



Disability Employment Services Wage Subsidy Scheme Guidelines V1.6

Disclaimer

This document is not a stand-alone document and does not contain the entirety of Disability Employment Services Providers' obligations. It must be read in conjunction with the Disability Employment Services Grant Agreement and any relevant guidelines, reference material or supporting documents issued by the Department of Social Services under or in connection with the Disability Employment Services Grant Agreement.

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Document Change History

Version	Effective date	End date	Change and location
1.6	1 Jul 2022		Amendment: updated the definition of immediate family member. This definition is consistent with Fair Work Ombudsman's glossary of terms.
			Amendment: removed flowchart description of process flow.
1.5	28 Jun 2021	30 Jun 2022	Clarification: updated to clarify the Provider must upload evidence from the Employer to verify any periods of approved leave.
			Clarification: updated to clarify that a paid work trial cannot be more than two consecutive calendar weeks.
			Clarification: updated to clarify that Providers must include the details of the Provider Expenses including the Provider administration fee being claimed into the Additional Terms and Conditions field in the Wage Subsidy Scheme Agreement.
			Amendment: Consistent with the Documentary Evidence for Claims for Payment Guidelines, amended the requirement to 'retain' with the requirement to 'upload' documentary evidence.
1.4	8 Mar 2021	27 Jun 2021	Amendment: updated to require Providers to include actual claim period start and end date in the Department's IT Systems when submitting a Wage Subsidy Scheme claim for reimbursement.
			Amendment: updated the number of days required for approval of the DES Wage Subsidy Scheme Agreement from 28 days to 56 days to reflect current ESSWeb system rules.
1.3	7 Dec 2020	7 Mar 2021	Amendment: updated to include paid work trials.
1.2	29 Jun 2020	6 Dec 2020	Amendment: to include provisions for approved leave and to allow all periods of approved leave, paid or unpaid, to count towards the DES Wage Subsidy Participant's hours worked and to be treated as though the DES Wage Subsidy Participant worked the hours.
1.1	2 Dec 2019	28 Jun 2020	Terminology: changed 'Job in Jeopardy' to 'Work Assist', 'Contract Manager' to 'Relationship Manager', and 'Non-payable placement' to 'non-payable outcome'.
			Formatting: throughout guideline
1.0	1 Jul 2018	1 Dec 2019	Original version of document.

Explanatory Note

All capitalised terms have the same meaning as in the Disability Employment Services Grant Agreement. In this document, 'must' means that compliance is mandatory and 'should' means that compliance represents best practice and that compliance is discretionary.

The term 'Provider' in this Guideline means a Disability Employment Services (DES) Provider unless otherwise stated.

The term 'Participant' in this Guideline refers to a job seeker, Prospective Participant, DES Participant.

The Department referred to in this Guideline is the Department of Social Services.

Summary

This Guideline includes the following topics relating to Providers' role and responsibilities for the provision of the Wage Subsidy Scheme, including:

- Determining Job Seeker, Employer and Placement Eligibility
- Negotiating the wage subsidy
- Recording the wage subsidy placement
- Completing the wage subsidy agreement
- Monitoring the wage subsidy placement
- Collecting evidence of employment
- Paying the employer
- Claiming reimbursement

Policy Intent

DES wage subsidies provides a financial incentive to encourage an Employer to give a Participant an opportunity to demonstrate their suitability for ongoing employment. They enable Providers to offer financial assistance to encourage Employers to provide sustainable Employment to eligible Participants.

Relevant Grant Agreement clause

The relevant clauses in the Disability Employment Services Grant Agreement include:

- Clause 101 Wage Subsidy and Employment Assistance Fund
- Annexure A Definitions

Relevant references

Reference documents relevant to this Guideline include:

- Documentary Evidence for Claims for Payment Guidelines
- Wage Subsidy Scheme Supporting Document

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DES Wage Subsidy Scheme Subsidies

Who is Responsible	What is Required
1. The Provider	Determine the need for a wage subsidy
Promotes wage subsidies and	A wage subsidy provides a financial incentive to encourage an Employer to give the Participant an opportunity to demonstrate their suitability for ongoing employment.
determines that a wage	A wage subsidy must not be more than 100 per cent of the Participant's wage.
subsidy is required to secure a Placement for a Participant	During discussions with an Employer about a possible placement for an eligible Participant, a Provider may decide that a wage subsidy should be offered to the prospective Employer. Wage subsidies must be negotiated before the placement commences.
	Only one wage subsidy can be used for any placement.
2. The Provider	Check wage subsidy eligibility
Checks that all eligibility requirements for the wage subsidy are met	Providers must ensure that all eligibility requirements for the proposed wage subsidy are met, including those relating to the: • Participant (Step 2a) • Employer (Step 2b) • Placement (Step 2c).
2.a The Provider	Participant eligibility requirements
Checks Participant eligibility for a wage subsidy	To be eligible for a wage subsidy, a Participant must: • be registered with a DES Provider • be of legal working age.
Grant Agreement Clause References: Annexure A — Definition: Related Entity	 The Participant must not: have any outstanding workers' compensation claims against the Employer have a pre-existing or current business relationship with the Employer (i.e. director of a common company, partnership, franchise arrangements etc.) be a Work Assist Participant.
	This subsidy is available for all Australian citizens or permanent residents who are registered as a DES Participant.
	Participants will remain eligible for the subsidy unless two subsidies under the Wage Subsidy Scheme have already been claimed for the Participant in that financial year.
2.b The Provider	Employer eligibility requirements
Checks Employer eligibility for a wage subsidy Grant Agreement Clause References: • Annexure A — Definition: Related Entity • Annexure A — Definition: Own Organisation	 be of a type of character that would bring the wage subsidy or the Commonwealth Government into disrepute (e.g. an Employer with a history of dismissing staff or an Employer who engages in illegal activities) have recently retrenched or reduced the number of workers (or be proposing to do so) without providing satisfactory explanation to the Provider already employ the Participant in the Employment position have previously received a wage subsidy for the Participant, unless the Department has given prior approval be receiving another government wage subsidy or funding for the same
Organisation	 worker or position have received another wage subsidy for the same position within the previous 12 month period. This does not include Employers with multiple

Who is Responsible	What is Required
	 positions that are considered the same for example factory line workers, in this case a wage subsidy can be used for each individual position be part of the Provider's Own Organisation or Related Entity as defined under the Disability Services Grant Agreement be a Provider funded under the Disability Employment Services Grant Agreement previously have employed the Participant in any position, except where that employment would not have allowed the Employer to test the Participant's suitability for Employment (for example where the previous employment was in a different geographical location or branch/outlet in a large organisation) be an immediate family member of the Participant.
	Apprenticeships/Traineeships
	Australian Apprenticeship and Traineeship vacancies are eligible under the Wage Subsidy Scheme provided they don't provide an additional Commonwealth or State or Territory government wage subsidy or wage support component. Examples of vacancies that are not eligible include those that attract Disabled Australian Apprentice Wage Support, the Indigenous Employment Wage Assistance Programme and Support for Adult Australian Apprenticeship payment (where it is paid to the Employer).
	Immediate Family Members
	 For the purposes of receiving the Wage Subsidy Scheme, the following is deemed to be an immediate family member for a Participant: a spouse or former spouse, de facto partner or former de facto partner, child, parent, grandparent, grandchild or sibling of the Participant a child, parent, grandparent, grandchild or sibling of a spouse or former spouse, de facto partner or former de factor partner of the Participant. It includes step-relations (e.g. step-parents and step-children) as well as adoptive relations.
2.c The Provider	Placement eligibility requirements
Checks Placement eligibility for a wage subsidy Grant Agreement Clause References: • Annexure A — Definition: 'Non-Payable Outcomes'	 To be eligible for a Wage Subsidy, the Placement must: be under open employment conditions (under a legal industrial agreement that complies with minimum standards established under Commonwealth, State or Territory Law) guarantee the Participant a weekly award based wage (for example: no commission based or subcontracting type positions).
	 The Placement must not: lead to a Non-Payable Outcome (School Based Apprenticeship and Traineeship Placements are permitted) displace existing workers be classified as self-employment, including a Self-Employment Assistance or New Enterprise Incentive Scheme (NEIS) Placement be a position with a Commonwealth or State or Territory Government department or agency be a Community Development Employment Project Placement be in an industry or field that could bring the Commonwealth Government or its programmes into disrepute.

Who is Responsible What is Required Wage subsidies may be used for employment in local government councils, or in ancillary services such as school canteens, provided the Commonwealth, or State or Territory Government does not fund the positions. Wage subsidies may be paid for Participants who are receiving a productivity based wage under the Supported Wage System (SWS). Job placements must be expected to be: of at least 8 hours per week of at least 13 weeks duration, and with an expectation of exceeding 13 weeks. Leave Approved leave is: leave that the Employer agrees to and must provide as part of the minimum Employment entitlements set out in the National Employment Standards (NES) under the Fair Work Act 2009 leave approved by the Employer that the DES Wage Subsidy Participant is entitled to under the relevant award, registered agreement or contract of Employment (these leave entitlements cannot be less than the NES) leave agreed to by the Employer and the DES Wage Subsidy Participant. All periods of approved leave, paid or unpaid, count towards the DES Wage Subsidy Participant's hours worked and are treated as though the DES Wage Subsidy Participant worked the hours. If leave is approved, Providers must ensure any payments made to the Employer do not exceed 100 per cent of the DES Wage Subsidy Participant's wage. Approved leave cannot be used to regularly supplement a DES Wage Subsidy Participant's work hours to meet the 8 hour per week requirement. The Provider must upload into the Department's IT Systems at the time of making the DES Wage Subsidy Scheme claim, evidence from the Employer to verify any periods of approved leave. **Work Trials** DES Wage Subsidy Scheme is available for job seekers participating in paid work trials. Paid work trials are not considered pre-existing Employment. DES Wage Subsidy Scheme can either begin at the start of a paid work trial, or at the end of the paid work trial when ongoing Employment commences. A paid work trial cannot be more than two consecutive calendar weeks. Work trials must meet Fair Work Act requirements, which set out the reasonable circumstances of a paid and unpaid work trial. DES Wage Subsidy Scheme is not available for job seekers participating in an unpaid work trial, including work experience or internships. DES Wage Subsidy Scheme can be used for Employment that commences after an unpaid work trial ends. Unpaid work trials are not considered pre-existing Employment for the purpose of this Guideline.

Who is Responsible What is Required 3. The Provider **Negotiating a Wage Subsidy** After confirming the eligibility of the Participant, the Employer and the proposed Negotiates the wage subsidy conditions with Placement for a wage subsidy, the Provider must negotiate the wage subsidy the Employer conditions with the Employer. Wage subsidy conditions must be negotiated before the job placement starts, and must be recorded on the Department's IT System within 56 days of the placement commencing. The purpose of these negotiations is to establish a common understanding by the Provider and the Employer about the terms and conditions of the wage subsidy. As a result of these negotiations, both parties should have similar expectations of: the maximum subsidy amount that will be available the expected start date and duration of the subsidy period the work and hours the Participant will undertake timing and frequency of documentary evidence timing and frequency of payments to the Employer any planned unpaid breaks (e.g. any shutdown periods) the support that the DES Provider and the Employer will be delivering to ensure the Participant's success other conditions relevant to the placement and subsidy. The negotiated wage subsidy terms must be recorded in a Wage Subsidy Agreement, as described in step five of these Guidelines. **Negotiating Wage Subsidy settings** The maximum settings allowed by each subsidy are described in these Guidelines, however, in some cases it may be appropriate to negotiate Wage Subsidy conditions within these limits. For example, a Provider may choose to offer a subsidy of only \$1,000 under the Wage Subsidy Scheme. The Provider should ensure that the Employer is aware the negotiated subsidy amount is the maximum value which may be provided. The actual subsidy amounts paid may be less than the negotiated maximum. This may occur, for instance, where: the placement ends before the subsidy end date the Participant does not work at the agreed level the wage paid is less than the negotiated subsidy value. Value: Providers may negotiate an appropriate wage subsidy of up to \$1,500 (excluding GST) for a job placement lasting at least 13 weeks. If Provider expenses (described below) are claimed, this maximum subsidy value will be correspondingly reduced. The maximum subsidy value should be commensurate with the Participant's level of disadvantage and serve as an incentive for the Employer to employ the Participant in sustainable employment. Duration: The maximum duration of the subsidy period is 26 weeks, although the subsidy may be paid in full as soon as the Participant works for at least 13 weeks at the agreed employment hours. Provider Expenses: Providers may choose to claim up to \$400 of the available Wage Subsidy Scheme subsidy amount as reimbursement for items which are essential to the placement and which are not available from the Employer or another source

Who is Responsible	What is Required
•	such as the Employment Assistance Fund (EAF). Up to \$100 of this \$400 may be claimed by the Provider as an administration fee. Providers must include the details of the Provider Expenses including the Provider administration fee being claimed into the Additional Terms and Conditions field in the Wage Subsidy Scheme Agreement.
	Providers do not need to negotiate Provider expenses with an Employer, but should note when negotiating that the maximum \$1,500 (excluding GST) subsidy value is reduced by any claimed Provider expenses. For example, if a Provider intends to claim \$100 as an administration fee and \$200 as reimbursement for the cost of providing necessary tools for the Participant, the maximum subsidy available which could be negotiated with the Employer is now \$1500 - \$100 - \$200 = \$1200 (excluding GST).
	Providers must not negotiate or include any terms or conditions that are contrary to the terms and conditions contained in the generated Wage Subsidy Scheme Agreement, or the DES Wage Subsidy Scheme Guidelines.
4. The Provider	Recording a Wage Subsidy Placement
Records the wage subsidy in the Department's IT Systems	When a Wage Subsidy Scheme is to be used, the Provider must select the appropriate wage subsidy on the Employer and Vacancies - Agreement Search screen of the Department's IT System. For more information see the <i>Wage Subsidy Scheme Supporting Document</i> .
	Selecting a subsidy on the Agreement Search screen allows the Provider to access the Wage Subsidy Scheme Agreement, and link the Wage Subsidy Scheme Agreement to the correct Vacancy.
	The Provider should record a wage subsidy against the relevant placement as soon as the subsidy has been negotiated and must do so no later than 56 days after the placement start date.
	The completed Wage Subsidy Agreement must be recorded in the Department's IT System within 56 days of the Wage Subsidy Placement Commencing.
	Australian Business Number (ABN)
	Providers must record the Employer's ABN on the Employer Details screen of the Department's IT system to enable a wage subsidy to be processed in the system. Providers can get the ABN by contacting the Employer or searching for it on the Australian Business Register website.
5. The Provider and	Completing a Wage Subsidy Agreement
the Employer Completes a Wage Subsidy Agreement	Once the wage subsidy details are agreed, the Provider must record those details in a Wage Subsidy Agreement. A copy of the Wage Subsidy Agreement must be given to the Employer and the Provider must keep a copy for their records. The Provider must supply a copy of the Agreement to the Department if requested to do so.
	The Provider may choose to complete a manual Wage Subsidy Agreement with the Employer, or send an electronic version to the employer via email.
	Providers must not use their own agreement form when completing a manual Wage Subsidy Scheme Agreement. Details of the manual Agreements must be entered into the Department's IT System and Approved within 56 days of the wage subsidy placement commencing.
	When the Provider goes to the Employer and Vacancies - Agreement Search screen of the Department's IT System, selects <i>Create</i> , selects Wage Subsidy Scheme and

Who is Responsible	What is Required
•	links it to a Vacancy placement, the Wage Subsidy Scheme Agreement becomes available.
	Job seeker, Provider, Vacancy and Employer information will be auto-populated into the Wage Subsidy Agreement. The Provider must include additional information to complete the Wage Subsidy Agreement and should include any additional negotiated details.
	Approving a Wage Subsidy Agreement
	A Wage Subsidy Agreement is in place when both the Provider and the Employer have signed their respective Declarations. Once the Agreement has been signed, the Provider must indicate the Agreement has been Approved on the Department's IT Systems by selecting Approved on the Wage Subsidy Agreement screen on the Department's IT Systems and confirming the Declaration that all details are correct, that both the employer and the Provider have signed the Agreement, and that the Provider has retained a copy of the Agreement signed by both parties.
	The Provider cannot make claims for reimbursement until the Wage Subsidy Scheme Agreement has been Approved.
	The Wage Subsidy Agreement must be Approved within 56 days of the Placement Commencing. Any Wage Subsidy Agreements not Approved within 56 days of the Placement Commencing may be deleted by the Department, and may not be available for reimbursement.
6. The Provider	Monitoring the Job Placement
Monitors Placement Grant Agreement Clause References: Transferred Wage Subsidy	When the Participant commences Employment, the Provider should check that the wage subsidy has been properly recorded on the Department's IT Systems.
	It is expected that Providers will support the Participant and the Employer throughout the job placement. The support to be provided should be included in the Wage Subsidy Agreement.
Participants -	Transferred Wage Subsidy Participants
101.5, and 101.6.	Providers will be expected to continue to make payments and provide appropriate support to the Participant and the Employer if a Participant transfers between providers.
	The gaining provider must immediately contact the transferred wage subsidy Participant's Employer and use the Provider's best endeavours to enter into a Wage Subsidy Agreement with the Employer and support the ongoing wage subsidy Placement.
	For more information on managing a transferred Wage Subsidy Scheme Agreement see the Wage Subsidy Scheme Supporting Document.
	Placement not proceeding to plan
	Wage subsidies are provided on the expectation that the Participant will work under specified conditions.
	In some circumstances, it may be necessary for the Provider to suspend payment of a wage subsidy if the Participant cannot work due to ill health or if the Employer has a shutdown period. The period of suspension does not count towards the negotiated wage subsidy period.
	For example, a Provider has negotiated to pay a wage subsidy to an Employer once a Participant completes 13 weeks of Employment. After working for six weeks the

Who is Responsible	What is Required
·	Participant is unable to work for three weeks. The Participant would need to work for another seven weeks to attract the full negotiated wage subsidy.
	The maximum duration of the Wage Subsidy Scheme is 26 weeks, so no more than 13 weeks of suspension can be provided. After 26 weeks, the Provider can claim reimbursement for a pro-rata payment to the Employer for each week of employment at eight hours or more (to a maximum of 13 weeks worked).
	Placement ends early
	If a Placement ends early the actual end date and reason why must be recorded in the Department's IT Systems.
7. The Employer	Paying wages
Pays wages and provides evidence of Employment	The Employer is responsible for paying wages to the Participant. This should be done in accordance with any statutes and awards under which the Participant is employed.
	Submitting evidence
	The Employer is responsible for submitting evidence to the Provider showing that the Participant has been employed and paid. The Employer should provide details of the hours worked by and the wages paid to the Participant as well as any paid or unpaid leave.
	The Employer can submit evidence as frequently as they wish and evidence may be submitted either electronically (via email or fax) or in hard copy.
	Goods and Services Tax (GST)
	Providers must advise Employers that they must consider GST implications in relation to wage subsidies. Employers and Providers are encouraged to speak to the Australian Tax Office (ATO) or a qualified tax consultant for advice.
	Where GST is applicable to the wage subsidy, Employers must submit a valid tax invoice as required by the ATO.
8. The Provider	Collecting evidence of Employment
Collects evidence of Employment	The Provider must make sure that sufficient evidence has been submitted by the Employer, before paying the wage subsidy. Documentary Evidence requirements are set out in the <i>Documentary Evidence for Claims for Payments Guidelines</i> .
	Providers should monitor the evidence provided by Employers. If required information is missing they should discuss this with the Employer. This may be required if evidence:
	 is not lodged by the agreed time lodgement does not contain all the required information
	 is not lodged for the entire wage subsidy period (i.e. there is a gap between the end date of one evidence period and the start date of the next period).

Who is Responsible What is Required 9. The Provider Paying Employer the agreed Wage Subsidy amount Pays the Employer the Wage subsidies are paid in arrears. The Provider must pay the Employer based on agreed wage subsidy information contained in the Wage Subsidy Agreement and evidence supplied by the amount Employer. Where the Employment ceases, the Provider must pay any outstanding wage subsidy payments owed to the Employer. The Employer must be paid on a pro rata basis for the period the Participant is employed. The Provider is responsible for making payments in accordance with the agreed payment schedule and the conditions of each wage subsidy. The Provider may make payments to the Employer at any time, however: the Provider cannot claim reimbursement from the Department for placements lasting less than 6 weeks the provider can make only one claim for reimbursement from the Department. Where the Employer advises that the Participant did not work for a period, for reasons such as ill health or Employer shutdown, the provider should suspend the wage subsidy for that period. 10. The Provider Claiming Reimbursement of wage subsidy on the Department's IT Systems Claims reimbursement Wage Subsidies are only available to claim if: of wage subsidy on the the wage subsidy has been negotiated prior to the Placement Commencing Department's IT the Wage Subsidy Agreement has been signed by both the Provider and the Systems **Employer** the Wage Subsidy Agreement has been Approved within 56 days of the **Placement Commencing** the actual claim period is reflected in the Department's IT Systems at the time of lodging each Wage Subsidy Scheme claim for reimbursement. If the default claim period in the Department's IT Systems does not reflect the actual claim period, the Provider must include a comment in the Department's IT Systems on the Payment Details screen, at the time of lodging the Wage Subsidy Scheme reimbursement claim, to specify the actual start and end date for the claim period for each Wage Subsidy Scheme claim for reimbursement. The Payment Details screen can be found in ESSWeb under the Payments menu. Any wage subsidy that has not been Approved in the Department's IT System within 56 days of the Placement Commencing may only be paid in exceptional circumstances with Relationship Manager approval. Providers can claim reimbursement of wage subsidy payments to the lesser amount of: the actual payment made to the Employer in accordance with the Guidelines, supported by evidence the amount allowed for the wage subsidy in accordance with the Guidelines and supporting documents. Providers must upload the necessary documentary evidence as required by the Documentary Evidence for Claims for Payments Guidelines to support claims for reimbursement.

Who is Responsible	What is Required
	Providers can claim reimbursement for: • the wage subsidy amount • any Provider expenses.
	Providers should not claim reimbursement until the wage subsidy has ended, as only one claim for reimbursement can be made under this wage subsidy.
	Any subsequent claim must be made as a Special Claim if the Provider can satisfy the Relationship Manager that the claim should be paid.
	 Subsidy reimbursements can/cannot be claimed as follows: Employment lasting less than 6 weeks - no wage subsidy reimbursement can be claimed. Employment lasting between 6 and 13 weeks - pro-rata subsidy reimbursement can be claimed only if:
	End of process.