificate III or above in a Priority List occupation, excluding KAP occupations.
- Apprentices and employers starting before January 1, 2026, retain current \$5,000 incentive rates. This applies for both AATSP and Priority Hiring Incentive.
- The **Group Training Organisation (GTO) Reimbursement Pilot Program** commenced on 1 January 2025. Small and medium enterprises (SMEs) can get reimbursed for apprentice places through GTOs. The Pilot will close to new entrants on 30 April 2026 or once it reaches 400 caps, whichever occurs first.

### Incentives continuing in 2026

- The **KAP Apprentice Incentive** offers full-time apprentices up to \$10,000 in total support. All part-time apprentices are eligible for a \$5,000 incentive. This is paid at 6, 12, 24, and 36 months and on completion.
- Apprentices who move away from their home for training can avail **the Living Away From Home Allowance (LAHFA)**. This allowance provides payments of \$120.00 in the first year, \$90.00 in the second, and \$45.00 in the third year.

- The **Australian Apprenticeship Support Loan (AASL)** provides interest-free loan up to \$25,983. Repayments start once annual 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.
- Employers of apprentices with disability can access the **Disability Australian Apprentice Wage Support (DAAWS)**. This provides a weekly support payment of \$216.07.

To find more about the support options, contact an Apprentice Connect Australia Provider. Find your local provider at [Search for an Apprentice Connect Australia Provider](#).

... ends ...

**Media Contact:** Siddhi Chavan      0412 577 526      [schavan@arctick.org](mailto:schavan@arctick.org)