



FACT SHEET

AUKUS Defence Industry Incentive - Payments

The AUKUS Defence Industry Incentive (Defence industry Incentive) provides financial assistance to Western Australian businesses undertaking work in the defence industry in Western Australia, who enter into a training contract with an eligible apprentice, on or after 1 July 2025.

Incentive payments reflect the nominal term of the apprenticeship as listed on the Register of Class A and B qualifications - www.wa.gov.au/government/publications/class-ab-register-of-qualifications.

Employers (including Group Training Organisations) are able to review their eligibility for the Defence Industry Incentive, and claim payments at each milestone payment point, by accessing the Department of Training and Workforce Development's Western Australian Apprenticeship Management System (WAAMS) online client portal.

Milestone payments

Incentive entitlement payments are available to eligible employers at each of the following milestone points:

Table 1: AUKUS Defence Industry Incentive – Milestone Payments

Milestone Payments	\$Amount	% of Total available incentive	Milestone Payment Point
MILESTONE 1 Commencement	\$10,000	50%	When the apprentice's probation period has expired.
MILESTONE 2 Year 2	\$6,000	30%	One year after the commencement of the training contract (beginning of Year 2).
MILESTONE 3 Year 3	\$4,000	20%	Two years after the commencement of the training contract (beginning of Year 3).

Please note that employers of part time apprentices will receive the same milestone payment as that available for full time apprentices, with payments spread over a longer period to reflect the extended nominal term.

Payment conditions

To receive Defence Incentive payments, employers must meet the following payment criteria:

- the apprentice has an active training contract registered in WA;
- the apprentice is undertaking training (either on or off the job) at the milestone payment point (see **Table 1** above);
- the apprentice is employed with an approved defence employer as designated by Defence West, at the milestone payment point;
- as payments are milestone based, incentive payments will only be released to employers where validation checks are met; and
- claim each milestone payment within 12 months of the claim open date.



Training contract changes

Incentive payments are calculated to take account of any changes that occur during the course of the training contract. Payments may be made on a pro-rata basis to reflect these changes. Incentive information can be accessed by employers through the WAAMS online client portal.

The following training contract changes may impact on incentive entitlement payments made to employers.

- **An apprentice transfers the training contract from one employer to another** - if an apprentice transfers from Employer 1 to Employer 2 in the course of their training contract before a milestone point is reached, and then subsequently reaches the milestone point following the transfer; both employers may be eligible to receive a pro-rata incentive payment. Both employers need to meet eligibility requirements for the Defence Incentive, and to satisfy specified validation requirements as set out in the AUKUS Defence Industry Incentive – Terms and Conditions.
- **There is a change of qualification/nominal duration of the training contract** - if an apprentice and employer change the nominated qualification before or after a milestone payment point, incentive payments may need to be recalculated. If the qualification an apprentice is enrolled into at the milestone payment point is not an approved qualification, then no pro-rata payment will be made.
- **The training contract is suspended** - suspended training contracts will not attract incentive entitlement payments during the suspension period. When the suspension is lifted, the training contract will resume progression to milestone payment points.
- **The training contract is terminated or cancelled** - if a training contract is terminated or cancelled before a milestone payment point has been reached, then no payment will be made. If a training contract is terminated or cancelled after a milestone payment point has been reached, then the employer may be entitled to the milestone payment due as at the date of termination/cancellation, provided validation checks are successful.

School based apprenticeships

Incentive payments will be applied to one school-based apprenticeship (SBA). Students may undertake more than one SBA, however, second and subsequent SBAs will not attract incentive payments.

Incentive payments to Group Training Organisations

Group Training Organisations (GTOs) are required to pass on the incentive entitlement payment in full, to the host employer. However, the GTO may retain a portion of the incentive entitlement which reflects on a pro rata basis, the periods of time an apprentice is not allocated to a host employer and remains employed by the GTO (downtime).

Note that GTOs will not be eligible for a downtime pro-rata payment where the apprentice moves from being hosted by an approved employer to a non-defence employer, or from a non-defence employer to an approved defence employer.



To enable the efficient disbursement of incentive payments, GTOs are required to maintain accurate host employer records in WAAMS. The WAAMS online client portal allows GTOs to manage their incentive records, including pro-rata incentive information relating to each host employer.

Further information

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