



## FACT SHEET

# Incentive payments

### What is the Jobs and Skills WA Employer Incentive\*?

The Jobs and Skills WA Employer Incentive (the incentive) provides financial assistance to Western Australian businesses who employ an apprentice or new entrant trainee, and who have lodged the training contract for registration, on or after **1 July 2019**.

Incentive payments are determined by the nominal term of the apprenticeship or traineeship. Additional loadings provide higher payments for training that is identified as a State priority or training for priority groups.

### Base incentive payments

Incentive rates are subject to change, however the following tables provide the **base incentive rates** as of 1 July 2019.

Apprenticeships				
Nominal Term*	Commencement Payment (\$)***	Mid-point Payment (\$)	Completion Payment (\$)	Total (\$)
24 months	1,700.00	1,275.00	1,275.00	4,250.00
36 months	2,550.00	1,912.50	1,912.50	6,375.00
42 months	2,975.00	2,231.25	2,231.25	7,437.50
48 months	3,400.00	2,550.00	2,550.00	8,500.00

- \* [The full time nominal term as stated on the Register of Class A and B qualifications](#). Part time apprentices will receive the same incentive payment as full time apprentices, with payments spread over a longer period.
- \*\* Please note that commencement payments are made six months after the commencement of the apprenticeship.

Traineeships*			
Nominal Term**	Commencement Payment (\$)***	Completion Payment (\$)	Total (\$)
6 months	0.00	1,062.50	1,062.50
9 months	0.00	1,593.75	1,593.75
12 months	1,062.50	1,062.50	2,125.00
18 months	1,593.75	1,593.75	3,187.50
24 months	2,125.00	2,125.00	4,250.00

- \* Please note that there are no mid-point incentive payments for trainees.
- \*\* [The full time nominal term as stated on the Register of Class A and B qualifications](#). Part time trainees will receive the same incentive payment as full time trainees, with payments spread over a longer period.
- \*\*\* Please note that commencement payments are made six months after the commencement of the traineeship.
- \*\*\*\*Traineeships of more than 24 months duration will attract an incentive payment at the rate of \$2,125 per year.

## What are the additional priority loading payments?

The additional priority loading payments are as follows:

Target group	Loading	Payment conditions
Apprenticeships and traineeships aligned to the <a href="#">State priority occupation list (SPOL)</a>	10%	Applied at the time the training contract is registered.
Aboriginal apprentices and trainees	10%	Applied at the time the training contract is registered or can be applied post-registration when declared by the apprentice or trainee.
Apprentices and trainees with a disability	10%	Applied at the time the training contract is negotiated or when declared by the apprentice or trainee.
Apprentices and trainees who are living and working in South Regional Western Australia: Goldfields–Esperance, Great Southern, Mid-West, Peel, South West, Wheatbelt	10%	Applied at the commencement of the training contract and updated each time the apprentice or trainee changes residential address.
Apprentices and trainees who are living and working in North Regional Western Australia: Pilbara, Kimberley, Gascoyne and Indian Ocean Territories	20%	Applied at the commencement of the training contract and updated each time the apprentice or trainee changes residential address.
Apprentices aged between 21 and 30 years of age	50%	Applied to the commencement payment for apprentices only.

## What happens if the payroll tax exemption is less than the incentive payment?

At the completion of an apprenticeship, a top-up payment may be claimed by an employer of an apprentice whose payroll tax exemption is less than the incentive payment.

Employers can apply for a top-up payment at the end of the term of the apprenticeship and will be required to provide sufficient evidence to demonstrate the amount claimed for payroll tax exemption.

The Department of Training and Workforce Development will administer the process, through the Western Australian Apprenticeship Management System (WAAMS) online client portal; and consult with the Office of State Revenue (OSR) to validate data and determine the correct top-up payment.

## What happens when changes are made to the apprenticeship or traineeship during the term of the training contract?

Incentive payments will be validated and paid at each payment milestone. If a change occurs during the course of the training contract for example, transfer of the apprentice or trainee to a new employer, change of qualification and so on; then this may affect incentive payments to the employer.

When changes occur, pro-rata incentive payments, including loadings; will be calculated between the incentive milestone payment points. The amount of pro-rata payments due to be paid to an employer will be made available to employers in the WAAMS portal.

### **What happens if an apprentice or trainee completes their training contract earlier than expected?**

If an apprentice or trainee completes their training contract earlier than expected then the completion milestone payment will be:

- reduced on a pro-rata basis if **less than** 75% of the nominal term has been reached; or
- paid in full if **more than or equal to** 75% of the nominal term has been reached.

### **What happens to incentive payments if a training contract is suspended, cancelled or terminated?**

If a training contract is suspended, incentive payments will also be suspended. If a training contract is cancelled or terminated, incentive payments will also cease.

### **Does an employer have to repay an incentive payment if an apprentice or trainee leaves their employment after a milestone has been reached?**

If the apprentice or trainee leaves after a milestone has been reached, the employer will not need to repay the incentive.

### **What incentive payments are available to employers of part-time apprentices and trainees?**

Employers of part-time apprentices and trainees will receive the same total incentive payment as that available for full time apprentices and trainees, with payments spread over a longer period reflecting the extended nominal term.

### **What incentive payments are available to employers of School-Based Apprentices or Trainees?**

Incentive payments will be applied to one School-Based Apprenticeship (SBA) or Traineeship (SBT). Students may undertake more than one SBA or SBT, however, second and subsequent school-based apprenticeships and traineeships will not attract incentive payments.

### **Is there a limit to the number of qualifications trainees can attract incentive payments for?**

No there is no limit, provided that the trainee is classified as a new entrant. New entrant trainees can attract incentive payments for multiple qualifications (with the exception of SBAs or SBTs), provided that they progress to a higher level qualification within three months of completing a traineeship.

For example, a new entrant trainee who completes a Certificate II qualification can progress to a Certificate III qualification; and will be considered a new entrant trainee for the purpose of the incentive. Further information on the new entrant definition is provided in the *Jobs and Skills WA Employer Incentive – Terms and Conditions*.

## **Is there a limit to the number of claims an employer can make per financial year, or for an individual apprentice or trainee?**

An employer will be entitled to claim incentive payments for each apprentice or new entrant trainee they employ. There is no limit on the number of apprentices or new entrant trainees an employer takes on.

### **Further information**

Telephone: 13 19 54

Email: [employerincentive@dtwd.wa.gov.au](mailto:employerincentive@dtwd.wa.gov.au)

**Please note: The Jobs and Skills WA Employer Incentive is subject to the passing of Payroll Tax legislation through State Parliament.**

Version: 29/05/2019

4