



FACT SHEET

Group Training Organisation Wage Subsidy — Payment structure

The Group Training Organisation (GTO) Wage Subsidy has been introduced in response to a WA State Government election commitment, to assist small to medium enterprises (SMEs) who are engaged in tendering for government projects across Western Australia.

The GTO Wage Subsidy commenced on 1 January 2022, and will assist SMEs by providing access to 300 apprentices and trainees employed through group training organisations (GTOs).

The GTO Wage Subsidy covers approximately the average estimated award wage paid to apprentices and trainees in the building and construction sector, for the period of time the apprentice or trainee remains actively employed in a training contract registered with the Department of Training and Workforce Development (the Department). The GWS does not cover superannuation, leave and other allowances, overtime or over-award payments.

Wage subsidy payments

Table 1 provides an overview of the annual wage subsidy payment amounts available to GTOs who have been allocated a place in the program.

GTO WAGE SUBSIDY (GWS) – ANNUAL WAGE SUBSIDY PAYMENTS					
Nominal term	First year	Second year	Third year	Fourth year	Total payments
12-month traineeships	\$28,534	\$0	\$0	\$0	\$28,534
18-month traineeships	\$28,534	\$15,991	\$0	\$0	\$44,525
24-month traineeships/apprenticeships	\$28,534	\$31,981	\$0	\$0	\$60,515
36-month apprenticeships	\$28,534	\$31,981	\$34,722	\$0	\$95,237
42-month apprenticeships	\$28,534	\$31,981	\$34,722	\$19,694	\$114,931
48-month apprenticeships	\$28,534	\$31,981	\$34,722	\$39,388	\$134,625

Table 1: GWS Annual wage subsidy payments – Apprenticeships and traineeships

Notes

- 1 Wages have been standardised for all trades for each nominal duration.
- 2 Wage costs are for base wage only and have not factored in superannuation, leave and other allowances, overtime or over-award payments.

Payment conditions

Extension to the training contract

Wage subsidy payments will be made monthly in arrears from the training contract start date, for the duration of the nominal term of the training contract, while the apprentice or trainee is employed.

This includes extensions to the initial term of the training contract to a maximum of 12 months for apprenticeships and six months for traineeships.

Part time apprenticeships and traineeships

In the case of part time apprenticeships and traineeships, subsidy payments will be calculated at the pro-rata equivalent of the rate payable to full time apprentices and trainees.

Calculation of pro-rata amounts will be based on the nominal duration of the apprenticeship or traineeship.

Training contract changes

The following variations to a training contract, may result in a change to wage subsidy payments.

Change of qualification and/or the nominal duration of the qualification

- Eligibility is determined using the qualification details at each payment point; therefore if a change is made to the qualification prior to the payment point being reached, then payment amounts will be recalculated.
- A payment adjustment may be required if an apprentice or trainee changes to a qualification with a different nominal duration after a payment has been made.

Assignment (transfer) to another GTO

- If the apprentice or trainee leaves the GTO, the place may be reallocated. That is, both the original and the new GTO would receive a portion of the payment, proportional to the time that they employed the apprentice or trainee.

Change in training type

- If the training contract is varied from full time to part time or part time to full time, then payments amount will be recalculated.

Suspension of the training contract

- If a training contract is suspended, wage subsidy payments will be suspended until the suspension is lifted.

Termination of the training contract

- If a training contract is terminated or cancelled **before** a payment point has been reached, then a pro-rata payment will be made from the date of the termination or cancellation.
- If however a training contract is terminated **after** a payment point has been reached, then the GTO will still be able to receive the previous month's subsidy payment.
- Should eligible training contracts be terminated prior to their completion, the allocated place may be reassigned.

Charge out rates

As the GTO Wage Subsidy program is providing payment of an apprentice or trainee's base wages, GTOs are required to apply a reduced charge out rate for each apprentice and trainee who has been allocated a place in the GWS program; commensurate with the subsidy amount that has been received.

Supervision and coordination payments

In addition to wage subsidy payments, GTOs will receive a \$1,000 supervision and coordination payment per apprentice or trainee, paid at the registration of the training contract and each year thereafter on the anniversary of the registration, for the duration of the training contract.

Repayment of the wage subsidy

Repayment of the GWS may be required where a GTO does not meet their obligations under the program in accordance with the Terms and Conditions or cannot demonstrate substantive hosting to employers working on government contracts.

Further information

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