



Australian Government

Guideline:

New Employment Services Trial (NEST)- Managing Wage Subsidies

Wage Subsidies are a financial incentive that Trial Providers can decide to offer to Employers to encourage them to hire eligible Participants in ongoing jobs. Wage subsidies help employers by contributing to the initial costs of hiring a new employee. Wage Subsidies can help to build a business and give Employers greater flexibility in their hiring options.

This Guideline covers information for Providers managing Wage Subsidies for eligible Participants in the New Employment Services Trial (Trial).

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Changes from the previous version (Version 1.0)

Policy changes:

Increase of Youth Bonus (for Stream A), Youth, Parents and LTU Wage Subsidy amounts up to \$10,000.

Removal of references to 'Intensive Stream' in relation to ParentsNext

Wording changes:

Relocation of Participant Eligibility information to end of Guideline. Update to registration process for Restart Volunteers.

Changes to ensure consistency with language used in 1 July 2020 wage subsidy Head Agreement.

Removal of system steps that are duplicated in policy sections.

Additional clarity, restructuring and streamlining changes throughout Guideline to improve readability.

A full document history is available at:

[The Provider Portal](#)

Related documents and references:

New Employment Services Trial Deed 2019-2022 clause 124

[New Employment Services Trial Deed 2019-2022](#)

[New Employment Services Trial Employment Fund General Account IT Supporting Document](#)

[New Employment Services Trial Privacy Guideline](#)

[Learning Centre Home Page](#)

[Wage Subsidy Home Page](#)

[Wage Subsidies Mailbox](#)

The Department's IT Systems online support help files:

[Add and Manage a Wage Subsidy Agreement](#)

[Claim Bulk Reimbursements for Wage Subsidy payments](#)

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1. Wage Subsidy Agreement Eligibility Requirements

Subject to the terms of the Deed and this Guideline, Trial Providers can decide whether to offer a Wage Subsidy to an Employer.

Employers are not entitled to receive a Wage Subsidy unless the Trial Provider has:

- offered a Wage Subsidy to the Employer, and
- the Employer has entered into a Wage Subsidy Agreement with the Trial Provider within 84 days of the Participant's Employment start date.

The type of Wage Subsidy a Participant may be eligible to attract is determined by the Department's IT Systems. Eligibility is determined based on the job placement start date. See [Table 1 - Wage Subsidy Types and Participant Eligibility](#) for the full list of wage subsidies.

If a Trial Provider determines the Department's IT Systems has incorrectly determined Participant eligibility, the Trial Provider must contact their Account or Contract Manager to discuss the issue.

Employer Eligibility

A Wage Subsidy Employer must be a legal entity with a valid Australian Business Number (ABN).

A Wage Subsidy Employer can be a:

- Related Entity of the Trial Provider
- labour hire company or group training organisation, provided the company is paying the Participant's wages and that the placement/s with the host business/es meet all eligibility criteria of the Wage Subsidy Placement and Employer.

A Wage Subsidy Employer must not:

- be suspended or excluded from receiving Wage Subsidies
- be the Trial Provider's Own Organisation

If a labour hire company or group training organisation is receiving a Wage Subsidy for an employee, they must disclose this to the business taking on the employee. The Wage Subsidy Employer must retain documentary evidence of the disclosure and supply it to the Provider if requested.

(Deed reference: New Employment Services Trial Deed 2019-2022 — Attachment 1 – Definitions — ABN and Related Entity definition)

Not eligible — Government Entities

A Wage Subsidy Employer or host business must not be an Australian Government or state or territory government entity.

Similarly, the Employment Position cannot be funded by an Australian, state or territory government entity.

Example:

A Wage Subsidy Agreement cannot be entered into for:

- A labour hire company which places a job seeker in an Australian Government-operated call centre.

- A labour hire company which places a job seeker with a state government-operated manufacturer of ships.

A Wage Subsidy Employer can be a local government entity, provided the employment position is not funded by an Australian, state or territory government entity.

Providers can use the Australian Government's website [ABN Lookup](#) to determine if an Employer is a government entity, and/or request proof from the Employer.

Not eligible — Prior Employment

An Employer will not be eligible to receive a Wage Subsidy where, prior to the Wage Subsidy Placement start date, the Participant has ever been employed, by the Employer, or any other entities associated with the Employer.

Examples:

A labour hire company is not eligible to attract a Wage Subsidy for a Participant they have previously Employed, regardless of whether the Participant is placed with a different host business.

A Participant is not eligible to attract a Wage Subsidy for an Employer they worked for 10 years ago.

For Employers that are not constituted in an individual capacity (e.g. sole trader or partnership) the Department will treat the individuals behind the legal entity (e.g. directors, trustees, board members) as the 'Wage Subsidy Employer' for the purposes of determining whether a Participant has ever been employed by the Employer, or any other entities associated with the Employer.

Paid work trials recorded in the Department's IT Systems are not considered prior Employment (see [Work Trials](#)).

Not eligible — Family Members

Participants are not eligible to attract a Wage Subsidy for a Wage Subsidy Placement if they are a family member of the Wage Subsidy Employer. For Wage Subsidy Employers that are not constituted in an individual capacity the Department will treat the individuals behind the legal entity (e.g. directors, trustees, board members) as the 'Wage Subsidy Employer' for the purposes of determining whether a Participant is a family member of the Wage Subsidy Employer.

To ensure there is no real or perceived conflict of interest or unfair advantage compared with another member of the public, the Department considers the following to be family members:

- a) a spouse, de facto partner, child, parent, grandparent, grandchild or sibling, including where any of these relationships are adopted relations, of the Employer
- b) a child, parent, grandparent, grandchild or sibling, including where any of these relationships are adopted relations, of the spouse or de facto partner of the Employer
- c) in-laws of each of the relationships set out in a) and b) above, of the Participant and their spouse or de facto partner.

Examples:

The Participant cannot be the Wage Subsidy Employer's brother.

The Participant's spouse cannot be the Wage Subsidy Employer's sister.

The Participant can be a niece, nephew or cousin of the Wage Subsidy Employer.

Placement Eligibility

A Wage Subsidy Placement is an Employment position with an eligible Employer that meets all eligibility requirements. The Employment position can be:

- full-time, part-time or casual
- an apprenticeship or traineeship
- found by the Provider or directly by the Participant.

A Wage Subsidy Placement must:

- be a sustainable and, ongoing position, that is not intended to end when the Wage Subsidy payments cease, and in respect of which the Wage Subsidy Employer knows of no reason why the Wage Subsidy Placement will not continue indefinitely
- offer a minimum average of 20 hours per week over the 26 week duration of the Wage Subsidy Placement
- comply with all Employment standards for the Employment position under any relevant Commonwealth, state and/or territory laws, including:
 - complying with the National Employment Standards
 - paying the relevant Wage Subsidy Participant at least the equivalent of the minimum rate prescribed in any Modern Award that covers or applies to the Employment position, or if no Modern Award covers or applies to the Employment position, the National Minimum Wage
- comply with all relevant laws and requirements of any Commonwealth, state, territory or local authority, including work, health and safety legislation
- provide a safe system of work for the Wage Subsidy Participant at all times during the Wage Subsidy Placement
- not displace an existing employee
- not be a commission-based, self-employment or subcontracted position (excluding Placements with labour hire or group training organisations)
- not otherwise be a Non-Payable Outcome as defined in the Deed.

(Deed reference: New Employment Services Trial Deed 2019-2022 — Attachment 1 – Definitions — Non-Payable Outcome definition)

Required Working Hours

All Wage Subsidy Placements must offer a minimum average of 20 hours per week over the 26 week duration of the Wage Subsidy Agreement, including any periods of approved leave (see [Approved Leave](#)) .

Example:

The following scenario is based on a Wage Subsidy Participant completing the full 26 weeks in a Wage Subsidy.

A Wage Subsidy Participant working 10 hours per week for 13 weeks and then 30 hours per week for the following 13 weeks will meet the required minimum of 20 hours per week, where the claim period is for 26 weeks.

In this scenario, the Wage Subsidy Employer is not eligible to receive any Wage Subsidy payments until the Participant's working hours meets the minimum average of 20 hours per week (i.e. at the end of the Wage Subsidy Placement). See [Payments to Wage Subsidy Employers](#) for more information.

Where a Wage Subsidy Participant commences a Wage Subsidy Placement part way through a Wage Subsidy Employer's pay cycle, the 26 weeks is counted from the day the Employment starts, regardless of when the Wage Subsidy Employer's pay cycle starts or ends.

Example:

If a Wage Subsidy Participant commences work on the last day of the Employer's pay cycle and works a five-hour shift, there are still 25 weeks plus six days available over the Wage Subsidy Placement term to satisfy the required minimum average of 20 hours of work per week.

Partial Capacity to Work (PCW)

Participants with an assessed PCW are eligible for a Wage Subsidy where they work a minimum average of 20 hours per week over the 26 weeks of the Wage Subsidy Placement and meet all other eligibility requirements for the relevant Wage Subsidy.

The Trial Provider must consider the Participant's Employment Services Assessment (ESAt) when determining the suitability of the Wage Subsidy Placement for the Participant. A Participant with an assessed PCW must not be compelled to undertake more than their assessed PCW hours, but they may volunteer to do so.

Approved Leave

Approved leave is leave the Wage Subsidy Employer agrees to, and/or must provide, in accordance with any relevant Modern Award that applies to or covers the position, and the minimum Employment entitlements set out in the National Employment Standards (NES) — *Fair Work Act 2009* (Cth).

Approved leave cannot be used by a Wage Subsidy Employer to supplement a Wage Subsidy Participant's work hours for the purpose of meeting the requirement that a Wage Subsidy Participant work a minimum average of 20 hour per week. However, where a Wage Subsidy Participant requests and has leave approved in accordance with entitlements under a relevant Modern Award or the National Employment Standards, and the leave is recorded in documentary evidence, it counts towards the minimum average of 20 hours of work per week requirement.

A Wage Subsidy Employer cannot request a Wage Subsidy Participant take approved leave or record a Wage Subsidy Participant as having taken leave in order to meet the minimum average of 20 hours of work per week requirement.

Examples:

If a Wage Subsidy Employer requires the Wage Subsidy Participant to work only 15 hours per week, they **cannot** use five hours of approved unpaid leave to bring the total hours worked to 20 hours per week to claim the Wage Subsidy Payment.

However, if a Wage Subsidy Participant is regularly working 20 hours per week and, on one of these weeks, the Wage Subsidy Participant works 17 hours and has three hours of approved leave under the relevant award, the Wage Subsidy Employer **can** claim 20 hours of work for the Wage Subsidy Participant for that week through the Wage Subsidy Agreement.

A Wage Subsidy Participant declining shifts or not turning up to rostered work hours is not approved leave. Where the Wage Subsidy Participant is still on the caseload of a Trial Provider, the Trial Provider must consider appropriate action under the Targeted Compliance Framework in these instances.



Documentary Evidence: Evidence of approved leave (paid or unpaid) must:

- show that the Wage Subsidy Employer agreed to the leave at the time the Wage Subsidy Participant requested it; and either
 - be recorded on the Wage Subsidy Participant's payslip; or
 - be on a written declaration by the employer.

All periods of approved leave (subject to the above requirements) recorded in payroll evidence, count towards the requirement for a Wage Subsidy Participant to work a minimum average of 20 hours per week.

If leave is approved, Trial Providers must ensure any Wage Subsidy payments made to the Wage Subsidy Employer do not exceed 100 per cent of the Wage Subsidy Participant's wage.

Work Trials

Wage Subsidy Placements can include periods of paid work trials, excluding work trials funded by the Employment Fund General Account. Wage Subsidy Placements can begin at the start of the paid work trial, or immediately after the work trial ends where ongoing Employment commences, noting the system step below.

Work trials must meet *Fair Work Act* requirements, which set out the reasonable circumstances of a paid and unpaid work trial.

For the purpose of claiming Wage Subsidies, a paid work trial recorded in the Department's IT Systems is not considered prior Employment. A paid work trial cannot be for more than two consecutive calendar weeks.

Wage Subsidy Placements cannot include periods of unpaid work trials, including work experience or PaTH Internships.

Trial Providers can use Wage Subsidies for Employment that starts after an Employment Fund paid work trial or an unpaid work trial ends, if all other eligibility requirements for the Participant, Employer and Placement are satisfied. See the [New Employment Services Trial - Using the Employment Fund General Account Guideline](#) for more information on Employment Fund paid work trials.



System step: A Wage Subsidy Agreement cannot be created from a paid work trial vacancy type in the Department's IT Systems as it is an ineligible tenure type. Trial Providers must create a new vacancy with the Wage Subsidy Agreement start date correctly recorded.

2. Offering Wage Subsidies

Trial Providers are best placed to assess the needs of Participants and Employers in their local labour market and based on this, Trial Providers can decide whether or not, to offer a Wage Subsidy to an Employer, in accordance with the Deed and this Guideline.

This means that a Trial Provider may choose not to offer a Wage Subsidy to an Employer even if all eligibility requirements are met.

In determining whether to offer Wage Subsidies, Trial Providers must ensure that the following principles are met:

- providing value for money
- compliance with any work, health and safety requirements under the relevant state or territory legislation
- withstanding public scrutiny
- not bringing employment services or the Australian Government into disrepute.

Trial Providers should ensure Employers are aware they are not entitled to receive a Wage Subsidy until such time as a the Trial Provider has decided to offer a Wage Subsidy to the Employer and the Employer has entered into a Wage Subsidy Agreement with the Trial Provider via an approved Wage Subsidy Agreement in the Department's IT Systems (see [Head Agreements and Schedules](#)).

Time requirements for approving a wage subsidy

Trial Providers have the discretion to offer Wage Subsidies after the Participant has commenced Employment if all eligibility requirements are satisfied. However, Trial Providers must ensure that the Wage Subsidy Agreement has been entered into and approved in the Department's IT Systems within 12 weeks (84 days) of the Wage Subsidy Placement commencing.

Wage Subsidy Agreements are not able to be approved outside of this timeframe, and Trial Providers will not be Reimbursed for any Wage Subsidy Agreements they enter into with an Employer outside of this timeframe.

Trial Providers are required to have appropriate administrative processes in place to meet the 84 day timeframe and must work with Wage Subsidy Employers to ensure that this timeframe is met.

3. See [Head Agreements and Schedules](#) for more information. Using Employment Fund Credits for Wage Subsidies

Trial Providers must use their Employment Fund General Account credits for claiming a Reimbursement of the following Wage Subsidy payments:

- Restart Wage Subsidies
- Youth Wage Subsidies
- Parents Wage Subsidies
- Long Term Unemployed & Indigenous Wage Subsidies.

Trial Providers must ensure that there are sufficient Employment Fund General Account credits in the relevant Site's notional bank balance before negotiating,

offering and entering into a Wage Subsidy Agreement for the above mentioned Wage Subsidies.

The [Employment Fund General Account IT Supporting Document](#) provides guidance on how to view Employment Fund General Account notional bank balances at Site level in the Department's IT Systems.

If there are insufficient Employment Fund General Account credits in the relevant Site's notional bank balance, a Trial Provider can transfer credits between any of its Sites. Refer to the [Transferring Credits between Sites](#) section in the [Using the Employment Fund General Account Guideline](#) for more information.

4. Negotiation of Wage Subsidy Agreements

Trial Providers are responsible for negotiating and managing all elements of a Wage Subsidy Agreement including making Wage Subsidy payments to Wage Subsidy Employers.

Head Agreements and Schedules The Wage Subsidy Agreement consists of both a Head Agreement and a Schedule (see the Provider Portal for a copy of the [Sample Agreement](#)).

Trial Providers must enter into a Head Agreement with each Wage Subsidy Employer, using the template terms and conditions set out in the Sample Agreement. The Head Agreement contains the general terms and conditions of the Wage Subsidy Agreement.

Once a Head Agreement has been entered into, a separate Schedule for each new Wage Subsidy Participant must be attached to the Head Agreement. Schedules contain the specific details of the Wage Subsidy Placement for each new Wage Subsidy Participant.

Each Schedule the Trial Provider attaches to the Head Agreement will relate to a single Wage Subsidy Placement and will create a separate contract (Wage Subsidy Agreement) between the Trial Provider and the Wage Subsidy Employer in relation to that Wage Subsidy Placement.

Each Wage Subsidy Agreement consists of the terms and conditions of the Head Agreement and the relevant terms relating to the Wage Subsidy Placement, Wage Subsidy Participant, and the Wage Subsidy Period set out in the relevant Schedule.



System Step: The Trial Provider must create the Wage Subsidy Agreement in the Department's IT Systems, and both the Provider and Employer must approve the Wage Subsidy Agreement, within 12 weeks (84 days) of the Wage Subsidy Placement start date.



System Step: Where the Department changes the terms and conditions of the template Head Agreement, the Trial Provider must enter into a new Head Agreement with each Wage Subsidy Employer in accordance with the updated terms and conditions before attaching any new Schedules in respect of Wage Subsidy Placements. This includes having to enter into a new Head Agreement with those Employers who the Trial Provider already has a Head Agreement with.

Negotiating Terms of the Wage Subsidy

Trial Providers must explain the terms and conditions of the Wage Subsidy Agreement to the Employer to ensure they fully understand their rights and obligations in accepting the Wage Subsidy, including any documentary evidence required by the Trial Provider to confirm the Employer's compliance with the terms and conditions over the course of the Wage Subsidy Agreement.

The term of a Wage Subsidy Agreement begins (Wage Subsidy Placement start date) on the day the Placement starts (i.e. the first day of Employment), and ends 26 weeks from that date, unless terminated earlier (Wage Subsidy Placement end date).

The Wage Subsidy Period means the payment period for a Wage Subsidy.

The Trial Provider must negotiate with the Wage Subsidy Employer a Wage Subsidy Period that works best for the Wage Subsidy Employer's business. A Wage Subsidy Period can be weekly, fortnightly, monthly, quarterly, on completion, or any other timeframe as agreed by the Trial Provider and Wage Subsidy Employer. Wage Subsidy Periods should be recorded on the Schedule. See [Payments to Wage Subsidy Employers](#) for more information.

Trial Providers must not charge Wage Subsidy Employers to manage Wage Subsidy Agreements.

Trial Providers must promote to Wage Subsidy Employers the use of online Wage Subsidy Agreements, available through the [jobactive website](#). Wage Subsidy Employers can use the website to sign Wage Subsidy Agreements online and submit documentary evidence when requesting a Wage Subsidy payment.



System step: Wage Subsidy Agreements must be approved online by the Wage Subsidy Employer on the jobactive website.

- Wage Subsidy Agreements should only be printed and signed offline if access to online facilities is not available or if the Department has otherwise approved the use of an offline Agreement.
- If a Wage Subsidy Agreement is signed offline, the Trial Provider must still approve the Wage Subsidy Agreement online within 12 weeks (84 days) of the Placement start date, and keep a signed copy.



System step: If amendments are required during the Wage Subsidy Agreement term (excluding amendments to Vacancy details), the Trial Provider must agree on the changes with the Wage Subsidy Employer and update the details in the Wage Subsidy Agreement in the Department's IT Systems.

- Any changes to the Placement start date in the Department's IT Systems will automatically end the Wage Subsidy Agreement with the reason 'Created in Error' and, for all Wage Subsidies funded through the Employment Fund, return committed credits to the General Account. Trial Providers should ensure they confirm the correct start date with the Employer prior to creating the Wage Subsidy Agreement.

5. Payments to Wage Subsidy Employers

The Trial Provider must have entered into a Wage Subsidy Agreement with the Wage Subsidy Employer and all terms and conditions of the Wage Subsidy

Agreement must be satisfied before the Trial Provider can make a payment to the Wage Subsidy Employer.

Wage Subsidy payments must not exceed 100 per cent of the Participant's wages at any point over the Wage Subsidy Placement period.

Example:

A Wage Subsidy Participant on a junior pay rate of \$15.95 per hour who worked 20 hours per week received a total wage of \$8294 over 26 weeks, which is less than the Youth Bonus Wage Subsidy of \$10,000. The Trial Provider can only claim \$8294 for Reimbursement and must not pay the Wage Subsidy Employer the full \$10,000, as this would exceed 100 per cent of the Wage Subsidy Participant's wages, as outlined in this Guideline and clause 3f of the Wage Subsidy Head Agreement.

In accordance with the Wage Subsidy Head Agreement, Trial Providers may choose not to make the final Wage Subsidy payment to the Wage Subsidy Employer if the Wage Subsidy Employer:

- does not request the final Wage Subsidy payment, and
- does not supply the required documentary evidence to the Trial Provider.

Wage subsidy payments must be finalised within 28 days from the Wage Subsidy Agreement end date.



Documentary Evidence: Wage Subsidy Employers must invoice the Trial Provider to receive a Wage Subsidy payment (see [Summary of Documentary Evidence](#) section).



Documentary Evidence: The Wage Subsidy Employer must submit documentary evidence demonstrating the Wage Subsidy Participant has worked an average of at least 20 hours per week over 26 weeks (or over the Wage Subsidy Period, if Wage Subsidy payments prior to the end of the Wage Subsidy Agreement have been negotiated) from the Placement start date (see [Summary of Documentary Evidence](#) section).

Change of Business Ownership

If a Wage Subsidy Employer changes ownership, the new owner is eligible to claim the remaining Wage Subsidy payment/s, provided all other eligibility requirements are met. The Wage Subsidy Agreement must be novated between the parties before the new owner can claim the remaining Wage Subsidy payment/s.

Calculating Payments for Early Terminations

If a Wage Subsidy Placement is terminated early, Trial Providers must calculate any outstanding Wage Subsidy payments based on the number of weeks the Participant worked for a minimum average of 20 hours per week.

If the Wage Subsidy Employer does not provide the Wage Subsidy Participant with at least an average of 20 hours per week throughout the Wage Subsidy Placement they will not be eligible to receive the full Wage Subsidy Payment. Example:

If a Wage Subsidy Participant worked for eight weeks and one day in the ninth week, the Trial Provider should round the total weeks worked up to nine. The Trial Provider must then calculate the average hours worked per week by the Wage Subsidy Participant over the nine week period. If the Wage Subsidy Participant did not work

an average of at least 20 hours per week over the nine week period, the Wage Subsidy Employer is not eligible for the entire nine week flexible Wage Subsidy Payment.

To work out the Wage Subsidy payment amount, divide the total Wage Subsidy amount (\$6,500 or \$10,000) by 26 weeks (the full Wage Subsidy Agreement Term) to calculate the weekly rate the Wage Subsidy Employer may be entitled to receive. Then multiply this amount by the number of weeks the Wage Subsidy Participant worked the minimum average of 20 hours per week.

Using the above example of nine weeks and a Wage Subsidy amount of \$6,500 the calculation is:

$$\$6,500/26 = \$250 \text{ (weekly rate)}$$

$$\$250 \times \text{nine weeks worked} = \$2,250.$$

\$2,250 is the maximum Wage Subsidy Payment the Wage Subsidy Employer can receive based on the Wage Subsidy Participant working nine weeks. This Wage Subsidy Payment cannot exceed 100 per cent of the wages paid to the Wage Subsidy Participant over the nine weeks.

The following scenario explains how to calculate an average of 20 hours per week.

A Wage Subsidy Participant works for nine weeks. The Wage Subsidy Employer provides pay slips to the Trial Provider to claim the Wage Subsidy Payment, which shows the Wage Subsidy Participant worked the following hours:

Week 1 = 25

Week 2 = 22

Week 3 = 19

Week 4 = 21

Week 5 = 15

Week 6 = 19

Week 7 = 19

Week 8 = 15

Week 9 = 15

Calculating the hours worked

The Trial Provider adds up all of the hours worked over the nine weeks. The total equals 170 hours worked over nine weeks.

To calculate the average hours worked per week, divide 170 hours by nine weeks. This equals 18.88 hours per week. The Wage Subsidy Employer is therefore not eligible for a Wage Subsidy Payment because the Wage Subsidy Participant did not work an average of at least 20 hours per week over the nine week period.

The Trial Provider can re-calculate the hours to determine when the minimum average of 20 hours per week was achieved. In this scenario, if the Trial Provider re-calculates the average hours over seven weeks, an average of 20 hours is achieved.

For example, the total hours worked over seven weeks equals 140 hours. Divide 140 hours by seven weeks equals 20 hours. In this case, even though the Wage Subsidy

Employer is not eligible for a Wage Subsidy Payment for the full nine weeks, they are eligible to receive a flexible Wage Subsidy payment for seven weeks.

Concurrent Funding

Wage Subsidy Employers are required under the Head Agreement to notify Trial Providers of any Australian Government funding they receive. This includes:

Australian Government Wage Subsidies

Employers cannot combine Wage Subsidies with other Australian Government wage subsidies (for example the Australian Apprenticeship Wage Subsidy) or similar employment program funding for the same Participant in the same Wage Subsidy Placement.

Australian Apprenticeships Incentives Programme

An Employer can receive both an Australian Government Wage Subsidy and Australian Apprenticeships Incentives Program (AAIP) payments concurrently. As the AAIP is a training program, the funding received under AAIP is not characterised as a wage subsidy or similar employment funding.

State and territory government wage subsidies

Australian Government Wage Subsidies can be combined with state or territory government wage subsidies or similar funding, as long as:

- all other requirements in the relevant funding guidelines have been satisfied
- the total value of the Australian Government Wage Subsidy, together with any concurrent state or territory government wage subsidy, does not exceed 100 per cent of the Wage Subsidy Participant's wages over the 26 Week Period of the Wage Subsidy Placement.

The Trial Provider must continue to check whether the Wage Subsidy Employer is following the above requirements throughout the Wage Subsidy Agreement term.

6. Claims for Reimbursement

The Trial Provider can only claim a Reimbursement for a Wage Subsidy payment if:

- all terms and conditions of the Deed, this Guideline, and Wage Subsidy Agreement have been met
- they have first made the relevant Wage Subsidy payment out of their own funds to the Wage Subsidy Employer
- the relevant Wage Subsidy Participant worked a minimum average of 20 hours per week over the Wage Subsidy Period
- the Reimbursement claim is for the same dollar value they paid the Wage Subsidy Employer (see [Summary of Documentary Evidence](#) section)
- they have retained sufficient Documentary Evidence to demonstrate the above (see [Summary of Documentary Evidence](#) for details).

Time requirements for claiming a Reimbursement from the Department

The Department permits claims for Reimbursement to be rendered:

- after each Wage Subsidy payment is made in accordance with the Wage Subsidy Period/s recorded in the Schedule of the Wage Subsidy Agreement
- or
- collectively at the end of the Wage Subsidy Placement.

Trial Providers must submit all claims for Reimbursement no later than 56 days after the end of the Wage Subsidy Placement.

Trial Providers should ensure that, where a Wage Subsidy Placement has terminated early, the correct Placement end date is recorded in the Department's IT Systems, and that claims for Reimbursement are submitted no later than 56 days from the end of the Wage Subsidy Placement.

Trial Providers are required to have appropriate administrative processes in place to meet the 56 day timeframe, and must work with Wage Subsidy Employers to ensure that this timeframe is met. Trial Providers who fail to meet the 56 day timeframe may not be Reimbursed.

Under the Head Agreement, Trial Providers are required to make the final Wage Subsidy payment to the Wage Subsidy Employer where the Employer:

- requests the final Wage Subsidy payment, and
- supplies the required documentary evidence for that payment to the Provider within 28 days from the end of the Placement.

If the Wage Subsidy Employer does not comply with these requirements, it is still open to Trial Providers to make the final Wage Subsidy payment to the Employer, if all eligibility requirements are met. However, the Trial Provider must claim the Reimbursement from the Department no later than 56 days from the end of the Placement.

Example:

A Trial Provider may allow 50 days from the end of the Placement for the Employer to submit their final invoice and Documentary Evidence. The Trial Provider must then make the Wage Subsidy payment to the Employer and claim Reimbursement from the Department within the next six days.



Documentary Evidence: Trial Providers must ensure that all Documentary Evidence is retained to demonstrate the Participant was employed in accordance with the Deed, any Guidelines, and the conditions agreed to in the Wage Subsidy Agreement and that the claim for Reimbursement does not exceed 100 per cent of the Participant's wages. See Summary of Documentary Evidence for more information.



System step: Providers must select the 'Flexible Payment' in the Claim screen in the Department's IT Systems when claiming Reimbursement for Wage Subsidy Period payments.

Override requests for claims for Reimbursement

If a Trial Provider does not claim Reimbursement within 56 days of the Placement end date for a Wage Subsidy, an override request may be submitted.

The Department will review override requests on a case-by-case basis and determine, at its absolute discretion, if exceptional circumstances beyond the Trial Provider's control exist. Trial Providers can submit an override request up to 183 days after the end of the Wage Subsidy Agreement.

Any claim for Reimbursement made after 183 days must be submitted as a general claim. Trial Providers must discuss any general claim requests with their Contract Manager prior to submitting the claim.



System step: When submitting an override and special claim request, the Trial Provider must include the linked Agreement identifier and/or the Vacancy identifier. The Trial Provider must provide appropriate justification for the override request.

Managing Employment Fund Credits for Ended Wage Subsidy Agreements

A Trial provider will be able to select to return any remaining Employment Fund General Account credits to the relevant Site's notional bank balance when:

- a Wage Subsidy Agreement is ended
- all Reimbursements from the department for payments made to the Employer have been received
- the Trial Provider is certain that no further claims for Reimbursement will be made against that particular Wage Subsidy Agreement.

By agreeing to a return of credits, the Trial Provider is declaring that they will make no further claims for Reimbursement against that Wage Subsidy Agreement (including Special Claims).

Credits that are returned cannot be reinstated.



System step: Trial Providers should end Draft Agreements that are no longer required with the reason 'Created in Error'. This will immediately return credits to the Trial Provider's Site notional bank balance.



System step: The Trial Provider selects 'Return Credits' and confirms selection by selecting 'Yes' when the notification window pops up.

If the Trial Provider does not select to return the credits, they will remain committed for 183 days after the end of the term of the Wage Subsidy Agreement.

(Deed reference: New Employment Services Trial Deed 2019-2022 clause 124)

Recovery of Reimbursement claims paid

The Department may recover any Reimbursements made to the Trial Provider, where the Department determines, at its absolute discretion that the Wage Subsidy Employer has:

- misused the Wage Subsidies, including, but not limited to, by breaching clause 12 of the Wage Subsidy Agreement
- not met the terms and conditions of the Wage Subsidy Agreement
- been suspended and/or excluded by the Department from participating in Wage Subsidies, or
- may have engaged in any suspected fraudulent practice in relation to Wage Subsidies, or
- otherwise engaged in activity that may bring, or could be perceived to bring, the use of Wage Subsidies or the Commonwealth of Australia into disrepute.

The Department may also recover any Reimbursement made to the Trial Provider, where the Department determines, at its absolute discretion, that the Trial Provider has not met the requirements of the Deed and/or Guideline.

7. Managing Wage Subsidy Agreements for Participants

Supporting Participants on Wage Subsidies

Trial Providers are encouraged to provide support to Participants both during and after the end of a Placement.

This allows Trial Providers to support Participants and Employers to maximise the success of Wage Subsidy Placements, including after a Participant is Suspended or Exited from a Trial Provider's caseload.

Trial Providers can be Reimbursed from the Employment Fund General Account, subject to meeting the requirements in the [New Employment Services Trial - Using the Employment Fund General Account Guideline](#).

Trial Providers should immediately advise the Department if a Participant reports any incidents of inappropriate or unsafe workplace behaviour.

Managing Wage Subsidy Agreements on behalf of another Provider

Trial Providers can manage Wage Subsidy Agreements for Participants who are not on their caseload if they have collaborative arrangements in place.

Refer to the Deed for information on managing Wage Subsidy Agreements for Participants transferring from one Provider to another.

Formal agreements should be put in place for arrangements where the managing Provider is not servicing the Participant. The servicing Provider may or may not agree to a Wage Subsidy in relation to a Participant. The servicing and managing Providers are responsible for managing all aspects of the formal agreement.

For Wage Subsidy Agreements funded through the Employment Fund, Trial providers must negotiate and agree to transfer Employment Fund credits for the Wage Subsidy Agreement between the managing and servicing Providers before the Wage Subsidy Agreement is entered into.



System step: Once agreed, the servicing Provider can transfer Employment Fund General Account credits to the managing Provider by completing a 'Create Transfer' request in the Department's IT Systems (Employment Fund > Administration > Create Transfer).

- The Providers must manage the number of credits transferred for each Wage Subsidy offline, and how remaining credits are returned once the agreement is ended and all reimbursement claims are finalised.
- If a Provider enters into collaboration arrangements with other Providers to cater for an Employer's needs, the Provider who owns the Vacancy should negotiate, create, approve, and manage the Wage Subsidy Agreement with the Wage Subsidy Employer, including making any Wage Subsidy Payments.

8. Summary of Documentary Evidence

Trial Providers must obtain sufficient Documentary Evidence to:

- process a Wage Subsidy Payment to an Employer; and
- claim Reimbursement from the Department.

Wage Subsidy Agreements

For all Wage Subsidies, an approved Wage Subsidy Agreement, linking Vacancy, Employer and Placement details, must be entered into the Department's IT Systems. Most of this information is pre-populated.

Wage Subsidy Agreements must be approved online by the Employer on the jobactive website. Wage Subsidy Agreements should only be printed and signed offline if access to online facilities is not available or if the Department has otherwise approved the use of an offline Wage Subsidy Agreement.

See [Head Agreements and Schedules](#) for more information.

Evidence from Employers—Participant Employment

Trial Providers must ensure all documentary evidence is retained to demonstrate the Participant was Employed in accordance with the terms and conditions of the Deed, the Guidelines and the Wage Subsidy Agreement.

Documentary Evidence must include:

- payslips or a print out from the Employer's payroll software to demonstrate the hours worked (including any periods of approved leave taken) and wages paid for the entire claim period

or

- a statutory declaration, email or other correspondence from the Employer to confirm the Participant's Employment.

Employers can declare the Participant has worked the required hours through the jobactive website. Even if the Employer makes the declaration online, Trial Providers must retain payslips and payroll summaries, or other written evidence outlined above.

The Trial Provider may also request the Employer provide additional documentary evidence within the timeframes required, including but not limited to:

- all payroll summaries and/or tax invoices
- if the Employer is a labour hire company or group training organisation, written evidence that the Employer has disclosed to any relevant host businesses that it is receiving a Wage Subsidy for the relevant Placement
- where a Participant's employment ends prior to the Placement end date, a written statement of reasons why the Participant's employment ended
- any other evidence that the Trial Provider deems necessary, relating to the relevant Placement, Participant and/or Wage Subsidy Agreement.

If requesting evidence additional to that required by the Department, the Trial Provider should ensure the Employer understands what evidence will be required, and the purpose of the evidence, prior to approving the Wage Subsidy Agreement.

Where applicable, the Trial Provider should also keep Documentary Evidence that supports the end date of the Placement, where the Placement terminated early.

The Department can request any documentation in relation to a Placement from Trial Providers, to support Program Assurance Activities. If Trial Providers do not have this Documentary Evidence, they can request it from Employers, as per the Employer's obligations under the Head Agreement.

Evidence from Trial Provider—claims for Reimbursement

Trial Providers must make Wage Subsidy payments to Employers before making a claim for Reimbursement.

The Reimbursement claim amount must not exceed the amount the Trial Provider paid the Employer. The Trial Provider must submit all claims for Reimbursement no later than 56 days after the end of the Placement.

Trial Providers must retain Documentary Evidence to demonstrate that the payment was made to the Employer before claiming a Reimbursement, this may include:

- a record of transaction (bank statement or report from the Trial Provider's financial system)
- a tax invoice and corresponding receipt from the Employer
- a tax invoice from the Employer and a remittance advice, or
- statutory declaration, email, or other correspondence from the Trial Provider.

All Documentary Evidence must include:

- the amount of the Wage Subsidy Payment
- the Participant's name or JSID
- the Employer's details (including ABN)
- the date the Payment was made.



System step: Trial Providers submit claims for Reimbursement through the Department's IT Systems.

Trial Providers must also keep any evidence not uploaded to the Department's IT Systems with the claim for reimbursement.

All capitalised terms in this Guideline have the same meaning as in the New Employment Services Deed 2019-2022.

This Guideline is not a stand-alone document and does not contain the entirety of Trial Providers' obligations. It must be read in conjunction with the relevant Deed and any relevant Guidelines or reference material issued by the Department under or in connection with the relevant Deed.

9. Table 1 - Wage Subsidy Types and Participant Eligibility

The list reflects how the hierarchy of Wage Subsidies is applied (in descending order) in the Department's IT Systems. A Participant can attract one Wage Subsidy at a time.

Indigenous Australians are eligible immediately on commencement in employment services. They must be flagged in the Department's IT Systems as Indigenous from registration with Services Australia — Centrelink, or the Department's Job Seeker Classification Instrument.

Wage subsidy	Amount (GST inc)	Commenced with an employment services Trial provider	Have mutual obligation requirements at the time they commence a job	Age/Other requirements	Specified income support payments
Restart	From 1 July 2021 all wage subsidy types across all Participants are up to \$10,000.	Must be registered with a Trial, jobactive, ParentsNext, Disability Employment Services (DES) or Community Development Programme (CDP) provider when the Wage Subsidy Agreement is created. Must have received any Services Australia or Department of Veterans Affairs Income Support Payment or pension (including Age Pension or Austudy) for the last six months. If they are not registered at the time, they must register as a Volunteer within 12 weeks.*	No	50 years of age or older	At the time of commencing a Placement be receiving any Australian Government income support payment or pension from Services Australia — Centrelink, or the Department of Veteran's Affairs (for the last six months).
Youth Bonus Wage Subsidy**		Must be a Fully Eligible Participant commenced with a Trial, jobactive, ParentsNext, or Transition to Work (TtW) provider and have been receiving continuous employment services for the last six months.***	Yes	15 to 24 years of age	At the time of commencing a Placement be receiving any Australian Government income support payment which has mutual obligation requirements including Job Seeker Payment, Parenting Payment Single (once the youngest child turns six years), or Special Benefit (Nominated Visa Holder).
Youth Wage Subsidy		Must be a Fully Eligible Participant commenced with a Trial, jobactive, ParentsNext or TtW provider and have been receiving continuous employment services for the last six months.***	Yes	25 to 29 years of age	
Parents Wage Subsidy		Must be a Fully Eligible Participant commenced with a Trial, jobactive, ParentsNext, or Transition to Work (TtW) provider and have been receiving continuous employment services for the last six months.***	Yes	Principal carer parent	
Long Term Unemployed		Must be a Fully Eligible Participant commenced with a Trial, jobactive, ParentsNext, or Transition to Work (TtW) provider and have been receiving continuous employment services for the last 12 months.***	Yes		

Notes:

* There is no limit to the number of times a Participant can access Restart Wage Subsidy Agreements provided all other eligibility criteria are met. From 9 December 2019 Volunteers can no longer register directly with an employment services provider but must instead register with the Volunteer Online Employment Services Trial through Services Australia. Participants registered with DES and CDP providers can only access the Restart Wage Subsidy.

**Youth Bonus Wage Subsidy – if the Participant loses the Youth Bonus wage subsidised job through no fault of their own within six months of starting, they may return to a Provider and immediately be eligible for a Youth Bonus Wage Subsidy, or any other Wage Subsidy they are entitled to

*** The period of service with a provider must be continuous and can include participation in NEST, jobactive, ParentsNext, TtW, DES and CDP. A job seeker's eligibility will not be affected if they exit and return to the service within an allowable break period of 13 weeks.